



Development
Researchers'
Network

Italy



Aide à la Décision Economique
Belgium



PARTICIP GmbH
Germany



Deutsches Institut für
Entwicklungspolitik German Development
Institute

Deutsches Institut für
Entwicklungspolitik
Germany



Overseas Development Institute
United Kingdom



European Institute for Asian Studies
Belgium



ICEI Instituto Complutense
de Estudios Internacionales
Istituto Complutense de Estudios
Internacionales
Spain

A consortium of
DRN, ADE, PARTICIP, DIE, ODI, EIAS & ICEI
c/o DRN, leading company:

Headquarters

Via Ippolito Nievo 62
00153 Rome, Italy
Tel: +39-06-581-6074
Fax: +39-06-581-6390
mail@drn-network.com

Belgium office

Square Eugène Plasky, 92
1030 Brussels, Belgium
Tel: +32-2-732-4607
Tel: +32-2-736-1663
Fax: +32-2-706-5442
bruxelles@drn-network.com

Framework contract for
**Multi-country thematic and regional/country-level
strategy evaluation studies and synthesis**
in the area of external co-operation

LOT 4:

**Evaluation of EC geographic co-operation
strategies for countries/regions in Asia, Latin
America, the Southern Mediterranean and Eastern
Europe (the area of the New Neighbourhood
Policy)**

Ref.: EuropeAid/122888/C/SER/Multi

**Evaluation of
European Commission's
Cooperation with Nicaragua
1998-2008**

Final Report

Volume II – Annexes 1 - 12

November 2009

The author accepts sole responsibility for this report, drawn up on behalf of the Commission of the European Communities. The report does not necessarily reflect the views of the Commission.

Table of Contents

ANNEX 1 - NICARAGUA GENERAL CONTEXT	1
A1.1 ECONOMIC CONTEXT	1
A1.2 SOCIAL CONTEXT	5
A1.3 THE POLITICAL CONTEXT	11
A1.4 NICARAGUA'S DEVELOPMENT STRATEGY	12
ANNEX 2 - PRIORITIES AS IDENTIFIED BY THE POOR	15
A2.1 LEADERS AND PEOPLE AGREE ON THE TOP PRIORITY: POTABLE WATER.....	15
A2.2 THE CONSTRUCTION OF ROADS AND REPAIR OF EXISTING ROADS IS ALSO LISTED AS A TOP PRIORITY BY LEADERS AND PEOPLE IN GENERAL.....	16
A2.3 HAVING LIMITED PRODUCTIVE OPPORTUNITIES IS A RESONANT THEME NATIONWIDE.....	16
A2.4 HEALTH AND EDUCATION, INFRASTRUCTURE AND SERVICES, ARE AT THE TOP OF THE LIST FOR LEADERS AND FOR PEOPLE.....	17
A2.5 POLICY RECOMMENDATIONS	18
ANNEX 3 - OVERSEAS DEVELOPMENT ASSISTANCE (ODA)	19
A3.1 THE CONTEXT OF INTERNATIONAL AID.....	19
A3.2 STATISTICS ON ODA	20
ANNEX 4 - EC COOPERATION STRATEGY.....	23
A4.1 THE EUROPEAN COMMUNITY'S GENERAL DEVELOPMENT POLICY	23
A4.2 EUROPEAN COMMUNITY COOPERATION WITH LATIN AND CENTRAL AMERICA.....	24
A4.3 EUROPEAN COMMUNITY COOPERATION WITH NICARAGUA	27
ANNEX 5 - EC INTERVENTIONS IN NICARAGUA.....	37
A5.1 OVERALL COMMITMENTS.....	37
A5.2 SECTORAL DISTRIBUTION.....	38
A5.3 SIZE: MODALITY, BIG PROGRAMMES AND FINANCIAL INSTRUMENTS.....	40
ANNEX 6 - CHRONOLOGY OF EC POST-MITCH INTERVENTIONS.....	45
ANNEX 7 - LIST OF EC INTERVENTIONS IN NICARAGUA 1998-2008	47
ANNEX 8 – DATA COLLECTION GRID.....	61
EQ1: RELEVANCE OF THE EC STRATEGY	62
EQ2: DEVELOPMENT IN RURAL AREAS	83
EQ3: GOOD GOVERNANCE.....	119
EQ4: BUDGET SUPPORT	138
EQ5: LINKING RELIEF, REHABILITATION AND DEVELOPMENT	158
EQ6: EDUCATION	181
EQ7: EFFICIENCY.....	193
EQ8: CROSS-CUTTING ISSUES	201
EQ9: THE “3Cs” (COORDINATION, COMPLEMENTARITY, COHERENCE)	213

ANNEX 9 - LIST OF INTERVENTIONS SELECTED	227
ANNEX 10 - LIST OF INTERVIEWEES	231
ANNEX 11 - BIBLIOGRAPHY	235
ANNEX 12 - TERMS OF REFERENCE	241

Annex 1 - Nicaragua general context

Nicaragua is the largest country of the Central American isthmus, with a total area of 130.374 km² (including the lakes). In 2005 the population totalled 5,457,200 inhabitants. Population growth is still significant but has slowed during the last five years. The average growth rate was 2.2% from 1975-2005 but decreased to 1.4% during the period 2000-2007¹.

Population is mostly concentrated in the lowlands of the Pacific coast. In terms of landscape and settlement, the country can be divided into three zones:

- the lowlands of the Pacific coast, which are flat except for a line of young volcanoes, many still active, lying between the coast and the Lago of Nicaragua (about 160 km long and 24 km wide); the fertile lowlands plains surrounding the lakes are densely populated and well cultivated, while Managua, the capital, and the most important urban centres of the country are located in this zone;
- the central highlands, which extend to the northeast and centre of the country, are composed of ridges of 900-1,800m altitude. Its western slopes are dedicated to coffee growing while the eastern slopes, exposed to moisture-laden Caribbean trade winds, are covered with rain forest and are lightly populated with isolated colonies and small communities of indigenous people; *and*
- the eastern Caribbean lowlands, which occupy more than 50% of the territory and still are sparsely settled. From the coastal plains of the Caribbean coast the landscape progressively rises to pine and palm savannas and finally to tropical rain forest. Soil fertility is generally poor except for the banks and narrow floodplains of the numerous rivers (San Juan, Escondido, Grande, Pinzapolka and Coco).

A1.1 Economic context

The long term evolution

The actual economic context is influenced by the country's history during the last four or five decades.

The 1972 major earthquake which destroyed most of the city of Managua was followed by massive embezzlements of international aid, a huge increase in external indebtedness, and a progressive shift of the middle class away from the Somoza regime and in favour of the Sandinista guerrilla. In 1979, the year of the Sandinista insurrection and victory, the per capita GNI fell one third. It somehow recovered during the first years of the new regime and reached a peak of 1,440 US current \$, PPP², in 1987³. But the country's economy

¹ UNDP, Human Development Report 2007.

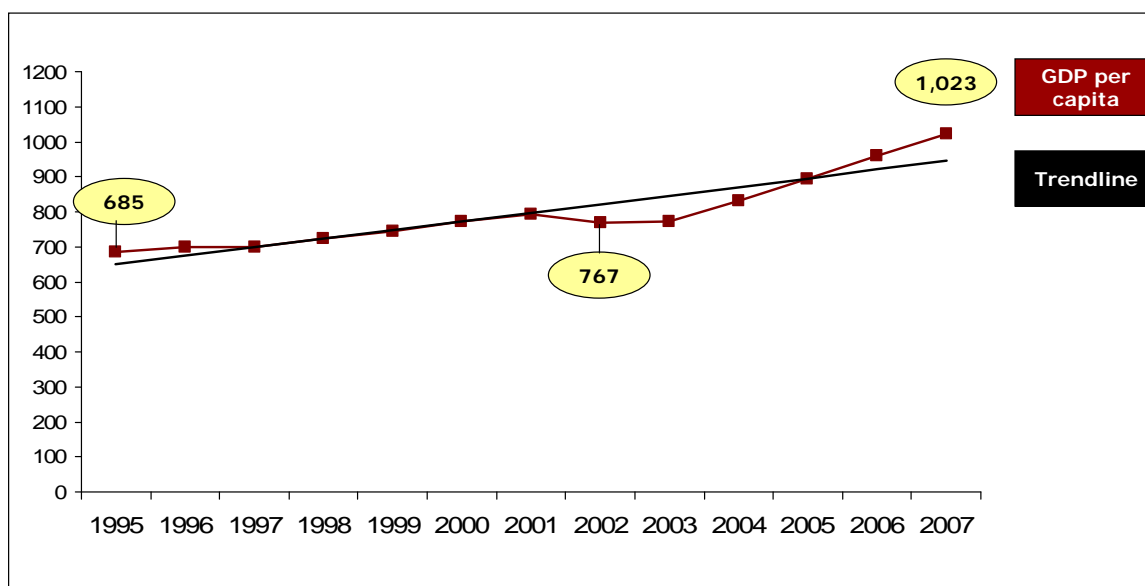
² PPP = Purchasing Power Parity: data's on income are corrected for the internal price level in order to reflect the real purchasing power of an US\$ in Nicaragua and permit international comparisons.

³ All the data's of this paragraph are extracted from the World Bank Development Indicators.

almost collapsed under the double pressure of the Contra's insurgency which held most of the border regions with Honduras and Costa Rica, and of the North American quasi financial and commercial blockade. Therefore the per capita GNI fell 30% from 87 to 89 (in two years), recovered 20% in 1990 with the peace agreement, the (theoretical) end of the war and the end of the blockade, but plunged another 26% between 1990 and 1992 with the application of the IMF structural adjustment plan. From an absolute bottom of US\$ 950 reached in 1992, the per capita GNI (always at PPP) attained US\$ 2,420 in 2007, which means a considerable growth rate of 6.4% a year, on average, during the last 15 years. Even so, the GNI per capita only recovered in 1999 its level of 1987. An almost decade of armed struggle and economic war explains, at least partially, the relative poverty of Nicaragua as compared to the neighbouring countries: in monetary terms, Nicaragua is still among the poorest countries of Latin America.

Gross Domestic Product (GDP) *per capita* shows the same trend as the GNI at PPP, but passes from current US\$ 413 in 1992 to 1,013 in 2007 which represents an average growth rate of 5.4% per year over the last 15 years (see graph below)⁴.

Figure A1.1 : Evolution of GDP per capita in current USD



	1995	1997	1999	2001	2003	2005	2007p/
GDP in \$m	3191.30	3382.75	3742.70	4102.40	4101.47	4871.97	5726.39
GDP growth rate	5.9	4.0	7.0	3.0	2.5	4.3	3.8
GDP <i>per capita</i> (\$)	685.2	698.4	746.0	792.9	772.0	893.9	1,023.4
GDP <i>per capita</i> growth rate	4.9	(0.0)	3.0	2.6	0.6	7.7	6.8

Source: BCN

⁴ The large difference between GNI data's at PPP and GDP data's is mostly explained by the very high purchasing power of an US\$ in Nicaragua (almost double) compared with the USA.

Evolution of fiscal balance⁵

During the 1980s Nicaragua developed a massive public debt and high dependence on foreign aid, both of which were reflected in huge fiscal deficits as compared to other countries in Latin America. After the war and the 1990 elections, the country followed a very strict IMF structural adjustment programme and since then was closely scrutinized by the Breton Wood institutions. The use of the budget as a policy instrument was therefore constrained by external factors. By 1998 the government had largely succeeded in reducing its fiscal deficit and its dependence of foreign aid to sustainable levels. This was achieved through a combination of structural reforms, austerity measures and debt relief. These efforts were largely undone by Hurricane Mitch which struck the region in October 1998 and reopened a large fiscal gap. Although post-hurricane reconstruction activities and the associated aid flows were winding down by 2001, the fiscal deficit prior to grants continued to grow to almost 10% of GDP and represented a primary deficit of -2.8% after grants. This was largely due to an important internal banking crisis which affected the national banking system in 2001-2002⁶.

The reduction of the fiscal deficit was brought about mainly through increases in fiscal revenues, rather than a decline in expenditures. Although total expenditures exhibited a significant decline in 2002 and 2003, they have since then grown again as a percent of GDP to surpass the levels reached in the immediate aftermath of hurricane Mitch. In contrast, tax revenues rose continuously, from 13 percent of GDP in 2001 to almost 18 percent in 2006. This increase was made possible through a series of tax reforms, followed by improvements in tax administration and a buoyant tax response to a growing economy.

**Figure A1.2 : Nicaragua : Fiscal Balances of the Non-Financial Public Sector
(As percent of GDP, unless indicated otherwise)**

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenue	21.5	21.2	21.1	20.4	21.2	22.8	25.1	25.9	27.6
Of which : Taxes	15.1	14.8	14.5	13.4	14.2	15.9	16.5	17.4	17.8
Expenditure	23.2	28.1	30.0	30.0	26.3	28.9	30.1	30.2	31.3
Of which : Taxes	3.2	3.3	3.6	3.8	2.9	3.1	2.1	1.9	1.8
Overall Balance									
Before grants	-1.7	-6.9	-8.9	-9.6	-5.1	-6.1	-5.0	-4.3	-3.7
After grants	0.5	-1.8	-4.4	-6.6	-1.9	-2.3	-1.3	-0.9	0.2
Primary Balance	3.7	1.5	-0.8	-2.8	1.0	0.8	0.8	1.0	2.0
a.grants									
Memo items :									
Primary Balance (Combined Public Sector)				-2.8	-0.3	0.1	0.3	0.8	2.2
Nominal GDP (C\$ million)	37,805	44,198	49,952	55,155	57,376	61,959	71,156	81,233	93,007

⁵ This section is extracted from : World Bank : Report No 39807-NI - Nicaragua Public Expenditure Review 2001-2006 – March 20, 2008, pp. 20-21.

⁶ According to sources from the BCN, this crisis would have cost Nicaragua almost 14% of its GDP and was mostly financed by external loans.

The main internal sectors

The primary sector accounted for around 20% of GDP in 2007. This overall figure has not been subject to any discernible trend for ten years, but the share of stock-breeding in the sector has increased in recent years. 75% of national agricultural production is dedicated to domestic consumption and is based on corn, pink beans, vegetables and fruits. The main export crops are coffee and sugar, followed by meat, sesame and bananas. In 2000's the coffee prices in the international markets fell to the levels of the 1920s and the consequences were tragic for coffee producers and agricultural workers.

The agricultural sector faces structural problems such as (i) land tenure conflicts – relics of the unachieved agrarian reform of the 1980s, still unsolved today due to a deficient legislation, an inefficient judicial system and the politicising of the issue – which are an obstacle to private investment, land tax collection and physical planning⁷; (ii) unbalanced use of land, with extensive livestock production in valleys and intensive agriculture on the easily-eroded western slopes of the central highlands; (iii) human pressure on fragile natural resources (water, forest), a result of the advance of the agricultural border.

The industrial sector accounted for about 24% of GDP in 2007. In absolute terms the sector has grown steadily but its relative share has decreased (e.g. compared with 31,4% in 1980) in favour of the tertiary sector.

The industrial sector's share of GDP is accounted for mainly by the light textile production of the "maquilas" free zones. Since 2000, the Government has extensively promoted foreign direct investment based on low production costs (50% less than in Mexico and only 10% more than in China)⁸ and proximity to the North American market. Although increased foreign direct investment was achieved, the diversification objective was not met and the new investments were concentrated in the "maquilas" without any substantial change in technology or product strategies.

The external sector

At macro-economic level Nicaragua suffers from a severe balance of payments current account deficit (see figure 2.3). Despite an increase in exports, mainly due to the influence of international markets favourable to traditional Nicaraguan export products such as meat, coffee and milk products, the deficit is structural; high imports of consumer goods sustain the negative trend. In 2005 more than 15% of imports were of food, and 23% of fuel and energy sources. The dependency on food imports (imports/national consumption) is variable. Datas from 2002 are: wheat: 100%, vegetable oil 100%, rice 80%, maize 23%⁹. Nicaragua is particularly vulnerable to the current rise in the prices of food and fuel.

The current account deficit is essentially covered by remittances (\$M 739.6 in 2007) and Overseas Development Assistance (\$M 255.5 in 2007 or 5% of GDP).

⁷ It is worth noticing that the main advantage, for farmers and stock breeders, of the lack of land tenure titling, is the corollary absence of land tax.

⁸ 2005, PRONicaragua.

⁹ Informe SECEP publicado en suplemento La Prensa, enero 2004

Figure A1.3 : Balance of payments (\$m)

	1995	1997	1999	2001	2003	2005	2007	2008 p/
Current account balance	(726)	(847)	(937)	(805)	(663)	(734)	(1,001)	(1,513)
As above, % of GDP	22.0	25.0	25.0	19.6	16.2	14.6	17.5	23.2
Exports of goods	545	745	749	895	1,056	1,654	2,336	2,538
Imports of goods	930	1,473	1,820	1,805	2,027	2,956	4,094	4,749

Source: BCN <http://www.bcn.gob.ni/estadisticas/indicadores/6-3.htm> – p/: provisional data
Data's between brackets have negative values

Exports are mainly directed towards North American and Central American markets. The EU is a limited and decreasing trading partner. As an illustration exports to the EU accounted for 14% of the total in 2007 and were mainly of coffee. Imports from the EU represent 10% of the total and mainly include machinery and chemical products.

Nicaraguan external debt attained extreme levels which placed the country among the “severely indebted low income countries”. As such, it has benefited from the HIPC initiative, reaching the completion point in January 2004. The external debt was also re-negotiated with the Paris Club and other bilateral creditors. The total amount of external debt alleviated in 2004 was \$m3,652. The restructured external debt is no longer considered a major factor of macro-economic instability in the medium term; the main concern today is the level of internal debt.

Figure A1.4 : External debt balance

	1995	2000	2005	2006p/	2007p/
External debt balance (\$M)	10,248.4	6,659.9	5,347.5	4,526.7	3,384.6
External debt balance (% of PIB)	321%	169%	110%	86%	59%

Source: BCN

A1.2 Social context

Poverty

Poverty¹⁰ is still affecting nearly half of the population (46.2% in 2005), and extreme poverty afflicts 15 persons in 100 (14.9%)¹¹.

¹⁰ In all years, a person is considered extremely poor if his/her total per capita annual consumption is below the extreme poverty line, and a person is considered poor if his/her total per capita annual consumption is below the poverty line. The 2005 extreme poverty line is determined by computing the annual cost to buy a bundle of food that provides 2,187 Kcal/day. The per capita annual extreme poverty line in 2005 is C\$3,691 or US\$221 (equivalent to C\$10.25 per person per day or US\$0.61). The 2005 poverty line is the sum of the extreme poverty line plus an additional amount for the share dedicated to nonfood consumption. This share of nonfood consumption used for the poverty line is the same as that for households whose food consumption is around C\$3,691. The per capita annual poverty line in 2005 is C\$6,918 or US\$413.53 (equivalent to C\$19.22 per person per day or US\$1.15).

The main characteristics concerning the trends in poverty and its distribution are the following:

While the overall poverty rate dropped between 1993 and 2001, the current rate (46.2% in 2005) is about the same as it was in 1998 (47.8%) and in 2001 (45.8%). Given a significant population growth, this means that the number of poor in Nicaragua is still rising: it increased in almost half a million people between 1993 and 2005.

There has been a large drop in the extreme poverty rate between 1993 and 2001, enough to bring down slightly the number of extremely poor. But between 2001 and 2005 the number of extremely poor has risen again, albeit a small drop in the extreme poverty rate. Poverty is largely a rural phenomenon: in 2005, 65% of the poor and 80% of the extreme poor lived in rural areas.

A significant progress has been made in rural areas between 1993 and 1998, when the poverty rate dropped from 76% to 68.5% of the rural population. But thereafter it remained almost constant and the number of poor in rural areas, as in the country in general, has been increasing.

Both the poverty and the extreme poverty gap¹² have fallen substantially between 1998 and 2005: while 15% of Nicaraguans still live in extreme poverty, the depth of their poverty is notably less than it was in 1998.

The two regions worse affected by poverty and by extreme poverty are Rural Central and Rural Pacific: in these regions almost 3 out of 4 inhabitants were poor in 2005, while 1 out of 3 was extremely poor.

Between 1998 and 2005, the rate of poverty has been declining slightly in Rural Atlantic while the rate of extreme poverty declined sharply (from 41.4% to 31.2% of the population). During the same period both rates remained almost constant in Rural Central, which means that in this region the number of poor has been increasing at the same rate as the population.

Note that these figures do not include the change in the minimum calorie intake defined by the GoN in 2007, from 2,187 Kcal/day to 2,241 Kcal/day. Using this definition, the 2005 extreme poverty line would be US\$ 221 instead of US\$ 231 per person per year and consequently both poverty lines would be higher. These estimations do not either include the methodology defined in the August 26, 2008, WB document containing revised figures of world poverty. The new estimates for Nicaragua were not yet available at the moment of writing this report. Note that if the minimum calorie intake is defined as 2,241 Kcal/day, then the poverty line is defined as US\$1.17 per person per day, which is very close to the new US\$1.18 threshold defined by the WB document: "The Developing World Is Poorer Than We Thought, But No Less Successful in the Fight against Poverty", by Shaohua Chen and Martin Ravallion, The World Bank Development Research Group, August 2008, Policy Research Working Paper 4703.

¹¹ Unless stated otherwise, all the data in this section on poverty come from: World Bank report No 39736-NI "Nicaragua Poverty Assessment, May 30, 2008.

¹² "The poverty gap is an index which measures the average distance, or "gap," between the consumption level of the poor and the poverty line. The index averages the gap over the entire population and takes it as a percentage of the poverty line. Declines in the poverty gap can be driven by a drop in the fraction of the population that is poor (the headcount) and also by increases in the average level of consumption among those who are poor. The extreme poverty gap is simply the poverty gap using the extreme poverty line." See WB report "Nicaragua Poverty Assessment" p.3.

The number of poor as well as the global population is almost double in Rural Central (total population one million) than in Rural Pacific (total population ½ million). Rural Central concentrates 32% of the poor in Nicaragua and 44% of the extremely poor. Rural Pacific concentrates 15.6% of the poor and 20% of the extremely poor.

Figure A1.5 : Evolution of poverty 1993-2005 per area and region-

	Poors – less than 413.5US\$ pers/year in 2005					Extreme poverty – less than 221US\$ pers/year in 2005				
	1993	1998	2001	2005	1998-2005	1993	1998	2001	2005	1998-2005
Total population	4,174,860	4,803,102	5,205,203	5,457,200	13.6	4,174,860	4,803,102	5,205,203	5,457,200	13.6
National	2,099,955	2,295,883	2,383,983	2,521,226	9.8	809,923	830,937	785,986	813,123	-2.1
National %	50.3	47.8	45.8	46.2	-1.7	19.4	17.3	15.1	14.9	-2.4
Urban %	31.9	30.5	30.1	29.1	-1.4	7.3	7.6	6.2	5.4	-2.2
Rural %	76.1	68.5	67.8	67.9	-0.6	36.3	28.9	27.4	26.9	-2.0
Managua	29.9	18.5	20.2	19.5	1.0	5.1	3.1	2.5	3.4	0.3
Urban Pacific	28.1	39.6	37.2	35.9	-3.7	6.4	9.8	5.9	4.8	-5.0
Rural Pacific	70.7	67.1	56.8	58.2	-8.9	31.6	24.1	16.3	17.0	-7.1
Urban Central	49.1	39.4	37.6	37.9	-1.5	15.3	12.2	11.1	10.5	-1.7
Rural Central	84.7	74.0	75.1	74.4	0.4	47.6	32.7	38.4	32.9	0.2
Urban Atlantic	35.5	44.0	43.0	34.8	-9.6	7.9	17.0	13.1	7.4	-9.6
Rural Atlantic	83.6	79.3	76.7	74.9	-4.4	30.3	41.4	26.9	31.2	-10.2

Source : INIDE, *Perfil y características de los pobres en Nicaragua, 2005 – Encuesta de Hogares sobre Medición de nivel de vida 2005*, and World Bank, "Nicaragua Poverty Assessment", May 30, 2008.

According to survey data, there has been a substantial decline in inequality. The Gini¹³ coefficient for the country as a whole dropped from 0.49 in 1993 to 0.45 in 1998 and 0.40 in 2005. This would be a quite remarkable change in a short period if these changes reflect reality and are not of a statistical nature¹⁴. But even so, Nicaragua performs well at a continental level. According to the Human Development Report, the Gini coefficient in 2006 was 0.43. Nicaragua ranked 86 out of 126 countries, but was the first (the less unequal) among the Latin American countries (Latin American average is 0.53), close to the USA index (0.41). This demonstrates that inequalities, albeit important, are rather less strong than in most other parts of the continent.

Human development¹⁵

The social context of Nicaragua is weak, the Human Development Index being among the lowest in Latin America. Nevertheless this index slightly improved during the period 1995-2005. As the figure below shows, this small progress has permitted an improvement in its

¹³ The Gini coefficient measures inequality : in a case of perfect equality (everybody has the same income) the value of the coefficient is 0; in a case of perfect inequality (all national income is concentrated on one individual), the value is 1 (or 100). So the closer the coefficient is to 100, and the more **unequal** a certain distribution is.

¹⁴ See World Bank May 30, 2008, p. 8: the fall in the Gini coefficient comes mostly from a decline of the consumption of the upper deciles and not from an increase of the consumption of the lower ones. This decline seems hard to believe.

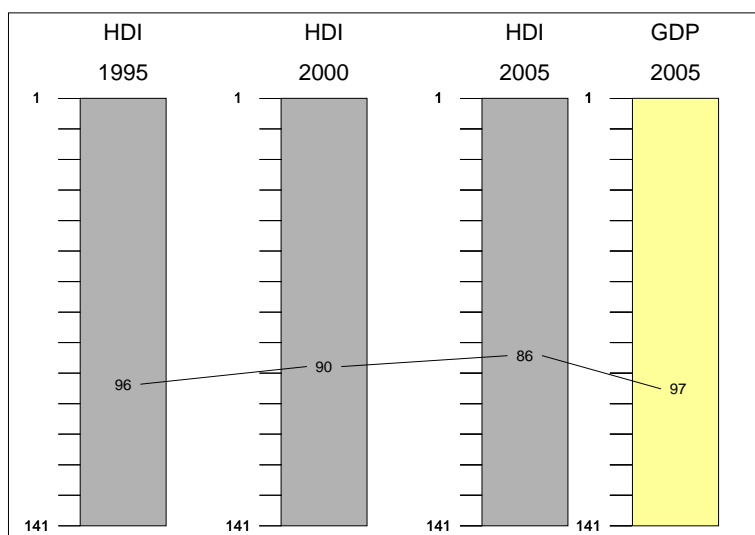
¹⁵ This section contains a short analysis of the education sector which is central to EC cooperation with Nicaragua. A more detailed analysis in relation with EQ 6 (education) can be found in annex 1

position relative to other countries. In 1995 Nicaragua's ranking was 96 and in 2005, among the same group of 141 countries, it ranked 86¹⁶.

Nicaragua's HDI ranking is positive in comparison of its GDP. Again, taking the same cohort of 141 countries, Nicaragua's HDI ranked 86 in 2005 but only 97 in terms of GDP *per capita*.

In terms of social indicators (see figure below) primary enrolment and life expectancy are at reasonable levels. Also noteworthy are the significant trends in life expectancy at birth and in the primary completion rate. Since 1995, no significant trend has been evident in access to water and in primary enrolment.

Figure A1.6 : HDI ranking trend and comparison with ranking of GDP per capita



Source : UNDP

Figure A1.7 : Health and education indicators

	1995	2000	2005	2006	Average LAC 2006
Life expectancy at birth, total (years)	67	70	72	72	73
Mortality rate, under-5 (per 1,000)	53	43	37	36	26
Births attended by skilled health staff (% of total)	-	65d	-	-	88
Improved water source (% of population with access)	74	76	79	-	91
Literacy (% of population age 15+)				77	90
Primary enrolment (% of relevant age group)	79a	77b	87	-	96c
Primary completion rate, total (% of relevant age group)	55	66	74	73	96g
Ratio of girls to boys in primary and secondary education (%)	109c	105	102	102	102f

Notes: a-1993, b-1999, c-1991, d-1998, e-89-94, f-2004, g-2000-2005 – Sources: WB - UNDP

As regards the Millenium Development Goals, the first follow-up report was published in 2003. The report synthesises the trends for achievement of the goals and concludes on the possibilities to reach them. Overall, expectations for the attainment in 2015 of the majority of targets are pessimistic.

¹⁶ In the HDR of 2007, Nicaragua ranks 110 in 2005. This ranking considered more countries than the rank above.

Food security

The under nourishment situation in Nicaragua is the result of the conjunction of several causes. The evolution of the situation cannot be understood without this global picture: Macro-level: international economic trends, the price trend for raw materials, the remittances, the impact of free trade treaties, the dynamic of the labour market.

Availability of food: climate, credits, external dependency, population, food production
Access to food: income levels, basket of goods price, consumption pattern
Food utilisation: health status, access to drinkable water and sanitation infrastructures, nutrition practices, level of education of the mothers.

In terms of evolution of under nourishment, the indicator of prevalence of stunting for children under 5 years old is maybe the best measurement. The rate continues to be high, even considering the observable percentage decrease from 1998 to 2005 of 5.9%. This rate should be cautiously understood considering the population growth (and particularly the census of 2005 that shows a lower population increase than projected).

Most of the reduction took place between 1998 and 2001 (reduction of 4.9% at national level), the further reduction between 2001 and 2005 being only one percentage point. The stunting rate decline between 1998 and 2001 in all areas except Central rural regions, which suffered the most damage from Hurricane Mitch and the coffee price diminution shock.

The reduction is higher for boys (-1.6% higher) but the difference between boys and girls has also substantially decreased (% difference boys/girls 1998: 2.7, 2005:1,1). Prevalence is higher in rural areas and is closely linked to the level of household poverty.

Figure A1.8 : Evolution of prevalence of stunting for children under 5 years old by gender, area and poverty levels (in%)

	1998	2001	2005	CHANGE 98-05
National	27.4	22.5	21.5	-5.9
Male	28.7	24.1	22.0	-6.7
Female	26.0	20.8	20.9	-5.1
Urban	22.8	16.6	16.5	-6.3
Rural	31.8	28.9	27.0	-4.8
Extreme Poor	46.4	43.8	37.2	-9.2
Poor	36.2	31.5	27.4	-8.8
Non-poor	14.8	10.7	14.6	-0.2

Source: World Bank, Nicaragua Poverty Assessment, 2008 from Picado T., Flores R., Laguna JR, Prevalence, Trends and Predictors of Nutricional Status among Nicaragua Children 0-59months 1998 to 2008.

Regionally, the highest levels of stunting are found in the central zone. This region supports a large population and the poorest and most remote municipalities (this zone includes departments of Madris, Estelí, Nueva Segovia, Matagalpa, Jinotega, Boaco and Chontales). In this zone stunting prevalence reaches 45% among the poorest families, followed by the Atlantic rural areas with 36.9%. The stunting rate increased unexpectedly in the Managua zone.

Table A1.9 : Evolution of prevalence of stunting for children under 5 years old by region (in%)

	1998	2001	2005	CHANGE 98-05
National	27.4	22.5	21.5	-5.9
Managua	14.9	9.7	16.9	+2.0
Urban	16.4	10.1	17.5	1.1
Rural	6.7	4.8	9.5	2.9
Pacific	27.7	17.7	16.5	-11.2
Urban	25.3	16.6	15.1	-10.2
Rural	30.1	18.8	18.3	-11.8
Central	35.1	33.3	27.7	-7.4
Urban	29.7	26.0	19.1	-10.6
Rural	37.2	37.5	32.3	-4.8
Atlantic	28.5	25.1	24.5	-4.0
Urban	25.5	18.1	10.2	-15.4
Rural	31.0	29.9	29.3	-1.7

Source: World Bank, Nicaragua Poverty Assessment, 2008 from Picado T., Flores R., Laguna JR, Prevalence, Trends and Predictors of Nutritional Status among Nicaragua Children 0-59months 1998 to 2008.

Gender inequality

Regarding gender issues, women's access to education and level of adult illiteracy do not show undue inequalities with men. But other indicators are not so positive. Women's earned income is very low in comparison with men's (29.5% in 1994 and 24.1% in 2004 - UNDP), household responsibilities constraining women's work outside their homes. The pregnancy rate among adolescents (15-19 year old group) is extremely high, the highest in Latin America. Furthermore Nicaraguan women face persistent discrimination; the incidence of domestic violence is high; sexual abuse is reported by about one-third of women¹⁷. Therapeutical abortion has been abolished in 2006 and its penalisation approved in November 2007. This has marked an important backward movement in women rights.

Vulnerability to natural disasters

Finally, it is important to note that the population is highly vulnerable to adverse natural factors. Nicaragua is located where two major tectonic plates collide and is subject to regular earthquakes and volcanic eruptions that cause recurrent destruction to life and property and agricultural damage (from fumes and ash). During the rainy season, Eastern Nicaragua is subject to heavy flooding along the upper and middle reaches of all major rivers. River bank agricultural plots are often heavily damaged. Nicaragua is also subject to destructive tropical storms and hurricanes that affect the Eastern coast. In addition, heavy rains (called papagayo storms) may sweep from the north through both eastern and western Nicaragua and particularly the rift valley. Hurricanes or heavy rains in the central highlands, where agriculture has destroyed natural vegetation, also cause considerable crop damage and soil erosion.

¹⁷ INIDE-Ministerio de salud, Encuesta Nicaragüense de Demografía y Salud, 2006/07, p. 29.

Hurricane Mitch was a major natural disaster. Although it never entered the country as such, its wide circulation caused extensive rainfall and landslips in October/November 1998. Around two million people were directly affected across the country (17,600 houses damaged and 23,900 destroyed). Social and productive infrastructure was also severely impacted (340 schools and 90 health centres affected), as were sewage and electricity systems and roads. In all, Hurricane Mitch's damage in Nicaragua was estimated at around \$1 billion, left between 500,000 and 800,000 homeless and caused at least 3,800 fatalities¹⁸. More recently, in 2007, Hurricane Felix barely impacted on the northern Caribbean Coast.

A1.3 The political context

Nicaraguan political life has experienced radical changes in the last 25 years. The hereditary dictatorship of the Somoza family (1936-1979) was ended by the Sandinista Revolution. The FSLN ruled the country during the 1980s. The period was characterised by the Contras' armed conflict financed by the United States. This long conflict overwhelmed the country in a deep social and economic crisis (cfr. 2.2.1).

The election of Violeta Barrios de Chamorro in the 1990 elections launched the country's quadruple transition to peace, to a market economy, to a modern liberal democratic system and to a conservative government.

The political context is dominated by two parties: the Partido Liberal Constitucionalista (PLC) and the Frente Sandinista de Liberación Nacional (FSLN). The tendency is towards a *de facto* bipartite system and to alternating governments. During the last 10 years the elections results give differences of about 13-14% between the two parties.

The consequences of the political polarisation are:

- politicisation of the higher echelon of the public administrations, resulting in considerable turnover at both central and local levels; *and*
- in the meantime, pacts between the two parties to share power beyond the ballot boxes. Given the important weight of the party in the opposition, after each election there are successive arrangements to share the powers. The most important because it continues to have impacts on the political life, is El Pacto of 2000, a political agreement between Daniel Ortega (FSLN) and the president at the time President Arnoldo Aleman of the PLC which united their two parties in the National Assembly to assert influence over most of Nicaragua's political institutions in particular the Supreme Court and the Supreme Electoral Council.

From 1998 to 2008, the period of reference of the evaluation, the country was ruled by three different governments. Arnoldo Aleman (PLC: 1996-2001), Enrique Bolaños (PLC: 2002-2006), Daniel Ortega (FSLN: 2007 and ongoing).

As in many other Latin America countries, the State is weak in Nicaragua and is hardly present in many parts of the national territory. The legal system is therefore not effectively

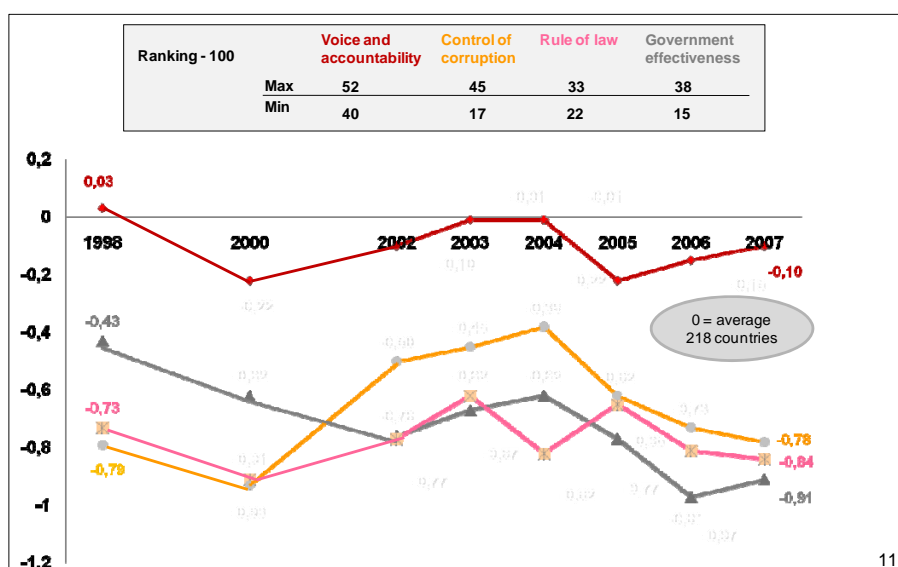
¹⁸ US National Climatic Data Center (2004) - [Mitch: The Deadliest Atlantic Hurricane Since](#)

implemented (the rule of law is incomplete) and in many cases the State cannot guarantee basic demands from the population: personal security, access to justice, to education and health.

Governance indicators

Nicaragua governance situation is well illustrated by the indicators here below. The 0 represents the average of countries, it should be noted that Nicaragua is far below it except in the case of Voice and accountability. Over the period the trend is almost stable but particularly negative for government effectiveness.

Figure A1.10 : Aggregate governance indicators 1998-2007



Source: World Bank

A1.4 Nicaragua's development strategy

During the reference period, the long term vision on the development of Nicaragua and fight against poverty has been translated into three different and successive strategies:

- the Strengthened Growth and Poverty Reduction Strategy (SGPRS or ERCERP in Spanish) of 2001,
- the National Development Plan (NDP or PND in Spanish) of 2005 and
- the Human National Development Plan (PNDH) of 2008.

Between the first two strategies, there are important elements of continuity such as the analysis of the problems of the social sectors and the high priority given to their solution. The third strategy differs from the first ones even in the diagnosis of the main problems. The different political stances of the successive presidents and the highly polarized political debate limited and limits the possibility for these documents to reflect some kind of a national consensus rather than just the programme of the ruling government. After an election there is usually a period in which the application of a given strategy is suspended while the newly elected rulers draft their own plans. This occurred when President Bolaños

succeeded to President Alemán in 2002, and when President Ortega succeeded to President Bolaños in 2007.

Compared with the ERCERP, the PND focuses the productive sectors and economic growth, and offers a framework for sectoral and institutional plans. Thus it is more systematically linked to the sectoral plans which were beginning to be designed, and to development plans of Departments and Municipalities. The PND offers a better general equilibrium and a larger coverage of cross cutting issues such as governance, the reform of the State and gender. Thus, with the Bolaños administration there has been an important shift in GoN's poverty reduction strategy (PRS) from the initial focus on social expenditure for poverty reduction, to sustained economic growth through support to local development and productive clusters with interventions aiming at human capital development, protection of vulnerable groups, and building public institutions and governance.

But the PND also included a controversial proposal: it pretended to promote growth by supporting strategic export sectors in some geographical zones. This proposal and some other aspect of the PND (such as some of the educational priorities) were not accepted by the Sandinista government who presented in turn, in April 2008, a general development plan (PNDH) based on human development and on the fight against poverty, with a strong political emphasis but without the usual technicalities such as a goals, priorities, indicators, chronogram, linkages with the budget and with the medium-term Budget Framework, etc. Quickly, the donor community pointed out to the difficulties of anchoring a Budget Support (BS) programme and SWAps on a plan so technically limited.

Annex 2 - Priorities as identified by the poor

From World Bank: Report No 39736-NI – “Nicaragua Poverty Assessment” – May 30, 2008. pp. 22-25

1.46 The level of poverty, and means to reduce it, can often be best seen through the eyes of the poor, themselves. Their priorities for development reflect their needs, and the areas in which they feel they are “poor”. The qualitative analysis referred to earlier used a semi-experimental game¹⁹ conducted in 15 communities²⁰. The participants for this instrument are two distinct groups, the first a group of 4-5 leaders in the community and the second, a group of 4-5 ordinary people (constituency) living in the community. Participants are given a hypothetical amount of money totaling C\$1,350,000 (approximately US\$8,000) in two stages, in a structured manner, and asked to assign the funds to anything they believe would contribute to the development of the community (results are summarized in Table 1.11).

A2.1 Leaders and people agree on the top priority: Potable Water

1.47 This analysis took into account the project requests, as well as the discussion between participants, of 15 out of all 18 studied in the qualitative work. Drinking water alone was requested 19 times out of 198 total requests; people requested a water program (which means from a cured well to a pump) in every region except Atlantic rural. This can be interpreted as an indicator that the inadequacy of water sources is a general problem with a strong likelihood of being true beyond the communities visited. The other water related project (*aguas negra* or sewages, latrines, septic tanks) directly related to hygiene and indirectly linked to the availability of clean drinking water was also among the top 10 priorities where leaders and common people coincided (although not mentioned in Managua).

¹⁹ The instrument is considered semi-experimental game because it is intended to be exact everywhere and hypothetical money is distributed to identify patterns of behavior across a group.

²⁰ See Castro, Del Carpio, Premand and Vakis (2007) for more details on the exact methods applied and the background work done.

Figure A2.1 : Priority Programs as Reported by Leaders and People

MAJOR THEMES	LEADERS	PEOPLE	BOTH
	%	%	%
Water project (drinking and septic)	13.9	14.1	14.0
Construction and repair of street/roads	11.7	13.0	12.5
Productive opportunities	12.9	12.0	12.4
Health center/personnel/goods	11.0	10.0	10.5
House building or improvements (poor or single moms)	6.9	8.3	7.6
School (pre-school, primary and secondary)	7.9	5.0	6.5
Electricity/solar power/street electricity	5.6	4.1	5.1
Vocational school/training	5.8	4.1	5.0
Recreational park/sports for youth	4.9	4.1	4.6
Church	23.0	1.0	2.0
Other	15.8	24.3	19.9

Source: Data derived from the outcomes obtained through Semi-Experimental exercise

Note: Various Categories are aggregated into one for ease of presentation

A2.2 The construction of roads and repair of existing roads is also listed as a top priority by leaders and people in general

1.48 Roads, whether *adoquinado* (road brick construction) or repair, are mentioned by the leaders in all communities visited as priorities for improving well-being. This theme includes roads inside the community (streets) or roads leading to the urban area; other communication programs mentioned as lacking and affecting progress are bridges. Roads and bridges are key for maintaining access to schools and health centers, particularly in the rainy season when students often have to drop out of school because of flooded roads. The emphasis on roads and water comes despite significant progress and expenditures in these areas in the recent past.

A2.3 Having limited productive opportunities is a resonant theme nationwide

1.49 The limited availability of productive tools, skills and resources leads both leaders and people to believe that programs such as a locally managed credit fund, agricultural inputs, livestock (cows, chickens and pigs), the creation of a local market and a distributing center are part of the answer to development in their communities. In table 1.11 it can be observed that both leaders and common people (13 percent and 12 percent respectively) place productive opportunities among the highest categories of programs they perceive as important. The 24 percent allocated to the other category under the people column represents various poverty themes in the social dimension; for example food for the poor, help for the disabled, help for street children, single mothers, old folks home and assistance in financing holiday celebrations. Leaders tend to assign resources toward infrastructure and productive projects such as those mentioned in table 1.11, as well as the purchase of land for cultivation.

A2.4 Health and education, infrastructure and services, are at the top of the list for leaders and for people

1.50 Leaders and people mentioned that the lack of a pre-school, inadequate size primary, a local secondary school and a health center inhibited the development capacities and limited their progress. Both, the services (paying for doctors and nurses and buying books and hiring more teachers) and infrastructure appear to be equally important; and are priorities for both groups. Scholarships for secondary students and vocational training for carpentry, computers, sewing and other skills were also mentioned as projects with strong potential given the demands for their skills in the market. In terms of health, the chronically ill are identified as a vulnerable group in need of assistance; the short supply of free medicines for this segment of the population is a common concern among leaders and people in the Atlantic and Central regions. In general, education seems to be a lower priority than one would expect. This may reflect a bias against general education, which has long-term benefits to the welfare of the children of the poor, and a bias in favor of programs that directly raise productivity now, such as technical training. It may also reflect the fact that focus groups tended not to include youth, who were at work or at school. Including youth might tip the priorities to a greater emphasis on education (see Box 1.5). But it is consistent with survey results indicating the majority of the population thinks the quality of the present education system is adequate (see Chapter II).

Figure A2.2 : Youth Priorities: Jobs, education, recreational facilities and family

The findings related to the youth derive from **youth aspirations focus groups**, for both males and females.

In all communities, four priority areas are mentioned: access to job opportunities, ability to continue education, access to sports related infrastructure and having children and a spouse.

Males tend to focus on jobs, sports activities (soccer and baseball) and vocational education. Women focus more on regular education with some mention of vocational training, having a husband and children, and having entertainment activities related to church as well as a gathering place to hang-out with other women their age.

Most of the young people interviewed believe that education is the solution to escaping poverty; one young lady in the Atlantic urban said "I want to study more to have more, it's possible if I study, I know I can be better off". Another important finding that is widely shared among both genders is that they want to have a better job than their parents because their life and their parents' lives are too hard and they want a better life for their children. One woman in RAAN said "I don't want to wash clothes and iron for a living like my mother, life is too tough that way".

Source: "Voices of Nicaragua" May 2007

A2.5 Policy recommendations

1.51 Poverty reduction has been slow in Nicaragua, but substantial progress has been made by those in extreme poverty. In addition, there is some reason to believe that the household survey data are understating the level of progress, which is more apparent in other indicators. Still, the decline in extreme poverty and the extreme poverty gap from 1993 to 2005 indicates improvements in the levels of well-being of the very poor. Progress in poverty reduction in Nicaragua can be explained by three fundamental mechanisms:

- First, a reduction of the dependency ratios among the poor, which means that a larger share of family members is working; in manufacturing, mainly *maquila*, agriculture and, to a lesser extent, commerce.
- Second, a considerable increase in migration of people from a different profile than in the past, occurring precisely after 2001 and captured by the 2005 LSMS. These new migrants have Costa Rica as their main destination, are among the poor with less education, and their remittances tend to favor the poor bringing an average of U\$65 per month of additional income, which is about the wage of a rural worker in Nicaragua.
- Third, an improvement in the terms of trade for agriculture with substantial gains for the self-employed and better producer prices for coffee, meat, maize and beans, which are produced by small farmers.

1.52 While progress in poverty reduction in Nicaragua has been made in recent years, prospects for future improvements are rather fragile. Growth in the population of working age, and increasing participation rates, make it more urgent that rapid economic growth provides employment opportunities in the future for a growing labor force. Out-migration will have only a limited effect in reducing this labor force pressure. While recent favorable changes in the terms of trade for agriculture have provided opportunities for expanded employment in this sector, this effect could be reversed in the future, further adding to pressure on employment and wages. Therefore, critical areas for future focus for the Government include:

- Finding ways to accelerate growth, and to spread the effects of growth more equitably among the population;
-
- Improving basic infrastructure, particularly water supply and rural roads;
- Focusing on programs that directly raise productivity – credit, irrigation, technical training, etc., and
- Further improving basic health and education services in order to improve the productivity of the labor force.

Annex 3 - Overseas Development Assistance (ODA)

A3.1 The context of international aid²¹

Over the period 1998-2006²², US\$7,6 billion of ODA was committed to Nicaragua. This represented 20% of its total GIP over the period and 90% of its exports. The annual average of ODA *per capita* was US\$160,48. These figures show a high dependency on ODA resources.

The relationship changed between the Government of Nicaragua (GoN) and international donors during the period 1998–2008 as dialogue opened up from a mainly macroeconomic focus to include poverty reduction and governance issues. This change was influenced by the Heavily Indebted Poor Countries (HIPC) initiative and the Poverty Reduction Strategy Paper (PRSP) process. Nicaragua arrived at the decision point of the HIPC initiative in December 2001 and the completion point in January 2004. The size of debt forgiveness obtained meant that the HIPC initiative played a crucial role in driving the pace of institutional reform carried out by GoN in a relatively short period. Meeting the conditionality of the HIPC initiative has been of vital importance in ensuring that the preconditions for the disbursement of BS exist in Nicaragua.

As a precondition of HIPC, the first version of the Poverty Reduction Strategy Paper (I-PRSP) was approved in August 2000 and the full PRSP known as the ERCERP (Estrategia Reforzada de Crecimiento Económico y Reducción de la Pobreza) was approved in 2001. The Bolaños administration presented the National Development Plan (PND – Plan Nacional de Desarrollo) to donors in August 2003 and in September 2004 the operational version of the National Development Plan (PND-O – Plan Nacional de Desarrollo Operativo) covering the period 2005– 2009. The final version of this document was approved as the second generation PRSP by the World Bank Board in February 2006. (see 2.2.5)

From 2004 there had been a progressive deterioration of the relationship between the Executive and the National Assembly (NA), and the NA used its political power to slowdown the pace of structural reforms. This had important implications for GoN management of aid relationships, since International Monetary Fund (IMF) on-track status and disbursement of the Poverty Reduction Growth Facility (PRGF) depend on the legislation of these reforms.

²¹ This section is mostly extracted from Gosparini, P. et al.: “Joint Evaluation of GBS 1994-2004 – Nicaragua country Evaluation”, May 2006.

²² For 2007 statistics are not yet fully consolidated.

Throughout the period, the status of the IMF programmes has always been of central importance. The on-track status of the GoN with the IMF is used by donors, and particularly by the EC, (either formally or in practice) as the key reference point in their decision to disburse funds. In 2005 the IMF reference programme was the PRGF 2, signed in 2002 with conditionalities linked to the ERCERP, macroeconomic stability (in particular the fiscal deficit) and a number of key reforms in the financial, public, and legal sectors. As a consequence of the NA's opposition to reforms, the country lost its on track status in June 2005 and the BS disbursements were suspended until a new IMF mission regularized the country's status in September 2005. In March 2008, something similar occurred when the GoN decided not to pay bonds of the Central Bank which were overdue, with the important difference that this time the situation created was endogenous to the GoN. Further on the decision, from the donors, to suspend their BS disbursements was strengthened by political discrepancies on matters of democracy.

BS is quite recent in Nicaragua. Since 2002 the Bolaños administration had undertaken reforms in aid management and coordination based on the implementation of sector roundtables and the development of sectorwide approaches (SWAps). The international aid coordination forum started discussions on the necessary preconditions for providing sector and general budget support (GBS) in 2003, fuelled by the HIPC and PRSP process, the signature in 2002 of the IMF PRGF 2 and the growing consensus that the highly earmarked, fragmented and supply-driven character of aid in Nicaragua was hampering impact and sustainability. The key initiative by donors on the development of GBS in Nicaragua took place in 2003 with the formation of the Budget Support Group (BSG) as the donor's forum for discussing BS. With rotating leadership, this group has involved a wide group of bilateral and multilateral donors. Current members include: the European Commission (EC), Finland, Germany, Inter-American Development Bank (IADB), the Netherlands, Norway, Sweden, Switzerland, the United Kingdom (UK) and the WB.

Disbursements of the first BS programmes started with Sweden's provision of GBS in 2002. The EC and the WB then also provided GBS in 2004; the WB Poverty Reduction Support Credit (PRSC) and the EC Programme of GBS for the Education Sector (PAPSE). The first formal harmonised arrangement was agreed mid-2005, when the Joint Financing Arrangement (JFA) developed by the BSG was signed by nine donors and the GoN. The JFA establishes the mechanisms for dialogue, review, disbursement and reporting, and includes a Performance Assessment Matrix (PAM).

A3.2 Statistics on ODA

Over the period, ODA grants counted for 69.5% (US\$5,2 billion), loans for 30.3% and equity investment for 0.3%. Loans are mainly the fact of the IDB special fund and IDA. Bilateral loans count for 2% of the total ODA.

In grant terms, the USA are the largest ODA donor to Nicaragua. Its grants account for 11.8% of total ODA committed during the period specially given a strong increase in 2005 and 2006. It is closely followed by Spain (10.5%) and Germany (9.9%), both showing significant commitments in 2004. Other important donors are Japan and the EC

(respectively 6.4% and 5.8%). The EC is the fifth largest donor with US\$437.13 committed in the period 1998-2006, accounting for 8.3% of total ODA.

The EU Member States and the EC account for about 65% of the ODA grants. Spain, Germany, and the EC are, as previously mentioned, among the main donors. Sweden grants represent 4 % of total ODA (6th donor). Sweden has been a long-standing donor to Nicaragua and started its development cooperation following the Sandinista revolution, but nevertheless has decided to gradually phase out its development cooperation which will accordingly end in 2011. The Netherlands, Denmark, France, Italy, Finland, Austria, Luxembourg, the United Kingdom, Belgium and Ireland are the other contributing EU countries.

Figure A3.1 : ODA loans from 1998 to 2006 (\$M in current prices)

Donor	Amount Committed	% of Loans	% of ODA
Multilateral	2,131.99	92.7%	28%
<i>IDB – Special fund</i>	1,223.50	53.2%	16.1%
<i>IDA</i>	867.93	37.7%	11.4%
<i>IFAD</i>	40.56	1.8%	0.5%
Bilateral	168.49	7.3%	2 %
<i>Spain</i>	97.53	4.2%	1.3%
<i>Germany</i>	45.20	1.9%	0.6%
<i>USA</i>	11.25	0.5%	0.1%
<i>Others¹</i>	14.51	0.7%	0.1%
Loan total	2,300.47	100%	30%

Note: 1. Other multilateral donors providing loans are: France, Italy, Japan

Figure A3.2 : Cumulated ODA grants committed and disbursed to Nicaragua from 1998 to 2006 (\$M in current prices)

Donor	Commitments	% ODA committed	Disbursements
Top 5 donors:	3,370.34	44%	1,907.55
<i>USA</i>	893.81	11.8%	387.53
<i>Spain</i>	801.33	10.5%	344.14
<i>Germany</i>	752.02	9.9%	700.54
<i>Japan</i>	486.03	6.4%	290.02
<i>EC</i>	437.13	5.8%	140.46
Bilateral	4,766.69	62.75%	2,739.07
Multilateral²³	510.57	7%	162.77
EU (MS + EC)	4,940.67	65%	1,734.94
All donors grants	5,277.27.	69.5%	2,901.84

Source: OECD, DAC online database on aid activities.

The magnitude of grants committed to action relating to debt, shows the mobilisation of donor community to cancel Nicaragua debt. Social infrastructures and services receive 27% of grant commitments with an important share devoted to Government and Civil Society²⁴, but also to education and health. Water supply and Sanitation only receive 3% of the amounts. Important efforts target the rural zones, if we consider that under the category multisectors 4% is devoted to integrated rural development and 5% are devoted to agriculture under aid to productive sectors.

²³ The European Commission is considered by the OECD among the multilateral donors.

²⁴ This category includes institutional support, defense of human rights, elections but also strengthening of civil society.

Figure A3.3 : Main sectors of ODA grant commitments to Nicaragua from 1998 to 2006 ((\$M in current prices)

Main Sectors of interventions	Total	% Total
I. Social Infrastructures and services	1,420.90	27%
<i>I.1 Education</i>	350.20	7%
<i>I.2 Health</i>	250.60	5%
<i>I.3 Population Programmes</i>	121.90	2%
<i>I.4 Water Supply & Sanitation</i>	134.00	3%
<i>I.5 Government & Civil Society (institutional support)</i>	406.00	8%
<i>I.6 Other Social Infrastructure & Services</i>	158.60	3%
II. Economic Infrastructure	338.00	6%
<i>II. 1 Transport & Storage</i>	261.60	5%
<i>Other (II.1, 2,3, 4, 5)</i>	76.40	1%
III. Production Sectors	344.20	7%
<i>III. 1 Agriculture - Forestry - Fishing</i>	278.70	5%
<i>III.2.a) Industry</i>	42.30	1%
<i>Other (III.2.b, c); III.3;III.4)</i>	23.20	0.4%
IV. Multisector	523.10	10%
VI. Commodity Aid/General Prog. Assistance	394.40	7%
<i>VI.1 GBS</i>	186.10	4%
<i>VI.2 Developmental Food Aid/Food Security Assistance</i>	193.20	4%
<i>VI.3 Other Commodity Assistance</i>	14.50	0.3%
VII. Action relating to debt	1,941.20	36.8%
VIII Emergency Assistance & Reconstruction	257.60	5%
Other (IX, X, XI, XII)	51.70	1%
Total	5277.27	100%

Source: OECD, CRS online database on aid activities.

Annex 4 - EC cooperation strategy

The purpose of this annex is to present the EC's cooperation strategy with Nicaragua over the period 1998-2008. It first exposes the European Community general development policy and continues with the cooperation with Latin and Central America. Finally, it focused in the bilateral cooperation with Nicaragua through an analysis of the intervention logic stated in the policy and programming documents and representing it in an expected impact diagram.

A4.1 The European Community's general development policy

In the 1992 Maastricht Treaty development was recognised as a communitarian policy and was inscribed in the **Treaty establishing the European Community**. The priorities of the development policy are defined in **Article 177** according to which European Community policy in the sphere of development cooperation shall foster:

- sustainable economic and social development of developing countries, and more particularly the most disadvantaged among them;
- smooth and gradual integration of the developing countries into the world economy;
- a campaign against poverty in the developing countries.

Moreover, the Treaty stressed that this policy shall contribute to the general objective of developing and consolidating democracy and the rule of law, and to that of respect for human rights and fundamental freedoms.

In the **Statement of 20 November 2000 on the development policy of the European Community**²⁵, the Council and the Commission reaffirmed the Community's principles of solidarity with developing countries and states that the principal aim of the Community's development policy is to reduce poverty with a view to its eventual eradication. It highlighted that any partnership between the European Community and a recipient country should be predicated explicitly on acknowledgement of the importance of respecting human rights, democratic principles, the rule of law and sound management of public affairs. The ownership of the strategies and the quality of the dialogue with the partner countries is presented as the key to the success of development policies. It also identifies the need to foster coordination between donors and to concentrate Commission activities on a limited number of areas selected on the basis of their contribution to reducing poverty and for which Commission action provides added value.

The areas identified are:

- the link between trade and development;
- regional integration and cooperation;
- support for macro-economic policies and the promotion of equitable access to social services;
- transport;

²⁵ Source : The European Community's Development Policy - Statement by the Council and the Commission

- food security and sustainable rural development;
- institutional capacity-building.

Finally, the statement stresses the importance of considering in cooperation policies the following cross-cutting issues: human rights, environmental dimensions, equality between men and women, and good governance.

These principles were reaffirmed in the Joint Declaration by the Council, the European Parliament and the Commission on an EU development policy, “**The European Consensus**” (COM (2005)311).

A4.2 European Community cooperation with Latin and Central America²⁶

The European Community has been building and developing its links with Latin and Central America since the 1960s; but relations were greatly strengthened following European Community enlargement in 1986 to include Spain and Portugal. The relationship has evolved through three dimensions – policy dialogue (with Member States (MS) active participation), preferential trade agreements, and a large cooperation framework– and has been developed at three levels: regional, sub-regional and bilateral.

At regional level the policy dialogue is structured around the **Rio Group**, a policy consultation forum established in 1986. Since 1987 an EU-Rio Group meeting has taken place annually at ministerial level to build up understanding and facilitate strategic partnership. This dialogue has materialised in numerous horizontal cooperation programmes such as AL-Invest, Al-Urban, Eurosocial and others.

Although the dialogue at regional level is strong, **at sub-regional level** dialogue has been maintained in parallel to reflect the significant asymmetries between the Andean countries and Central America. This dialogue was initiated by the Commission and the MS in the 1980s. During its first years the so called “**San Jose Dialogue**” targeted the peace-building process and the democratisation of the region. This process was also supported by a significant increase in development aid and the adoption of the GSP-drugs measures (Generalised System of Preferences)²⁷.

During the 1990s, given the new regional and international context, the EU-Central America (EU-CA) dialogue evolved²⁸ to integrate new issues such as:

- regional integration, given in particular the reactivation of the integration process and the will to rationalise the institutional architecture; *and*
- disaster prevention and rehabilitation, which gained substantial weight following Hurricane Mitch in 1998.

²⁶ DRN, Evaluation of EC support to Central America, 2007

²⁷ In 2005, the Commission adopted the SPG-plus. It includes an incentive regimen conditioned to the adoption before December 31 2008 of labor and environmental legislations.

²⁸ The strategy was renewed at regional level by the adoption in October 1994 of the next strategy for Latin and Central America.

In 2002, the EU-CA dialogue was renewed in the XVIII Ministerial Conference of San José (Madrid 2002). The Conference stressed the importance of aligning future cooperation on the following themes:

- Democracy, human rights, rule of law, good governance and civil society
- Regional integration
- Economic relations between the two regions
- Security
- Environment and natural disasters
- Political consultation on international matters of common interest

This agenda was confirmed and completed in May 2004 at the EU/LAC Guadalajara Summit with a focus on social cohesion.

In parallel with this intense political dialogue, discussions on the appropriate model to follow for the **EU-CA Association Agreement** have been open since 1994 and have not yet reached a conclusion. The strategy for Latin and Central America adopted by the Council in 1994 first entailed application of its new association models –“fourth generation agreements”- to the “emergent markets” of Mercosur, Mexico and Chile, and second proposed for Central America continuation of the EU-CA Cooperation Framework Agreement signed in 1993. Under, this “third generation agreement” no possibility for the establishment of a free trade area is offered but the trade preferences of the GSP-drugs system are maintained. Central American States have nevertheless always considered this regime as less advantageous than the “fourth generation” agreements because it does not encourage investment and is unilateral, temporary and extraordinary and it excludes some important products such as bananas.

In 2003, a new EU-CA Political and Co-operation Agreement was proposed to update the previous, 10 years older, agreement. It included institutional policy dialogue and extended the cooperation fields but was still not proposing a free trade area, and only embraced the possibility of initiating trade negotiations once WTO negotiations were completed. For this reason it was rejected by the Central American Governments²⁹, has only been ratified by few countries, and has not yet entered into force.

Between 2004 and 2006 the EU and CA agreed to continue the process to reach a strengthened framework of relations which among other things would include a free trade area³⁰. In this framework trade negotiations were subject to two conditions: finalisation of the Doha Round and an adequate level of regional economic integration monitored through a “joint review” of the situation. The joint review was completed in March 2006.

²⁹ Notably because the new agreement had no much difference with the previous one it was also rejected by the European Parliament. See European Parliament *Informe sobre la propuesta de Decisión del Consejo relativa a la celebración de un Acuerdo de diálogo político y cooperación entre la Comunidad Europea y sus Estados miembros, por una parte, y la Repúblicas de Costa Rica El Salvador, Guatemala, Honduras, Nicaragua y Panamá* (COM(2003)677, Comisión de Asuntos Exteriores, Derechos Humanos, Seguridad Común y Política de Defensa, Ponente : Raimon Obiols, 26 de febrero, (A5/0120/2004).

³⁰ The issue was tackled in the Guadalajara Summit (2004), in the Ministerial Conference « San José XXI » (Luxembourg 2005), the Comisión Mixta of Managua 2006.

On this basis, the Central American States decided in Panama (9 March 2006) to take a step forward towards integration, taking various decisions on a customs union and committing themselves to ratifying the Central American treaty on investments and services and to developing a judicial mechanism to guarantee the application of regional economic legislation. In May 2006 at the Vienna EU-LA Summit it was decided to initialise negotiations to reach a new EU-CA Association Agreement that would include the creation of a free trade area.

The negotiations for the Association Agreement were launched on 28 June 2007 in Brussels. The first round took place in San Jose, Costa Rica on 22-26 October 2007. On 25-29 February 2008, Central America and the EU concluded the second round of negotiations in Brussels. The third round of negotiations took place in El Salvador on 14 April 2008. The fourth round was held in Brussels on 14-18 July 2008. The next round of negotiations should take place from 6 to 10 October 2008 in Guatemala. As expressed in the EU-LAC Lima Summit the will of both sides is to conclude the negotiations in 2009.

The cooperation dimension at sub-regional level has started to be structured in 1998 with the first Regional Strategy Paper (1998-2000). Until now, the strategy shows a clear continuum combining the support to the regional institutions and policies with the support to civil society for the participation in regional integration process.

Bilateral cooperation is also foreseen, within the EU-CA Association Agreements. Nicaragua has been one of the main beneficiaries of the European Community external aid in Central America. Already in the 80's, EC interventions in Nicaragua amounted for 186 millions of Ecus. It represented mainly development rural projects in support of the agrarian reform, food aid and NGO projects. In the early 90's, after the 12 years civil war, considerable amounts were engaged (178,4 millions of ecus from 1990 to 1994) to support the national reconciliation and reconstruction process. The main areas of cooperation were the reinforcement of the democratisation process, the food aid and reintegration of ex-combatants³¹. The intended strategy and the real allocations for the period 1998-2008, object of this evaluation, are detailed in chapter 3.

The EC has used mainly two instruments to supply financial and technical aid at regional, sub-regional and bilateral levels: the, so-called, ALA Regulation and the Instrument for Development Cooperation.

The ALA Regulation (Council Regulation EEC n°443/92 of February 1992 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America), provides a legal basis for the main regional, sub-regional and bilateral budget lines and establishes priority sectors. It stresses that it will target the poorest regions and populations and in particular will be used for :

- developing the rural sector and improving the level of food security ;
- improving the economic, legal and social environment for the private sector ;
- protecting the environment and natural resources, in particular tropical forests;
- combating drugs ;

³¹ European Commission, Definition of the EC mid-term cooperation strategy, September 1995

- enhancing the human and cultural dimensions of development (spreading democracy, good governance and human rights; encouraging gender issues, ensuring child protection, improving the living conditions and cultural identity of ethnic minorities and paying special attention to demographic questions, in particular those relating to population growth) ;
- tackling structural obstacles to aid management (support for national institutional capacity to manage development policies and strengthening of national capacity to develop sectoral policies) ;
- rehabilitation and reconstruction following disasters of all kinds and financing of disaster-prevention measures ;
- support for regional cooperation in the fields of: environment, intra-regional trade, regional institutional strengthening, regional integration, regional communications, research, training, rural development, food security and energy.

Furthermore, cooperation in the region was also financed by a set of horizontal budget lines (support to NGOs, human rights, environment, support to refugees, rehabilitation, food security). They do not specifically apply to Latin American countries but apply to all countries benefiting from EC external aid. Each has its own objectives.

For the implementation of the 2007-2013 budget for external assistance, the Council and the European Parliament adopted a set of new financial instruments. From 1 January 2007 the **Development Cooperation Instrument (DCI)**³² replaced the above mentioned ALA Regulation and the majority of thematic budget lines.

A4.3 European Community cooperation with Nicaragua

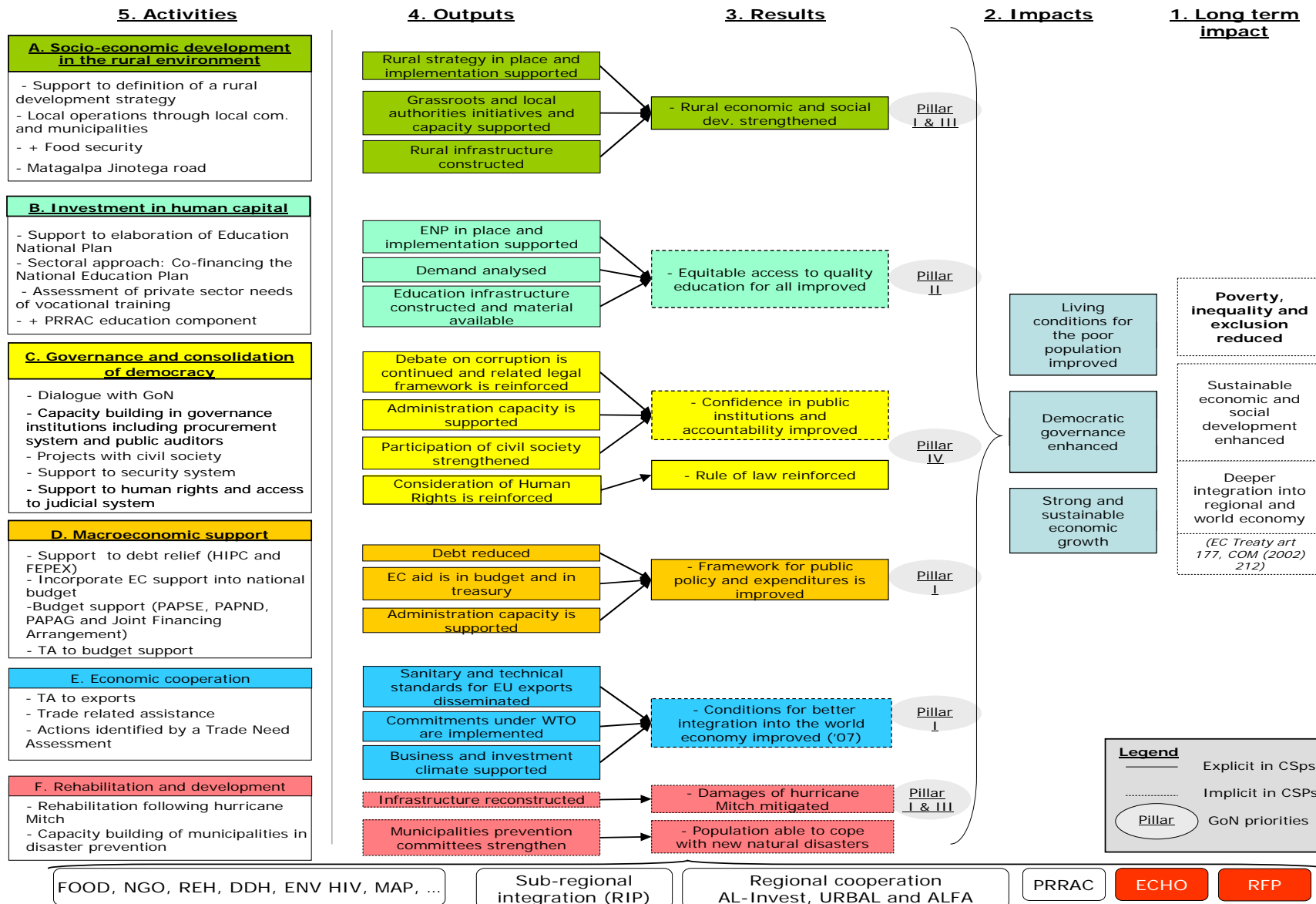
The strategy followed for the bilateral cooperation with Nicaragua is presented in the following main documents:

- Country Strategy Paper for Nicaragua 1998-2000
- Memorandum of Understanding of March 2001
- Country Strategy Paper for Nicaragua 2002-2006 (May 2002) that covers also the MoU of 2001.
- Country Strategy Paper for Nicaragua 2007-2013 (April 2007)
- Memorandum of Understanding of April 2007

The strategic orientations announced for the entire period could be analysed through an unique intervention logic and encapsulated in one graphical presentation: an “expected impact diagram” (for details about the reconstruction method for the expected impact diagram see annex 13).

³² Regulation (EC) N°1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation.

Figure 4.1 : Expected effects diagram



A4.3.1 The intervention logic 1998-2008

In 1998 starts the transition from a strategy related to the peace process towards a strategy related to poverty reduction and development as it might be seen in the expected impact diagram for the 1998-2008 period presented in the opposite page.

In terms of long-term impact, the CSPs are not explicit. They mention the communitarian development policy and therefore the evaluation team proposes to anchor the strategy for Nicaragua to the long term impacts mentioned in the Treaty establishing the European Community. According to this Treaty, the communitarian development policy should foster:

- *the **sustainable economic and social development** of the developing countries, and more particularly the most disadvantaged among them ;*
- *the **smooth and gradual integration of the developing countries into the world economy**, and in this framework the Commission's support to Central America regional integration should mentioned ; and,*
- *the **campaign against poverty** in the developing countries.*

The treaty does not establish a causal link between the three objectives. For this reason the impact diagram present them in the same column, without any arrow linking them.

Nevertheless, poverty reduction is central in the strategy (for this reason the text is in bold). The strategy 2002-2006 is based on the fight against poverty. The CSP 2007-2013 subscribes to the social cohesion objective defined, according to the European's Union Social Policy agenda, as an objective "*to prevent and eradicate poverty and exclusion and promote the integration and participation of all in economic and social life*". Furthermore, the European Consensus on Development 2005, stressed the importance of poverty reduction and places it as the overarching objective of EU development policies.

The second column from the right refers to impacts as reflected in the different CSPs.

- The first impact, **Living conditions for the poor population improved**, is considered in 1998, 2002 and 2007 CSPs although this formulation is explicit in the last one only.
- The next impact, **democratic governance enhanced**, has been a priority of the EC's cooperation since 1990, and reflects a progressive shift from peace consolidation to good governance.
- The third impact, **Strong and sustainable economic growth**, was already present in the CSPs 1998 and 2002 but only in terms of wealth for the rural populations. The 2007 gives a new emphasis to economic development reflecting the recent importance given to an economic development covering wealth but also a competitive economy, a macroeconomic stability, and regional and world integration.
- Causal links to long term impacts are straightforward for impacts 1, 3. This is less true for impact 2 (democratic governance enhanced), which has a weak and much debated

link both with Sustainable Economic and Social Development and with Poverty Reduction.

The third column from the right refers to the medium-term expected results, which should generate the impacts which appear in column 2. This third column as well as the outputs column (column 4) and the activities (column 5) are structured by areas of cooperation.

Considering that even the circumstantial priority imposed by hurricane Mitch has lasted almost ten years, the EC's cooperation with Nicaragua has been characterised by a strong continuity, at least in the choice of its sector priorities.

A4.3.2 The main areas of cooperation

A. Rural development

Support to development in rural areas appears in the first two CSPs, 1998 and 2002. Development in rural areas was abandoned as a focal sector in 2007, incidentally coinciding with the release of the WB's annual report on agricultural development and with the EC publication of the evaluation of its rural development programmes. The 2007 CSP stresses the need to support rural areas by supporting rural aspects of other sector policies (mainstreaming), particularly when designing sector policies (CSP 2007 p.20). In this way rural development is under this period converted into a kind of cross-cutting issue.

The expected result of this support is **the strengthening of rural economic and social development**. This should be the result of two types of operations:

- Local projects initiated by grassroots organizations and local authorities ; which in addition to their realisation this should also increase the capacity of local actors to catalyse their own potential and strengthen local authorities. The CSP 2002-2006 locates these projects in the south of the country. In addition, it mentions that the activities of the food security horizontal budget line will also contribute to this expected result.
- The definition and the implementation of a coherent new rural policy ; This support was announced in the 2002-2006 CSP. The Nicaraguan Government rural policy has in turn two main objectives: (i) the increase of rural productivity and (ii) the diversification of income. These objectives, if attained, should result in an strengthen economic and social development in the rural areas. Consequently it should have an impact on the living conditions of poor population but also a successful rural policy must have important impacts at the macro level: export and internal demand increase, etc.

B. Investment in human capital

This area of cooperation covers the whole period. The expected result in this area is the **improvement of equitable access to quality education for all**.

The term 'equitable' refers to equity between rural and urban areas, 'quality' to an education adapted to the demand while 'for all' refers to an increased supply capacity.

The CSP 1998-2000 recognised the lack of a strategic approach in the sector and only mentioned the necessity to maintain previous projects financed in health, in primary and secondary education and in vocational training in order to ensure long-term survival of cooperation schemes in these sectors. Apart from ensuring a financing it did not define what results should be expected from the activities financed.

In the following periods the strategy is based on the support to the Education National Plan, carried out through a sectoral approach. In fact the support takes the form of sectoral budget financing and this implementation modality should be continued in the 2007-2013 period³³.

The 2002-2006 strategy identifies two other activities: (i) the analysis of private sector demand of vocational training, which is part of the reform of the secondary school curricula, and (ii) the construction of education infrastructure under the PRRAC component.

C. Governance and consolidation of democracy

This area of cooperation has been a priority and a focal sector of the EC's cooperation since 1990, and reflects a progressive shift from peace consolidation to good governance. Support in this area is based on the rationale that good governance, understood in its multidimensional nature, should be favourable to the poor and to sustainable growth.

Under this framework two results are expected. They are stable over the whole period although different activities are successively proposed:

- **Confidence in public institutions and accountability improved.** According to the strategies this result is expected to be reached through (i) a policy dialogue that will maintain a continued debate on corruption and will reinforce the related legal framework (approval of law on the probity and moral integrity of public officials and employees) (2000-2006); (ii) capacity building activities to promote administration professionalism (during the three periods) including specific emphasis on public procurement (2002-2006) and country public auditors (1998-2000); and, finally, strengthening of civil society participation in strategy definition and accountability monitoring (1998-2000 and 2007-2013).

³³ The actual Sandinista government said it wanted to reconsider the 2001-2015 National Education Plan before accepting further financing.

- **Rule of law reinforced.** Contributing to rule of law has been a constant objective of the EC since the beginning of its cooperation with Nicaragua. Under the strategy 1998-2000, the focus is on support to the human rights prosecutor office and on security systems (public safety, police and prisons). Under the 2002-2006 strategy, the emphasis is on support for national human rights and governance institutions including judicial system. Finally, access to justice is the main issue in 2007-2013 strategy.

D. Macro-economic framework

The **improvement of public policy and expenditures** is expected to be strengthened by the reduction of the debt, and by the reduction of the budget deficit. Better financial management and more stable financial resources ultimately should improve the quality of public expenditure and the quantity of services offered to poor people and communities having therefore a direct impact on the living conditions of the poor population.

Support to the macro-economic framework first appears in 2002 as a non-focal sector with the EC participation to the HIPC debt reduction. It was followed by general and sectoral budget support (SBS) and technical assistance linked to this modality of intervention.

Although debt was relieved to affordable levels, the support to the macro-economic framework was maintained in 2007 and even strengthened (considered as focal sector) given the importance of BS.

E. Economic cooperation

The area of economic cooperation appears in 2002 as a non-focal sector in terms of trade related assistance. On the one hand, the EC strategy support an increase of exports to the EU, on the other hand a trade related assistance on WTO commitments it aimed at enhancing regional integration. These two activities should **improve the conditions for better integration into the world economy**. Consequently exports expansion should induce economic growth and reduce the current account deficit in the balance of payment contributing therefore to a strong sustainable economic growth.

This area of cooperation continues under the 2007-2013 strategy but as a focal sector and with a new focus that is support to business and investment climate. The CSP states that activities in this framework will be elaborated on the basis of a Trade Need Assessment study.

F. Rehabilitation and Development

Rehabilitation is a conjectural area linked to damages caused by hurricane Mitch. The CSP 1998-2000 mentions only the possibility to mobilise extra funds to support country's rehabilitation following hurricane Mitch.

The CSP 2002-2006 states the necessity to integrate these funds in the overall strategy of the EC cooperation with Nicaragua. In particular it mentions this input in relation to education area.

Although no explicit results are mentioned, on the basis of the identification of PRRAC we can consider them as two:

- **Damages of hurricane Mitch are mitigated** following infrastructure reconstruction activities; and,
- **Population is able to cope with new natural disasters**, through capacity building activities aiming at strengthened municipalities prevention committees.

A4.3.3 Linkage with the priorities of the GoN

The diagram also comprises grey areas (in column 3) which represent the linkage between the areas of cooperation and the main priorities of the GoN. The team has chosen as a reference the ERCERP (“Strengthened Growth and Poverty Reduction Strategy”) of July 2001 instead of the PNDo (operational National Development Plan) of 2003, because it is the main reference of the 2002-2006 CSP, which is central to our time period. The important question of the changes in the development priorities of the different GoN between 1998 and 2008 will not be addressed here, but in the desk report.

The 2001 ERCERP comprises four ‘pillars’. In each of them, one or two results³⁴ of priority areas of the EC’s cooperation is included. These relations show the link between the priorities of the GoN and the medium-term goals of the EC’s cooperation with Nicaragua. At least on paper, there is a strong coherence between the objectives of the GoN as expressed by the 2001 ERCERP, and the priorities of the EC’s cooperation throughout the period.

- Pillar I of the ERCERP (Broad based economic growth) is very much linked to area A of the EC strategy (social and economic development in rural areas) and to area D (improved macroeconomic framework), E (economic cooperation) and F (rehabilitation).
- Pillar II (investment in human capital) relates to area B (education or investment in human capital).
- Pillar III (protection of vulnerable groups) is related to area A and also to area F (rehabilitation) because both of these areas are oriented towards the more vulnerable groups.
- Finally, Pillar IV (good governance and institutional development) includes area C (Governance).

³⁴ In the diagram, the relation between a pillar and its respective expected result is expressed by the intersection between an oval grey area and a rectangle representing a result.

A4.3.4 Other budget lines

The CSPs mention also the potential benefits of using other budget lines in its cooperation with Nicaragua. (bottom of the diagram).

In 1998-2000, the CSP mentions centralised budget lines like NGO and REH but as well ECHO activities. It considers also the need of meshing national and regional dimensions of regional cooperation. Finally, it refers to regional programs such as AL-Invest, URBAL and ALFA.

The CSP 2002-2006 lists central budget lines as HIV/AIDS, MAP (landmines), tropical forests, environment as well as ECHO activities.

2007-2013 CSP proposes that the aims of those programmes and instruments in Nicaragua should be:

- To reinforce the participation of civil society in the development agenda, sector policies and the harmonisation and alignment initiative;
- To better address cross-cutting issues.

A4.3.4 Evolution of the strategy

The CSP 2002-2006 introduces four major changes in comparison with the previous period:

- 1) The Delegation expects Nicaragua to define the priorities of its development and to assume the leadership. The key dimensions are alignment on the national strategy (ERCERP) and emphasis on ownership.
- 2) Concentration of interventions in a smaller number of sectors and programmes in order to gain effectiveness.
- 3) Shift from a project approach towards a sector approach: aid should concentrate on a few well-articulated sector policies; permanent dialogue with the GoN and other donors should be promoted (alignment and harmonisation); the possibility of BS is introduced; for intervention design, the emphasis is placed on sustainability.
- 4) It underlines the importance of internal coordination between different programmes and budget lines, and of complementarities with other donors.

The main changes introduced by the CSP 2007-2013 are:

- 1) Further concentration of interventions on only two focal sectors: education and good governance;
- 2) Consolidation of the orientation towards non-earmarked BS.

Also three important topics should be considered:

- 1) The installation of PRRAC in 2000, which, due to its experience of direct programme administration, somehow facilitated the initial functioning of the Delegation upon its installation;
- 2) The opening of the EC's Delegation in Managua in 2002 and the application of the Commission's devolution policy; and,

- 3) The new instruments for external aid for 2007-2013 period, where the ALA and thematic budget lines regulations were replaced by the regulation DCI N°1905/2006.

A4.3.5 Strategic allocations

The National Indicative Programme (NIP) 2002-2006 and the NIP 2007-2013 foresees for their respective periods an indicative allocation per area of intervention. This is presented in the table below.

This information should be treated with caution as the information for the period 1998-2000 is missing. Under the conservative hypothesis that NIPs increase the same amount each period, it could be estimated that the NIP for the period 1998-2000 was of about €139m.

This information should be treated with caution as the information for the period 1998-2000 is missing. Also, the table only concerns NIPs resources which are resources of the ALA budget line and does not include allocations of thematic budget lines which are not integrated in the NIP or multiannually programmed³⁵.

Figure 4.2 : Strategic allocations of the NIP 2002-2006 and 2007-2013

	NIP 2002-2006	NIP 2007-2013
Socio-economic development in rural areas	€103m Focal Sector	-
Investment in human capital	€40m Focal Sector	€74.9m Focal Sector
Support to good governance and consolidation of democracy	€17m Focal Sector	€37.45m Focal Sector
Macro-economic support	-	€42.8m Focal Sector
Economic cooperation	€5m Non focal sector*	€48.15m Focal Sector
Other	€11,5m Non focal sector	€10.7m – Institutional support for sector programmes
TOTAL	€176,5m	€214m
For info:	Other budget lines 2002-2006: €114.9m** NIP 1998-2000: €139m***-	

Source: CSP-2002-2006, CSP 2007-2013

NB:

* Financed through the Economic cooperation budget line

** The CSP 2002-2006 gives an indication of amounts already committed for the period within other budget lines: €15m Food Security, €84mPRRAC (of which 19.5m in the area of education), €15.9m as a participation to the HIPC initiative. TOTAL: €114.9m

*** Strategic allocations for the period 1998-2000 were not available - Team estimation

³⁵ For this reason thematic budget lines are also called not programmable budget lines.

Annex 5 - EC interventions in Nicaragua

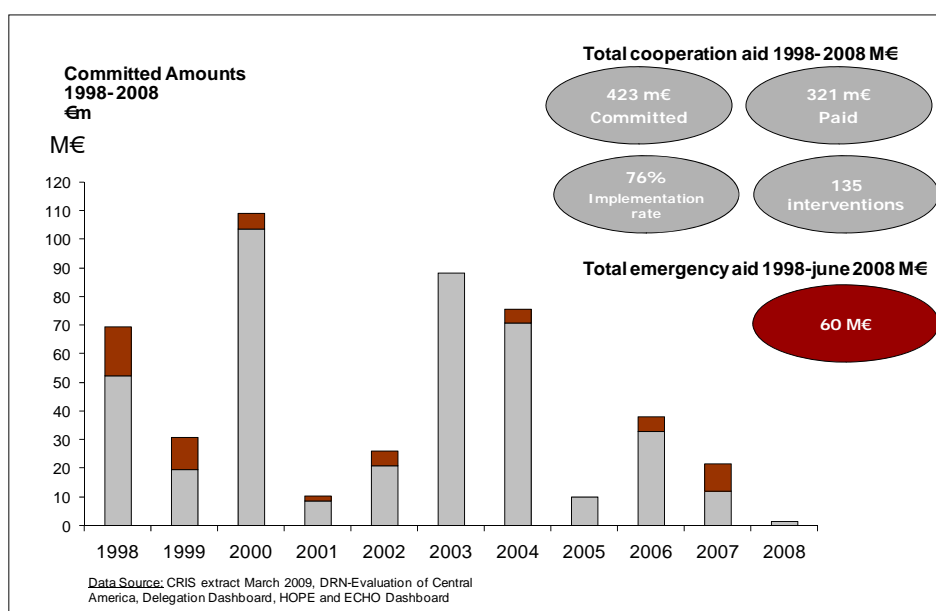
A5.1 Overall commitments

In terms of real commitments of financial resources, from 1998 to 2008 the EC for its cooperation with Nicaragua committed €423m and disbursed €321m over 135 interventions.

The commitment rate can be estimate for programmable funds at only 70%; setting aside the strategic allocation of the period 2007-2013 as under this NIP there are no new commitments³⁶.

As regards the funds managed by ECHO, the EC disbursed an additional amount of €60m for emergency and humanitarian purposes.

Figure A5.1 : Committed amounts 1998- 2008, in €m



As Figure A5.1 shows, commitments varied over the years. This rhythm reflects programming periods and also commitments to big programmes, namely:

- the PRRAC in 2000 (€84m) a reconstruction programme following Hurricane Mitch ;
- the PAPSE in 2002 (€50m) a SBS in favour of education ; and,
- the PAPND in 2004 (€68m) a GBS in favour of macro-economic support.

³⁶ It is not possible to calculate a commitment rate for all the funds as the thematic budget lines are not programmable therefore not reflected in the strategic allocations. The calculation of the commitment rate takes into account the commitments of ALA budget line (€218m) over the strategic allocations for the CSP 2002-2006 (€176,5m) and an estimation for the NIP 1998-2000 (€139m).

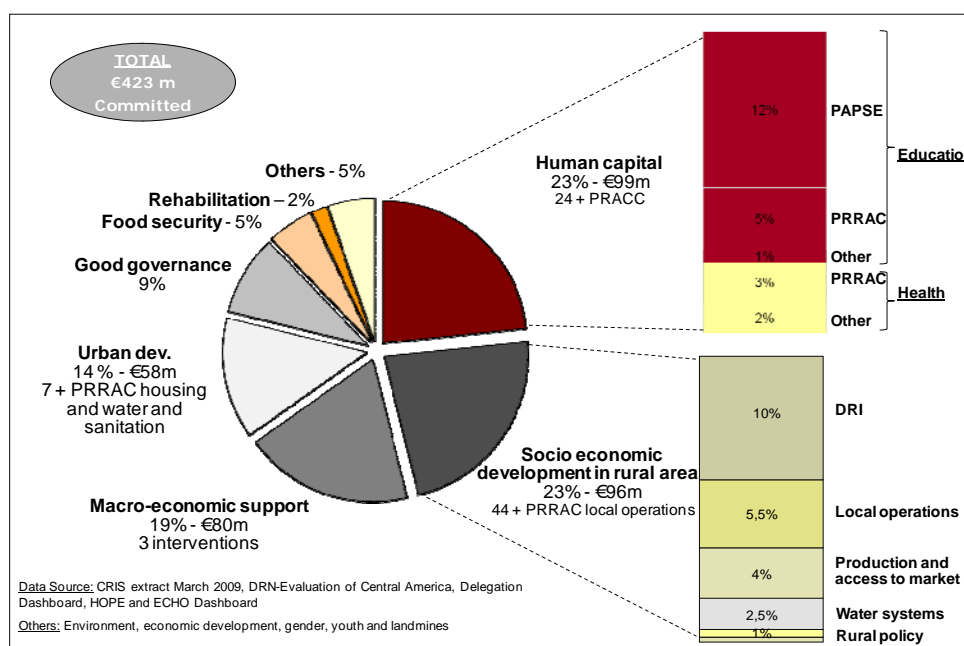
For the year 2008, commitments are only the fact of thematic programmes. No interventions under the geographical programme 2007-2013, have yet been committed as no agreement has been found with the new government or are been still in the formulation phase.

For ECHO funds, commitments in 1998 and 1999 were due to the consequences of Hurricane Mitch. Commitments in 1997 related to Hurrigan Felix having affected the Atlantic Coast.

A5.2 Sectoral distribution

In terms of **sectoral distribution** (see Figure 3.3), investment in human capital, socio-economic development in rural areas, macro-economic support and urban development were the main areas.

Figure A5.2 : Repartition per area of intervention – Commitments 1998-june 2008



Support to human capital amounted for €99m and comprises:

- The PAPSE (Programma de apoyo presupuestario sectorial para la educación), SBS programme for education - €50m;
- The FOSED sub-programme of the PRRAC related to education - €20m – engaged in schools (re)construction and equipments in Nueva Segovia and RAAN and curricula reform for the RAAN;
- The FORSIMA sub-programme of the PRRAC related to health - €13m – engaged in improving care services in the SILAIS of Managua;
- The other interventions were funded through thematic budget lines and concerned reproductive and communitarian health (13 projects - €9m), education (8 - €4m) and culture promotion (2 – €0.9m).

Socio-economic development in rural areas is characterised by smaller projects, 44 in total, with an average commitment of €2.1m per project. Five types of intervention were funded:

- **DRI** (Programas de Desarrollo Rural Integrado): 4 programmes in total designed over the same pattern - with components in credit, municipalities strengthening and rural roads rehabilitation - covering the regions of centre, northern-centre, pacific, and south (4 - €41m).
- Local interventions in **integrated rural development at local level**, with components of rural production but also strengthening of municipalities and communities (12 - €21.6m + PRRAC sub-programmes €1.3m).
- Interventions aimed at **improvement in production capacity** through agricultural dissemination activities and which often include activities to improve market access. This category also comprise interventions promoting an environmentally friendly and biological production and capacity building for agrarian producers associations (21 - €16.7m).
- Interventions for **drinkable water systems** in rural areas: mainly PRASNIC in the centre and northern-centre regions but also some small projects financed by PRRAC (3 - €10.7m).
- Interventions in support to **rural policy** (this does not cover GBS and HIPC support that were initially programmed with a focus on rural policy) (3 - €2.5m).

Interventions in the socio-economic development of rural areas were funded from ALA funds as provided for in the programmable strategies, but also from a range of horizontal budget lines such as NGO, food security and environment (see figure 3.8).

Furthermore it should be noted that within other areas of intervention support was provided to rural zones. This was directly the case in food security interventions but also in the areas of good governance and human capital.

Macro-economic support covered three interventions, namely:

- PAPND (Programa de apoyo al Plan Nacional de Desarrollo), a GBS intervention – €68m ;
- HIPC support that dates back to 2003 - €7.5m; and,
- A technical assistance programme, with first aim was to strengthen public administration capacity in relation to BS (PAINIC) - €5m.

Urban development relates to support to urban centres in housing, water and sanitation and municipal services. This interventions were mainly programmed after Mitch :

- Through PRRAC : with PROMAPER sub-programme (€23.9m) in Ciudad Sandino, with PRIESO sub-programme (€18.9m) in Estelí and Ocotal, with 2 small programmes for water and sanitation channelling funds through UNDP in León and Managua and with 1 social housing through an NGO.
- Through NGO and REH budget lines (6 – €9.1m) mainly in the housing.

A5.3 Size: modality, big programmes and financial instruments

Commitments are highly concentrated: 3 programmes (2%) amount for about 50% of the commitments. These are the PRRAC and 2 BS programmes (PAPND, PAPSE). But it is also significant that nearly 70% of the projects are of less than €1m. Three factors influence the size patterns presented in the table below:

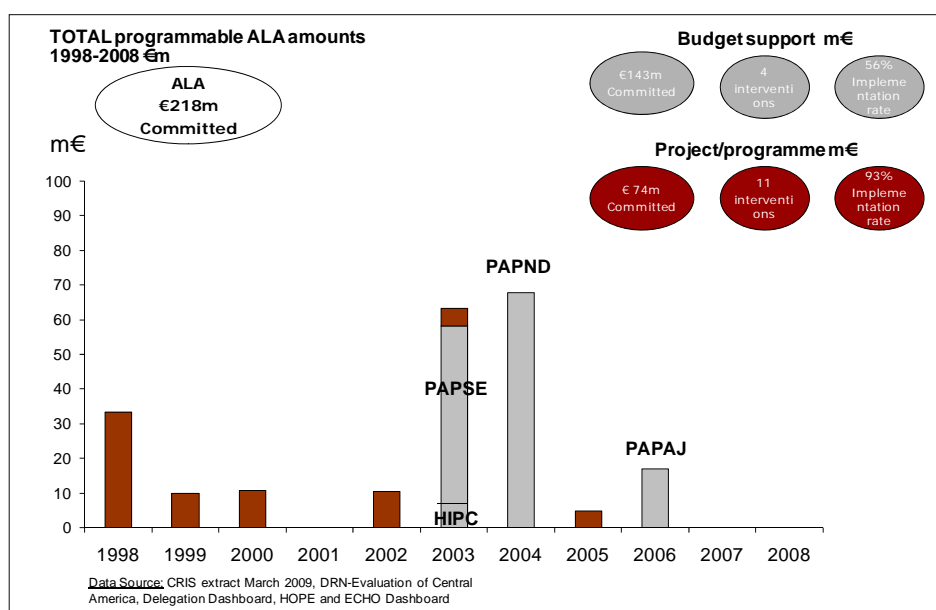
- The use of BS modality through which commitments are high ;
- The PRRAC programme which amounted for €84m ;
- The significant use of thematic budget lines through which commitments are relatively small.

Figure A5.3 : Interventions size

	NUMBER OF INTERVENTIONS	COMMITMENT €
> €50m	3	202,724,150,00
From > €5m to < €17m	13	126,102,423,40
From > €1m to < €5m	25	44,122,725,42
From >500,000€ to <€1m	53	36,080,143,29
< 500,000€	41	14,044,474,25
TOTAL	135	423,073,916,36

The possibility of using the **BS modality** was introduced in the 2002-2006 CSP. As Figure 3.5 shows, BS was first committed in 2003. This year marks the shift to that aid modality. Since then, the bulk of ALA programmable resources (NIP) has been committed under this modality, specifically in focal sectors. This trend was intended to continue during the 2007-2013 period, but the EC has suspended the use of this modality in Nicaragua following the degrading of governance context.

Figure A5.4 : Shift towards BS modality in ALA programmable resources



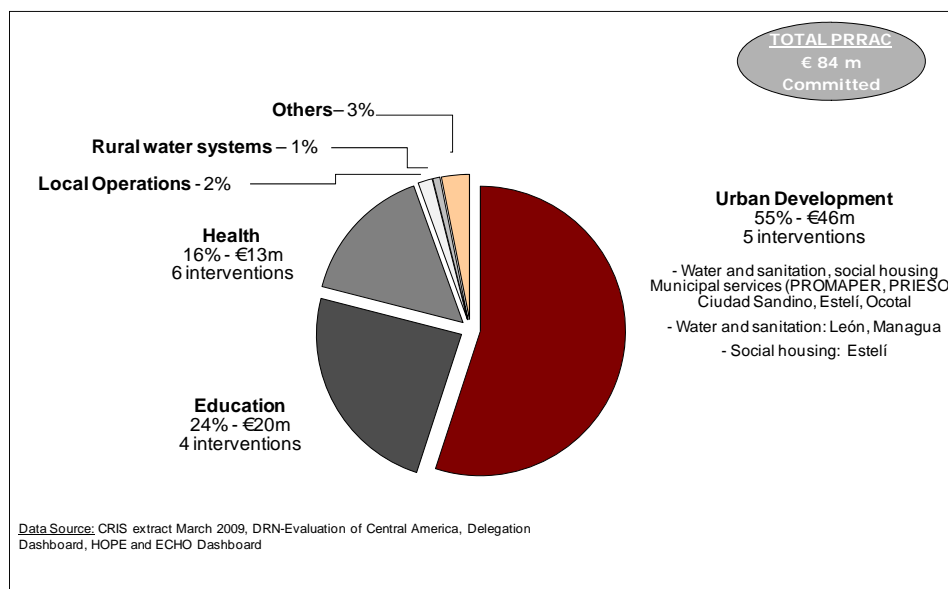
BS interventions are:

- The PAPND (Programa de apoyo al Plan Nacional de Desarrollo), a GBS intervention - € 68m ;
- The PAPSE (Programa de apoyo presupuestario sectorial para la educación), SBS programme for education - €50m;
- The PAPAJ (Programa de apoyo presupuestario de acceso a la justicia) - €17m.
- The HIPC support that dates back to 2003 - €7.5 although the mechanisms are different.

It should be noted that BS only concerns programmable resources, the thematic budget lines still being implemented through a project or programme approach.

The **PRRAC** (Programa de reconstrucción regional para América Central) was identified as a response to the damages caused by the hurricane Mitch. The PRRAC commitments amounted to €84m in Nicaragua. Three other Central America countries also benefited from their PRRAC: Honduras, El Salvador and Guatemala. The programme was designed following Hurricane Mitch with a view to continuation of reconstruction after the end of emergency aid. It started in 2000 and finished end 2008. This programme financed interventions in five sectors: urban development, education, health, local development and rural water systems.

Figure A5.5 : PRRAC by sectors



In terms of modalities of intervention under the PRRAC three types of sub-programmes were financed: projects with PMU (5 – €72m), through public, para-public or international organisations (5 - €5,1m) as well as through NGO's (17 - €4.9m).

The first category, projects with PMU, mobilized 88 % of the funds through 5 sub-projects:

- FORSIMA – Rehabilitation and strengthening of primary health services of the SILAIS of Managua - €10m
- FOSED – Education infrastructure and equipment in Nueva Segovia and RAAN and support to the curriculum in the RAAN – €18,7m
- PRIESO – Water and sanitation, housing and municipality strengthening in Estelí and Ocotal – €18,9m
- PROMAPER - Water and sanitation, housing and municipality strengthening in Ciudad Sandino – €23,9m
- Natural Risk Maps for three interventions zones of the PRRAC – €1,1m

In terms of **financial instruments**, Nicaragua is a major recipient of thematic budget lines. PRACC set aside³⁷, the budget lines represents 28% of the commitments. The large number of interventions should be noted also (120 – 88%). The average size of an intervention under these financial instruments is of €1m.

Figure A5.6 : Financial instruments

	Share	Committed	Paid	Number of projects
ALA – Geographical programme	51,6%	218,127,944.62	149,402,154.17	15
REH – Rehabilitation*	21,5%	91,155,417.00	89,250,614.37	6
NGO – Co-financing of NGO	15,1%	63,737,212.33	42,474,144.86	89
FOOD – Food aid and food security	7,9%	33,613,641.79	27,027,931.32	9
HEALTH – Poverty diseases	1,2%	5,086,204.50	3,843,694.45	6
ENV – Environmental protection	0,9%	3,681,814.71	2,920,604.76	4
DDH – Human rights	0,8%	3,187,422.78	2,551,702.78	1
MAP – Land Mines	0,3%	1,234,258.63	1,234,258.63	1
CDC – Decentralised cooperation	0,1%	250,000.00	114,848.00	1
Thematic budget line – Not identified	0,7%	3,000,000.00	3,000,000.00	3
All thematic budget lines	48%	204,945,971.74	172,417,799.17	120
All thematic budget lines	28%	120,945,971.74		119
Total	100%	423,073,916.36	321,819,953.34	135

NB: * Under the budgetline REH €84m correspond to PRRAC

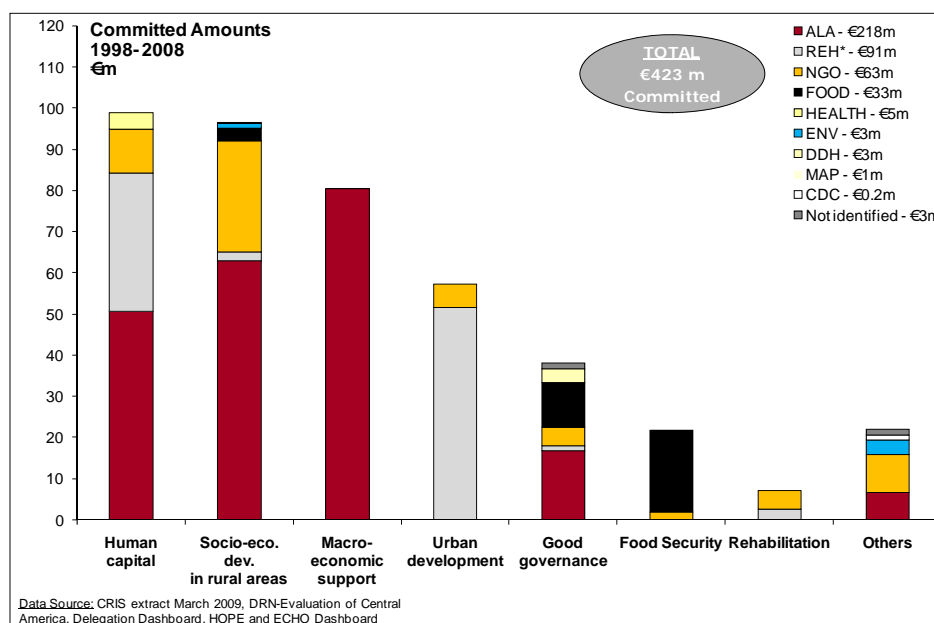
³⁷ The consideration of the PRRAC amounting for the 84 broad the importance of the phenomenon. Considering the PRRAC thematic budget lines funds amount for 48%.

Except the PRRAC and FOOD, the other budget lines (NGO, Health, Env, DDH, MAP, CDC) are mainly mobilise through call for proposals for non state actors. Whether a multi-actor and a multi-level approach has its benefits; a wide appliance of a call for proposal system might push for a multitude of scattered interventions hampering a strategic approach in the field. This effect is increase when calls for proposals are launched at multi-country level³⁸.

Furthermore, the funds of the thematic budget lines are additional to the programmable NIP financed under the ALA regulation³⁹ and therefore not considered in the strategic exercise of the CSP.

The sectoral breakdown of the commitments of thematic budget line provides an overview on how they could impact the strategic vision initially presented in the CSP. The Figure 3.8 below shows the financial instruments used for the main areas of intervention.

Figure A5.7 : Financial instruments by area of intervention



³⁸ See »Evaluation of EC aid channelled through civil society organisations», 200

³⁹ Since 2007, the ALA regulation and the thematic budget lines have been replaced by the DCI which comprises the geographical programme and the thematic programmes. In Nicaragua only DCI thematic programmes have been mobilised so far.

Annex 6 - Chronology of EC post-Mitch interventions

Following Hurricane Mitch, the EC intervened with a multiplicity of tools. Tools like ECHO, or Food Security line were mobilised in the first moments allowing a relief to first emergency. Other tools were mobilised as a global response like the participation to the HIPC initiative for aid relief (1999). An additional amount of €84m was approved for Nicaragua in the frame of the budget line B7-313: Rehabilitation and Reconstruction operations in developing countries in Latin America – (PRRAC). Certain TFC projects (Road El Guayacan-Jinotega) and NGO cofinancing were in the subsequent years still being motivated by the damages caused by the Hurricane.

The Commission's response to Hurricane Mitch throughout Central America followed the following sequence:

- October/November 1998: Hurricane Mitch hits Central America
- November 4, 1998 - 1st ECHO programme to a total of €6.8m (distribution of basic necessities (food parcels, emergency relief items and medical support) and reorientation of €3m within ongoing ECHO programmes
- December 21, 1998 – 2nd ECHO programme €9.5m (for sanitation, health and shelter, split up in 29 projects that started in February 1999) and co-financing through NGOs to a total of €17.9m (an increase of 36% over 1998)
- December 1998 - Approval of the project “PRRAC: identifications and TA”, €8.2m, by the ALA Committee:
 - February and March, 1999 - Identification missions
 - March 10, 1999 – Terms of Reference for the TA contract
 - August 11, 1999 – TA contract signed for the implementation of “PRRAC: identifications and TA”
 - October 13, 1999 – Effective start of Technical Assistance Unit (TAU) activities
 - January 1st, 2002 – Devolution of the contract to the ECD in Managua
 - October 12, 2002 – End of the contract
- April 28, 1999 – Communication of the Commission to the Council and the European Parliament on a Community Action Plan for the Reconstruction of Central America – €250m COM1999/201 (84€ for Nicaragua)
- September, 1999 – Plan Global de Ayuda Humanitaria ECHO €16m (€850.000 for Nicaragua) - for sanitation, health and shelter.
- November 1999 – Participation totalling €30m in the HIPC initiative for debt reduction for Honduras and Nicaragua (\$14m for Nicaragua –CSP 2002-2006).
- November 1999 – Approval of the first tranche of PRRAC by the ALA Committee (in total €250m for the four countries of the region - €84m for Nicaragua)
 - July 2000 – Signature of PRRAC first Financing Agreements with the four countries
 - August-October 2000 – Initial settlement of the devolved structure for management of the PRRAC
 - September 12, 2000 – First call for proposals for the PRRAC (local initiatives fund) to a total amount of €4.7m.
 - September 30, 2000 – Publication of the call for proposal pre-information for a first group of 8 PRRAC projects
 - March 20, 2001 – Signature of the 11 grant agreements with NGO's for Nicaragua local initiative component.
 - November 11, 2001 to May 6, 2002 – Signature of the contracts for the 5 big sub-projects in Nicaragua.

Various sources: Mainly PRRAC, Misión de análisis técnico y de evaluación, December 2000,

Other elements:

Food Security programmes subsequent to Hurricane Mitch amounted to €30m for all Central America (according to RELEX, Informative report on the PRRAC). This comprises aid in kind in distribution of food, agricultural seeds, inputs and tools (Euronaid 1998:€5.2m 1999: €5.1m) and additionally €4.9m were allocated for rehabilitation of farms damaged by the hurricane in the northern and north-western part of the country, through 12 post-Mitch projects executed by NGOs. They started between March 2000 and January 2001.

Annex 7 - List of EC interventions in Nicaragua 1998-2008

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
1	CRIS	REH/1998/ 003-656	1998	Apoyo instalación de población desarraigada en El Castillo	REH		Rehabilitation	270.000,00	270.000,00
2	DP	ONG/PVD/1998 /665	1998	Atención de salud integral a la mujer a través de un servicio de salud comunitario en comunidades rurales de la costa atlántica de Nicaragua	NGO	Health	Investment in human capital	450.000,00	450.000
3	DP	ONG/PVD/1998 /631	1998	Rural development project in the department of Managua	NGO	Local operations	Socio-economic development in rural areas	499.934,00	252.858
4	DP	ONG/PVD/1998 /724/NI	1998	Program zur förderung der kleibauern und bauerinnen in der region Rio San Juan	NGO	Support to producers associations	Socio-economic development in rural areas	500.000,00	500.000
5	DP	ONG/PVD/1998 /117/NI	1998	Aufbau Eines Integrativen jugendbildungs/ und kommunikationszentrums für behinderte und nichbehinderte in Esteli	NGO	Youth	Others	681.784,00	542.559
6	DRN	ALA/1997/002-382	1998	Consolidation et extension du programme de "Campesino a Campesino" - Phase II	ALA	Agricultural production and access to market	Socio-economic development in rural areas	555.000,00	555.000
7	DP	NIC/B7-6201/97/0747	1998	Proyecto de conservación y el uso sostenible del bosque tropical húmedo y humedales en la cuenca del río San Juan	ENV	ENV	ENV	894.348,00	828.418
8	DRN	–	1998	Adduction d'eau potable et tout-à-l'égout en zones urbaines	ALA	Water and sanitation	Others	1.793.000,00	1.767.338
9	CRIS	FOOD/1998/ 003-020	1998	FOOD SECURITY 1998 NICARAGUA - APPUI EL NINO (See details sheet 4)	FOOD	Food security	Food security	4.886.886,01	4.886.886,01
11	ROM	NIC/B7-310/97/383	1998	PRONORCEN - Desarrollo economico social en la zona Norte-Central de Nicaragua	ALA	IDRP	Socio-economic development in rural areas	9.301.035,00	9.301.035
12	DEL	FOOD/NIC/1998/2047	1998	Programa de Ayuda Institucional en Entidades Gubernamentales y de la Sociedad Civil - Food security 1998 Nicaragua (ligne 14)	FOOD	Institutional support	Good governance and consolidation of democracy	10.928.141,78	10.825.430

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
13	CRIS	ALA/1998/ 002-414	1998	Developpement socio-economique à Waslala, Cua-Boca, Tuma-La Dalia et Rancho Grande (zona norte)	ALA	IDRP	Socio-economic development in rural areas	11.661.405,53	11.661.405,53
15	CRIS	ALA/1998/ 002-451	1999	Fortalecimiento Administración Pública Nicaragua	ALA	Institutional support	Good governance and consolidation of democracy	0,00	0,00
16	DP	ONG/PVD/1999 /24	1999	Ampliación del centro de mujeres Xochilt-Acalí, Malpaisillo	NGO	Gender	Others	42.954,00	42.954
17	DP	PVD/1999/672	1999	PROGRAMA PARA LA PREVENCION DE LA VIOLENCIA FAMILIAR Y SEXUAL; PARA LA SALUD INTEGRAL Y LA PARTICIPACION POLITICA DE LAS MUJERES EN NICARAGUA, EL SALVador y Guatemala	NGO	Gender	Others	339.660,00	339.660
18	DP	ONG/PVD/1999 /858/15	1999	Promozione dei diritti e della partizipazione infantile nello sviluppo rurale: Santa Cruz e Santa Rosa	NGO	Human rights	Good governance and consolidation of democracy	366.204,00	366.204
19	DP	ONG/PVD/1999 /1042/CSR	1999	Programa integral con los niños y adolescentes en estrategia de supervivencia - La edad de oro.	NGO		Not identified	410.293,00	410.293
20	CRIS	REH/1999/ 004-994	1999	Proyecto de desarrollo y fortalecimiento del sistema de salud en el municipio de Siuna	REH	Health	Investment in human capital	435.417,00	435.417,00
21	DP	ONG/PVD/1999 /857	1999	Actividades de desarrollo humano en las comunidades de Yasica Sur	NGO	Education	Investment in human capital	442.972,00	442.972
22	DP	ONG/PVD/1999 /598/NI	1999	Acciones de proteccion del Medio Ambiente y Promocion del desarrollo social y Economico a traves de actividades de Apoyo Tecnico, Formativo y Financiero	NGO	ENV	ENV	446.250,00	445.386
23	DP	ONG/PVD/1999 /1143/IT	1999	Documentación de experiencias exitosas de base, Nicaragua.	NGO		Not identified	460.768,00	294.142

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
24	DP	ONG/PVD/1999/774/15	1999	Prevención de ETS y VIH-SIDA en Nicaragua	NGO	Health	Investment in human capital	489.514,00	297.624
25	DP	ONG/PVD/1999/1158/IT	1999	Solidez programme with Disabled Woman	NGO	Gender	Others	496.233,00	428.805
26	DP	ONG/PVD/1999/514/SM	1999	Fomento de una agricultura con orientación ecológica de pequeños productores de Chinandega y León	NGO	Biologic agriculture	Socio-economic development in rural areas	500.000,00	450.000
27	DP	ONG/PVD/1999/9/CSR	1999	Desarrollo rural y forestal de Ometepe	NGO	Local operations	Socio-economic development in rural areas	528.948,00	528.948
28	DP	ONG/PVD/1999/280/CSR	1999	Producción de Calidad y fortalecimiento de tres organizaciones cooperativas cafetaleras	NGO	Support to producers associations	Socio-economic development in rural areas	847.085,00	847.085
29	DP	ONG/PVD/1999/651/CSR	1999	Educación intercultural bilingüe en la costa caribe nicaragüense	NGO	Education	Investment in human capital	888.375,00	888.375
30	DP	ONG/PVD/1999/946/CSR	1999	Nueva vida L'Uragano	NGO		Rehabilitation	1.122.033,00	1.122.033
31	ROM	<u>ROM:PVD/2000/232/CSR</u>	1999	RECONSTRUCCIÓN INTEGRAL DE BARRIOS AFECTADOS POR EL HURACÁN MITCH	NGO		Rehabilitation	2.000.000,00	2.000.000
32	CRIS	ALA/1999/ 004-152	1999	Desarrollo de la Zona del Pacifico Norte de Nicaragua –DECOPANN	ALA	IDRP	Socio-economic development in rural areas	10.104.899,58	10.018.339,41
33	CRIS	<u>ALA/1997/002-413</u>	1998	ABASTECIMIENTO DE AGUA Y SANEAMIENTO EN EL MEDIO RURAL EN NICARAGUA (PRASNIC)	ALA	Water and sanitation	Socio-economic development in rural areas	10.038.454,51	10.038.454,51
34	DP	ONG/PVD/2000/872/UK	2000	Strengthening Gender and Development Strategies in Nicaragua	NGO	Gender	Others	127.307,00	127.307
35	DP	ONG/PVD/2000/279/SP	2000	Reactivación productiva y económica en cinco zonas rurales de Nicaragua	NGO	Agricultural production and access to market	Socio-economic development in rural areas	361.505,00	325.355
36	DP	ONG/PVD/2000/720/IT	2000	Programa de Desarrollo Local sostenible en Salinas Grandes e Isla Juan Venado	NGO	Local operations	Socio-economic development in rural areas	436.100,00	269.770

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
37	DP	ONG/PVD/2000/228/FRG	2000	Proyecto de Desarrollo rural integrado a través de la realización de pincípios ecológicos	NGO	Biologic agriculture	Socio-economic development in rural areas	508.959,00	250.000
39	DP	ONG/PVD/2000/278/CSR	2000	Impapakra Ba, rescate y valorización de la cultura indígena, intercambio informativo entre comunidades y valorización de actividades económicas tradicionales ecosostenibles en la RAAN	NGO	Culture	Investment in human capital	712.238,00	440.512
40	DP	ONG/PVD/2000/284/CSR	2000	Apoyo a la reactivación socio económica y desarrollo ambiental dirigido a 15 grupos poblacionales que habitan en las areas de mayor precariedad del municipio de Managua	NGO	Biologic agriculture	Socio-economic development in rural areas	900.000,00	540.000
41	ROM	ROM:AMC/B7-6310/1999/0332	2000	MODELO DE LICENCIAS SOCIALES DE SALUD REPRODUCTIVA EN NICARAGUA	HEALTH	Health	Investment in human capital	1.000.000,00	1.000.000
42	DP	ONG/PVD/2000/232/CSR	2000	Reconstrucción integral de los barrios afectados por el huracán Mitch en la ciudad de Estelí, en el marco del desarrollo estratégico municipal.	NGO	Urban development	Urban development	1.999.000,00	1.108.642
43	DEL	REH/2000/059636	2000	Proyecto Apoyo a Poblaciones Urbanas en Estelí- Matagalpa-Jinotega, Ocotal y Somoto (PAPU)	REH	Urban development	Urban development	2.950.000,00	2897479
46	CRIS	ALA/2000/ 002-419	2000	Acondicionamiento de la carretera El Guayacán – Jinotega	ALA	Local operations	Socio-economic development in rural areas	10.900.000,00	10.744.788,74
47	CRIS	ALA/2000/ 004-154	2000	PRRAC - Programa de Reconstrucción Regional para America Central (PRRAC) - Subprograma Nicaragua	REH		Rehabilitation	84.000.000,00	82.187.133,83
48	DP	B7-6002-CDC-2001-7	2001	Strategic development plans and improvement of land registration and taxing systems in 16 Nicaraguan cities	CDC	Land policy	Socio-economic development in rural areas	250.000,00	114.848
49	DP	ONG/PVD/2001/365	2001	Educación integral, alfabetización, post alfabetización primaria y secundaria para mujeres rurales en 20 comunidades de los dep. de León y Chinandega	NGO	Education	Investment in human capital	264.046,00	78.718

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
51	DP	ONG/PVD/2001/547	2001	Malacatoya Forum Disaster to Dignity-Ecological Reconstruction of a Rural Community in Nicaragua	NGO	ENV	ENV	398.014,00	159.474
52	DP	NI/OXB/2001/090	2001	OXFAM Sol. Alimento por trabajo 2001	FOOD	Food security	food security	511.269,00	511.269
53	DP	ONG/PVD/2001/494	2001	Fortalecimiento del Sistema de Salud Comunitaria en 45 comunidades de Nicaragua	NGO	Health	Investment in human capital	787.636,00	708.872
55	DP	ONG/PVD/2001/630	2001	Reforzamiento de las acciones locales de las redes que trabajan en la defensa y cumplimiento de los derechos de la niñez y la adolescencia a partir de sus representaciones locales	NGO	Human rights	Good governance and consolidation of democracy	844.030,00	245.455
56	DP	ONG/PVD/2001/210	2001	Asentamientos rurales y periurbanos sostenibles en el municipio El Viejo de Chinandega	NGO	Urban development	Urban development	998.590,00	380.586
57	DP	ONG/PVD/2001/568	2001	Fortalecimiento Socioeconómico de las Cooperativas de Pequeños Productores Cafetaleros de la zona alta del Municipio de Santa María de Pantasma-Jinotega, Nicaragua.	NGO	Agricultural production and access to market	Socio-economic development in rural areas	1.376.444,00	579.504
58	ROM	<u>ROM:NIC/B7-3120/00/027</u>	2001	APOYO A LAS POBLACIONES URBANAS DE MANAGUA.	REH	Urban development	Urban development	2.500.000,00	2.460.585
59	ROM	<u>ROM:PVD/2000/284/CSR</u>	2001	APOYO A LA REACTIVACIÓN SOCIOECONÓMICA Y AL DESARROLLO AMBIENTAL.	NGO	Urban development	Urban development	900.000,00	900.000
60	DP	NI/INE/2002/02	2002	INTERMON - Distribución de semillas e insumos agrícolas en respuesta a la sequía	FOOD	Food security	food security	268.594,00	268.594
61	DP	ONG/PVD/2002/020-613	2002	Cinco Pinos - breaking the poverty cycle in the northern Chinandega	NGO	Local operations	Socio-economic development in rural areas	446.822,00	162.140

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
62	DP	ONG/PVD/2002/020-621	2002	Strengthening the local capacity from a Gender perspective and support for productive development of in the municipalities of Mateare and Belen in Nicaragua	NGO	Gender	Others	499.007,00	96.444
63	ROM	<u>ROM:2002/020-621</u>	2002	Fortalecimiento de las capacidades locales con perspectiva de género	Not identified	Institutional support	Good governance and consolidation of democracy	500.000,00	500.000
64	ROM	<u>ROM:GPR/AID/CO/2000/2015/45/0</u>	2002	FORTALECIMIENTO DE LA CAPACIDAD DE COMERCIALIZACIÓN DE PRODUCTOS	FOOD	Agricultural production and access to market	Socio-economic development in rural areas	600.000,00	600.000
65	DP	ONG/PVD/2002/060-057	2002	Reconstruction and support for the social development of 8 rural communities affected by the Masaya Earthquake	NGO		Rehabilitation	611.109,00	611.109
66	DP	ONG/PVD/2002/020-601	2002	Support for Socio-economic rehabilitation of the 12 communities of the municipality of Prinzapolka	NGO		Rehabilitation	712.320,00	311.211
67	ROM	<u>ROM:2001/050-605</u>	2002	PROGRAMA PLURIANUAL DEMOCRACIA Y DERECHOS HUMANOS EN AMERICA CENT	Not identified	Human rights	Good governance and consolidation of democracy	1.000.000,00	1.000.000
68	CRIS	MAP/2002/ 004-357	2002	Implementation of Humanitarian Demining Operations in Nicaraguan-Honduras border and operations of the Special Mine Action Platoon	MAP	Landmines	Others	1.234.258,63	1.234.258,63
69	DP	ONG/PVD/2002/763*	2002	More than houses. Building communities in Central Americas	NGO	Urban development	Urban development	1.422.279,00	0
70	ROM	<u>ROM:PVD/2001/269/CSR/PR</u>	2002	ATENCION INTEGRAL A NIÑOS, NIÑAS Y ADOLESCENTES EN SITUACIÓN DE EXPLOTACION SEXUAL	NGO	Youth	Others	1.600.000,00	1.600.000
71	ROM	<u>ROM:PVD/2001/568/CSR/PR</u>	2002	FORTALECIMIENTO SOCIO ECONÓMICO DE LAS COOPERATIVAS DE PEQUEÑOS PRODUCTORES	NGO	Support to producers associations	Socio-economic development in rural areas	1.800.000,00	1.800.000

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
73	CRIS	ALA/2002/ 005-826	2002	Proyecto de Desarrollo Local en las areas rurales del departamento de RIVAS (DECOSUR)	ALA	IDRP	Socio-economic development in rural areas	10.550.000,00	8.303.138,12
75	DEL	ONG-PVD/2003/ 022-323/TPS 22323	2003	Donación Global 2002 (solo incluye monto p/Nicaragua)	NGO		Not identified	170.220,00	170.220,00
76	ROM	<u>ROM:FOOD/2000/047-226</u>	2003	SERVICIOS LEGALES RURALES: LA DIMENSION OLVIDADA DEL FOMENTO AL D	FOOD	Land policy	Socio-economic development in rural areas	400.000,00	400.000
79	DEL	ONG/PVD/2003 /027217	2003	Block Grant 2002 (solo incluye monto p/Nicaragua)	NGO		Not identified	506.820,00	170.220,00
80	DP	ONG-PVD/2003/ 021-149/TPS	2003	Expansion y consolidacion en Centro America de la metodologia de bancomunales de FINCA Costa	NGO	Local operations	Socio-economic development in rural areas	978.577,00	405.220,00
81	ROM	<u>ROM:2003/073-831</u>	2003	Apoyo a la promoción y defensa de los derechos de los pueblos Indígenas y Afrodescendientes de la Costa Caribe de Nicaragua	REH	Institutional support	Good governance and consolidation of democracy	1.000.000,00	1.000.000
82	DP	NI/INE/2003/003	2003	INTERMON - SA en trópico seco bajo riego y diversificación	FOOD	Food security	food security	1.118.751,00	1.118.751
83	ROM	<u>ROM:2001/059-145</u>	2003	CAFÉ: UN EJEMPLO DE PRODUCCIÓN Y CONSUMO RESPONSABLE.	ENV	Agricultural production and access to market	Socio-economic development in rural areas	1.200.000,00	1.200.000
84	ROM	<u>ROM:CO19712-1998.B</u>	2003	APOYO A LA CONSTITUCIÓN DE UN SISTEMA DE INFORMACIÓN AGROPECUARIO	FOOD	Rural policy	Socio-economic development in rural areas	1.900.000,00	1.900.000
85	CRIS	ALA/2003/ 005-748	2003	Institutional Support to Development Policies in Nicaragua (PAINIC)	ALA	Institutional support	Macro-economic support	5.000.000,00	4.034.559,86
86	ROM	<u>ROM:2003/011-603</u>	2003	Por el derecho a una vida digna en el tiempo de la globalización.	NGO	Local operations	Socio-economic development in rural areas	5.118.487,00	5.057.368

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
87	CRIS	FOOD/2003/005-981	2003	Programme de sécurité alimentaire et de développement local (PRODELSA) - 2 conventions un seul projet - anciennes lignes 10 et 96	FOOD	Food security	Food security	13.000.000,00	6.517.001,53
88	CRIS	ALA/2003/005-750	2003	HIPC Debt Relief Support in the Field of Rural Local Development	ALA	Macro-economic support	Macro-economic support	7.500.000,00	7.500.000,00
90	CRIS	ALA/2003/005-749	2003	Education sector policy programme and its decentralization (PAPSE)	ALA	Education	Investment in human capital	50.724.150,00	50.724.150,00
93	DEL	ONG/PVD/2004/063-746	2004	Support to poor rural families in producing organic cashews and gaining access to markets in four municipalities in Leon and Chinandega	NGO	Biologic agriculture	Socio-economic development in rural areas	729.877,50	656.890
94	DEL	ONG/PVD/2004/064-083	2004	Institutional strengthening of local development processes in Nueva Segovia	NGO	Institutional support	Good governance and consolidation of democracy	747.461,34	672.715
95	ROM	ROM:63907	2004	FORTALECIMIENTO PRODUCTIVO Y ORGANIZATIVO DE 1856 FAMILIAS DE PEQUENOS PRODUCTORES CAFETALEROS Y AGROPECUARIOS AFILIADOS A LA CENTRAL DE COOPERATIVAS DE SERVICIOS MULTIPLES RESPONSABILIDAD LIMITADA (PRODECOOP), NICARAGUA	NGO	Agricultural production and access to market	Socio-economic development in rural areas	1.443.025,00	1.298.723
98	CRIS	ALA/2004/016-837	2004	Programa de apoyo al Plan Nacional de Desarrollo con enfoque rural (PAPND)	ALA	Macro-economic support	Macro-economic support	68.000.000,00	21.500.000,00
99	DEL	ONG-PVD/2005/96882	2005	Block Grant 2004	HEALTH		Not identified	297.500,00	267750
100	DEL	ONG-PVD/2005/95168	2005	Promover la creación de un marco legal para iniciativas mutualistas	HEALTH	Health	Investment in human capital	323.407,50	215321,75

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
101	DEL	95000	2005	Pantasma, un modelo de desarrollo económico sostenible	NGO	Biologic agriculture	Socio-economic development in rural areas	523.417,00	487.831,95
104	ROM	<u>ROM:95900</u>	2005	PROYECTO DE GESTION EDUCATIVA PARA EL DESARROLLO (PROGEDES)	NGO	Education	Investment in human capital	750.000,00	675.000
105	DEL	SANTE/2005/10 0468	2005	Sexual and reproductive health programme for the adolescent and young population of the territories at the Nicaraguan-Honduran border	HEALTH	Health	Investment in human capital	1.912.797,00	1721517,27
108	CRIS	ALA/2005/ 017-625	2005	Programa de Apoyo a la Implementación de las Condiciones de Exportación de los Productos Agro-alimentarios nicaraguenses hacia la UE (PAICEPAN)	ALA	Export	Economic cooperation	5.000.000,00	3.253.945,00
109	DEL	2006 /114224	2006	Establecimiento y manejo forestal sostenible y comercialización de productos para consumo energético (Leña y Carbón), en los municipios de San Francisco Libre, San Rafael del Sur, Nagarote y La Paz Centro	ENV	ENV	ENV	378.052,71	200.095,71
110	ROM	<u>ROM:94768</u>	2006	PROYECTO INTEGRAL DEL FOMENTO DE LA SEGURIDAD ALIMENTARIA EN SAN Rafael del Sur	NGO	Food security	Food security	398.511,00	358.929,90
111	DEL	2006 / 119889	2006	Block Grant 2005 – Nicaragua	NGO	?	Socio-economic development in rural areas	412.224,56	329760,00
112	DEL	<u>ROM:94815</u>	2006	Desarrollo de capacidades de organización, producción y salud comunitaria en 18 comunidades rurales de la zona norte de Chinandega, Nicaragua	NGO	Local operations	Socio-economic development in rural areas	500.000,00	450.000
113	DEL	2006 / 119124	2006	Medio Ambiente y Desarrollo Rural Integral Sostenible en los Municipios de Wiwili, Nicaragua – Nicaragua	NGO	ENV	ENV	540.965,00	289080,70
114	DEL	2006/118695	2006	Organización Comunitaria para la mejora de la habitabilidad de Laureles Sur - Nicaragua	NGO	Local operations	Socio-economic development in rural areas	556.522,39	500870,29

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
115	DEL	2006 / 119153	2006	El territorio de Salinas Grandes, un posible modelo integrado de desarrollo humano, social , económico y ambiental, en el Municipio de León, Nicaragua.	NGO	Local operations	Socio-economic development in rural areas	618.778,83	409105,11
116	ROM	<u>ROM:94804</u>	2006	Fortalecimiento de las capacidades locales para la prevención en salud en la RAAN, bajo el concepto integral de "comunidad saludable"	NGO	Health	Investment in human capital	671.784,00	582.213
117	DEL	<u>ROM:94637</u>	2006	Desarrollo de medios y formas de vida sostenible en áreas de frontera agrícola – Bosawas	NGO	Biologic agriculture	Socio-economic development in rural areas	711.033,00	552.169
118	DEL	<u>ROM:95213</u>	2006	Fortalecimiento de las agriculturas campesinas y del buen gobierno local en Mozonte y Telpaneca	NGO	Agricultural production and access to market	Socio-economic development in rural areas	747.589,50	419.707
119	DEL	2006 / 118874	2006	“Desarrollo de las capacidades de l@s pequeñ@s productor@s de café de Jinotega y Matagalpa promoviendo desde las cooperativas un mejor y mas integrado desarrollo socio-económico.”-Nicaragua	NGO	Agricultural production and access to market	Socio-economic development in rural areas	750.000,00	474200,00
120	DEL	2006 / 119516	2006	Trabajando juntos/as por el derecho a una alimentación sana, nutritiva y apropiada para 900 familias de pequeños/as productores/as de granos básicos y café los departamentos de Jinotega, Matagalpa, Nueva Segovia y Madriz. Nicaragua	NGO	Food security	Food security	750.000,00	675000,00
121	DEL	ONG- IPVD/2006/1191 58	2006	Promoting Safe Motherhood among Miskitu communities of the RAAN – Nicaragua	HEALTH	Health	Investment in human capital	750.000,00	158352,43
122	DEL	ONG- PVD/2006/11990 8	2006	Block Grant 2005	HEALTH		Not identified	802.500,00	480753
123	DEL	2006 / 114226	2006	Conservación y Gestión Sostenible mediante la participación comunitaria del Bosque primario y secundario del Área Protegida ""Cerro Alegre"", Nicaragua	ENV	ENV	ENV	1.209.414,00	692.091
124	ROM	<u>ROM:129805</u>	2006	Desarrollo humano a través del fortalecimiento de las capacidades de gobernanza territorial y productividad de comunidades miskitu (MISTAP)	NGO	Institutional support	Good governance and consolidation of democracy	1.499.070,00	569.941,370

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
125	ROM	<u>ROM:94954</u>	2006	INCIDENCIA, PREVENCION, ATENCION Y PROTECCION ESPECIAL CONTRA LA EXPLOTACION SEXUAL Y COMERCIAL DE NIÑOS, NIÑAS y ADOLESCENTES	Not identified	Youth	Others	1.500.000,00	1.500.000
126	CRIS	DDH/2006/ 018-432	2006	ELE MOE UE en Nicaragua Elections Présidentielles et Legislatives Nov. 2006	DDH	Elections	Good governance and consolidation of democracy	3.187.422,78	2.551.702,78
127	CRIS	ALA/2006/ 016-843	2006	Programa de Apoyo Presupuestario Acceso a Justicia en Nicaragua, "PAP Acceso a Justicia" (PAPAJ).	ALA	Justice	Good governance and consolidation of democracy	17.000.000,00	0
128	DEL	144742	2007	Contribución a la Seguridad y Soberanía Alimentaria y Mejoramiento Nutricional de 300 familias de extrema pobreza, en el norte de Nicaragua.	NGO	Food security	Food security	245.928,84	74.791,84
130	DEL	ONG-PVD/2007/133616	2007	Liderazgo en las políticas locales para la gobernabilidad democratic	NGO	Institutional support	Good governance and consolidation of democracy	375.315,00	103980
131	DEL	133669	2007	Empresa social de vivienda popular con producción limpia y capacitación formal en Nicaragua	NGO	Urban development	Urban development	394.531,00	93.858,00
132	DEL	133717	2007	Reduciendola vulnerabilidad de las comunidades a los efectos relacionados con el Cambio Climatico en la Region Norte de Nicaragua	NGO	ENV	ENV	448.622,00	121.724,00
133	DEL	ONG-PVD/2007/133680	2007	Facilitando equidad de oportunidades e inclusión de niños/as con discapacidad en Nicaragua	NGO	Education	Investment in human capital	474.188,64	183482,65
134	DEL	ONG-PVD/2007/133750	2007	Fortalecimiento de una Red social de niños, niñas y adolescentes para la reducción del Trabajo Infantil y la promoción del desarrollo humano integral y la formación laboral	NGO	Education	Investment in human capital	507.375,00	244545,9
135	DEL	133783	2007	Fomento de la producción y apoyo al acceso al mercado para incrementar los ingresos de las familias campesinas en 10 municipios del departamento de Chontales, Nicaragua	NGO	Agricultural production and access to market	Socio-economic development in rural areas	549.666,60	172.745,60

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
136	DEL	ONG-PVD/2007/133605	2007	Atención especializada a adolescentes y jóvenes infractores de la ley y de alto riesgo social en cuatro municipios del departamento de Chinandega- Nicaragua.	NGO	Youth	Others	618.774,00	178396,8
137	DEL	ONG-PVD/2007/145226	2007	Reducción de la pobreza y mortalidad materno-infantil en los 4 municipios del norte de chinandega, Nicaragua	NGO	Health	Investment in human capital	622.580,70	225917,55
138	DEL	145117	2007	Seguridad alimentaria y gobernabilidad local por el manejo agro-forestal participativo en 2 territorios indígenas de la Reserva de la Biosfera de Bosawas en Waspam	NGO	Food security	Food security	628.318,00	345.538,00
139	DEL	133748	2007		NGO	Local operations	Socio-economic development in rural areas	642.765,00	140.845,00
140	DEL	133733	2007	Rehabilitación socio-productiva y ambiental de municipios costeros de la microcuenca I de la Subcuenca sur de Managua.	NGO	ENV	ENV	667.928,00	230.886,00
141	DEL	<u>ROM:129804</u>	2007	PROYECTO DE DESARROLLO AGRO-ECONÓMICO RURAL DE SÉBACO, DEPARTAMENTO DE MATAGALPA	NGO	Agricultural production and access to market	Socio-economic development in rural areas	668.592,00	247.777
142	DEL	133640	2007	Producir conservando: fomento del desarrollo sostenible y con equidad de género en el Municipio de San Juan de Nicaragua, Departamento de Río San Juan.	NGO	ENV	ENV	686.331,00	197.241,00
143	DEL	133636	2007	Mejoramiento de las condiciones higiénico-sanitarias como aporte a la reducción de la pobreza de los habitantes del municipio de San Carlos, Departamento del Río San Juan, Nicaragua.	NGO	Health	Investment in human capital	704.006,00	433.605,00
144	DEL	ONG-PVD/2007/133672	2007	El futuro es joven. Emprendimiento juvenil como estrategia de lucha contra la pobreza para/con los y las jóvenes del municipio de Chinandega, Nicaragua.	NGO	Education	Investment in human capital	730.170,68	196288,29
145	DEL	133692	2007	Desarrollo de la cadena de leche en Waslala por la promoción de una unidad económica, ecológicamente y socialmente sostenible	NGO	Agricultural production and access to market	Socio-economic development in rural areas	748.626,75	291.298,00

Nb	Source	Project Reference	Year of decision	Project Title	Domaine	Sub sectors by strategy	Sectors by strategy	Amount	Paid
146	DEL	133732	2007	Fortalecimiento de capacidades para el desarrollo empresarial rural de pequeños productores y productoras en la RAAN, Nicaragua	NGO	Agricultural production and access to market	Socio-economic development in rural areas	750.000,00	162.619,00
147	DEL	ONG-PVD/2007/144901	2007	Proyecto Integrado de Lucha contra el VIH-SIDA en 5 departamentos de Nicaragua	NGO	Health	Investment in human capital	1.468.345,00	456861
148	DEL	ONG-PVD/2007/145073	2007	Movilización social para la escolarización en el municipio de Estelí.	NGO	Education	Investment in human capital	360.000,00	99.176,00
149	DEL	DCI-NSAPVD/2008/168168	2008	Cultura: El arte de las ideas	NGO	Culture	Investment in human capital	270.000,00	124.950,00
150	DEL	DCI-NSAPVD/2008/168344	2008	Fortalecimiento de las organizaciones comunitarias para la construcción de ciudadanía en el Municipio de Bluefields	NGO	Institutional support	Good governance and consolidation of democracy	270.000,00	81.031,00
151	DEL	DCI-NSAPVD/2008/168345	2008	Mejorar la atención al sector discapacitado en el departamento de Masaya	NGO	Health	Investment in human capital	99.644,00	36.688,00
152	DEL	DCI-NSAPVD/2008/168234	2008	Promoción y defensa de los derechos de las personas viviendo con VIH y SIDA (PVVS) y prevención	NGO	Health	Good governance and consolidation of democracy	224.862,00	43.579,20
153	DEL	DCI-NSAPVD/2008/169853	2008	Fomento de la educación primaria, la salud preventiva y las estructuras comunitarias en San Rafael del Sur, Nicaragua (FOMEDUSA)	NGO	Institutional support	Good governance and consolidation of democracy	299.873,00	77.742,40
155	DEL	133748	2008	Mejoramiento de las condiciones de vida de las poblaciones rurales a través del aumento de sus ingresos, el manejo sostenible de los recursos naturales y la participación activa de las mujeres en la economía local de San Dionisio (Matagalpa-Nicaragua)	NGO	Local operations	Socio-economic development in rural areas	642.765,00	140.845,00

Annex 8 – Data Collection Grid

Figure 8.1 : Evaluation Questions in brief

<p style="text-align: center;">EQ 1 on Relevance of the Strategy</p> <p>EQ1 To what extent (i) does the EC strategy in Nicaragua and its evolution respond to the needs and priorities of the population,(ii) is it in line with the priorities set by the successive Governments of Nicaragua in their development policies and (iii) is it in line with the European Community's development cooperation policy?</p>
<p style="text-align: center;">EQ 2 on Rural Development</p> <p>EQ2. To what extent did the EC interventions in rural areas (including food security) strengthen local economic and social development and ultimately improve sustainably socio-economic conditions of poor local communities?</p>
<p style="text-align: center;">EQ 3 on Good Governance</p> <p>EQ3. How successful has the EC been in contributing to improvement of confidence in public institutions, of accountability and in the reinforcement of the rule of law, and ultimately in the promotion of good governance within the areas it has supported?</p>
<p style="text-align: center;">EQ 4 on Budget Support</p> <p>EQ4. To what extent have the EC interventions through budget support been adapted to the national context, and to what extent have they contributed to improve the framework for public policy and expenditure?</p>
<p style="text-align: center;">EQ 5 on Linking Relief, Rehabilitation and Development</p> <p>EQ5. To what extent did the EC interventions with respect to rehabilitation following Hurricane Mitch link relief, rehabilitation and development and were they coordinated with and reinforce other EC interventions ?</p>
<p style="text-align: center;">EQ 6 on Education</p> <p>EQ6. To what extent has EC support contributed to improving equitable access to quality education for all?</p>
<p style="text-align: center;">EQ 7 on Efficiency</p> <p>EQ7. To what extent have the financial and human resources been used to reach objectives in a timely and cost effective manner, and was the regulatory and administrative framework appropriate for doing this?</p>
<p style="text-align: center;">EQ 8 on CCIs: Gender, Environment and Decentralisation</p> <p>EQ8. To what extent were issues related to gender, environment and decentralisation taken into account in the design and implementation of the interventions?</p>
<p style="text-align: center;">EQ 9 on the 3Cs</p> <p>EQ9 To what extent was the EC strategy designed and implemented in coordination with Member States and other donors so as to foster complementarities? To what extent are other EC policies coherent with the EC cooperation strategy in Nicaragua?</p>

EQ1: Relevance of the EC Strategy

<p>EQ1 To what extent (i) does the EC strategy in Nicaragua and its evolution respond to the needs and priorities of the population, (ii) is it in line with the priorities set by the successive Governments of Nicaragua in their development policies and (iii) is in line with the European Community's development cooperation policy?</p>	
<p>C 1.1 Needs and priorities of the people are identified and are taken into account in the EC strategy</p>	
<p>I 1.1.1 Existence of documents, studies, analyses describing the priorities of the people</p>	
<p>Project, Source & page</p> <p>Nicaragua Poverty Assessment, World Bank Document, May 2008 Pp 22-25</p> <p>Ibis Colindres, Marcial Lopez y Michel Laforge: DFID,RUTA, ODI: “ La pobreza rural Más allá de las cifras. Estudios de caso en Nicaragua y Honduras”, Mayo 2002</p> <p>Michael Richards Hacia un Mayor Entendimiento de la Pobreza Rural en América Central: Lecciones de la Literatura sobre el Desarrollo Rural Informe para el Taller Dfid-RUTA-ODI : ‘Políticas de Reducción de la Pobreza Rural – Enfocando el Dialogo sobre Experiencias de Nicaragua y</p>	<p>Some private firms such as Cid-Gallup (http://www.cidgallup.com/) or M&R (http://www.myrconsultores.com/) have conducted sample surveys that include questions on the most important problems for the people or the most important ways of improving their living standards. The results usually show that the main problem is the lack of job opportunities but the surveys do not specifically focus on the poor, nor are they designed to tackle complex questions. The best alternative would be the qualitative analysis of a limited number of poor rural communities included in the World Bank “Nicaragua Poverty Assessment” (see annexe 2 and http://web.worldbank.org/external/projects/main?). The results show that the four priority programmes (the ones which would most contribute to the development of the community) as reported by leaders and people from these communities, are:</p> <ol style="list-style-type: none"> 1. Water projects (drinking and septic) 2. Construction and repair of streets and roads 3. Productive opportunities 4. Health centre personnel and equipment <p>School (pre-school, primary and secondary education) comes only in 6th place and is not given much more importance than electricity or vocational training. In general, the lower than expected priority given to education, according to the World Bank report on poverty, “ <i>may reflect a bias against general education, which has long-term benefits to the welfare of the children of the poor, and a bias in favour of programmes that directly raise productivity now, such as technical training. It may also reflect the fact that focus groups tended not to include youth, who were at work or at school. Including youth might tip the priorities to a greater emphasis on education. But it is consistent with survey results indicating the majority of the population thinks the quality of the present education system is adequate.</i>” (p.24)</p> <p>In all communities, four priority areas are mentioned by the youth: <i>access to job opportunities, ability to continue education, access to sports related infrastructure and having children and a spouse.</i></p> <p>No mention is made of the problem of conflicts or of the importance of conflict prevention. However analysts of rural poverty stress the importance of violence in leading to poverty. The same occurs with food insecurity. Details could be found under EQ2 – JC2.4 – Indicator 2.4.1.</p>

<p>Honduras' 29-30 Mayo 2002, Tegucigalpa, Honduras</p>	<p>Apart from these field researches and/or surveys, there exist many microeconomic and social studies on the characteristics and survival strategies of the poor in Nicaragua. Some lessons which may be drafted from these studies are the followings:</p> <ul style="list-style-type: none"> - The poorest of the poor have only one asset: their labour force. They have little or no social capital (social networks) and little or no physical capital (land, cattle, machines, savings, equipments...). A second category of the poor have access to social capital but not to physical capital, while a third category comprises people with access also to physical capital. - The rural poor (in all times and all places) have always exercised different activities; they are labourers, stock breeders, tradesmen, craftsmen, they sell their labour in and outside their community. Multi-tasking is a common characteristic of the poor. - Agriculture is essentially meant to supply food to the family: the poor are engaged in subsistence agriculture with some important exceptions such as coffee. - The poor have a limited access to land. Lack of land is a necessary but not sufficient condition for poverty. - Traditional credit is important for the poor and is usually given in "pulperías" (groceries). - Access to "remesas" (remittances) is an important way of escaping poverty - Cattle fattening (especially pigs and cows) are also an important way of escaping poverty. - The poor are badly represented and defended. Better organisation and representation are important for escaping poverty. - The main risks which can lead to poverty are (i) health accidents or diseases, (ii) climatic risks such as hurricanes or droughts, (iii) personal risks such as robberies, assaults or the consequences of war.
<p>I 1.1.2 Reference of the EC strategy to the above documents</p>	
<p>Nicaragua Country Strategy Paper 1998-2000</p> <p>Nicaragua Country Strategy Paper 2002-2006</p> <p>Nicaragua Country Strategy Paper 2007-2013</p> <p>Consortium Integración: "Misión de Preprogramación</p>	<p>The three CSP consulted (1998-2000, 2002-2006 and 2007-2013) and the preparatory documents such as the "Misión de Preprogramación del country Strategy Paper 2007-2013 de la Comisión Europea para Nicaragua" of May 2005, make no explicit reference to documents describing the priorities of the people, which does not however mean that these documents have not been consulted. But on the other hand the CSPs and related documents cite the World Bank Poverty Assessment when describing poverty in Nicaragua.</p>

<p>del country Strategy Paper 2007-2013 de la Comisión Europea para Nicaragua” Mayo 2005</p>	
<p>I 1.1.3 Degree of participation of main actors and institutions (civil and public) in the elaboration of the different CSPs</p>	
<p>Arturo Grigsby (Nitlapan): CIDSE-EC EU DEVELOPMENT POLICY ADVOCACY PROJECT “The EU’s footprint in the South” Country Study Paper Nicaragua 18 December 2006</p> <p>Interviews with A05, A77, A78</p> <p>Interview with A42</p>	<p>According to some officials from the EC and according to the CIDSE evaluation report which quotes government officials and members of the Civil Society, during the preparation of the 2002-2006 CSP the consultation process with EC cooperation stakeholders was more formal than real.</p> <p>As for the 2007-2013 CSP, the annex 1 of the document itself offers a detailed account of the participation process during the elaboration of the CSP. This process included interviews with representatives of Member State governments, other donors, Civil Society, political parties and Parliament. The concept note was published on the web. Two external experts were contracted to administer this consultation process which ended, in May 2005, with a formal discussion with representatives of the seven Ministries directly involved in the EC cooperation. On the next day, representatives of the Civil Society were invited to a one day seminar attended by around 100 participants. The results of this workshop were published on the website of the EC Delegation in Nicaragua. According to annex 1 of the CSP document , <i>“the main conclusion from the workshop was that there is a need to launch a more strategic and systematic dialogue between the European Commission and Civil Society in relation to the EC activities in Nicaragua. Civil Society is asking for more than a punctual consultation. The process of devolution of EC cooperation has not been coupled with a satisfactory level of dialogue and participation, and Civil Society requires a real and regular access to all stages of the EC cooperation”</i>.</p> <p>This same process is described in the CIDSE report⁴⁰ in the following way:</p> <p><i>“The participation of Civil Society in the preparation of the 2007-13 CSP was not conceived as a dialectical process, but as a one-shot meeting which was more informative than consultative. Further on this meeting boiled down to a formal workshop which lasted one day, on May 11, 2005, with 100 representatives of Civil Society. The people invited to this workshop ignored the existence of the 2007-2013 CSP and received a copy of this document a week before the meeting.”</i> (CIDSE evaluation report p.10)</p> <p>Some interviews of Donors confirm that there was a strong coordination in the preparation and design of the latest CSP.</p>

⁴⁰ The DEC has the following opinion of this report: “the CIDSE report is a rather partisan report. When drafting, CIDSE refused to incorporate a number of comments coming from documents given by the Commission. This was said by the Commission representative when discussing the report. CIDSE representative recognize the validity of the EC comments but refuse to change the document because it would change their conclusion. Therefore we consider that the CIDSE report cannot be a valid base.” (DEC comments on first draft final report Evaluation)

I 1.1.4 Evidence that the EC has analysed the participation process in the elaboration of the GoN strategies and its coherence with the priorities of the population	
<p>Arturo Grigsby : CIDSE report (2006)</p> <p>CSP 2002-2006 and 2007-2013</p> <p>Misión de pre programación para la formulación del Country Strategy Paper 2007-2013 de la Comisión Europea para Nicaragua (mayo 2005)</p> <p>Interviews A61, A57, A49</p>	<p>The 2002-2006 CSP refers to the PRS in the following terms: <i>“The PRSP process has been criticised for the lack of coordination and a weak participatory approach” (CSP 2002-2006 p.7).</i></p> <p>But even so there is recognition of an important merit of the ERCERP insofar as it links poverty reduction to a national development plan and offers a set of indicators and goals which permit systematic monitoring of the fight against poverty.</p> <p>The 2007-2013 CSP does not mention the question of participation but the pre-programming report offers an extensive analysis of the PND-o (2005). It stresses the lack of participation in and popular ownership of the Plan, gives the main opinions of institutions from the Civil Society and of donor agencies, and asks whether such a plan could be considered as a long term strategic development plan, and as such survive the present government (the Bolaños gov. in place in 2005) and orientate donor cooperation in the long term.</p> <p>The lack of participation of civil society in all the development plans (ERCERP, PND_o, PNDH) is stressed by most of our civil society interviewees who also observe that these plans are generally accepted by the Donor community independently of the degree of participation in their elaboration.</p> <p>In short, the EC has analysed the participation process in the elaboration of the GoN strategies and concludes that there is no evidence of its coherence with the population’s priorities. But, more important, it queries the usefulness of such a plan when there is no popular ownership (PND-o was not even approved by Parliament) and in a context of relative political instability.</p>
I 1.1.5 Evidence that the EC interventions were directed towards the poor	
<p>World Bank: “Nicaragua Poverty Assessment”, May 30, 2008</p>	<p>The lack of information on the exact location of many EC interventions prevents us from systematically using a geographical criterion. Therefore we are left with only a sectoral criterion which cannot offer more than a rough appreciation of the degree to which the EC interventions are directed towards the poor.</p> <p>This appreciation is based on the following hypothesis:</p> <ol style="list-style-type: none"> 1. PAPSE is considered “pro-poor”⁴¹ even if it is non-targeted SBS, because education (and especially primary) is the public programme with the greatest equalising redistributive impact in Nicaragua because of its targeting and relevance in the State budget (more than 15% for primary education in 2005).

⁴¹ The World Bank Poverty Assessment considers as « poor » the almost half of the population who live below the poverty line (see 2.2.3). A public programme is considered “pro-poor” if the poor receive more of the programme’s benefits than the non-poor and a larger share of these benefits than their share of the population. See Poverty Assessment p. 108.

<p>ROM Informe País Nicaragua Sept 07 p.21</p> <p>ROM Informe País</p>	<ol style="list-style-type: none"> 2. Socio-economic development in rural areas is considered pro-poor, because of concentration of poverty in rural areas: many interventions are geographically located in areas with high levels of poverty. 3. At least half of rehabilitation is pro-poor for the same reason as for rural development interventions. 4. Food security is pro-poor. <p>With these rather conservative hypotheses, at least 60% of the €506m committed between June 1998 and June 2008 would be “pro-poor” (see figure 3.3). This does not mean that the remaining 40% is “pro-non-poor” or “pro-rich”, but that we lack sufficient information to be more explicit.</p> <p>Further observations are as follows:</p> <ul style="list-style-type: none"> - The only relevant concept here is that of collective poverty in the sense of poor communities or villages in which differences in incomes and assets from one family to another may be important. This is quite different from the concept of individual poverty. We have no indication that the EC interventions were directed towards the poorest, and donor interventions often lack the flexibility and the capacity to respond to the problems of the poorest⁴². - The question of whether interventions in rural development should target the poorest is still open on and is much debated⁴³. - GBS has the same orientation as the State budget. In the case of Nicaragua, aggregate public expenditure on social services benefits different strata of the population roughly equally, indicating that public social spending is not pro-poor (Poverty Assessment 2008: p.107). Therefore, PAPND (€68m and 13% of commitments) also has “neutral” targeting. - A significant number of interventions are located in the “Rural Central” part of the country in which are concentrated 32% of the poor of the country (In 2005 74.4% of the population of the zone is poor among which 32.9% are extremely poor). Very few interventions are located in “Rural Atlantic”. This zone has also high poverty rates (In 2005 74.9% of the population of the zone is poor and 31.2% extremely poor) but having a very sparse population it accounts for 15% of the poor of the country. <p>Two of the latest general Monitoring Reports on Nicaragua address the question of focussing on the poor in the following terms: “It must be stressed that the objective of almost 80% of the projects</p>
--	---

⁴² The important literature on rural poverty as well as practical experience in this field show that the poorest of the poor face a great range of problems (housing, health, education, indebtedness, loss of assets such as land or cattle, etc.) which must be addressed in a diversified way in order to meet their needs. This means an individualistic approach which should be implemented at a very local level and with the help of members of the same community or village.

⁴³ At a more theoretical level, it is necessary to question the paradigm which states that the fight against poverty must concentrate exclusively on measures directly favouring the poorest. Indeed, the causes of poverty are complex but they can be grounded in the socio-economic structures of the country. For example, if unequal access to land is an important source of poverty, it will be tackled seriously only if the privileges of the rich are tackled.

<p>Nicaragua Julio 2005 p.11</p> <p>Programme review, Food security interventions of the European Commission in Nicaragua 1995- 2002, 2002</p> <p>MR-30262.01 14/10/04</p> <p>MR-30042.01 28/08/02 MR-30042.02 17/12/03</p>	<p>examined is to contribute to the alleviation of rural poverty in different areas of Nicaragua” (MR 2005).</p> <p>“It is beyond doubt that the projects monitored try to contribute to the alleviation of poverty and social marginalization in Nicaragua” (MR 2007)</p> <p>A few monitoring reports (MR) refer explicitly to the question of whether the interventions were directed towards the poor. Some of these references are mentioned below.</p> <p>“Interventions in food security (FS) should be distinguished better from those of the technical and financial co-operation budget line (ALA – 2002-2006: ~ €100m). Food security interventions in Nicaragua should be focused on the most vulnerable population (woman-headed households, landless producers, etc) and its development potential in rural zones geographically identified. The existence of the two lines of EC financing in Nicaragua can be only justified though a clear and concerted “division of tasks”</p> <p>The MR states that it was not possible to verify that the poorest sectors of the population had access to the services provided by the project “Socio-economic development in the municipalities of Waslala, Cuá-Bocay, Tuma-La Dalia and Rancho Grande (Zona Norte)”.</p> <p>Concerning the project “Development of the North Pacific Coast – DECOPANN”. The MR remarks that an excessive entrepreneurship approach should not also preclude targeting marginalised sectors even though resistance to change is bigger in these sectors.</p> <p>The next MR states that the project redefined the beneficiaries targeted: Small and Medium Size producers (defined as owning maximum 100 manzanas), and the project was then enlarged to Micro, Small and Medium Size entrepreneurs (defined as employing a maximum of 100 persons). These medium size groups are usually not target groups for cooperation interventions. The MR recommends including criteria of annual income to ensure that resources target needy people.</p>
---	---

C 1.2 Priorities of successive governments are reflected in the EC's strategy	
I 1.2.1 Evidence that the EC objectives reflect the sector and geographical priorities as these appear in the ERCERP and the PND-o	
<p>Estrategia Reforzada de Crecimiento y Reducción de la Pobreza – 2001 (ERCERP or ERCERP in English)</p> <p>Plan Nacional de Desarrollo operativo – 2006 (PND-o)</p> <p>Plan Nacional de Desarrollo Humano 2008-2012 Abril del 2008</p> <p>Nicaragua Country Strategy Paper 2002-2006</p> <p>Nicaragua Country Strategy Paper 2007-2013</p> <p>Memorandum de Entendimiento entre la Comunidad Europea y la República de Nicaragua Marzo 2001</p>	<p>In the 2002-2006 CSP, the focal sectors chosen are globally coherent with and aligned on the priorities of the 2001 ERCERP (Strengthen Growth and Poverty Reduction Strategy) which is based on four pillars:</p> <ul style="list-style-type: none"> (i) Labour-intensive, broad-based economic growth and structural reform (ii) Increasing investment in the human capital of the poor to enhance their productivity, income and welfare (iii) Better protection for vulnerable groups (iv) Good governance and institutional development <p>Three cross-cutting issues have to be taken into account: (a) environmental vulnerability, (b) greater social equity, (c) decentralisation of decision making and service delivery.</p> <p>Corresponding to these pillars and issues, the 2002-2006 CSP defines three focal sectors which are:</p> <ul style="list-style-type: none"> (i) Socio-economic development in the rural environment (indicative commitments: (€118m) (ii) Investment in human capital (mainly education) (€40m) (iii) Governance and consolidation of democracy (€17m) <p>The CSP also envisages macro-economic support of €15.9m, in the form of participation in the HIPC initiative. Further it defines four cross-cutting issues:</p> <ul style="list-style-type: none"> (i) gender issues; (ii) environment and disaster prevention; (iii) decentralisation; (iv) regional integration. <p>The CSP also includes a table (annex 8) which presents the main axes of the EC cooperation corresponding to each of the ERCERP's four pillars.</p> <p>As a CSP is a general strategic document which has to be implemented by a later formulation of programmes and projects, no precise indicators are attached to each focal sector. Therefore the CSP does not seek to harmonise its calendar and indicators with those of the ERCERP. But even so it presents a set of policy measures to be regarded by the government as its contribution to implementing the chosen strategy, and which can be considered as broad indicators of the effectiveness of implementation. In one sector (education), the CSP proposes two precise indicators of primary school attendance.</p> <p>Just as the 2002-2006 CSP was globally coherent with the 2001 ERCERP, the 2007-2013 CSP is also globally coherent with the 2006 PND-o (Plan Nacional de Desarrollo operativo).</p> <p>The main focus of the PND-o is poverty alleviation through economic</p>

<p>Interviews A17, A18, A20, A22</p>	<p>growth, and the plan identifies nine “clusters” (products as milk, coffee or meat, or sectors as agriculture or mining), development of which is supposed to lead to development of the country. The CSP adapts to this new approach by defining the three following focal sectors:</p> <ol style="list-style-type: none"> 1. Good governance and democracy 2. Education 3. Economic and trade issues <p>It identifies the following possible cross-cutting issues:</p> <ol style="list-style-type: none"> (i) development of rural areas, (ii) regional economic integration, (iii) environmental sustainability, (iv) decentralisation, (v) gender equity, (vi) HIV/AIDS. <p>But the most important aspect of coherence and alignment on the government priorities is the option of favouring BS as an instrument for channelling more than 50% and up to 75% of total commitments.</p> <p>After the Sandinista government came to power in January 2007 it became clear that the PND-o could no longer be considered as a reference by the international donor community in Nicaragua. In April 2008 a first draft of a new Plan Nacional de Desarrollo Humano (PNDH) was released but it lacked precise objectives linked to financial means, an agenda and indicators, and could not be considered as a plan which would back up a new BS programme.</p> <p>In October 2008 a new version of the PNDH was released. This time it includes indicators, a clearer link with the Medium-Term Fiscal Framework, an action plan and the Performance Assessment Matrix (PAM) used for GBS. But it is not considered as a PRSP by the World Bank and does therefore not fulfil the conditions for Budget Support by this institution.</p> <p>Even so the practical strategy developed by the present government to fight poverty is based on four objectives:</p> <ol style="list-style-type: none"> (i) No hunger (“hambre cero”): essentially a programme consisting in a free distribution of a pregnant cow, a pregnant pig and chickens to each poor rural family in Nicaragua. (ii) No usury (“usura cero”): an official micro-credit program (iii) Free education for all (iv) Free health care for all <p>This shift, in only a few years, from a rather traditional PRS (the ERCERP), to a strategy based on economic growth, free market and the private sector (the PND-o), and from there to the Sandinista strategy (the PNDH) based on centralisation, state intervention and strict control, illustrate the difficulty the international cooperation agencies have in designing a long term strategy which would be aligned (and stay aligned) with the government’s priorities. For example, the 2007-2013 CSP focal sectors such as “good governance and democracy” and “economic and trade issues” which were relatively well adapted to the 2006 PND-o, are</p>
--------------------------------------	--

	no more considered as priorities by the GoN in 2008 and as a consequence it is probable that the indicative financial commitments mentioned in the CSP for these sectors will not be fulfilled.
--	---

I 1.2.2 View of national authorities on the coherence of EC-GoN strategies

Interviews with A1, A47, A48, A64, A68	During the Bolaños presidency (2002-2006), there was a strong feeling, amongst the GoN, that EC and other donors were the best allies of that government and, more specifically, that the EC BS Programme constituted an important leverage for the modernization of the State (and for the PFM reform that the GoN was implementing), as well as an incentive for other donors to join the BSG. Many officials of those times felt that EC and the GoN shared, fundamentally, the same objectives even if there were many differences in some sectoral strategies, in means and details.
Interviews with A24 to A31, A54, A70	The first months of the new GoN which took power in 2007 were marked by a difficult transition period, but once the mechanism of the BS were fully understood, the Sandinista government felt it was almost an ideal cooperation mechanism as long as the donors would not interfere with the priorities, the politics and means used by the GoN. However this more nationalistic stand led to a progressive deterioration between the GoN and the donor community. After the EC BS Programme (as most of others European countries BS) was suspended in November 2008 as a consequence of an important and obvious fraud detected in the municipal elections, the Sandinista government expressed strongly what he presented as the incoherence of the EC and other Donors strategy, emphasizing 3 points: <ol style="list-style-type: none"> 1. Donors use different weights and different measures to evaluate two successive governments in the same country or two governments of two different countries. 2. Donors take decisions on BS disbursements on political grounds, with no relation with the achievement of the technical goals commonly agreed on. 3. Donors should not allow the short time span of politics to interfere with the long time span of development. Their preoccupation should be development rather than politics.

C 1.3 The EC's strategy is coherent with the global and regional objectives of the European Community

I 1.3.1 Evidence that the EC objectives as stated in the different CSPs reflect the general and regional orientations of the EC's cooperation

European Community, Treaty Establishing the European Community	A. On coherence with EC cooperation's general orientations EC cooperation's general objectives are stated in the Treaty Establishing the European Community in art. 177 (see section 2.1.1 of the report).
Statement of the Council and the Commission on the Community development	Further, the Statement by the Council and the Commission of 20 November 2000 on the development policy of the European Community reiterate these objectives and identified also key factors to ensure the success of development policies which are: <ul style="list-style-type: none"> - ownership and the quality of the dialogue with the partner. - coordination between donors - concentration on a limited number of areas (for more details see

<p>policy, 20 Nov. 2000</p> <p>The European Consensus on Development, Nov 2005</p> <p>CSP 1998-2000 MOU 2000-2007 CSP 2002-2007 CSP 2007-2013</p>	<p>section 2.1.1. of the report).</p> <p>More recently, in November 2005, only applicable to the period 2007-2013, the Council, the representatives of the Governments of the Member States, the European Parliament and the Commission approved “The European Consensus on Development”.</p> <p>The CSPs 1998-2000 does not mention the general orientations of EC development policy. It grounds its strategy in the EU’s regional dialogue (see below). Although objectives pursued (competitive economy, poverty relieved, democracy anchorage) are along the same lines of EC general orientations.</p> <p>The MoU 2000-2006 mentions the principles of concentration and coordination among the basic principles. Neither the Treaty nor the Statement are directly mentioned. No general objectives are clearly mentioned. Although the parties agreed on the cooperation in some areas (local development in rural environment, land tenure, education, good governance and public safety, economic cooperation) which are in line with the Statement.</p> <p>The CSP 2002-2006 recalls in its first section the general objectives of the European Community development policy mentioning the Treaty and the Statement. The strategy clearly subscribes to the fight against poverty objective stressed in both documents. It also promotes as “principles of implementation” strong coordination between donors, fluid dialogue with the national administrations, and concentration.</p> <p>The CSP 2007-2013 recalls in its first section the general objectives of the European Community development policy mentioning the Treaty but also The European Consensus on Development.</p>
<p>XVIII Conference of San José, Madrid 2002</p> <p>Guadalajara Summit, 2004</p> <p>Framework Cooperation Agreement, 1993</p> <p>CSP 1998-2000 MOU 2000-2007 CSP 2002-2007 CSP 2007-2013</p>	<p>B. On coherence with EU-CA regional dialogue</p> <p>The EU-CA regional dialogue is the outworking of the so-called San Jose Dialogue. It was initiated in the 1980s, evolving over the years from a peace-building and democratisation process to development objectives. The relaunch of this dialogue is the result of the XVIII Conference of San José (Madrid 2002) and Guadalajara Summit (2004) (see section 2.1.2 of the report).</p> <p>There should also be considered at regional level the 1993 Framework Cooperation Agreement between the European Economic Community and the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama that came into effect in 1999, and the several Communications of the Commission on EU-LA partnership.</p> <p>The CSP 1998-2000 grounds its strategy in EU priorities for cooperation with the countries of Latin America endorsed by Nicaragua in the various San José declarations. These priorities are: institutional support and consolidating democratic processes, combating poverty and social exclusion, support for economic reforms, and improving competitiveness.</p>

	<p>The MoU 2000-2006 unequivocally grounds itself in the EU-AC regional dialogue. Its cites as a general framework the Cooperation Agreement between the Community and members of the Tratado General de Integración Económica Centroamericana signed in San Salvador in 1993, as well as the Florence Declaration (1996) component of the San Jose process.</p> <p>The CSP 2002-2006 recalls in its first section the general objectives of the EU-CA dialogue. It mentions the San José Dialogue, the Cooperation Agreement between the EC and the six Central American countries (1993) and the March 1999 Communication from the Commission to the Council, the European Parliament and the Economic and Social Committee on a new European Union-Latin America partnership COM (1999)105.</p> <p>The CSP 2007-2013 sets its cooperation in the framework of the decisions taken in the 2004 Guadalajara Summit and on the 2005 Communication of the EC “A reinforced European Union-Latin America partnership” (COM/2005/636). The result of this is probably the new emphasis of the CSP on economic and trade issues, which henceforth are focal sectors.</p>
<p>Evaluation of EC Regional Cooperation with Central America (2007)</p> <p>CSP 1998-2000 MOU 2000-2007</p>	<p>C. On coherence with EC’s regional cooperation</p> <p>The Evaluation of EC Regional Cooperation with Central America (2007) which covers the period 1996-2006, (thus it has not considered the programming period 2007-2013), identifies in its findings a limited linkage between country level and regional strategies:</p> <ul style="list-style-type: none"> - At regional level, since the first Regional Strategy Paper (RSP) covering the period 1998-2000, the main areas of intervention are support to an integration process, consolidation of regional institutions, and also, closer to bilateral level, support for common policies (social development, environment, fisheries, and technology and science) and the strengthening of Civil Society participation in policy definition. In 2002-2006, disaster prevention and environmental management were added. - At country level, the strategies do not mention the regional strategy (with the exception of Nicaragua that mentions the MoU of March 2001 between the EC and the SICA). References to regional areas of intervention or the implications at regional level of the country level selected areas of intervention are scarce. Nevertheless, in the last years support to private sector or trade is gaining importance, although the financial resources committed are still modest in comparison with other sectors. In these areas a mutual support linkage between regional and country level activities is likely, but no evidence of planned coordination between the related activities was found. <p>These findings mentioned here above apply also to Nicaragua as shows the synthesis of the documentary analysis here below. This documentary</p>

<p>CSP 2002-2007 CSP 2007-2013</p>	<p>analysis has been carried out by the evaluation team. It is centred on Nicaragua case and is expanded to the CSP 2007-2013:</p> <ul style="list-style-type: none"> - References to regional strategy in CSP are scarce and only formal in the period 1998-2006, but references are more numerous and precise in the CSP 2007-2013: The CSP 1998-2000 only mentions regional cooperation in the following paragraph <i>“regional cooperation, particularly efforts to foster Central American integration, must reflect the need to find appropriate ways of meshing the national and regional dimensions and thereby ensuring the efficiency and relevance of the results, in line with the principle of subsidiarity”</i> (p. 10) <p>The MoU 2000 stresses the importance of coordinating all levels of cooperation with Nicaragua, whether decentralised, regional, national or through budget lines (p 3).</p> <p>The CSP 2002-2006 mentions that regional cooperation with Central America is a fundamental complement to the main areas of cooperation identified in the CSP (p 26).</p> <p>In the CSP 2007-2013 references are more numerous. In particular the CSP aims for coherence with the regional strategy in its support for business and the investment climate – a new focal sector during the period.</p> <ul style="list-style-type: none"> - The potential implications at regional level of supports at national level are not mentioned, nor <i>vice versa</i>. - The strategies at both levels identify areas of intervention in common fields (as the synoptic table below shows) where mutual support linkages could potentially exist. The documents don't give any particular detail on how coherence and mutual support should be insured.
<p>Interview B12</p>	<p>The informant B12 agrees that the reason of providing Trade Related Technical Assistance (TRTA) and supporting business climate at country level is because of the integration process Central America is facing and in particular the strengthening of economic relations with Europe.</p>
<p>MR and PS 30556</p>	<p>The MR and the PS 30556 relating to the “Programa de Apoyo a la Implementación de las Condiciones de Exportación de los Productos Agro-alimentarios nicaraguenses hacia la UE-PAICEPAN”.(2005-5m€), confirm the insight of B12, <i>“ [The project] facilitates the materialisation of the compromise acquired by the EU with the Doha Development Agenda by the means of the TRTA.”</i> Furthermore the PS adds: <i>“Additionally the PAICEPAN is a useful instrument to prepare the Nicaraguan exportations to enjoy the potential improvements in the access to EU markets that the negotiation of an Economic Association Agreement between Central America and the EU will provide”</i>.</p>

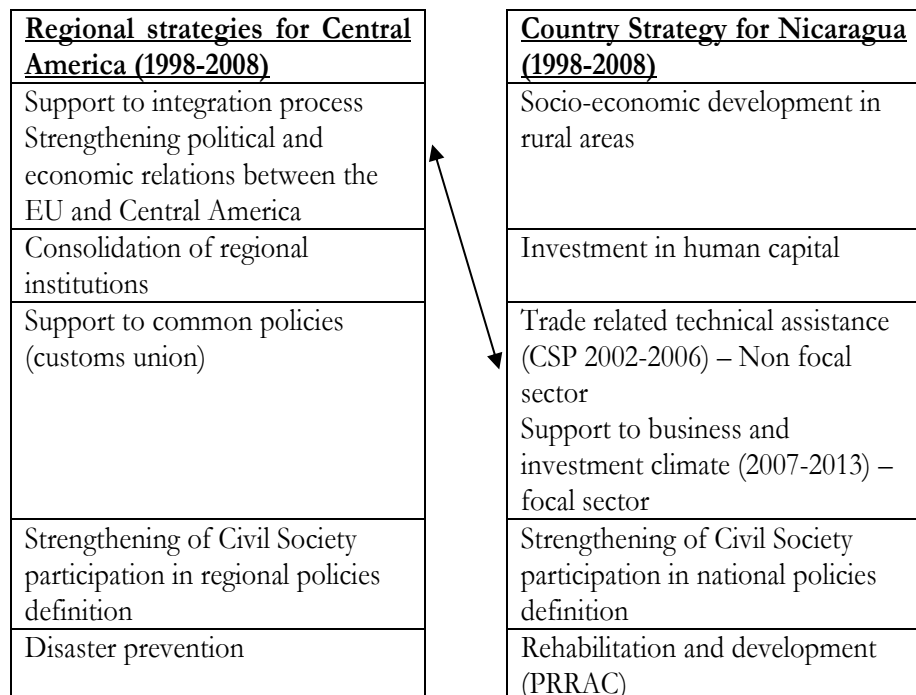
Interview D7

Nevertheless it should be noted that in the definition of the programme actual coordination with the regional level is lacking as mentions the MR “Finally, no coordination mechanisms are foreseen with other regional programmes financed by the EC (ADAPCCA, UAC project and AL-Invest”.

In relation with the item rehabilitation and disaster prevention, it could be noted that no interlinked country/regional support exists. Disaster prevention is supported through PREVDA and has an important anchorage at national level closely working with national authorities MARENA, SINAPRED and INETER. According to our interviews, this is the reason why the EC country level cooperation does not support this item. Furthermore this seems a more appropriate way to insure coordination between the two levels than through two interventions even if they are mutually supportive interventions.

Concerning the item rehabilitation post-Mitch, the PRRAC has initially a regional character given that the Mitch hit all the region, but loose it as soon as the financing agreements were signed at national level. Although the programme was managed from Managua, no regional provisions were devoted to regional coordination. Some cases of exchanges of best practices were identified in water and sanitation programmes (coordination, exchanges of guidelines) and the participation to PREVDA design.

Figure EQ1.1: Areas of intervention of the RSPs for Central America (1998-2008) and the CSPs for Nicaragua (1998-2008)



Source: Authors using the RSPs-CSPs 1998-2008

	<ul style="list-style-type: none">- Gaining importance of economic cooperation but with limited financial resources devoted to implementation in comparison with other sectors: Indeed, economic cooperation gains importance from the CSP 2002-2007 and this sector is dramatically strengthened in the CSP 2007-2013. In financial terms 10.4 M€ were committed to this item during the period 1998-2008 (this number should be treated with caution see below explanations). <p>The CSP 2002-2006 identifies economic cooperation as a non-focal sector. The strategy consider the possibility of supporting Nicaraguan exports to the EU, providing technical assistance to help Nicaraguan producers meet EU sanitary and technical standards and implement existing WTO commitments.</p> <p>The CSP 2007-2013 identifies economic and trade issues as a third sector of cooperation (among the focal sectors). Under this sector the objective is duplex: <i>supporting the macro-economic framework and supporting the business and investment climate</i>. The CSP explicitly links this second objective to the challenges of regional integration : <i>“helping to improve the business and investment climate, one of the bases of the economic growth, in particular those linked to the challenges of regional integration. (...) The coherence with international and regional commitments, in particular with the future negotiation of an Association Agreement between Central America and the EU is fundamental and opens doors to a wide range of actions”</i>. (p. 27)</p> <p>Over the period 1998-2008 financial allocation to economic cooperation amounts to €10,4M and takes place in two programmes:</p> <ul style="list-style-type: none">- “Programa de Apoyo a la Implementación de las Condiciones de Exportación de los Productos Agro-alimentarios nicaraguenses hacia la UE-PAICEPAN” starting in 2006 for a committed amount of €5M.- “Programa BIC – Business and investment climate” €5.4M. But this programme will not be implemented given the decision to stop BS (EC letter 2008 December 11th).
--	---

C 1.4 Changes in EC strategy are explained by changes in the Nicaraguan context, availability of new information or analysis (including evaluations results), donor/GoN coordination and/or EC policy (including regional policies)	
I 1.4.1 Explicit explanations in documents for the change in strategy	
Nicaragua Country Strategy Paper 2002-2006	Three changes will be considered here: (a) shift to BS, (b) abandonment of rural development as one of the focal sectors of EC cooperation and (c) the support for business and investment climate as a new focal sector
Nicaragua Country Strategy Paper 2007-2013	<p>(a) Shift to budget support</p> <p>The period 2002-2006 is crucial for BS because it marks the launching of the first three BS programmes as well as implementation of technical assistance to BS. The 2002-2006 CSP dedicates two paragraphs to BS, mentioning the need <i>“for a greater efficiency”</i> only by way of explanation (CSP p. 27).</p>
Memorandum de Entendimiento entre la Comunidad Europea y la República de Nicaragua Marzo 2001	<p>The 2007-2013 CSP is much more explicit. It mentions the 2002 “Evaluation of the ALA regulation” which recommended upgrading to sector approach and BS, and justifies BS by the general need <i>“to have greater impact, lower transaction costs, reduce fragmentation of activities, help tackle the root of problems – including corruption and low institutionalisation - , and improve ownership and dialogue between stakeholders, the Government and the donor community.”</i> (CSP p.15) It also states that <i>“to improve impact, non earmarked BS must be the preferred financing modality”</i>. (CSP p.19) Finally, the 2007-2013 CSP devotes annex 10 to a recall of the general criteria of eligibility for BS.</p>
IDOM, Evaluation globale de la coopération de la Communauté Européenne avec le Nicaragua, 2000	<p>In brief, BS is extensively justified and explained in the CSPs, at least since 2007, but without any reference either to the specific situation of Nicaragua, or to previous evaluations of BS in other countries with longer experience with this instrument.</p> <p>No mention is made, nor lessons are learnt, of the negative assessment of institutional support projects made by the Country Evaluation of IDOM 2000. According to the evaluation, the impact of these projects is hampered by the structural weaknesses of the national institutions.</p> <p>The 2002-2006 CSP discussed at length the need to support centralized public institutions versus the need to support mostly local institutions (position defended by IDOM’s evaluation) and concludes: <i>“The Commission’s services share most of the consultant’s findings However, it considers that the evaluation tends to play down the importance of the central level and is too negative in its assessment of the capacities of ministries and public institutions.”</i></p>
	<p>(b) Abandonment of rural development as one of the focal sectors of EC cooperation</p> <p>The 2007-2013 CSP explains this strategic change by the need <i>“to ensure sustainability”</i>. This in turn is explained by the limited impact at national level of the DRI type of projects which were implemented in Nicaragua (CSP p.20). The CSP also explains that the change of strategy means that</p>

<p>Monitoring reports, authors calculations</p>	<p>rural development will be addressed by “<i>supporting rural aspects of other sector policies (mainstreaming)...</i>”, as for example in education.</p> <p>The monitoring reports of the DRI projects (available previously to the identification of the CSP -2002-2006) show worst averages than MR in the field of rural development and in general.</p> <p style="text-align: center;">Figure EQ1.2: Monitoring Reports Average</p> <table border="1" data-bbox="486 492 1380 627"> <thead> <tr> <th></th> <th>R</th> <th>Effn</th> <th>Effc</th> <th>I</th> <th>S</th> <th>All</th> </tr> </thead> <tbody> <tr> <td>Average MR DRI</td> <td>5.62</td> <td>5.25</td> <td>5.25</td> <td>5.25</td> <td>5.75</td> <td>5.55</td> </tr> <tr> <td>Average MR Socio-economic dev in rural areas</td> <td>6.80</td> <td>6.72</td> <td>7.12</td> <td>6.82</td> <td>7.07</td> <td>6.90</td> </tr> <tr> <td>Average All MR</td> <td>6.77</td> <td>6.42</td> <td>6.87</td> <td>6.75</td> <td>6.97</td> <td>6.75</td> </tr> </tbody> </table>		R	Effn	Effc	I	S	All	Average MR DRI	5.62	5.25	5.25	5.25	5.75	5.55	Average MR Socio-economic dev in rural areas	6.80	6.72	7.12	6.82	7.07	6.90	Average All MR	6.77	6.42	6.87	6.75	6.97	6.75
	R	Effn	Effc	I	S	All																							
Average MR DRI	5.62	5.25	5.25	5.25	5.75	5.55																							
Average MR Socio-economic dev in rural areas	6.80	6.72	7.12	6.82	7.07	6.90																							
Average All MR	6.77	6.42	6.87	6.75	6.97	6.75																							
<p>ADE, Evaluation on EC Cooperation in the field of rural and agricultural development in partner countries, 2007</p>	<p>No overall evaluation of these programmes has been carried out. A thematic evaluation on <i>EC Cooperation in the field of rural and agricultural development in partner countries</i> was released in 2007. The overall results of the evaluations relevant to the support the EC was providing in Nicaragua are:</p> <ul style="list-style-type: none"> - <i>Interventions aimed at increasing agricultural production and yields tend to have positive results, but only in concise areas or regarding specific products. There is little information on impact of EC interventions on agricultural productivity and on producers’ income. When there is an impact, it is often subject to the instability of international prices.</i> - <i>In many ways the EC continues to support access to capital through micro-credit interventions which enables the most indigent to have access to adapted financial services.</i> - <i>There is little support in the field of land tenure, despite its recognised crucial importance for rural development and agriculture sectors.</i> - <i>BS is the main driver for EC support to social sector, but it is mostly unrelated to agriculture and rural development strategies.</i> - <i>SBS approach is much less widespread in rural development and agriculture sectors.</i> - <i>[...] the relevance of [DRI programmes] to reducing poverty at a general level is restricted by their poor efficiency. Thus even if used on a large scale, they fail to achieve significant global impact. (C3)</i> - <i>Integrated rural development programs are characterized by real impact limited to the areas of intervention, weak efficiency, and despite constant improvements since 1995, poor sustainability. (C7)</i> - <i>On rural development, the evaluation recommends orienting the strategy towards a more general concept of integrated management of rural areas. The strategy should be more processbased than action-based, one possible area being territorial governance. (R4)</i> - <i>At an operational level, recommendations for the agricultural sector tend to prioritize sectoral approaches and, whenever possible, advocate a move towards BS. The project/ programme and sectoral approaches should be complementary. (R5)</i> - <i>In the field of rural development, the evaluation recommends to keep implementing integrated programs in response to sporadic issues when the existing institutional framework is not adapted. However, given the EC poor comparative advantage for the implementation of these types of programs, it is recommended that the EC focuses on defining sectoral</i> 																												
<p>Euronet Consulting, Misión</p>																													

<p>de identificación de un programa de apoyo al sector agropecuario y forestal en Nicaragua, 2003</p>	<p><i>policies and supports and monitors their implementation. It is furthermore recommended that the EC study the option of outsourcing these tasks to other stakeholders with comparative advantages. (R6)</i></p> <p>The possibility of providing sectoral support in agricultural development was considered in 2003 beside the approaches of the IDR projects. The mission arrived to the following conclusions:</p> <ul style="list-style-type: none"> - <i>The level of awareness of sectoral support approach at the level of the national authorities was weak,</i> - <i>The absence of national policies and strategies coherent and publicly discussed, The centralised approach of some administrations.</i> - <i>Public finance management systems are not yet implemented (but will the case soon)</i> - <i>Weak definition of responsibilities and competencies within the sector. The strategies are still in elaboration.</i> - <i>The sector is characterised by a complex institutional set-up among which MAGFOR, MARENA, MIFIC, INAFOR, INATEC, IDR? INETER, INEC, INIFOM.</i> - <i>Along these findings, the mission proposes to support a sector approach but in an adequate rhythm and gradually to participate actively in the creation of necessary pre-conditions.</i> <p>The situation evolved positively since this mission and at the time of the identification of the CSP 2007-2013 the majority of the weaknesses identified were overcame:</p> <ul style="list-style-type: none"> - Sectoral support is widely implemented in Nicaragua, the Commission for example started the PAPSE in 2003. - An effort of drafting sectoral strategies has accompanied the set-up of different sectoral approaches. - Adequate public finance systems are in place - The first sectoral strategy for the agroproductive sector was released in 2005; Política y Estrategia para el Desarrollo Rural Productivo. - One of the axes of this strategy is the strengthening and the restructuration of the SPA (Sector Publico Agropecuario). Considering also the consultation of the private sector and its linkage with the territorial initiatives. The SPA was at that time constituted by the MAGFOR, the INTA, the INAFOR and the IDR. The document stresses the importance of a coordination with the MARENA and the MIFIC.
<p>Nicaragua Country Strategy Paper 2002-2006</p>	
<p>Nicaragua Country Strategy Paper 2007-2013</p>	<p>(c) Support to business and investment climate as a new focal sector</p> <p>The economic cooperation gained importance over the period. The CSP 2002-2006 identifies economic cooperation as a non-focal sector. The strategy consider the possibility of supporting Nicaraguan exports to the EU, providing technical assistance to help Nicaraguan producers meet EU sanitary and technical standards and implement existing WTO commitments.</p> <p>The CSP 2007-2013 identifies economic and trade issues as a third focal</p>

	<p>sector of cooperation. Under this sector the objective is double: <i>supporting the macro-economic framework and helping to improve business and investment climate, one of the bases for economic growth, in particular those linked to the challenges of regional integration.</i> .</p> <p>The CSP justifies the selection of this focal sector as follows: <i>“Sustainable economic growth and macro-economic sustainability appear to be essential to reduce extreme poverty and to support social cohesion. In particular, foreign investment and fair integration in the regional economy should be better targeted. Given its effect on the economic and social context, this will be the third focal sector, associated with a reinforced policy dialogue which includes cross-cutting issues; the EC could also provide the knowledge acquired by years of experience of progressive economic integration”.</i></p> <p>The CSP explicitly links this second objective to the challenges of regional integration : <i>“The coherence with international and regional commitments, in particular with the future negotiation of an Association Agreement between Central America and the EU is fundamental and opens doors to a wide range of actions [...]”.</i> (p. 27)</p> <p>According to the same document: <i>“ this component will be further elaborated on the basis of a Trade Need Assessment study which will be carried out no later than 2007”.</i></p> <p>22.5% of the NIP, so €48.15M, is allocated to improving the business and investment climate for the 5 years period 2007-2013.</p> <p>This sector although analysed in the identification study of the CSP (among many others) was not specifically among the few selected and recommended to support by the study.</p> <p>Finally it should be noted that under the ALA regulation, the economic cooperation was financed by a specific budget line which gave limits to the economic cooperation. Under the DCI this separation does not exist any more.</p>
--	--

I.1.4.2 Interviewees explicitly link specific changes in strategy to specific changes in the Nicaraguan or European context

<p>Interviewees on this matter are: officials from the Delegation and representatives of previous government: A1, A5, A48</p> <p>Paola Gosparini et al.: Nicaragua Country Report of the Joint</p>	<p>(a) Shift to budget support</p> <p>Most interviewees link this change not only to the Rome (2003) and Paris (2005) meetings (change in the international context) meetings, or to new instructions from Brussels (changes in the European context), but also to a more general process <i>“fuelled by the HIPC and PRSP process, the signature in 2002 of the IMF PRGF 2 and the growing consensus that the highly earmarked, fragmented and supply-driven character of aid in Nicaragua was hampering impact and sustainability”</i> (Nicaragua Country Report S8). <i>It was felt that BS came “at the right time at the right place”.</i> Since 2002 Nicaragua became a pilot case and an example of alignment and coordination. It was chosen to realise a Joint Country Learning Assessment (JCLA) which aimed to provide a evaluation of advances in harmonisation and alignment and to identify future measures needed to enhance donor coordination. The GoN (with</p>
--	--

<p>Evaluation of GBS 1994-2004 May 2006</p>	<p>a group of 4 donors including the EC) formulated its own National Plan of Harmonisation and Alignment of International Cooperation which was adopted by the Government and donors in November 2005. In this sense, the EC shift to BS was part of a general trend in cooperation in Nicaragua which is a small country very dependent on international aid⁴⁴.</p>
<p>CSP 2007-2013</p> <p>Interviews A48, B8, B12, B16</p>	<p>Some interviewees (A48, B8, B12, B16) argue that today it seems that the shift was too abrupt, without transition, that the institutionalisation of the country was not sufficiently developed in particular in terms of public service provision, that the will to install the approach was so strong and that the process was conducted with laxity (the target values selected were too ambitious and the first disbursements were made although some conditions were not fulfilled).</p> <p>It is also evident that many interviewees, in the civil society but even in the DCE, do not fully understand BS and argue that it is used to repay the internal debt in stead of reducing poverty.</p>
<p>PAINIC: “Análisis institucional e organizacional del sector público agropecuario rural” (2007)</p>	<p>(b) Abandonment of rural development as one of the focal sectors of EC cooperation</p> <p>This change was not motivated by a change in the national or European contexts, but by the conclusion that so far the EC interventions in rural development had not been very successful and that the new instrument at hand (BS) was badly suited to this sector. Support to rural development is not easily compatible with use of BS. Indeed, BS is well adapted to sectors where the State is the first supplier of services, as in education and health, but much less to sectors which need a diversified and complex set of measures which cannot be easily monitored through precise indicators, for which the role of the State is less important than in the social sectors, and the impact of which may appear only much later. Furthermore, there is no general agreement on what should be the role of the State in rural development. In any case this role is spread between different institutions and functions: Ministry of Finance and Economy (exchange rate, taxes...), Ministry of Transport (rural roads and communications), Ministry of Agriculture (research and extension, statistics, rural projects and programmes...), Justice sector (land tenure), Ministries of Health and Education. A coherent sectoral approach is therefore more difficult to apply than in other sectors.</p>
<p>Interviews A48, B8, B12, B16</p>	<p>An other reason stems from the conclusions of the PAINIC institutional study of the public rural sector (2007), according to which the institutional environment of this sector is too complex and is changing frequently. This means that a BS to the rural sector would be riskier than to others.</p> <p>The conclusion of the lack success of the rural development is mitigated. The DRI programmes were heavy institutional machines allowing for a limited period of time to extend the action of the public authorities in the field. Although the sustainability of these services was not ensured at the</p>

⁴⁴ During the years of major dependency, ODA represented 85% of public investments and 20% of GDP.

<p>Interviews B3, B13</p>	<p>end of the projects, they produced long lasting effects in terms of reactivation of the agricultural production. by providing means to territorial actions Other aspects of rural development, non-agricultural activities and social services, were not treated. It is true that there has always been some confusion between the concepts of agricultural development and of rural development. Additionally the GoN did not wish to have DRIs anymore. Although the programmes had defaults the Commission had long cumulated experience in the sector in this country and was able to identify the weaknesses and overcome them in new generation programmes. To change the focus is a definitive stop of the lesson learning process in the sector.</p> <p>About the adequacy or inadequacy of using BS for rural development the above presented analysis does not considered that Prorural was released in 2005 and a PRORURAL-basket fund was signed with Finland and Switzerland in march 2006. Prorural is the national sectoral programme for the productive rural development. This is a key instrument, offering a framework for donor discussions.</p> <p>Prorural is one of the best achievements of the mesa de donantes system together with health and education (B3, B13). Although land tenure is still insufficiently addressed, progress made is widely recognized.</p>
<p>Interview B12</p>	<p>(c) Support to business and investment climate as a new focal sector</p> <p>This is a new sector to the European Commission in Nicaragua. It is a difficult sector, fragmented, and enter into it has required new efforts given the lack of experience.</p> <p>The identification of interventions has suffered important difficulties. The idea was to base this support on the national strategy for the promotion of the SMEs (PROMIPYME). At first identification took place in 2006 for an amount of 26 M€. The idea was to support a project of Business and Investment Climat and a BS to the PROMIPYME (national strategy for SME's). In the framework of the AAP 2007 the project BIC was formulated for an amount of €5.4M. The Financing Agreement was signed the 6/12/2008 by the Government. The project will be implemented by the MIFIC. In the framework of the AAP 2008, the Fiche d'Action for a BS to PROMIPYME was submitted in February 2008 consisting in an amount of €7.8M. The headquarters of the European Commission did not approve it because entering in a new process of BS was considered not convenient and because of the necessity to reduce State intervention in a sector where stakeholders are mostly private. Furthermore the place of the private sector in the national strategy was not clear so as the ownership of the strategy of the new government, its financing modalities as well as the financing modalities of other donors. A new Fiche d'Action is submitted in April 2008 proposing a support to PROMIPYME following a project approach. The Fiche is again rejected taking consideration that the identification study of 2006 did not provide an adequate diagnostic to derive a project approach. A new identification work started in July 2008 this time considering also the allocation of the AAP 2009 (€7.3M). A first draft is</p>

	<p>submitted by the MIFIC in November. But the works are stopped given the crisis with the government.</p> <p>From the side of the government, the national strategy to support the SMEs is also very recent. The previous government entered in the identification of a sectoral strategy to support SMEs (PROMIPYME). The successive versions of this strategy were extensively discussed in the sub-mesa de donantes in order to make it an operational basis for a sectoral support. The new government requested a time for ownership. End 2007 the new version was released (with minor changes).</p> <p>The sector is also very popular among the donors. The sub-mesa counts with 15 donors. End of 2008, it was decided to work in a reduced group (the Commission, the Netherlands, Austria, Finland, Cosude and WB). In 2008 about 40 interventions were in implementation in support to PROMIPYME. (Sub-mesa de donantes, Matriz de cooperación con el PROMIPYME, Sept 2008). The EC joined the mesa in 2004/2005 as an observer. It is since 2007 the coordinator (“enlace”) of the sub-mesa de donantes.</p>
--	--

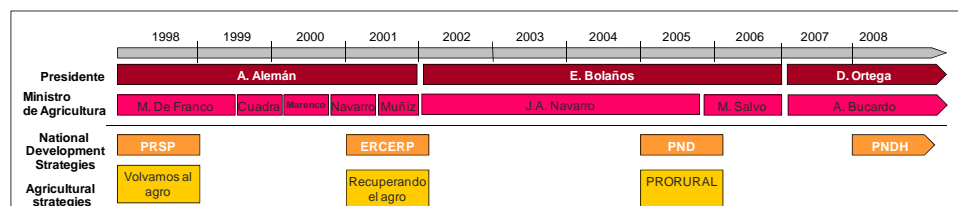
EQ2: Development in rural areas

EQ2 : To what extent did the EC interventions in rural areas (including food security) strengthen local economic and social development and ultimately improve sustainably socio-economic conditions of poor local communities?

C 2.1 The interventions in rural development address a global strategy in line with the needs in the field

I 2.1.2 Evidence that EC interventions were structured around a prexistent national strategy

Nicaraguan strategies for rural development are described under I2.2.1. Pro-poor and equity orientations varies from one document to another. Their quality also. Furthermore the capacity of these documents to print rural context and rural development trends are limited given the means for action, the scarce capacity of intervention of the public sector but also the frequent institutional changes that are always accompanied by changes of orientations.



Programme review, Food security interventions of the European Commission in Nicaragua 1995-2002, 2002

The majority of EC interventions in rural development have been designed under the ERCERP but implemented during the PND.

According to MR reviewed, references to the national strategy exist often in ALA financed projects (RIDP and capacity building for national institutions). The reference is at a global level, EC interventions are not supporting directly the implementation of national policies for rural development.

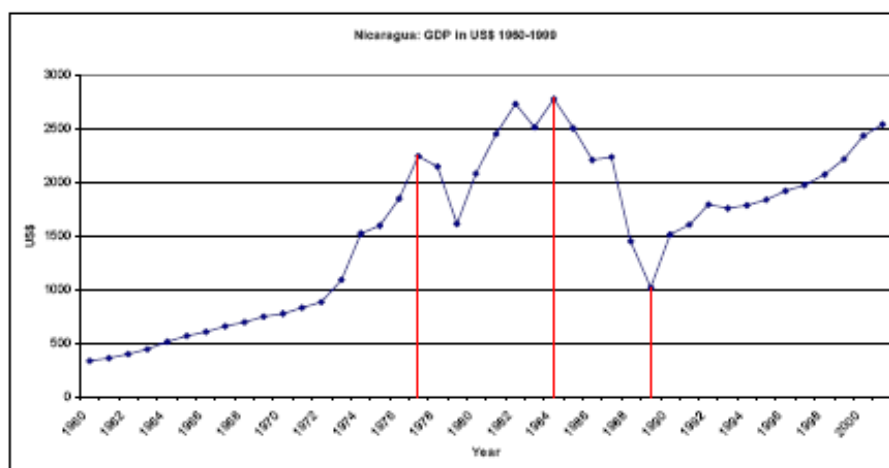
In the other interventions (financed by the budget line FOOD and NGO), no direct mention is done. For food security projects the 2002 review concludes on a fundamental match with the ERCERP.

Almost all the interventions analysed mention poverty reduction as their global purpose. In this sense interventions are fundamentally in line with the ERCERP. But in more detail, where the ERCERP concentrates on improving the framework for production and marketing, and rural infrastructure quality and coverage, the EC interventions are for the most part based on micro-support to production.

I 2.1.2 Evidence that EC interventions respond to an integrated strategy	
<p>PS, DECOPANN, ZONA NORTE</p>	<p>Under this indicator two types of interventions should be clearly distinguished:</p> <ul style="list-style-type: none"> - On the one hand, DRI's interventions were financed by ALA budget line which is a programmable budget line. These 4 interventions for an amount of €41m nearly 43% of the total allocation to rural development (total is €96m) were designed along the same structure (same components of microfinance, rural roads, support to local authorities) to create un "cinturón de atención" in all the North of the country targeting the reintegration of the economic tissue of marginal sectors providing a integrated support to production under the coordination of the Instituto de Desarrollo Rural (IDR). DECOSUR was added afterwards under the same structure. - On the other hand, there are the other projects of local development financed following call for proposals. These interventions were implemented at local level with a geographic coverage from one to ten municipalities depending on the size of the project. Projects were targeting groups of small producers, local associations and strengthening of municipalities.
I 2.2.3 Evidences that EC interventions are in line with the needs in the field	
<p>Grigsby & Perez, 2007</p>	<p>Con su respectiva contribución al PIB, al empleo y a las exportaciones, el sector agropecuario sigue siendo el sector mas importante de la economía del país. Incluyendo la contribución de la agroindustria dentro del sector industrial (70%), el sector agropecuario en su conjunto representa acerca del 33 al 35% del PNB. El porcentaje de las exportaciones agropecuarias en los últimos 15 años (80%) refleja la importancia del sector en la economía. Según el censo nacional (2005), la población rural representa 44% del total de la población y 40.4% de la población económicamente activa. El sector agrícola se compone de alrededor de 200,000 explotaciones agropecuarias, de las cuales 59% corresponde a unidades familiares de subsistencia, 31.7% pequeños productores campesinos, 6.6% medianos productores finqueros y 2.7% empresas agropecuarias capitalistas. El país se divide en seis grandes regiones agrarias, cada una con su respectiva dinámica socioeconómica (infraestructura, tenencia de la tierra, potencial agropecuario, etc.). El sector agropecuario genera 570,820 empleos, lo que representa 34% del total de empleos y 33% de la población económicamente activa.</p> <p>Los acuerdos comerciales han permitido una apertura de los mercados regionales y América central se ha vuelto el primer destino de las exportaciones agropecuaria de Nicaragua, antes de los Estados Unidos que se ubica al segundo lugar. El nivel de protección de tarifa de Nicaragua es el segundo mas bajo de la Región después de El Salvador. Nicaragua ha formado acuerdos de libre mercado con México y Chile y esta negociando con Canadá, Taiwan y la UE.</p> <p>Debido a la trayectoria dualista de desarrollo económico del país, se encuentran altos nivel de desigualdades. 47.1% de la población vive debajo de la línea de pobreza y 16% se encuentran en situación de extrema pobreza. El Índice GINI se ubica entre 0.43 (INEC) y 0.57 (UNDP). La pobreza tiene</p>

una cara rural con 67.8% de la familias rurales debajo de la línea de pobreza y 27.4% en situación de extrema pobreza.
Nicaragua esta integrada dentro de la iniciativa HIPC y las políticas publicas se enfocan hacia la reducción de la pobreza y el servicio de la deuda. El gasto publico hacia el sector agropecuario representa 6-7% del total del gasto publico. Las estrategias nacionales hacia el sector se basan sobre un enfoque de cadenas, en particular : café, maní y soya, leche, carne, verduras, granos básicos y camarón. Estas estrategias pretenden incrementar la contribución del sector agropecuario al Producto Nacional Bruto, al empleo y a las exportaciones como principal vía para reducir la pobreza rural. (RuralStruc, p. 39, 55-56).

Figure EQ2.1 : Nicaragua GDP in US\$



“There is not any clear definition of the real agriculture’s share of the GDP as food processing and manufacturing is classified under industry and an important share of services are linked to agricultural, including credit, inputs and product commercial chains. In the case of manufacturing agro-industry, according to CBN (2002, 2003, 2004, 2005 and 2006), agro-industry represents 70 % in average of total manufacture gross production (table 1.2.2.a). Rural production including production and processing agricultural products might represents between 33 and 35 % of National GDP.”
Ruralstruc, p. 38

Campesino a
campesino,
MR-30041.01
15/09/02

DECOPANN,
MR-30042.02
17/12/03

To the question of knowing if the interventions have targeted poor local communities there is no one answer as the economic situation of the beneficiaries was not unified and is not often detailed in the documents consulted (small producers is the word often mentioned). Therefore it is difficult to conclude which populations were targeted.

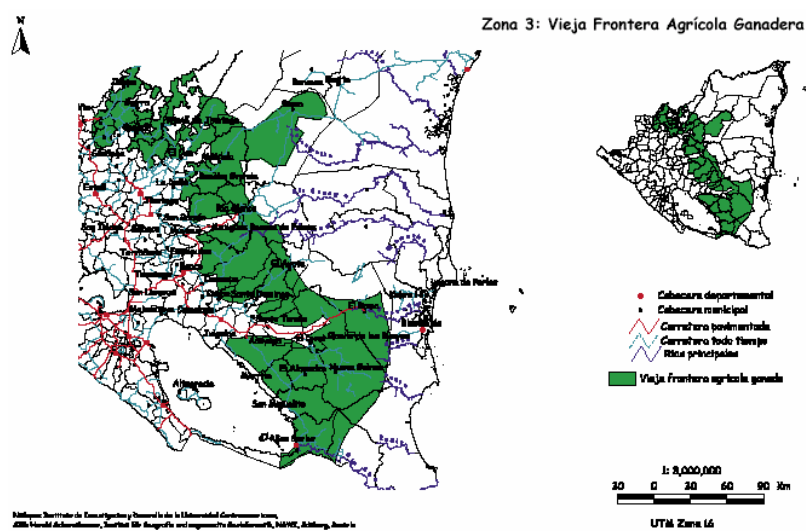
In the case of the project Campesino a campesino the target beneficiaries were small producers holding less than 5 *manzanas* of property.

In the case of DECOPANN, an DRI, the monitoring report beneficiaries are denounced as too wealthy: *“The beneficiaries targeted were redefined. Small and Medium Size producers are defined as owning maximum 100 manzanas and the project was enlarge also to Micro, Small and Medium Size Entrepreneurship (defined as employing maximum 100 persons) and the women and young entrepreneurs. These groups*

are usually not target groups of cooperation”.

Durante el periodo, los DRIs del Interior han sido relevantes para acompañar la reactivación de la “vieja frontera agrícola” después de la guerra civil.

Figure EQ2.2 : Old agricultural border



Source: RuralStruc, p.52

I 2.1.4 Result of the ‘relevance’ criteria in the monitoring reports

NB: Monitoring conclusions should be treated cautiously and do not allow simplistic interpretation. The monitoring reports reflect the project at a given moment of implementation. Conclusions are based on a methodological canvas that guides the observations of the monitor.

The average of the relevance criteria of monitoring reports is of 6.81/10. This rate is not significantly different from the overall average rate of 6.78/10 which is slightly below the 2006 worldwide average for this criteria, 7/10.

In Nicaragua, variation in rates between criteria is not significant (i.e. for rural development it goes from 6.7/10 to 7.1/10), relevance ranking the fourth over five.

The trend in the relevance rating over the years has been analysed in relation to the start date. No significant trend is observable.

C 2.2 The EC’s interventions have contributed to establish a rural strategy conducive to poverty reduction

I 2.2.1 EC interventions which aim to support rural strategy design

- PAPND
- Censo agropecuario
- PAINIC

I.2.2.2 Existence, at country level, of an explicit rural development strategy

From 1998-2008 the country has been ruled by four different governments. Each of them has drafted its own national strategies (PRSP, ERCERP 2001, PND 2005, PNDH 2008) and derived national strategies for rural

	<p>development:</p> <ul style="list-style-type: none"> - Chamorro Government – PRSP - Volvamos al Agro - Alemán Government – ERCERP - Recuperando el Agro (name to verify) - Bolaños Government – PND - Política y Estrategia para el Desarrollo Rural Productivo (also called PRORURAL). The document is detailed, with strong internal coherence and with measurement indicators. - Ortega Government – PNDH - La revolución en el Agro <p>Each strategy stresses different orientations and priorities. The PRSP under World Bank shadowing has clear pro-poor and equity orientation. The ERCERP continues this line but gives also an important role to private sector responses identified as the main generator of jobs and wealth increases. The PND takes a major turn, abandoning pro-poor logic and targeting national economic growth. For rural development the strategy is based on clustering and oriented to exports.</p>
<p>Government of Nicaragua, A Strength Growth and Poverty Reduction Strategy, 2001</p>	<p>The ERCERP under its 1st pillar will seek:</p> <ul style="list-style-type: none"> - to improve the production and market environment for rural development through elimination of price and cost distortions faced by farmers, improvement in the operation of rural factor markets, increased investment in rural infrastructure, implementation of demand-driven programmes aimed at small and medium-sized producers with growth potential, and promotion of improved production technologies. - to improve and expand rural infrastructure crucial for enhancing both the productivity and well-being of the rural population: rural roads, rural electricity and telecommunications coverage, access to safe water, sanitation, processing and safe disposal of solid wastes, and housing.
<p>MAGFOR, Política y Estrategia para el Desarrollo Rural Productivo, 2005</p>	<p>The medium-long term objective of the PND-o target “<i>the development of economic basis highly articulated with scale economies and sustainable generation of worldwide quality goods and services and with higher value added</i>”. It is founded on a cluster approach, demand driven and, where value added is created, through the use of technology, innovation and knowledge in processing and production. In this framework public policy is oriented towards improvement of the incentive framework environment. (p 14)</p> <p>The PND for rural development was declined in the <i>Política y Estrategia para el Desarrollo Rural Productivo (PRORURAL)</i>. The PRORURAL strategy as part of the industrial policy of the PND-O intends to “change the productive vision through an entrepreneurship vision oriented towards the necessities of the market and innovation in processing and in products in order to create an increase of the value added”. (p 15)</p>

	<p>Two main challenges are identified for sustainable rural development:</p> <p>(i) an increasingly intense external commercial policy, which will promote a framework of incentives to increase the attractiveness and the profitability of external and national investments in the agricultural and the forest sector.</p> <p>(ii) a political commitment to poverty reduction, the productive strategy for rural development also including activities to support weak producers that could be affected by the effects of a wider liberalisation of the markets. (p 18)</p> <p>The strategy identifies 12 strategic axes that will be differently applied according to three categories:</p> <ul style="list-style-type: none"> - types of household – for each type of household, the document identifies the restrictions faced and the objectives of the strategy. - geographical zones; for each zone the strategy describes actual production and the activities that could be developed. Beyond that, the Government will prioritise a basin approach (cuencas). Basins have been selected by the INTA in terms of: rural poverty, water scarcity and a majority of small producers; <p>products with comparative advantage, this proposal comes from the PND-O that suggests that specific attention be given to selected products in which Nicaragua has a comparative advantage (this selection is not totally shared by PRORURAL that considers that all products actually produced are important, even those that are not competitive at this stage or those produced only on a small scale but with potential.</p>
<p>Metas de Desarrollo, 2003 – Objetivo 1b– p.23</p>	<p>In relation to undernourishment, the ERCERP focused on preventive and remedial measures for chronic malnourishment of children under 2 years old. It also includes projects to help producers boost their business and gain access to credit and technology.</p> <p>The PND integrates the food security issue into rural development.</p> <p>Nicaragua has its <i>Política Nacional de Seguridad Alimentaria (PNSAN) y Plan de Acción (Decreto Ejecutivo 2000-2001)</i>. The main priorities are:</p> <ul style="list-style-type: none"> - employment generation in rural areas - increase of access to land - production diversification - market strengthening - modification of consumption habits through education. <p>The government was in 2003 (information to be updated during the field phase) designing the extension of the 2. Programa Especial para la Seguridad Alimentaria (PESA). The objective of this programme is to improve food security through:</p> <ul style="list-style-type: none"> - an accelerated increase in productivity and food production, - a reduction of the annual variability of food production, <i>and</i> - improving the population's access to food.

	<p>Finally, implementation of the <i>Sistema de Informacion para el Seguimiento y la Seguridad Alimentaria</i> (SISSAN) will integrate information available in different institutions on production, commercialisation, poverty, vulnerability, health and nutrition. (Information on the actual use of the system will be collected during the field mission).</p>
<p>Theinardt & alii, 2007 Global Donor Platform for Rural development, 2007 MAGFOR, 2008 Pijnenburg & alii, 2008</p>	<p>Extractos del informe final de la evaluacion de PRORURAL :</p> <p>Los antecedentes de ProRural se remontan a la propuesta de Políticas y Estrategias para el Desarrollo Rural Productivo, desarrollada en Julio del 2003, la cual fue sometida, entre febrero y mayo de 2004, a consulta con el MAGFOR, INTA, INAFOR, IDR y FUNICA, así como con diversos organismos internacionales y gremios de productores. La consulta para ProRural fue llevada a todos los departamentos del país y participaron representantes municipales y de los Gobiernos autonómicos de la Costa Caribe.</p> <p>Se concibió ProRural como un proceso de largo plazo, capaz de lograr impactos sostenibles al integrar el desarrollo rural local con las políticas macroeconómicas y sectoriales, y desde una perspectiva territorial, a los actores locales y su realidad social y cultural, incluyendo los gobiernos locales. Para su funcionamiento se propuso un enfoque integrador de las políticas, estrategias, planificación, presupuesto, seguimiento e información con carácter sectorial, que sirvieran de plataforma para el desarrollo integral del sector rural agropecuario.</p> <p>El Programa debía alinear el financiamiento externo con los planes y prioridades de desarrollo productivo, las políticas productivas y estrategias de ejecución relacionadas con el las instituciones del SPAR, coordinadas por el MAGFOR, que es la institución rectora del sector de acuerdo a lo dispuesto en la ley de Organización, Competencia y Procedimientos del Poder Ejecutivo,</p> <p>En septiembre del 2005 año, se suscribió el Código de Conducta, CdC, cuyo objetivo era el de definir las buenas prácticas y compromisos adoptados por los firmantes para lograr un mayor nivel de coordinación, armonización y alineamiento de las acciones e intervenciones a desarrollarse en el sector rural productivo y mejorar la efectividad de la Ayuda Oficial para el Desarrollo, AOD, en el marco de políticas y estrategias nacionales y basado en principios de transparencia y eficiencia.</p> <p>En Marzo del 2006 el Ministerio de Relaciones Exteriores, el Ministerio de Hacienda y Crédito Público, la Secretaria Técnica de la Presidencia, el Ministerio Agropecuario y Forestal y sus instituciones adscritas así como Suiza y Finlandia firmaron el Memorándum de Entendimiento para la creación del Fondo Común de ProRural. Dinamarca, Noruega y Suecia entraron como participantes a este Fondo posteriormente.</p> <p>En 2006 se elaboró el primer plan operativo del SPAR con una preocupación por el enfoque sectorial, en un esfuerzo por integrar la mayor parte de las actividades de las diferentes instituciones del SPAR.</p> <p>Pero el año 2007, el primero en el contexto del GRUN, ha significado para ProRural y el SPAR cambios importantes, en medio del aprendizaje de las nuevas autoridades gubernamentales sobre la gestión pública, y los objetivos y fines con los que se diseño el ProRural, planteándose ajustes a un nuevo</p>

	<p>enfoque del sector rural, que se orienta a profundizar la atención a los más pobres, especialmente a las mujeres, y a un nuevo redimensionamiento y una coordinación de carácter más integral de las instituciones del SPAR, que destacan el liderazgo institucional sobre el enfoque sectorial, apostando a una Nicaragua rural con más desarrollo territorial, económicamente solidaria y socialmente participativa. (...)</p> <p>Cabe hacer notar que el ProRural no incorporó en su diseño inicial, estrategias específicas dirigidas a la solución de los problemas de seguridad alimentaria y pobreza de los productores agropecuarios, La Misión considera que, en su fase inicial, la estrategia del ProRural se ajustaba menos a las demandas del sector agropecuario, por lo menos en cuanto refiere a los más pobres en sus planteamientos y en su ejecución, de manera que era poco pertinente a la problemática y prioridades de los más empobrecidos a los objetivos y prioridades nacionales planteadas en el PND, a la seguridad alimentaria, el combate a la pobreza y a las Metas de Desarrollo del Milenio.</p> <p>En el 2007, se inició un proceso de cambios en la estrategia de intervención de ProRural; sin embargo, permanecieron invariables el objetivo general, los componentes y sus objetivos específicos. Estos cambios significarán reajustes importantes durante 2008. Entre ellos se encuentra el Programa Productivo Alimentario, que inició a mediados de 2007, cuya implementación se le asignó al MAGFOR, con el apoyo de las demás instituciones del SPAR.</p> <p>Con estos ajustes, en las estrategias de ProRural se ha iniciado un proceso de acercamiento a las prioridades de los pequeños productores y de los productores empobrecidos. Sin embargo, se considera que la magnitud de las acciones y los recursos disponibles aun siguen siendo insuficientes, comparados con la demanda existente.</p> <p>A criterio de la Misión, la lentitud en la implementación del ProRural y los cambios ocurridos en 2007, limitan las posibilidades de medir, en este momento, el nivel de cumplimiento de los resultados del ProRural y sus impactos, sobre todo teniendo en cuenta las debilidades del Marco Lógico.</p> <p>La continuidad de este programa y la realización de sus metas dependen de muchos factores externos, entre ellos la posibilidad de completar las exigencias financieras con fondos del presupuesto nacional y de donantes.</p> <p>Si no se pueden obtener en el futuro inmediato fondos para cubrir las brechas, las líneas de acción que están dirigidas hacia los pequeños y medianos productores se verán afectadas, y con ello el desarrollo de ProRural.</p> <p>La administración del SPAR en 2007 ha trabajado en la formulación de una nueva Política de Desarrollo Rural Sostenible la cual plantea nuevos enfoques y prioridades. Los ajustes de hecho a ProRural se realizaron en tres niveles: ampliación de las instituciones participantes en la ejecución del programa sectorial, ajuste a la estructura y contenido de los componentes que conforman ProRural y ajustes a los resultados, productos y actividades. Los cambios de estructura y políticas incrementaron la demanda de coordinación, acciones y actividades para un sector público que responde a un enfoque sectorial con poca capacidad instalada. Sin embargo, los cambios de la estructura del SPAR contribuyen a la eficacia del ProRural de cara a la integralidad del sector, pero, hasta el momento, es complejo visualizar si en el futuro aportará a la eficiencia.</p>
--	--

	<p>El SPAR ha venido teniendo cambios en la coordinación inter-institucional a los diferentes niveles (central y departamental). La Misión identifica debilidades en la coordinación institucional a nivel central como uno de los principales problemas para el avance del enfoque sectorial. Por su parte, en el ámbito departamental la coordinación inter-institucional obedece más a la necesidad de cumplir con las actividades de la planificación, y a dar respuesta a la problemática del sector en cada territorio, que al diseño de estructuras de coordinación e instrumentos.</p> <p>Los aspectos de coordinación-interinstitucional en las áreas administrativas-financieras y el seguimiento a la ejecución presupuestaria es compleja y poco eficiente ya que existe un marco legal donde cada institución de forma independiente debe responder al enfoque programático del SIGFA y al SNIP. Dichos sistemas afectan directamente la eficiencia del ProRural porque sus componentes son ejecutados por varias instituciones en un solo programa en contradicción con los sistemas establecidos que son por proyectos e institución.</p> <p>A nivel interno de las instituciones se refleja una debilidad al formular la estructura programática sectorial sin tomar en cuenta lo administrativo financiero, porque hay componentes y resultados donde los sistemas no facilitan llevar control presupuestario. Cada institución reporta internamente a su propio sistema SIAF-MAGFOR, SIAFOR, etc., lo que genera la elaboración de múltiples reportes y duplicidad de tareas para el personal, haciendo los procesos poco eficientes.</p> <p>En 2006 cada institución del SPAR realizó un plan independiente; en 2007 se llevó a cabo un primer intento de planificar de acuerdo a los componentes definidos en ProRural. La experiencia tuvo debilidades porque se hizo, más que un POA sectorial, una sumatoria de actividades, con líneas estratégicas.</p> <p>El monitoreo al Plan Operativo Anual (POA) 2007 fue reducido debido a cambios institucionales a nivel territorial y en las intervenciones en atención a las nuevas prioridades del GRUN. Entre el personal técnico del SPAR departamental y municipal, se percibe como insuficiente la divulgación, capacitación y entrenamiento, relacionados con el diseño y la operación del SISEVA, inclusive algunos mencionaron no conocerlo. Las salas de evaluación son conducidas por un grupo del SPAR del nivel central y estaban contempladas a nivel departamental, pero por razones presupuestarias, se llevaron a cabo a nivel regional.</p> <p>El presupuesto General de la República es aprobado luego del inicio del período presupuestario, lo que acarrea que el POA y como consecuencia el PAC (Plan Anual de Compras) se elabore sin un presupuesto aprobado, luego de su aprobación, comienza el trabajo de modificar el POA y el PAC (por institución) respectivamente.</p> <p>Algunas de las causas de los retrasos se deben a la aprobación tardía de Ley Anual del Presupuesto. Si bien la ley establece que en caso que no se apruebe el presupuesto a finales de año, se tomarán las cifras del presupuesto del año anterior, para no atrasar la ejecución, la realidad es que el traslado de fondos por parte del MHCP a los entes estatales sufre una restricción, limitándose a gastos corrientes mientras no se aprueba el presupuesto.</p> <p>La Misión considera que en estos momentos es muy temprano para hablar de impactos; sin embargo, a nivel de los efectos se puede adelantar, de acuerdo a</p>
--	---

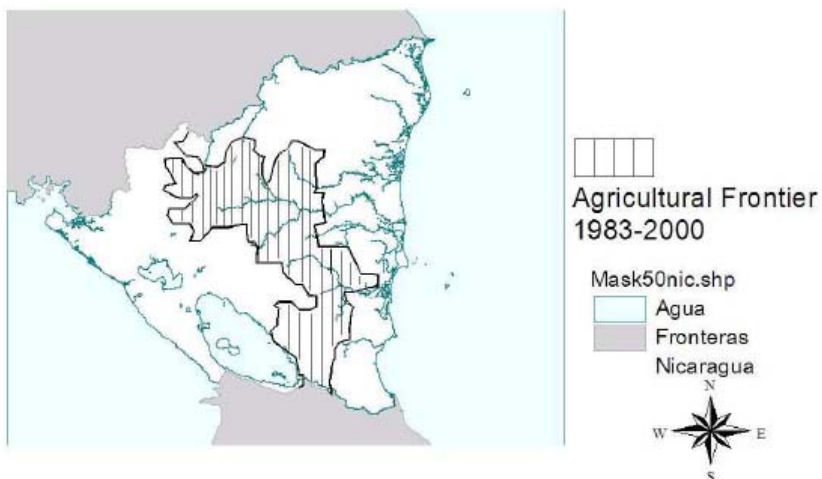
	<p>lo que se observó en las visitas de campo y la información documental consultada, que desde 2005 se están desarrollando procesos tecnológicos, sociales, económicos y ambientales importantes, que están generando cambios positivos en los diferentes activos (físicos, financieros, capital humano, seguridad alimentaria, capital social) que empiezan incidir en la calidad de vida de un, todavía reducido número de, productores/as pequeños/as y medianos/as.</p> <p>Los cambios en los activos físicos de carácter social y productivo se expresan por las obras de infraestructura social y productiva implementados las cuales están facilitando el acceso de los pequeños y medianos productores a los mercados y centros poblacionales; el acceso al agua, la conservación de productos y mejoramiento de sus viviendas. Los cambios en los activos financieros, aún con sus limitaciones en montos globales, se reflejan en la ampliación y profundización del alcance de los servicios financieros.</p> <p>Los efectos en el capital humano se reflejan en la adquisición de conocimientos técnicos y el incremento de las capacidades de un número importante de productores y productoras. Así como en su capital social a través de su integración y participación en diferentes tipos de organización promovidas para la implementación de las acciones de asistencia técnica y de las iniciativas económicas generadoras de ingresos.</p> <p>El enfoque de género constituye un elemento transversal en la estructura programática del ProRural. En el 2007, se constituyó la Unidad de Género del SPAR con la participación de las responsables de género de cada una de las instituciones. Sin embargo, la Misión opina que es incipiente la influencia del enfoque de género en la aplicación de acciones y actividades de las distintas instituciones del SPAR, ya que existe la impresión de que la atención para el género se está traduciendo a una discriminación positiva de la mujer campesina sin que esto necesariamente significa el empoderamiento de ellas.</p> <p>Junto a estos cambios identificados en los activos de los pequeños y medianos productores y en los productores empobrecidos, también se han identificado limitantes que deben superarse para que estas iniciativas puedan generar los impactos esperados.</p> <p>La implementación del ProRural ha generado cambios en las instituciones que integran el SPAR, entre los cuales se destacan: una mayor coordinación interinstitucional, el uso de instrumentos comunes para la planificación, el monitoreo y la evaluación, la disminución de la duplicación de actividades en el terreno, la reubicación de recursos y actividades entre las instituciones, en función de mejorar el desempeño de los componentes, y la complementariedad de acciones a nivel territorial.</p> <p>La misión opina que la capitalización de los más pobres solamente se pueden traducir a procesos de desarrollo si va acompañada por una asistencia técnica, capacitación, organización y oportunidades del mercado. Todavía es temprano para evaluar el Programa Hambre Cero, más allá de cuantificar sus acciones.</p> <p>ProRural es la concreción del enfoque sectorial en el sector rural, agrupando en un esfuerzo de trabajo conjunto, a siete instituciones del Sector Público Agropecuario Rural. Durante 2005 y 2006 persistieron diferencias importantes en algunas jefaturas de las instituciones del SPAR, que llegaron a rechazar el liderazgo del MAGFOR para conducir un proceso de esta</p>
--	---

	<p>naturaleza, cuestionando en la práctica la importancia estratégica del enfoque sectorial. Pero a partir de 2007 todas las instituciones del SPAR reconocen el liderazgo institucional del MAGFOR.</p> <p>Los procesos de coordinación institucional han crecido en el SPAR, como un ejemplo de que las políticas y estrategias sectoriales ganan espacios apuntando a la sostenibilidad del modelo, pero aún no se ha logrado alcanzar que la planificación, el presupuesto, el seguimiento y la información se encaminen como procesos sectoriales.</p> <p>Según las previsiones del MAGFOR, la disponibilidad de fondos externos de sus actuales donantes tienden a disminuir en los próximos años, pero el Gobierno está en negociaciones con diversos países y esta tendencia se podría revertir si los resultados de esta gestión son positivos. Las instituciones del SPAR consideran que se puede prever un cambio parcial en los actores, con nuevos países como Venezuela y Brasil, y otros que recientemente han adquirido compromisos con Nicaragua para el sector rural.</p> <p>Por otro lado, los compromisos financieros de los países participantes en el Fondo Común tienen horizonte hasta 2009. La misión ha tratado de inventariar opiniones de diversos donantes vinculados al Fondo Común, y a otros que no participan actualmente. La conclusión de la Misión es que hay mucho interés en la experiencia, y mayoritariamente están a favor de la modalidad, por lo menos en teoría.</p> <p>Algunos representantes han señalado que en sus países existen impedimentos legales que no permiten el cumplimiento de los principios del enfoque sectorial. Otros expresan simplemente que no les convence el enfoque ó que las condiciones para tal enfoque no están dadas en Nicaragua.</p> <p>Fuera del Fondo Común la situación es más confusa pero se observa una tendencia hacia la institucionalización de proyectos y programas pero con expresiones menos alineadas. Hay un grupo de donantes que brindan una ayuda muy específica a una cadena de producción, por ejemplo el cultivo y el procesamiento de cacao ó la cadena productiva láctea. Hay renuencia para dirigir la ayuda al sector rural en general como parte de un enfoque sectorial por la preocupación de abandonar estos procesos que llevan años y que no están culminados</p> <p>El Gobierno de Nicaragua parece haber asumido decididamente el concepto. Se observa el apoyo al MAGFOR para coordinar el SPAR y de hecho este liderazgo ha mejorado. Por otro lado, se tienen ejemplos de la posición clara del Gobierno en cuanto a la coordinación de la cooperación y la negociación con donantes en materia de cooperación nueva.</p> <p>La Declaración de París hace énfasis en Armonización por el lado de los donantes y poco se habla de los procesos dentro del país socio. Esto se puede deber a que las primeras experiencias han sido en los sectores salud y educación donde normalmente hay pocos actores institucionales ó un solo ministerio. Pero el caso de ProRural demuestra que la armonización de las instituciones del país socio, tiene igual importancia para un enfoque sectorial exitoso. Como se expresa repetidamente en este informe, esta armonización parcial ó incompleta de los actores nacionales es un factor crítico para los resultados de ProRural.</p> <p>La alineación supone un consenso entre el país y los donantes sobre las</p>
--	--

	<p>grandes líneas a seguir. La mayoría de los donantes y el Gobierno coinciden en grandes rasgos en la necesidad de combatir la extrema pobreza y en los principios del enfoque sectorial. Pero aún así, se percibe un insuficiente nivel de confianza mutua. Ambos lados, instituciones del SPAR y donantes, todavía no logran una actuación en perfecta coherencia con los principios del Enfoque Sectorial. Por lo menos en parte, esto se debe a una imperfecta comunicación entre ambas partes.</p> <p>El enfoque sectorial ha sido asumido oficialmente en el nuevo Plan Nacional de Desarrollo Humano, como parte de la estrategia nacional de desarrollo, más allá de las relaciones que implica con la cooperación internacional.</p> <p>El MAGFOR ha asumido el liderazgo del enfoque sectorial, superando algunas limitaciones que se dieron en el pasado cuando las instituciones del SPAR hicieron sentir el peso de su propia institucionalidad, por encima del liderazgo sectorial.</p> <p>Las relaciones del SPAR con la sociedad civil en este proceso han sido bastante intermitentes. Estas relaciones han sido de mayor coordinación a nivel departamental y municipal, y de menor peso a nivel Central. Con la empresa privada, igual que con las ONGs, se ha mantenido un aceptable nivel de coordinación y consulta durante 2006 y 2007. La coordinación con los diferentes sectores de la producción ha sido más fuerte a nivel departamental y municipal que en el nivel central con el Consejo Nacional de la Producción.</p>
<p>B4, B5, B10 & B11</p>	<p>En base a las entrevistas y a la documentación disponible, se puede comprobar que no se ha integrado el sistema de SE, los distintos departamentos de MAGFOR no utilizan las mismas fuentes, los donantes tienen otros datos y no hay integración de los esfuerzos de construcción de un sistema de monitoreo a nivel de municipio (PRODELSA) con la construcción del sistema nacional. Las distintas contribuciones de la CE sobre este tema, esencial para la construcción y el monitoreo de la estrategia, no han sido coordinadas.</p>
<p>MAGFOR, 2007</p>	<p>El SPAR maneja siete sistemas (2 nacionales y 5 de cooperantes) administrativos, financieros, ocho normas de adquisiciones de bienes diferentes, tres sistemas nacionales y 16 formatos diferentes para igual número de cooperantes que realizan la planificación y seguimiento físico-operativo, requiriéndose la elaboración de aproximadamente 448 informes (p. 9)</p>
<p>C 2.3 The EC's interventions have enhanced more equitable access to factors of production as well as economic and agricultural services (change of number and text revised)</p>	
<p>I 2.3.1 Evidence of a improvement in access to land, water, financial capital for the poor</p>	
<p>B3, B8, B9, B13, B14, B15, B17, B19, B25, B26, B29, B31</p>	<p>En cuanto a las intervenciones de la CE existen, según entrevistas y documentación presentada a continuación, muchas evidencias para comprobar:</p> <ul style="list-style-type: none"> - La implicancia de varios ONGs cofinanciados en cuanto a acceso a la tierra y regularización de propiedad (Merlet, 2001 ; Bastiaensen & alii, 2006 ; Paizano & alii, 2006 ; Gonda & Pommier, 2008 ; Merlet

1950s, although it did stagnate in the 1980s due to the civil war. In 1963, an agrarian census calculated that there were 3.84 million hectares of agricultural land. Eight years later the figure was 4.16 million hectares, meaning that a further 40,000 hectares had been incorporated into agricultural production every year. In 2001, the agrarian census reported a total of 6.28 million hectares, with an average of 106,000 hectares incorporated into agricultural production every year. An analysis of forestry areas between 1983 and 2000 (MARENA, 2004) shows that the central region was hardly deforested at all in 1980s. This idea supports the hypothesis that high levels of deforestation took place after 1990 with peace process and agriculture reactivation policies. The new agricultural frontier only excludes core natural reserve and swamp areas (Fig. 3.1.2.a). Nowadays, there are limited areas that can be converted to agricultural land and the number of land tenure conflicts is expected to rise, as the agricultural frontier is bordering indigenous communities and natural reserve areas (Nitlapán, 2005).”
(RuralStruc, p. 90)

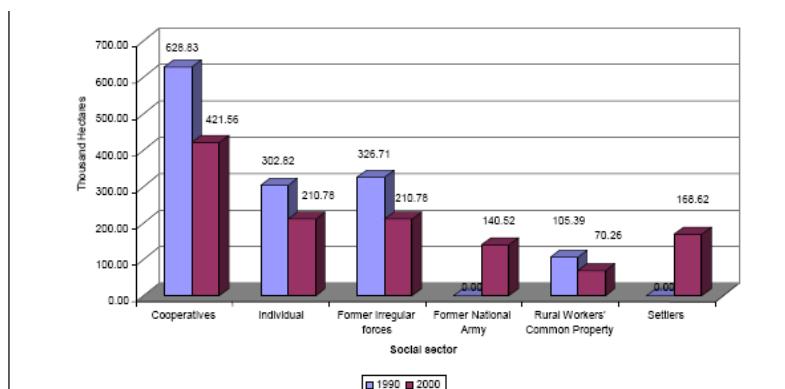
Figure EQ2.5: Evolution of the agricultural frontier



Based on MARENA, 2004

- un agudo problema de funcionamiento del mercado de tierras con alta inseguridad jurídica y política; lo que induce un alto riesgo de reversión de los cambios estructurales de tenencia iniciados en los años 80', pero quedando reducido respecto al nivel de desigualdad históricamente acumulado

Figure EQ2.6: Reformed Land Dynamic 1990-2000



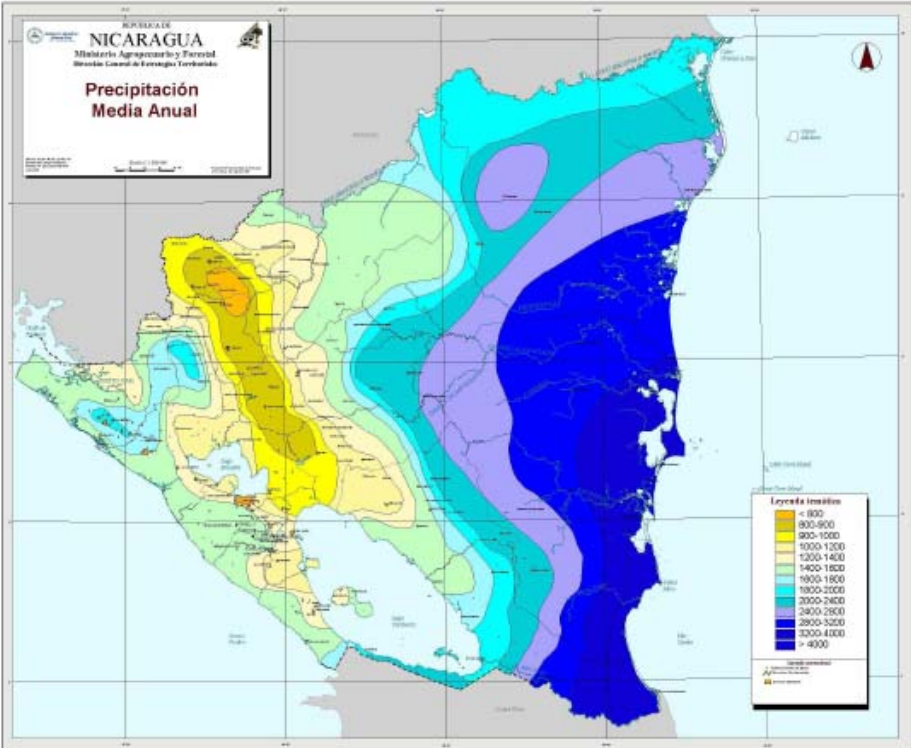
“ According to Central Bank (2005) 30% of total land has changed from being reformed, community or indigenous land to individual private property. From 1990 to 1994, 15% of the total land was privatized (around 828,000 hectares), a phenomenon linked mainly to the insecurity surrounding the land tenure and titles issued by the government in the 1980s. A second wave took place after 1996, reflected in the fact that from 1994 to 2002 another 15% of the total land became individual private property. Although the percentage is the same as in 1990-1994, there is an increase in the actual amount of land involved as the total land covered a greater area in 1994 than in 1990. During this second wave, 1.33 million hectares were bought by private individuals. In summary, it can be stated that Nicaragua’s land markets have been very dynamic over the last 12 years, with average annual transactions (formal and informal markets) involving 180,000 hectares ». (RuralStruc, p. 78)

Figure EQ2.7: Land tenure structure 1963-2001

Year	1963		1971		2001	
	Number	Area	Number	Area	Number	Area
0 to 7 ha	50.8	3.5	44.3	2.2	47.4	4.3
7.1 to 35 ha	27.4	11.2	31.5	10.9	33.0	20.5
35.1 to 70 ha	10.7	12.4	12.1	11.5	10.9	18.7
70.1 to 140 ha	6.2	14.1	6.5	12.2	5.4	18.2
140.1 to 350 ha	3.5	17.6	3.7	15.6	2.6	18.4
more than 350 ha	1.5	41.2	1.9	47.6	0.8	19.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

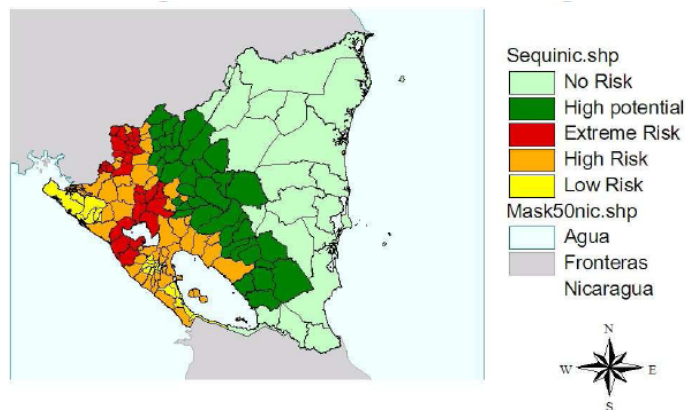
CBN, 2006

“ There were important changes in land distribution from 1971-2001, the most important of which is the share corresponding to the biggest 10% of farms, which was 71% in 1963, increased to 73% in 1971, but then fell to 60% in 2001. The number of farms with less than 70 hectares increased by more than 100% and the number of farms with more than 350 hectares fell by 3.4% (Strama, 1999, IRAM 2000; Perez, 2001). Despite the land reform process of the 1980s and early 1990s, Nicaragua still has an unequal land distribution with high levels of concentration which tends to reduce small and medium farmers’ access to land.” (RuralStruc, p. 96)

<p>Servicios legales - Nitlapan MR-30264.01 14/10/2004</p>	<p>“Improvement of the issue of land tenure with direct cases defended and the creation of support services like the SLR (Servicios Legales Rurales).”</p>
<p>Grigsby & Perez, 2007</p>	<p>El <u>acceso a agua</u> es la determinante de una fuerte diferenciación regional, explicando las diferencias productivas, el fenómeno de migración interna (hacia la frontera agrícola) como externo (hacia otros países); mientras el acceso a riego se limita principalmente al sector capitalista de la agricultura.</p> <p><i>“ There are two main sources of water for agricultural production: rainfall and subterranean water (Fig.3.1.2.c and Fig. 3.1.2.e). There are three basic areas in terms of rainfall: the tropical humid zone, which covers most areas of the central region and the whole Caribbean region. This area has no risk of drought and has coffee, cocoa, rice and cattle production systems. The second consists of tropical areas with two defined seasons: six months with rain and six months without. Farmers can sow twice in a year in May and September and farmers with irrigation can also sow at the end of November/early December. The Pacific and northern areas form part of this tropical zone, which could be affected by droughts related to the El Niño phenomenon. Finally, the tropical dry zone covers an area in the form of an X, which includes areas of the northern Pacific and the lake areas. It is a zone with a severe risk of drought (MAGFOR-SIG, 2006, Nitlapán, 2005). Farmers tend to sow once a year, while extensive cattle production systems have also been established, encouraging a land concentration process. This zone has a high percentage of poor families, who tend to migrate to Costa Rica (Nitlapán, 2005; CEPAL; 2006).” (RuralStruc, p. 92-94)</i></p> <p style="text-align: center;">Figure EQ2.8: Rainfall annual average</p>  <p style="text-align: center;">SIG-MAGFOR, 2006</p>


“The annual agricultural cycle has three main seasons: May, September and November. In every season there is a sowing period that depends on the rainfall. There are four areas with different drought risk levels. In the last 15 years, the tropical dry zone has been the most affected by droughts linked to the El Niño phenomenon. According to INEC, this is also the area with the highest migration levels. This rural population has only one production season (September), as there is limited rainfall during May and November. The dry zone has developed severe droughts since 1992 and rainfall and waterways are scarce due high levels of deforestation and the extensive cattle production system. The Pacific plains and the central region are productive areas with low drought risk levels. The Pacific plains are an agro-industrial production area in which sugar cane, peanuts, sesame and soybeans are the main production systems. These production systems encourage land concentration in order to introduce machinery and economies of scale at harvest time. The central region has a high-risk area around the lakes. This is an extensive cattle production area with land concentration (as in the Pacific), which is forcing the local population to migrate internally to the Caribbean coast or externally to the USA. Being a tropical humid zone, the Caribbean region has no risk of drought, but it does have high levels of deforestation.”

EQ2.9: Levels of risk of drought



SIG-MAGFOR, 2006

“Subterranean water for irrigation is a key asset on the Pacific plains. There are also some such water sources in the central region, mainly in valleys such as Sébaco, San Pedro de Lovago and Santo Tomas. Irrigation areas, around 97,000 hectares according to Census 2001, in the Pacific region have historically been owned by agrarian capitalists and were initially used for cotton production. They are currently used to produce sugar, peanuts, soybeans and tobacco. In the central region, such areas are also owned by agrarian capitalists producing rice, onions, and fresh vegetables in the north and cattle in the south.”

	<p>Figure EQ2.10: Irrigation areas based on subterranean waterways</p>  <p>SIG-MAGFOR, 2006</p>
<p>Food security Programme Programme review, Food security interventions of the European Commission in Nicaragua 1995-2002, 2002</p>	<p>With the intention of mitigating the consequences of extreme droughts resulting from the 'El Niño' phenomena, 6 projects were implemented in dry areas aiming to improve water and irrigation systems. A total of €4.2m was committed to these projects.</p> <p>9 pilot projects are being carried out with the objective of gaining experience with new and innovative issues related to the origins of food insecurity (chain production, access to land, gender and environment). These projects are in progress (some started recently). A total budget of €6.1m was committed to these projects.”</p>
<p>Grigsby & Perez, 2007</p>	<p>En cuanto a <u>capital financiero</u>, después de la liquidación del Banco Nacional de Desarrollo, el principal cambio en este sector es la consolidación de una intermediación financiera no bancaria que atiende parte de la demanda rural de acceso a capital financiero.</p> <p><i>“According to ASOMIF (2006), the commercial banking sector consists of seven banks and two financial institutions. They have around 732,430 clients and a portfolio of US\$1.130 billion, which is mainly used for consumption (26.5%) and commercial activities (31%). Geographically speaking, 83% of the portfolio and 90% of the clients are located in Managua. The banking network consists of 209 offices located in the main urban centers. The agricultural portfolio includes 11,748 clients and loans worth US\$180.97 million, so agricultural loans represent only 12% of the total portfolio and 1.6% of total clients, with an average loan of US\$15,404. Most agricultural loans are approved for large companies in Managua and finance agrarian capitalist production systems linked to sugar cane, coffee, peanut and irrigated rice. Most of their credits have long-term payment periods, since 69% must be paid over a period of more than 18</i></p>

	<p><i>months and 90% over a period of more than 12 months. Active interest rates are around 12.35% for short term loans and 18.21% for long term loans. These interest rates have been falling since 2001, when they were 18.55% and 19.53% respectively. (...) According to ASOMIF (2006), approximately 278 NGOs have credit interventions and 93 of them are microfinance institutions. By 2001, ASOMIF accounted for 70% of the total NGO credit portfolio. Using their data, it is possible to obtain a good idea of this sector's dynamics. By 2005, ASOMIF contained the 20 largest MFs with 204 offices, 268,141 clients and a portfolio of US\$124.5 million, which is more than double its 2001 portfolio of US\$51.8 million, giving an annual growth rate of 35% in terms of the portfolio and 26.7% in terms of clients. Since the MFs were initially NGOs and mainly supported by international cooperation, issues such as gender are important, this explains why women account for 66% of the clients and 51% of the portfolio. Agricultural production is important as well, accounting for 32% of the total portfolio. However, just like the commercial banking sector, commerce and consumption are the main sectors financed, covering 65% of clients and 45.5% of the total portfolio.” (RuralStruc, p. 70-71)</i></p>																																	
<p>World Bank, Nicaragua Poverty Assessment, 2003</p>	<p>As a reference, national statistics are:</p> <p>Figure EQ2.11: Access to agrarian institutions (share of rural families involved in agricultural production in 1998 and 2001)</p> <table border="1" data-bbox="528 1043 1362 1339"> <thead> <tr> <th>Institutions</th> <th>1998</th> <th>2001</th> </tr> </thead> <tbody> <tr> <td>TA exists in community</td> <td>24</td> <td>26</td> </tr> <tr> <td>Used Technical Assistance</td> <td>16</td> <td>13</td> </tr> <tr> <td> provided by gov't</td> <td>7</td> <td>5</td> </tr> <tr> <td> provided by NGO/project</td> <td>6</td> <td>5</td> </tr> <tr> <td>Credit for agriculture</td> <td>9</td> <td>10</td> </tr> <tr> <td> from bank</td> <td>2</td> <td>2</td> </tr> <tr> <td> from NGO/organization</td> <td>6</td> <td>8</td> </tr> <tr> <td> from friend</td> <td>3</td> <td>1</td> </tr> <tr> <td>Credit for nonagriculture</td> <td>1</td> <td>2</td> </tr> <tr> <td>Organization or project</td> <td>9</td> <td>11</td> </tr> </tbody> </table> <p>Source: World Bank, from David B. and Stampini M. Pathways towards prosperity in Nicaragua. Background Paper to World Bank Nicaragua Poverty Assessment 2003.</p>	Institutions	1998	2001	TA exists in community	24	26	Used Technical Assistance	16	13	provided by gov't	7	5	provided by NGO/project	6	5	Credit for agriculture	9	10	from bank	2	2	from NGO/organization	6	8	from friend	3	1	Credit for nonagriculture	1	2	Organization or project	9	11
Institutions	1998	2001																																
TA exists in community	24	26																																
Used Technical Assistance	16	13																																
provided by gov't	7	5																																
provided by NGO/project	6	5																																
Credit for agriculture	9	10																																
from bank	2	2																																
from NGO/organization	6	8																																
from friend	3	1																																
Credit for nonagriculture	1	2																																
Organization or project	9	11																																
<p>Food security programme Programme review, Food security interventions of the European Commission in Nicaragua 1995- 2002, 2002</p>	<p>“The Consolidation Programme of Non Conventional Rural Credit, contribute to supply better financial services in isolated rural areas to more than 17 Intermediate Financial Institutions. Significant results have been obtained for 11 of them.</p> <p>The evaluation is positive in terms of isolated zones coverage without any financial services, low debt levels, monitoring and organisational strengthening of the no-commercial financial interlocutors (although this process is not yet terminated).”</p>																																	
<p>Campefino a campefino MR-30041.01 15/09/02</p>	<p>“The project promotes horizontal relationship and it has generated (non planned effect) auto-organisation processes that peasants are using to access to credits.”</p>																																	

Zona norte-central MR-30036.01 28/08/02	“The main component of the project is based on financial services very demanded but highly risked in particular in a context of insolvency and disorganisation of the cooperative environment.”
Zona norte MR-30038.01 28/08/02	“The project considers a component of provision of credit. (also in kind/seeds)”
Zona norte MR-30262.01 14/10/04	“The project was successful in offering financial services. With more than 6,500 clients, a number of credits higher than estimated, a non-payment rate of less than 3% and a micro-saving component increasing. The issue of the sustainability after the end of the project has to be investigated further.”
DECOPANN MR-30042.01 28/08/02	“The project has a credit scheme component.”
DECOPANN MR-30042.02 17/12/03	“The project has a strong credit component with different products: revolving funds (land tenure, for young FONDEJOV and for women FONDEMUJ, capitalisation funds (for the strengthening of producer organisations for the intensification and the diversification of the production), and granting funds (for initial strengthening, environmental activities and institutional support to municipalities). The rules of reimbursement are different for each fund and this may cause confusion among the beneficiaries.”
DECOPANN MR-30042.03 27/10/05	“Even though a complicated design of the financial instruments they were well managed. Some complaints have been registered in terms of to high interest rates to facilitate an access to credit and a capitalisation of Small and Medium Size producers. But the credit by its own is not sufficient to allow a qualitative or quantitative jump of production. It is necessary to develop also non financial services.”
DECOPANN MR-30042.04 01/09/06	“The issue of the saving was not duly considered by the project.”

I 2.3.2 Evidence that more people have access to economic and agricultural services (technical dissemination, information)

B15 & B32 Mendoza Vidaurre, 2002 Cecocafen, 2006 Cafenica, 2006 Dumazert & Ortega, 2008 Intermon-Oxfam, 2008	<p>Respecto a este tipo de servicios, se ha pormenorizado la importancia de la rehabilitación de infraestructuras (caminos, puentes, etc.) para acceder a los mercados. Muchas intervenciones de la CE han tratado contribuir a la resolución de este problema (DRIs, Seguridad alimentaria, ONGs); así como al mejoramiento de las infraestructuras de procesamiento (cadena de café de calidad).</p> <p>También, hubo un mejoramiento del acceso a factores de producción agropecuarios a nivel de intervenciones ligadas a la reactivación económica post-crisis (semillas, animales, etc.), así como para algunas cadenas específicas tales como el café de calidad p.e.</p>
--	--

Cafenica, 2007	Las cooperativas estan suministrando recursos a las familias para que renueven sus plantaciones, les den un manejo agro técnico sostenible, mejoren sus infraestructuras y sistemas para el beneficio humedo del café y para que diversifiquen la produccion y sus actividades economicas. El monto de estos aportes es de casi 11 millones de dolares.
Grigsby & Perez, 2007	<i>“ According to the national census in 2001, herbicides are the agrochemicals most demanded for agricultural production, with 55% of all farms applying this type of product. There is also a great demand from producers for fertilizers (48%) and insecticides (45%). It is clear that farmers try to increase their production through pest and weed control and by using fertilizers to restore soil fertility. But although this sounds logical, in the long term ecological damage to the soil and water and pest resistance means that the production system tends to demand more fertilizers and pesticides, significantly increasing production costs. Cotton production suffered from this phenomenon in the 1970s and 1980s and farmers stopped producing the crop altogether in the 1990s.” (RuralStruc, p. 67)</i>
I 2.3.3 Evidence that more people are trained in new techniques	
B15, B17, B19, B32, B36, B37 Hocdé & Miranda, 2000 Holt-Gimenez E., 2006 Brot fur die Welt, 2006 PCAC, 2007 Bienert, 2008	El acceso a servicios de extensión queda todavía muy bajo, poco relevante y muy atomizado entre distintas fuentes sin coordinación. El esquema de funcionamiento basado sobre mecanismos de mercado que el Banco mundial quiso impulsar para reactivar el acceso a servicios de capacitación no dio los resultados esperados. Las intervenciones de la CE se enmarcan dentro de esta realidad con una ausencia de una estrategia global en cuanto a extensión agrícola (que ha sido solo efectiva vía cadenas como el café de calidad, intercambios horizontales de PCAC y ONGs, pero sin articulación con la investigación agropecuaria)
Grigsby & Perez, 2007	<i>“ According to the national census in 2001 only 12% of total landowners received technical assistance in 2001. NGOs (40%), public institutions (37%) and cooperatives (20%) are the main sources of such services. Private technical assistance only covered 10% of the total landowners who received technical assistance in 2001. However, these companies also receive public funds and it is hard to define whether they really are private, with private supply and demand, or whether it is combination of peasants paying 5% of the total bill with the other 95% footed by public funds. Pest management (93%), fertilizers (53%), seed selection and soil conservation (45%) are the main subjects on the national extension agenda. Other subjects include animal-related sanitary practices, animal nutrition, forestry, economic diversification and irrigation. Training on agricultural issues has developed along similar lines, with only 12% of total land owners trained on a very similar agenda (INEC, 2002.) The main reasons for not receiving technical assistance were the absence of the service (67%) or the fact that the farmers found the agenda unattractive or not relevant to their problems (20%). The cost of the services was considered a limitation by only 6% of the landowners who did not receive any such services, which is probably an accurate reflection given that most of the technical assistance is paid for by the government or international cooperation. Accessing the assistance depends more on rural development programs than market mechanisms.” (RuralStruc, p. 73)</i>

Campesino campesino MR-30041.01 15/09/02	a	“The project is based in providing new techniques to peasants.”
C 2.4 Interventions in rural areas have improved access of the population to social services		
I 2.4.1 Number and type of social infrastructures constructed		
Zona Norte- Central MR-30036.01 28/08/02		“The project will construct a network of rural roads strengthening participative and organisational communitarian initiatives.”
Zona Norte MR- 30038.01 28/08/02		“The project has an important component of rural roads.”
DECOPANN MR-30042.01 28/08/02		“The project will have a component of transport infrastructure.”
PRASNIC MR-30037.01 15/09/02		“The project aims to provide water and sanitation infrastructures. But as it follows an integrated approach it includes also components of improvement of housing and capacity-building.”
PRASNIC MR-30037.02 17/12/03		“It has been observed problems with the Mini Aqueduct by Gravity (MAG) and the latrines.”
White & Roca, 2004		El numero de beneficiarios (agua, letrina, cocina y piso) es de alrededor de 65,000 personas
I 2.4.2 Level of use of these infrastructures compared to plans (schools, dispensaries, water and sanitation...)		
Campesino a campesino MR-30041.01 15/09/02		“It has been observed an increased health level due to higher incomes and a reduced exposition to risks (use of agrochemical products...)”
C 2.5 EC interventions in rural areas have contributed to the reduction of vulnerability of the poor		
I 2.5.1 Evolution of number of people under-nourished in the population (if data exists)		
Grigsby & Perez, 2007		Hubo una tendencia global hacia la reducción de la pobreza en todo el País, niveles de pobreza dos veces mas altos en zonas rurales que en zonas urbanas con proporciones mayores en el Centro-interior y el Atlantico del País. No obstante, las intervenciones de la cooperación externa poco acompañaron las principales estrategias de sobrevivencia de los mas vulnerables : migraciones temporales, empleos urbanos (construcción) o en zonas francas, actividades rurales no agropecuarias.

“It is possible to say that poverty has a rural face in Nicaragua, with around 70% of the rural population living under the US\$2 a day poverty line (Table 1.2.2.c). According to INEC, 2004, rural poverty has fallen from 76.1% to 67.8% of rural families (around 250,000 families). Extreme poverty has been falling as well, from 36.8% to 27.4% of rural families (around 102,000 families). Rural poverty and extreme poverty are linked to the tropical dry zone where crop production is vulnerable to rainfall deficits and employment options are very limited. Important clusters of rural landless families are gathered around labor intensive systems such as coffee, banana and sugar cane cultivation. However, Nicaragua has one of the lowest agricultural wages in Central America, around US\$1.43 a day (CEPAL, 2006), which is below the US\$2 a day poverty line and close to the extreme poverty line, meaning that the system itself will continue to maintain the poverty levels.” (Ruralstruc, p. 25)

Figure EQ2.12: Rural poverty and extreme poverty – Levels according to living standards mesure survey in 1993, 1998 and 2001

Year	Poverty	Extreme Poverty	Rural Population	Population under Poverty Line	Population under Extreme Poverty	Balance on Poverty	Balance on Extreme Poverty
1993	76.1	36.8	1,924,629	1,464,643	708,263		
1998	68.5	28.9	2,031,259	1,391,412	587,034	-73,231	-121,230
2001	67.8	27.4	2,087,104	1,415,056	571,866	23,644	-15,167

INEC 2004, UNDP, 2002

“ There are two main vulnerable groups in the rural areas, the landless and the subsistence peasant families. According to the national Census in 2005 the rural population was 2,266,548 of habitants, and 431 665 households with an average of 5.2 persons. According to the agrarian census (2001) there are approximately 199,549 families are landowners in different legal tenure. Consequently, landless families are approximately 232,116 and represents 54 % of rural population. Subsistence families represent 59 % of the landowner families according to the agrarian structure identified by Nitlapán (2005), and 27.1 % of rural families (fig. 4.1.2.a.). If the landless family is added, it can be stated that 81.2 % of the rural families are vulnerable to economic and environmental shocks. » (RuralStruc, p. 121)

MAGFOR,
Análisis de la
Situación
Nacional de
Seguridad
Alimentaria y
Nutricional
(SAN)-2006

The undernourishment situation in Nicaragua is the result of the conjunction of several causes. The evolution of the situation cannot be understood without this global picture:

- Macro-level: international economic trends, the price trend for raw materials, the remittances, the impact of free trade treaties, the dynamic of the labour market.
- Availability of food: climate, credits, external dependency, population, food production
- Access to food: income levels, basket of goods price, consumption pattern
- Food utilisation: health status, access to drinkable water and sanitation infrastructures, nutrition practices, level of education of the mothers.

World Bank,
Nicaragua
Poverty

In terms of evolution of undernourishment, the indicator of prevalence of stunting for children under 5 years old is maybe the best measurement. The rate continues to be high, even considering the observable percentage

Assessment,
2008, p. 73-76

decrease from 1998 to 2005 of 5.9%. This rate should be cautiously understood considering the population growth (and particularly the census of 2005 that shows a lower population increase than projected).

Most of the reduction took place between 1998 and 2001 (reduction of 4.9% at national level), the further reduction between 2001 and 2005 being only one percentage point. The stunting rate decline between 1998 and 2001 in all areas except Central rural regions, which suffered the most damage from Hurricane Mitch and the coffee price diminution shock.

The reduction is higher for boys (-1.6% higher) but the difference between boys and girls has also substantially decreased (% difference boys/girls 1998: 2.7, 2005:1,1) .

Prevalence is higher in rural areas and is closely linked to the level of household poverty.

Figure EQ2.13: Evolution of prevalence of stunting for children under 5 years old by gender, area and poverty levels (in%)

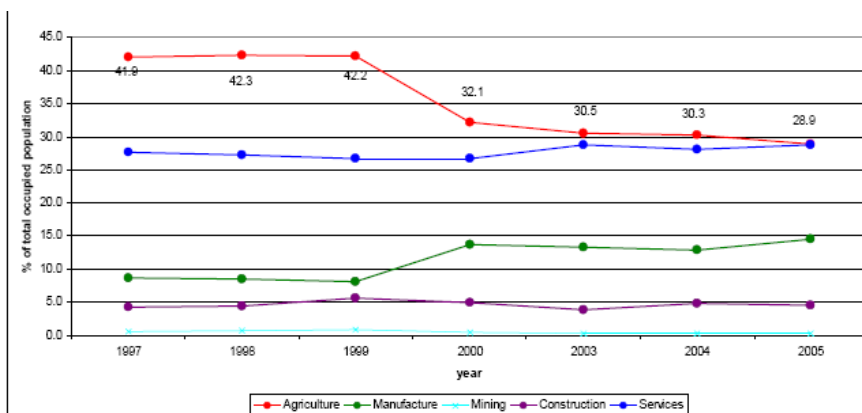
	1998	2001	2005	Change 98-05
National	27.4	22.5	21.5	-5.9
Gender				
Male	28.7	24.1	22.0	-6.7
Female	26.0	20.8	20.9	-5.1
Area				
Urban	22.8	16.6	16.5	-6.3
Rural	31.8	28.9	27.0	-4.8
Poverty				
Extreme Poor	46.4	43.8	37.2	-9.2
Poor	36.2	31.5	27.4	-8.8
Non-poor	14.8	10.7	14.6	-0.2

Source: World Bank, Nicaragua Poverty Assessment, 2008 from Picado T., Flores R., Laguna JR, Prevalence, Trends and Predictors of Nutricional Status among Nicaragua Children 0-59months 1998 to 2008.

Regionally, the highest levels of stunting are found in the central zone. This region supports a large population and the poorest and most remote municipalities (this zone includes departments of Madris, Estelí, Nueva Segovia, Matagalpa, Jinotega, Boaco and Chontales). In this zone stunting prevalence reaches 45% among the poorest families, followed by the Atlantic rural areas with 36.9%. The stunting rate increased unexpectedly in the Managua zone.

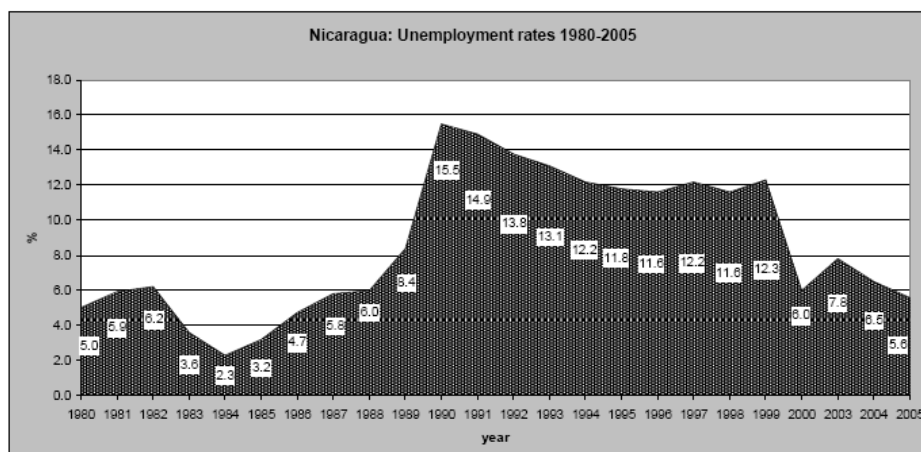
	<p style="text-align: center;">Figure EQ2.14: Evolution of prevalence of stunting for children under 5 years old by region (in%)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>1998</th> <th>2001</th> <th>2005</th> <th>Change 98-05</th> </tr> </thead> <tbody> <tr> <td>National</td> <td>27.4</td> <td>22.5</td> <td>21.5</td> <td>-5.9</td> </tr> <tr> <td>Managua</td> <td>14.9</td> <td>9.7</td> <td>16.9</td> <td>+2.0</td> </tr> <tr> <td> Urban</td> <td>16.4</td> <td>10.1</td> <td>17.5</td> <td>1.1</td> </tr> <tr> <td> Rural</td> <td>6.7</td> <td>4.8</td> <td>9.5</td> <td>2.9</td> </tr> <tr> <td>Pacific</td> <td>27.7</td> <td>17.7</td> <td>16.5</td> <td>-11.2</td> </tr> <tr> <td> Urban</td> <td>25.3</td> <td>16.6</td> <td>15.1</td> <td>-10.2</td> </tr> <tr> <td> Rural</td> <td>30.1</td> <td>18.8</td> <td>18.3</td> <td>-11.8</td> </tr> <tr> <td>Central</td> <td>35.1</td> <td>33.3</td> <td>27.7</td> <td>-7.4</td> </tr> <tr> <td> Urban</td> <td>29.7</td> <td>26.0</td> <td>19.1</td> <td>-10.6</td> </tr> <tr> <td> Rural</td> <td>37.2</td> <td>37.5</td> <td>32.3</td> <td>-4.8</td> </tr> <tr> <td>Atlantic</td> <td>28.5</td> <td>25.1</td> <td>24.5</td> <td>-4.0</td> </tr> <tr> <td> Urban</td> <td>25.5</td> <td>18.1</td> <td>10.2</td> <td>-15.4</td> </tr> <tr> <td> Rural</td> <td>31.0</td> <td>29.9</td> <td>29.3</td> <td>-1.7</td> </tr> </tbody> </table> <p>Source: World Bank, Nicaragua Poverty Assessment, 2008 from Picado T., Flores R., Laguna JR, Prevalence, Trends and Predictors of Nutritional Status among Nicaragua Children 0-59months 1998 to 2008.</p>		1998	2001	2005	Change 98-05	National	27.4	22.5	21.5	-5.9	Managua	14.9	9.7	16.9	+2.0	Urban	16.4	10.1	17.5	1.1	Rural	6.7	4.8	9.5	2.9	Pacific	27.7	17.7	16.5	-11.2	Urban	25.3	16.6	15.1	-10.2	Rural	30.1	18.8	18.3	-11.8	Central	35.1	33.3	27.7	-7.4	Urban	29.7	26.0	19.1	-10.6	Rural	37.2	37.5	32.3	-4.8	Atlantic	28.5	25.1	24.5	-4.0	Urban	25.5	18.1	10.2	-15.4	Rural	31.0	29.9	29.3	-1.7
	1998	2001	2005	Change 98-05																																																																			
National	27.4	22.5	21.5	-5.9																																																																			
Managua	14.9	9.7	16.9	+2.0																																																																			
Urban	16.4	10.1	17.5	1.1																																																																			
Rural	6.7	4.8	9.5	2.9																																																																			
Pacific	27.7	17.7	16.5	-11.2																																																																			
Urban	25.3	16.6	15.1	-10.2																																																																			
Rural	30.1	18.8	18.3	-11.8																																																																			
Central	35.1	33.3	27.7	-7.4																																																																			
Urban	29.7	26.0	19.1	-10.6																																																																			
Rural	37.2	37.5	32.3	-4.8																																																																			
Atlantic	28.5	25.1	24.5	-4.0																																																																			
Urban	25.5	18.1	10.2	-15.4																																																																			
Rural	31.0	29.9	29.3	-1.7																																																																			
<p>Particip, Evaluation Food Security, Nicaragua Report, 2004</p>	<p>The impact of the food security projects is too limited to influence the overall trend. There is a relatively large impact on the target populations but this target is much too limited in comparison with the overall level of population suffering from food insecurity. (p. 46)</p> <p>In fact, there is no a strategy of Food Security for the country. There are only isolated activities of the Commission in rural development (p.47).</p>																																																																						
<p>I 2.5.2 Evidence of improvement of the people's capacity to face food insecurity: crop and income diversification, strengthening of local institutions, cooperation strategies...</p>																																																																							
<p>Grigsby & Perez, 2007 & Bilbao Ercoreca, 2002</p>	<p><i>“According to the Central Bank (2000, 2004, 2005, 2006), from 1997 to 2005 agricultural production was the main source of employment as economic activity, providing more jobs (40 % in 1990s and 30 % in 2000s) than even trade or service sector. This is interesting as the service sector accounted for the largest proportion of the GDP. However, since 2002 there has been an increase in jobs supplied by the industrial sector (manufacturing). Community and personal services are also an important source of jobs, while the construction sector has been growing, particularly after Hurricane Mitch, when the whole road system was reconstructed. However, the number of jobs supplied in the urban centers is not enough to cover the urban economically active population, let alone absorb the surplus rural labor force. Manufacturing—particularly the maquila exporting processing zones—is the alternative growth sector, with industrial clusters in 20 cities providing 75,000 jobs (around 4.3 % of the 2005 total EAP).”</i> (Ruralstruc, p. 44)</p>																																																																						

Figure EQ2.15: Occupied population by economic activity



“The employment deficit is absorbed by the urban informal sector and migration to Costa Rica. Migration to Costa Rica is an attractive option, given that the rural salary there increased from US\$6.0 to US\$8.1 a day during 1993-2002, while in Nicaragua the rural salary actually fell from US\$1.60 to US\$1.10 per day due to exchange rate (Fig. 2.2.4.a). Costa Rica provides around 100,000 temporary jobs in agriculture activities, 60% of which are occupied by temporary Nicaraguan migrants. Since the Costa Rican work force is skilled and trained as the result of heavy investment in public education, there is a limited local agricultural work force, thus providing an opportunity for Nicaraguans. » (RuralStruc, p. 75)

Figure EQ2.16: Unemployment rates 1980-2005



BCN, 2002, CBN, 2000, 2004, 2006

“Unemployment could be even higher, but temporary migration flows has been an exit which allow rural families to finance economic activities or self-employment and informal sector is an important share of occupied population. According to CBN (2000, 2003, 2004 and 2006), informal sector represent around 63 % of total occupied population. Formal sector with stable jobs and social security represents only around 37 %; as a consequence, it is possible to have higher rates in periods of time (table 3.1.1.b). For instance, according to CBN (2006) in 2005 only 51.2 % of occupied population had a job the whole year, 13.2 % had a partial job, 30 % was sub-employed (had a job for a week or two) and 5.6 % was unemployed.”

Figure EQ2.17: Weight of the informal sector in the economy

Año	Formal Sector	Informal Sector	% Formal	% Informal	Unemployment
2000	672000	1137000	37.1	62.9	6.0
2003	651000	1266000	34.0	66.0	7.8
2004	732000	1241000	37.1	62.9	6.5
2005	763000	1318000	36.7	63.3	5.6

CBN, 2000, 2004, 2006

“Rural EAP is growing in absolute and relative numbers. In 2000s around 9,000 persons has been added to the active population every year (Table 3.1.1.c; Fig. 3.1.1.b). Rural unemployment rate tends to be higher than national; for instance in 1995 rural was 13.7 % and National 11.8, in 2000 12.6 % in rural and 6 % in national. 2005 is a different path, since national unemployment is higher than rural. This might be explained by temporal migration and by the sub-employed population rate.”

Figure EQ2.18: Rural Jobs annual deficit

Year	Rural EAP	Annual Cohort	Occupied rural Population		Rural Jobs Deficit	
			Total	% of Rural EAP	Total	% of Rural EAP
1991	536000	20000	463000	86.4	-73000	13.6
1995	629000	29000	543000	86.3	-86000	13.7
2000	664309	8256	580600	87.4	-83709	12.6
2005	707176	8789	675880	95.6	-31296	4.4

INEC, 1996, 2006

“According to INEC, 2004, 26 % of rural families carry out no-agrarian business. Most of them (54.1 %) are related to small restaurants and housing. In a second level, rural families have manufacturing business (21.3 %) and communal services 11 %. Other activities are related to construction (4.8 %), transport (3.9 %) and technical services (3.2 %). In general, all the non-agricultural alternatives are considered complementary, they are not substitutes. Since there are not a dynamic craft markets and low paid jobs on maquilas, these alternatives are taken by families who have stable agricultural production. Vulnerable families such as rural workers and subsistence families tends to use temporal and permanent migration, since salaries in Costa Rica are seven time higher than Nicaragua’s”. (Ruralstruc, p. 128)

Particip,
Evaluation Food
Security,
Nicaragua Report,
2004

The report analyses each type of measure implemented through the FOOD budget line:

- **Aid in kind** – This type of aid was not an option used in the region except for short term cases following Mitch. The Food Security strategy in the region is instead oriented towards productive development.
- **Budget support** – The evaluation concludes that the countries have not yet the capacity to take full advantage of BS with the aim of ensuring the food security of their population. The set-up seems difficult given that a lot of pre-conditions are not met.
- **Interventions of support**– The use made of this type of action

	<p>has been limited to calls for proposals. The calls generated a considerable amount of work given the phenomenal number of responses and also the NGOs' lack of knowledge of Commission procedures. During the evaluation period, 5 projects were under implementation. The level of quality of each of them was variable but globally appreciated as positive, although coverage and sustainability are issues of concern. 2 projects are identified as successful (COPIBO and CRIC), 1 has positive impact but limited coverage and a low cost/benefit ratio (OXFAM), 1 has low impact and sustainability (ACTED) and, finally, 1 study without direct impact on food security situation (Acción contra el hambre). Furthermore, the evaluation stresses two general negative points: selection criteria which were unclear to the Delegation staff, and administrative problems that created delays in disbursement (these findings are previous to the devolution of the budget line). The evaluation also reports that ECHO also used the modality of calls for proposals in the region. This created duplications of effort instead of coordination.</p> <p>- Technical assistance and institutional support – The evaluation reports that in Nicaragua these mechanisms were not very successful. Absorption and management capacity and sustainability are the major problems. The evaluation suggests that their future be reviewed. The effects were variable from one organisation to another:</p> <p>MAGFOR: The agropecuarian census project was funded because of its necessity. Nevertheless, at the time of the evaluation the census had not yet been used. The MAGFOR has benefited from modernisation, but no impact is observable on main beneficiaries suffering hunger and undernourishment.</p> <p>INETER: the pluviometry stations constructed are very expensive to use.</p> <p>FUNDE: the project was stopped because differences of view with the Delegation. The interest rate imposed on peasants was too high.</p> <p>UNICAFE: The project was successful because the institutional support was directly linked to diversification of production for coffee producers. The members of the cooperative benefited. This type of support carries a risk of not benefiting the main beneficiaries.</p>
<p>Programme review, Food security interventions of the European Commission in Nicaragua 1995-2002, 2002</p>	<p>The evaluation reports the results obtained by the projects:</p> <p>1. DIRECT AID</p> <p>1.1 The commercialisation programme (1996-2003: in 2002, 46 projects were financed for an amount of €7.8m. Major results were obtained in the area of physical installations (processing plants for rice and coffee among others). The grain storage capacity increased by 71.000 MT and basic grain processing capacity was enlarged up to 470.000 MT.</p> <p>The number of beneficiaries was estimated at 15.000 farmer families. Also the programme has generated valuable experience in an integrated</p>

	<p>agricultural production chain (from producer to consumer). The project shows good results with higher incomes for the beneficiaries. The commercialisation project shows good results with higher incomes for the beneficiaries. However, because of delays and insufficient assistance capacities in the 'post-building' phase (strengthening of the co-operative's management, administration and marketing abilities), and the lack of experience of co-operatives and associations, sustainability of these infrastructures will not be guaranteed in all cases.</p> <p>1.2 Institutional Strengthening (1998-2003) At institutional level programme activities were limited because the GoN did not fulfil all the conditionalities. Projects with more technical content showed positive impacts:</p> <ul style="list-style-type: none">- Assistance to Land Use Planning Office of MAG-FOR: The Office monitors agricultural cycles, defines optimal seeding dates and generates information on expected grain yields (Early Alert) which are processed by the mapping services (Geographical Information System, GIS) and used by the MAG-FOR.- Assistance to Third Agricultural Census (INEC): The project was terminated successfully. The Census provided useful data on farm numbers, land and farm legal status, access to credit, technical assistance, machinery and equipment use, animal population and use of technology.- Assistance to the Meteorological Network for Drought Monitoring in Real Time: 35 newly constructed or rehabilitated stations are operating and provide useful information for forecasting flood and drought risks. <p>Three Civil Society organisations were also supported. FUNDE and UNAG are at an early implementation state. In the case of UNICAFE positive results were registered.</p> <p>Through the POLDES component (Development Pool Programme) 8 cooperatives are supported. It was initiated in 2001 and it is still under implementation. It concentrates on institutional and organisational strengthening and supply of credit services so as to reinforce their role as Financial Intermediaries. UESA (Food Security Technical Assistance unit) provides precise financial monitoring.</p> <p>1.3 Credit (1996-2002) The Consolidation Programme of Non Conventional Rural Credit, contributes to supply improved financial services in isolated rural areas to more than 17 Intermediate Financial Institutions. Significant results have been obtained for 11 of them.</p> <p>2. INDIRECT AID</p> <p>2.1 Indirect aid in kind (€13.2m) An important amount of aid in kind was channelled through EuronAid immediately after Hurricane Mitch. Important amounts of food,</p>
--	--

	<p>agricultural seed, inputs and tools were distributed in affected areas. thereafter another significant tranche of aid was channelled through 6 post-Mitch projects.</p> <p>The indirect aid channelled through EuronAid played an important role in the period immediately following hurricane Mitch. The aid reached the target groups on time and was appropriate to the emergency situation. However, NGOs expressed criticisms about procedures, delays and defective materials</p> <p>2.2 NGOs</p> <p>With the intention of mitigating consequences of extreme droughts caused by the 'El Niño' phenomena 6 projects were implemented in dry areas aiming to improve water and irrigation systems. A total of €4.2m was committed to these projects. This project achieved sustainable results.</p> <p>12 'post Mitch' projects were approved by Official Letter 20132, executed by NGOs. These projects focused on the rehabilitation of farms damaged by the hurricane in the northern and north-western part of the country. A total budget €5m was committed to these projects.</p> <p>El Niño and Mitch projects have demonstrated good efficiency.</p> <p>9 pilot projects are being carried out with the objective of gaining experience with new and innovative issues related to the origins of food insecurity (chain production, access to land, gender and environment issues). These projects are in hand or started recently. A total budget of €6.1m was committed to these projects.</p> <p>Overall indirect aid has been a success. The NGOs proved to be an effective and efficient instrument for the delivery of aid and also ensured sustainability, integrating gender and environment issues. The presence of NGOs or their local counterparts in rural areas facilitates proper implementation.</p>
--	--

C 2.6 EC interventions in rural areas have enhanced economic growth in these areas

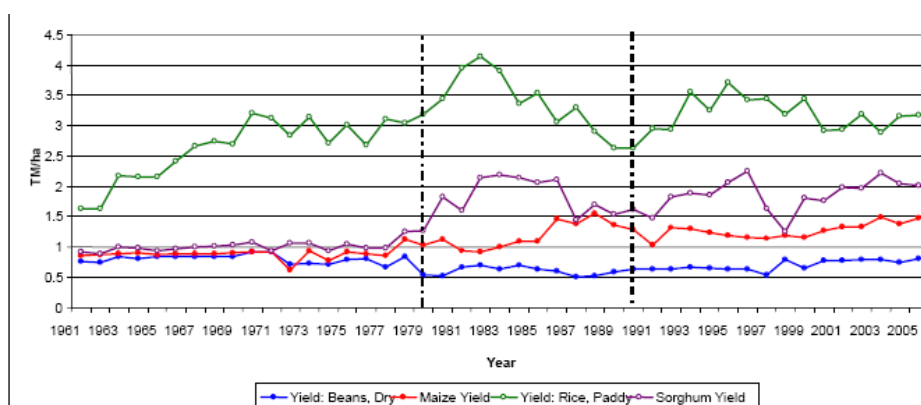
I 2.6.1 Evidence that labour productivity has grown in the areas of intervention

FAOSTAT	<p>As a reference, national statistics are:</p> <p style="text-align: center;">Figure EQ2.19: Food production</p> <p>Evolution of productivity (hg/ha) for cereals from 1990-2000 is of 25.6%.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>1979-81</th> <th>1989-91</th> <th>1999-2001</th> <th>2002</th> <th>2003</th> <th>2004</th> </tr> </thead> <tbody> <tr> <td>Food production indices 1999-01=100</td> <td style="text-align: center;">73</td> <td style="text-align: center;">63</td> <td style="text-align: center;">100</td> <td style="text-align: center;">109</td> <td style="text-align: center;">119</td> <td style="text-align: center;">121</td> </tr> <tr> <td>Food production indices/per person 1999-01=100</td> <td style="text-align: center;">127</td> <td style="text-align: center;">83</td> <td style="text-align: center;">100</td> <td style="text-align: center;">103</td> <td style="text-align: center;">111</td> <td style="text-align: center;">109</td> </tr> </tbody> </table> <p>Source: FAO country profiles</p>		1979-81	1989-91	1999-2001	2002	2003	2004	Food production indices 1999-01=100	73	63	100	109	119	121	Food production indices/per person 1999-01=100	127	83	100	103	111	109
	1979-81	1989-91	1999-2001	2002	2003	2004																
Food production indices 1999-01=100	73	63	100	109	119	121																
Food production indices/per person 1999-01=100	127	83	100	103	111	109																

<p>World Bank, Nicaragua Poverty Assessment, 2008</p>	<p style="text-align: center;">Figure EQ2.20: Annual yields per ha in local currency</p> <table border="1"> <caption>Data for Figure EQ2.20: Annual yields per ha in local currency</caption> <thead> <tr> <th>Category</th> <th>Yields per Hectr</th> </tr> </thead> <tbody> <tr> <td>Small Producers</td> <td>1500</td> </tr> <tr> <td>Medium Producers</td> <td>4500</td> </tr> <tr> <td>Large Producers</td> <td>9500</td> </tr> <tr> <td>Atlantic</td> <td>2800</td> </tr> <tr> <td>Managua</td> <td>4200</td> </tr> <tr> <td>Pacific</td> <td>5500</td> </tr> <tr> <td>Central</td> <td>5500</td> </tr> <tr> <td>Total</td> <td>4800</td> </tr> <tr> <td>Rural Poor</td> <td>4500</td> </tr> <tr> <td>Rural Non-Poor</td> <td>4800</td> </tr> <tr> <td>Urban Poor</td> <td>5500</td> </tr> <tr> <td>Urban Non-Poor</td> <td>6500</td> </tr> </tbody> </table> <p>Source: World Bank, using the 2005 Nicaragua EMNV. Small producer, yields < 20,000CO/year, Medium Producer 2,000-30,000 CO/year, Large Producers above 30,000 CO/year.</p>	Category	Yields per Hectr	Small Producers	1500	Medium Producers	4500	Large Producers	9500	Atlantic	2800	Managua	4200	Pacific	5500	Central	5500	Total	4800	Rural Poor	4500	Rural Non-Poor	4800	Urban Poor	5500	Urban Non-Poor	6500
Category	Yields per Hectr																										
Small Producers	1500																										
Medium Producers	4500																										
Large Producers	9500																										
Atlantic	2800																										
Managua	4200																										
Pacific	5500																										
Central	5500																										
Total	4800																										
Rural Poor	4500																										
Rural Non-Poor	4800																										
Urban Poor	5500																										
Urban Non-Poor	6500																										
<p>Grigsby & Perez, 2007</p>	<p><i>“Mexico and Central America have become key trading partners for Nicaragua, together accounting for 38.6% of total exports. This region is the key market for products such as livestock (99%), roasted coffee (97%), cheese (88%), beans (87%) peanuts (70%) and meat (49%). The Central American economic integration process and the Puebla- Panama Plan (PPP) will enhance the region’s importance as a destination for the country’s agricultural exports. Most of the value chains have a production stage based on peasant production, as is the case with beans, cheese, livestock and meat. Peanuts have an industrial and agrarian capitalist chain, with Mexico the main destination (54.7%). It can therefore be said that the Central American common market is a target for the production of small- and medium-scale farmers.” (Ruralstruc, p. 29)</i></p> <p><i>“Nicaragua developed an extensive production model because there was land available. But there is no longer enough available land to increase production by adding more land. The new agricultural frontier is near to the Caribbean coast and swamps, so renewed social pressure for land can be expected in the next decade. Policies should be designed to enforce investment in intensive production systems to increase the productivity of land, capital and labor in the agricultural sector.” (RuralStruc, p. 80)</i></p> <p><i>“The highest Agr GDP/ Land ratio in the 1989-2002 period is US\$ 84.5per hectare. This shows the level of production/investment applied in Nicaraguan agriculture. This is not the same situation throughout the country. Pacific Plains tends to be intensive with production system based on crops. The Dry areas and the cattle production areas at the Old and New agricultural frontiers tend to be worse with large farms with few cattle. This tendency is a serious risk since land is not more an available resource. In the long run, with no areas to colonize, families will come landless or will increase conflict at reserves and indigenous community’s lands; a situation that already started (Gomez and Munk, 2006). The intensity of production represented by the use of inputs such as pesticides, grochemicals and tractors, has been variable over the last 40 years (section 2.2.1). Before 1979, fertilizers were the main input imported for agricultural production. From 1972 to 1974, the value of Nicaraguan fertilizer imports increased almost fourfold to support cotton and coffee production, which reached their highest export value in 1977. During the 1980s, pesticides became the main input for agricultural production. The importation of inputs displayed unstable tendencies during both periods, but in the 1980s there were incentives for</i></p>																										

the mass use of technology in agricultural production. The rural sector's investment in technology has not been enough to stimulate any increase in export crop yields (production per hectare). There have been important increases recently for peanuts and soybeans, both of which saw their yields reduced in 1998 due to the effects of Hurricane Mitch, but coffee, sesame, and tobacco yields have been relatively stable in the last decade. According to the FAO, sugar cane has gradually increased its yield from 61 MT/ha in 1991 to 89 MT/ha in 2004, the only blip being in 1998-2001 when sugar cane production areas were affected by Hurricane Mitch. Sugar cane is the only export product displaying a clear and prolonged increase in yields. In general, the yields of crops for local consumption have decreased, a tendency set to continue for most of them. In the 1980s, per hectare grain production increased as a result of the land reform and subsidies, while vegetable and fruit production yields dropped. In the last decade, agricultural yields followed two paths: rice and sorghum have increased their yields from 1.8 to 2.4 tons per hectare and 1.56 to 2.2 tons per hectare respectively, while corn and bean yields have been relatively stable with small increases in productivity after 1999." (RuralStruc, p. 127)

Figure EQ2.21: Yields of grains for local consumption



UNDP 2002, ECLAC 2006

I 2.6.2 Evidence that new agricultural techniques have been adopted

FAOSTAT

As a reference, national statistics are:

Figure EQ2.22: Use of fertiliser and machinery

	1979-81	1989-91	1999-2001	2002
Fertiliser Use/Arable land (kg nutrs/ha)	42	28	15	28

	1979-81	1989-91	1999-2001	2002	2003
Tractors/Arable land (nb/1000 ha)	2	2	1.5	1.5	1.5

World Bank,
Nicaragua
Poverty
Assessment, 2008

Figure EQ2.23: Use of agricultural inputs					
	% producers using Non certified Seeds	% producers using Certified Seeds	% producers using organic Fertilizers	% producers using chemical Fertilizers	% producers using <i>Plaguicidas</i>
Area					
Urban Poor	25.51	8.01	2.46	45.04	63.70
Urban Non-Poor	18.95	14.05	12.23	52.75	71.66
Rural Poor	19.76	9.23	5.74	29.47	62.59
Rural Non-Poor	23.39	12.40	5.84	46.89	74.41
Region					
Managua	10.37	17.63	11.32	29.46	64.14
Pacific	20.02	12.53	12.77	61.42	61.95
Central	26.15	11.64	4.46	39.32	73.38
Atlantic	12.88	4.37	1.56	8.47	57.96
Producer Size					
Small	19.30	7.04	6.51	22.17	43.78
Medium	21.47	8.56	5.71	35.83	68.00
Large	20.20	29.03	8.02	63.04	81.79
Total	21.12	10.46	6.02	37.16	66.89

Source: World Bank, using the 2005 Nicaragua EMNV. Small producer, yields < 20,00CO/year, Medium Producer 2,000-30,000 CO/year, Large Producers above 30,000 CO/year.

Campesino a campesino
MR-30041.01
15/09/02

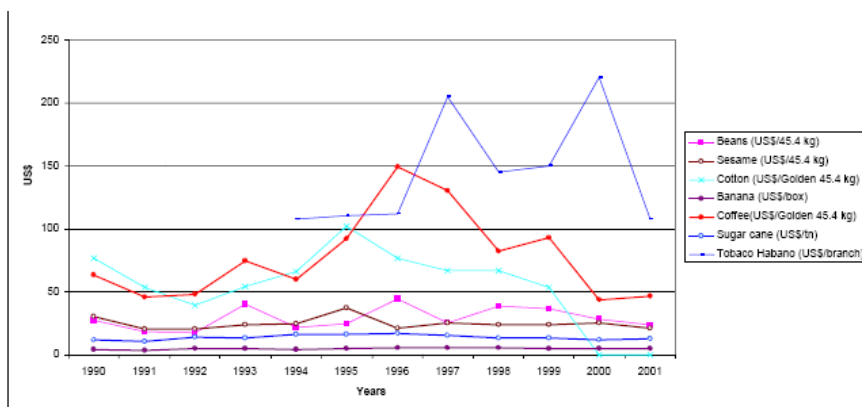
Through the financing of a technical team of facilitators and implementation of workshops and meetings with the peasants, productivity has increased (by 50-80%). Benefits nevertheless vary depending of the capacities of each peasant to invest in implementation of the new techniques.

I 2.6.3 Evolution of prices paid to producers

Grigsby & Perez, 2007

“Agricultural product prices have been unstable during the last 16 years. Coffee is the most important export product and its price has oscillated from US\$1.4 to \$3.3 to \$1.0 per kilogram (Fig. 2.3.a). Gourmet and organic coffee have offered alternatives with higher prices. Meat, rice, peanut and sesame prices have been relatively stable, but the general tendency has been downward since 1999. The prices of inputs such as nitrogenbased fertilizers are linked to petroleum prices, which are currently rising. As a consequence, the terms of trade for agricultural production have been deteriorating with every passing year.” (RuralStruc, p. 81)

Figure EQ2.24: International prices for agricultural products



CBN, 2002

Campesino a campesino MR-30263.01 14/10/04	The project aimed to have an impact on low income levels. As reported in MR 30041.01, increasing productivity has a direct effect on income. Furthermore, cases of subcontracting of additional labour allow spreading of the increased income to other families not direct benefiting from the project.
C. 2.7 The benefits of the interventions are maintained after external support	
I 2.7.1 Existence of benefits following external support	
Particip, Food Security Evaluation – Nicaragua report, 2004	<p>In the case of food security projects, the benefits are better maintained after the end of the project if provided equipment (case of Ineter) or facilitated diversification of a product (Unicafé).</p> <p>This is less true of institutional support, whether for a public institution or Civil Society body, because there are never resources to put the new capacities into practice and use them (UNAG, INEC). In this case, the benefits are better maintained when the closure of the project is linked to an investment fund for institutional support (Prodelsa case). This allows the acquired capacities to be put to good use.</p> <p>For projects financed through NGOs, sustainability is also not ensured. NGOs' strategy is to look for another source of external financing as the beneficiaries or local public bodies do not have their own resources to valorise the benefits obtained.</p>
Campesino a campesino MR-30041.01 15/09/02	The sustainability of the project is potentially high because it is based on knowledge and not on infrastructures or capital. The methodology followed allows good appropriation. The facilitators (peasants with good performance) are involved in disseminating and advising on the techniques even at the conclusion of the project.
Zona Norte MR-30262.01 14/10/04	The project had little linkage with the local institutions that were more "clients" of the project. It seems unlikely that the useful experience provided (rotation funds for inputs, rural roads maintenance, the fund for local initiatives) will be put to good use following closure of the project.
I 2.7.2 Existence of a phasing-out strategy or measures (capacity-building dimension...)	
Particip, Food Security Evaluation – Nicaragua report, 2004	<p>The beneficiaries of the hand-over were identified at an early stage of the project (sometimes in the design) but what was not assessed was their capacity to maintain and valorise the benefits achieved during the period of implementation. This is particularly the case with institutional support projects: Funde, Inec, Unag and Magfor (p.44).</p> <p>Furthermore, the sustainability of the projects is not a criterion for selection or preparation of the projects (p.45).</p>
Zona norte MR-30036.01 28/08/02	The MR recommend progressive dissemination of the information system internal to the project to the institution concerned (IDR - Instituto para el Desarrollo Rural)
Zona norte MR-30038.01 28/08/02	Sustainability is uncertain owing to factors external to the project such as decentralisation. But its anchorage is strong and will probably allow specific processes to continue.

DECOPANN MR-30042.03 27/10/05	The phasing-out strategy needs to include careful planning of the hand-over of the credits. The EC orientations and the national regulation are in this respect contradictory, the first relying on non-banking financial intermediaries, the second on bank organism surveillance.
DECOPANN MR-30042.04 01/09/06	Delegation of the management of the credit schemes to a specialised institution (Bancentro).
PRASNIC MR-30037.01 15/09/02	The phasing out strategy should be strengthened as recommended in the MR.
I 2.7.3 Level of participation of beneficiaries in decisions and implementation of the interventions	
Campesino a campesino MR-30041.01 15/09/02	The methodology of the project promotes a horizontal structure. The using of a pre-existent structure such as UNAG is also an important factor of sustainability.
Campesino a campesino MR-30263.01 14/10/04	The methodology is very successful in terms of appropriation.
Zona Norte-Central MR-30036.01 28/08/02	Anchorage in local institutions is one sustainability factor. The beneficiaries were involved in planning. This facilitated a process of ownership of the methodology and adequate levels of acceptance of changes introduced by the project. .
Zona Norte MR-30038.01 28/08/02	Counterparts have participated in planning and the establishment of the methodology. They responded according to their different technical capabilities and expectations. This opens up possibilities of sustainability in the areas of membership, agricultural input provision, dissemination of participation initiatives, equipment and capacity building.
DECOPANN MR-30042.01 28/08/02	In general, the level of participation of beneficiaries in planning is high.
PRASNIC MR-30037.01 15/09/02	The strategy of the project is based on good participation by beneficiaries, particularly the CAPS (<i>Comites de Agua Potable y Saneamiento</i>). The beneficiary communities have accepted the conditions for implementation of the works. But their resources for maintenance of infrastructures are very weak.
I 2.7.4 Existence of a system of administration and maintenance of equipment and infrastructure financed by the EC	
DECOPANN MR-30042.01 28/08/02	The project will create a support and coordination authority that will replace the project in future both for initiatives and also for the credit scheme.
DECOPANN MR-30042.03 27/10/05	The execution modality followed by the project does not seem to be financially sustainable. The sustainability will depend on strengthening of the grassroots organisations.

PRASNIC MR-30037.02 17/12/03	The MR recommended installation of a network of CAPs
PRASNIC, 2004	Hay varios elementos que contribuyen a la sostenibilidad de las obras : <ul style="list-style-type: none"> - el reglamento de las comunidades - el derecho a agua - la importancia de la tarifa - la importancia de la transparencia - la importancia de la capacitacion en administracion financiera.
C 2.8 The EC intervention in rural development offers a value added over Member States' interventions	
I 2.8.1 Evidence of a visible advantage of EC in the preparation and/or implementation of interventions on rural development	
B1, B2, B8, B12, B13, B14, B16	Con la descentralización, existen una valorización positiva de la capacidad renovada de seguimiento de la CE. Muchos de los actores siguen criticando los procedimientos y su falta de adecuación a las realidades nacionales (cotización de vaquillas, normas de origen, formas de consulta y registro de ONG's nacionales, etc.).
DECOPANN MR-30042.01 28/08/02	"In a manner, the strong presence of international cooperation in the region brings a risk of inter-institutional competition in the access to counterparts".
I 2.8.2 Evidence of a common political agenda between Member States' donors on rural development	
B5, B8, B13, B16	En el ambito del desarrollo rural, el valor agregado de la CE sobresale por la importancia en cuanto a montos invertidos; así como por la complementariedad –pero sin suficientemente visión global! - de instrumentos y actores financiados (Fortalecimiento institucional y ayuda presupuestaria, proyectos en zonas rurales, financiamiento de los ONGs y organizaciones de productores, etc.).

EQ3: Good Governance

EQ3. How successful has the EC been in contributing to improvement of confidence in public institutions?	
C 3.1 Good governance has been prioritised or mainstreamed into programmes and projects	
1 3.1.1 Existence and weight of programmes specifically targeting good governance	
CSP 2002-2006 y CSP 2007-2013	<p>Para el periodo 2002-2006 en apoyo a la gobernabilidad democrática se establecieron 17 millones de euros, correspondientes a un 8.2 % en el CSP, además de lo contemplado en otras líneas presupuestarias, principalmente las relacionadas con derechos humanos.</p> <p>En la CSP 2007-2013 se menciona que las iniciativas en gobernabilidad rondarán alrededor del 20% del monto total del Programa Indicativo Nacional.</p> <p>Entre los programas más representativos cabe señalar:</p> <ul style="list-style-type: none"> • El Programa de Apoyo Sectorial Presupuestario Acceso a la Justicia (PAPAJ) con 17 millones de euros. Programa firmado en Octubre de 2007 que involucra al Ministerio Público, la Corte Suprema de Justicia, el Ministerio de la Familia, el Ministerio de Gobernación, la policía nacional y el Instituto Nicaragüense de la Mujer. <p>El PAPAJ contempla resultados en dos ámbitos: Justicia y Seguridad Ciudadana.</p> <p>Respecto a la Justicia el resultado es mejorar el acceso a la justicia mejorando la cobertura territorial de las instituciones a cargo de la aplicación del Código Procesal Penal: Ministerio Público, Defensoría Pública, Instituto de Medicina Legal y Auxilio Judicial de la Policía Nacional.</p> <p>Respecto a la Seguridad Ciudadana se pretende mejorar la misma mediante el reforzamiento de las capacidades, equipamiento y procesos de intervención más efectivos de las instituciones públicas involucradas en la prevención del delito y la violencia.</p> <ul style="list-style-type: none"> • El Proyecto “Fortalecimiento de la administración de justicia en Nicaragua” con 5.5 millones de euros, ejecutados entre 1998 y 2002, de los cuales más del 50% estuvo destinado a obras físicas. El proyecto se centró en mejorar las capacidad profesional de los jueces y magistrados, modernizar el sistema de registro y dotar de una buena infraestructura física al poder judicial. <p>Adicionalmente se desarrollaron otras once iniciativas (nueve de las cuales con organizaciones de la sociedad civil por un monto de 10.6 millones de euros.</p>

	<p>Entre los programas desarrollados con organizaciones de la sociedad civil de Nicaragua y analizados de manera exhaustiva en el desarrollo del presente trabajo de evaluación, cabe destacar:</p> <ul style="list-style-type: none">○ el Programa Plurianual Democracia y Derechos Humanos en America Central (PPDDHAC) 2001-2005, que en el caso del Programa País Nicaragua contó con un presupuesto de 1 millón de euros a ser ejecutado con 4 ong's nacionales. Entre las cuestiones más relevantes relacionadas con el PPDHAC en el caso de Nicaragua se debe señalar que fue un programa que complementó las acciones a nivel local y nacional. <p>A nivel local se estableció una red de facilitadores promotores de los derechos humanos en todo el territorio nacional. Adicionalmente se establecieron coordinaciones con las alcaldías de los municipios donde se ejecutó el programa.</p> <p>A nivel nacional se establecieron convenios de capacitación con instituciones encargadas por velar por la promoción y el cumplimiento de los derechos humanos, como son la Procuraduría para la Defensa de los Derechos Humanos, la Policía Nacional y la Asociación de Municipios de Nicaragua.</p> <ul style="list-style-type: none">● el proyecto Apoyo a la promoción y defensa de los derechos de los pueblos indígenas y afrodescendientes de la Costa Caribe de Nicaragua, ejecutado por CISP, con dos organizaciones de la Sociedad Civil de la Costa Caribe (Centro de Derechos Humanos, Ciudadanos Y Autónomos CEDEHCA y la Universidad de las Regiones Autónomas de la Costa Caribe Nicaragüense URACCAN) con un presupuesto de casi un millón de euros. Entre los logros más relevantes de esta iniciativa cabe destacar:<ul style="list-style-type: none">○ La elaboración de manera participativa de un Plan de Vida de los Pueblos Indígenas y de Ascendencia Africana de la Costa Caribe de Nicaragua○ El desarrollo del Programa Regional de Educación en Derechos Humanos en las comunidades de las áreas geográficas de presencia de URACCAN y CEDEHCA○ La creación de 30 asambleas comunitarias y apoyo para la elaboración en conjunto entre organizaciones locales, autoridades tradicionales y la población, de Planes Comunitarios de Incidencia.○ Elaboración de Convenio con la Procuraduría para la Defensa de los Derechos Humanos para el seguimiento de casos de violación de derechos humanos de las poblaciones indígenas y afrodescendientes a través de los promotores capacitados con el proyecto.
--	---

I 3.1.2 Explicit reference to good governance objectives in programmes and projects not specifically targeting governance	
MR de Proyectos, Zona Norte y Central, DECOPANN y PRASNIC	No hay referencia explícita a gobernabilidad en proyectos que no están enmarcados en esta área. Pero la temática viene implícita en diferentes expresiones de los proyectos (en el caso del Proyecto Zona Norte-Central su resultado es que “El impulso al desarrollo organizativo e institucional de cooperativas y gobiernos municipales”, a la vez que uno de los componentes del proyecto concierne al fortalecimiento de la coordinación y participación de las alcaldías la producción comunitaria; en el caso de DECOPANN uno de los componentes se refiere al fortalecimiento de las alcaldías; y en el caso de PRASNIC se promueve el proceso de cambio en los niveles comunitario, municipal y central, a la vez que uno de sus componentes tiene que ver con el fortalecimiento institucional.
C 3.2 The Commission adopted a multi-actor and a multi-level approach to supporting good governance	
I 3.2.1 Evidence that the Commission has respected the legitimate role division between public authorities and civil society in the different development processes it has supported	
FA del Programa de Apoyo Sectorial Presupuestario Acceso a la Justicia y Fortalecimiento de la Administración de Justicia. Monitoring Reports del Programa Plurianual Democracia y Derechos Humanos en América Central 2001-2005 Programa País Nicaragua, Fortalecimiento institucional de procesos locales en Nueva Segovia, Apoyo a la promoción y defensa de los derechos de los pueblos indígenas	<p>La CE ha respetado la división de roles de los diferentes actores nacionales promoviendo iniciativas que fortalecían diferentes aspectos de la gobernabilidad democrática.</p> <p>Las intervenciones de la CE con actores del Estado se han venido centrando en fortalecer las funciones de las instituciones vinculadas con el sistema de justicia:</p> <p>En este sentido, el Programa de Fortalecimiento de la Administración de Justicia, incide directamente en las capacidades de la Corte Suprema de Justicia al desarrollar sus objetivos específicos (mejorar la capacidad profesional de los Jueves y Magistrados, Desarrollar la legislación en el derecho civil, registral e hipotecario, establecer un modelo de planta y demarcación judicial más eficaz y mejorar la infraestructura física de los complejos judiciales de nivel intermedio.)</p> <p>Por su lado, el Programa de Apoyo Sectorial Presupuestario Acceso a la Justicia (PAPAJ), trata la temática fortaleciendo las funciones del Ministerio Público, Corte Suprema de Justicia, Policía Nacional, Ministerio de la Familia, Ministerio de Gobernación e Instituto Nicaragüense de la Mujer con el objetivo de alcanzar sus resultados (mejorar el acceso a la justicia a nivel nacional y reforzar la seguridad ciudadana y las instituciones públicas involucradas en la prevención del delito y la violencia).</p> <p>Respecto a este Programa cabe señalar una serie de características temáticas:</p> <p>Es el primer Programa de Apoyo Presupuestario Sectorial que se formula en Nicaragua en el ámbito temático de Gobernabilidad</p>

<p>y afrodescendientes de la Costa Caribe de Nicaragua, Fortalecimiento de las capacidades locales con perspectiva de género y apoyo al desarrollo productivo en los municipios de Mateare y Belén. Entrevistas con A48, A49, A57, A58, C9, C11, C13, C14, C16</p>	<p>Democrática, con las dificultades añadidas de que en su formulación inicial no estaba contemplado como un Programa de Apoyo Presupuestario sino como un Programa de Cooperación tradicional, dado que su planificación inicial estaba contemplada en el CSP 2002-2006, donde la herramienta de Apoyo Presupuestario no tenía la importancia que en el CSP 2007-2013.</p> <p>Es un Programa que inicialmente se formula con el Gobierno del Presidente Bolaños cuando no se había desarrollado una política Sectorial y quien no llega a firmar el Convenio de Financiación, con la implicación de una serie de instituciones: Ministerio de Gobernación, Ministerio Público, Corte Suprema de Justicia, Policía Nacional, Instituto Nicaragüense de la mujer.</p> <p>La firma del Programa se da en 2007 con el Gobierno del Presidente Ortega, en un proceso paralelo de construcción de una política sectorial del área y con la necesidad gubernamental manifestada de adecuar el Programa a otras instituciones que inicialmente no estaban consideradas: Dirección de Migración y Extranjería, Ministerio de Relaciones Exteriores, Ministerio de Hacienda y Crédito Público y Dirección General del Sistema Penitenciario Nacional.</p> <p>Desde su firma el PAPAJ no pudo iniciar sus actividades al determinarse su inicio con la reglamentación de la Ley de Carrera Judicial, ya que entre los indicadores del Programa se contemplaba lo establecido en el Arreglo Conjunto de Financiamiento para apoyo al Presupuesto General entre el Gobierno de Nicaragua y Grupo de Donantes firmado en 2005.</p> <p>Cabe señalar que si bien el PAPAJ no ha iniciado actividades, los acuerdos, conversaciones y negociaciones en torno a la preparación de las condiciones de ejecución han permitido que se dé un avance considerable en el sector al desarrollarse acuerdos interinstitucionales y sobre todo al definir un Plan del Sector Justicia de común acuerdo.</p> <p>Por el lado del apoyo a la sociedad civil la CE se ha centrado, entre otras, a fortalecer las capacidades de los sectores más vulnerables para impulsar iniciativas a nivel local y aumentar la participación ciudadana (en el caso de Belén y Mateare), promover un sistema de promoción y defensa de los derechos de los pueblos indígenas de la Costa Caribe de Nicaragua, fortalecer las instancias de concertación de Asociaciones de Municipios (en el caso de Nueva Segovia) y fomentar la participación de la sociedad civil en la elaboración de consensos y de apertura de espacios de diálogo y negociación en el ámbito nacional y local (con el Instituto de Estudios Nicaragüenses, el Grupo Fundemos, la Fundación Violeta Barrios de Chamorro y el Centro de Derechos Constitucionales).</p>
--	--

	<p>En este sentido, a través del Programa Plurianual Derechos Humanos y Democracia, se fortalecieron a nivel local las capacidades de los ciudadanos con la creación de una red de promotores de derechos humanos a nivel nacional, estableciendo sobre todo coordinaciones con las alcaldías municipales donde se desarrolló el proyecto.</p> <p>En el caso del Proyecto Apoyo a la Promoción y Defensa de los Derechos de los Pueblos Indígenas y Afrodescendientes de la Costa Caribe de Nicaragua, el apoyo se centró en el establecimiento desde la sociedad civil, pero con la participación del estado, de un Sistema coordinado de promoción y defensa de los derechos de los pueblos indígenas y de ascendencia africana de la Costa Caribe de Nicaragua, donde uno de los puntos fundamentales fue la creación de una red de promotores integrada por 247 personas y capacitada por el Proyecto.</p> <p>Adicionalmente existen intervenciones que no tienen que ver directamente con la temática de gobernabilidad que se han ejecutado con organizaciones de la sociedad civil como contraparte, como la Unión Nacional de Agricultores y Ganaderos (UNAG).</p> <p>A modo de conclusión se puede afirmar que la CE ha respetado los diferentes roles de los actores de la sociedad civil y el estado al promover acciones y fortalecer procesos según el papel de cada uno de ellos</p>
<p>I.3.2.2 Evidence of EC respect for - and dialogue with - the different actors, at the different levels of governance (national/regional/local authorities)</p>	
<p>FA del Programa de Apoyo Sectorial Presupuestario Acceso a la Justicia y Fortalecimiento de la Administración de Justicia. Monitoring Reports del Programa Plurianual Democracia y Derechos Humanos en América Central 2001-2005 Programa País Nicaragua, Fortalecimiento</p>	<p>La puesta en marcha de las iniciativas mencionadas en el apartado anterior con sus respectivos actores implica que se ha producido un diálogo abierto por parte de la CE y las instituciones del Estado, dado que son programas de grandes responsabilidades por parte de ellas.</p> <p>Adicionalmente a los procesos de diálogo para la firma de los diferentes programas y proyectos que se han venido ejecutando, dicho diálogo se ha venido materializando en apoyos priorizados por parte de las instituciones nacionales en el marco de ejecución de Programas más amplios. Claro ejemplo de estos apoyos, frutos del diálogo, han sido el apoyo a las Planificaciones Estratégicas de varias de las instituciones involucradas en el PPAJ (Ministerio Público, Ministerio de Gobernación) a través del PAINIC.</p> <p>En el caso de los actores de la sociedad civil nicaragüense se ha constatado que el diálogo con la DCE se ha venido fortaleciendo a lo largo del periodo estudiado.</p> <p>En este sentido, las instancias de la sociedad civil han sido más tenidas en cuenta, pasándose de no ser consultadas en la elaboración de los dos primeros CSP que abarca el periodo, a ser consultados en la elaboración de la CSP correspondiente al periodo 2007- 2013.</p>

<p>institucional de procesos locales en Nueva Segovia, Apoyo a la promoción y defensa de los derechos de los pueblos indígenas y afrodescendientes de la Costa Caribe de Nicaragua, Fortalecimiento de las capacidades locales con perspectiva de género y apoyo al desarrollo productivo en los municipios de Mateare y Belén. Entrevistas con A48, A49, A57, A58, C9, C11, C13, C14, C16</p>	<p>Sin embargo, se debe señalar que dicho dialogo y participación no se estableció con los tomadores de decisiones sino con los equipos de profesionales encargados de la elaboración del CSP mencionado.</p> <p>Respecto al diálogo con los tomadores de decisiones se han hecho esfuerzos por parte de la DCE para abrir mecanismos de comunicación ante temas o coyunturas concretas con la sociedad civil organizada de Nicaragua.</p> <p>Sin embargo, no se han establecido a la fecha mecanismos de concertación y/o estrategias que permitan una mayor participación de la sociedad civil nicaraguense en la construcción de las estrategias de desarrollo de la CE en Nicaragua.</p> <p>Se ha constando que existen contactos coyunturales entre la DCE y las organizaciones de la Sociedad Civil en momentos excepcionales o situaciones especialmente críticas en el país. Sin embargo, la relación más reseñable es la participación de las organizaciones de la sociedad civil en las diferentes convocatorias abiertas para la ejecución de proyectos.</p>
<p>I 3.2.3 Explicit reference in the FA to measures to ensure ownership of implementation and results (participation in decision-making, responsibilities, co-financing, capacity- building and empowerment activities)</p>	
<p>FA del Programa de Apoyo Sectorial Presupuestario Acceso a la Justicia y Fortalecimiento de la Administración de Justicia. MR DECOPANN, Campesino a Campesino.</p>	<p>En el caso del PAPAJ el FA hace mención a que el Programa ha tenido en cuenta las diferentes estrategias y mecanismos de planificación de las propias instituciones, adicionalmente el hecho que las acciones “se orientan a mejorar y expandir el servicio de justicia y de la seguridad ciudadana” de las instituciones involucradas lleva implícito el apropiamiento de las instituciones involucradas. Adicionalmente cabe señalarse que al tratarse de un Programa de Apoyo presupuestario la apropiación del Gobierno y las instituciones del estado involucradas es inmediata.</p> <p>En el caso del Programa de Fortalecimiento de la Administración de Justicia el FA contempla que los gastos de transporte, comunicaciones etc. serán por cuenta de la CSJ, adicionalmente establece una serie de compromisos por parte del gobierno nicaragüense en los diferentes ámbitos del programa (generales, capacitación, registros de la propiedad y construcciones).</p> <p>Respecto a los dos proyectos analizados que fueron ejecutados con organizaciones de la sociedad civil en el ámbito de gobernabilidad la</p>

	<p>apropiación, creación de capacidades se desarrolla en sus resultados tal y como se señala a continuación.</p> <p>En el Programa Plurianual Democracia y Derechos Humanos:</p> <p>Puesta en marcha de procesos educativos en el ámbito local y nacional, generales y sectoriales, en organizaciones sociales y en administraciones locales, vinculando la cultura democrática y los derechos humanos al funcionamiento operativo de los mismos.</p> <p>Existencia de recursos humanos capacitados en formación y en la promoción de los derechos humanos.</p> <p>Creación de una red de facilitadores capacitados que ejerzan como agentes sociales y sean reconocidos en los ámbitos territoriales y sectoriales de actuación.</p> <p>Acuerdo y ejecución de agendas locales y sectoriales alrededor de los ejes de una cultura democrática y de DDHH.</p> <p>Incorporación de propuestas surgidas de la sociedad civil y vinculadas a la democratización y a los DDHH.</p> <p>Aumento de la participación de la sociedad civil organizada en espacios de diálogo y negociación nacional y local.</p> <p>En el Proyecto Apoyo a la promoción y defensa de los derechos de los pueblos Indígenas y Afrodescendientes de la Costa Caribe de Nicaragua</p> <p>Poblaciones indígenas y de ascendencia africana con proceso de empoderamiento de sus derechos y participación a la vida pública fortalecido.</p> <p>Organizaciones y Asociaciones Indígenas de Ascendencia Africana y Mestizas, locales y regionales, fortalecidas y coordinadas.</p> <p>Por otro lado, en el caso de iniciativas que no tienen que ver estrictamente con gobernabilidad, la metodología de las intervenciones fue desarrollada con ciertas características: horizontal sin enlaces con diferentes niveles del estado (Proyecto Campesino a Campesino) y con alto grado de participación (DECOPANN).</p>
--	--

C 3.3 The EC interventions promoted transparency, accountability and participation	
I 3.3.1 Evidence that the EC interventions promoted transparency, accountability and participation in institutions with which the EC have developed initiatives	
<p>FA del Programa de Apoyo Sectorial Presupuestario Acceso a la Justicia y Fortalecimiento de la Administración de Justicia.</p> <p>Entrevistas con C9, C11, C4, C15.</p>	<p>Si bien en los FA de las dos intervenciones relacionadas con el sector Justicia no aparecen referencias específicas a la participación, transparencia y rendición de cuentas, a través del PAINIC se han venido fortaleciendo las capacidades de Planificación de instituciones clave del estado, como son el Ministerio Público y el Ministerio de Gobernación. Por consiguiente se han fortalecido las instancias de dichas instituciones encargadas de los temas en cuestión.</p> <p>La promoción de la transparencia y la participación ha sido desarrollada de una manera más exhaustiva a nivel local en los diferentes proyectos que se han desarrollado con la sociedad civil. Sobre todo a través del PPDHDAC.</p> <p>Cabe señalar que la red de facilitadores a nivel nacional conformada con el PPDHDAC fue canalizadora y clave en los municipios y a nivel nacional para el desarrollo de iniciativas relacionadas con la aprobación y cumplimiento de la Ley de Acceso a la Información Pública de 2007.</p>
I 3.3.2 Evidence that EC interventions respond to expressed national/local needs (but not to voiced vested interests)	
<p>FA del Programa de Apoyo Sectorial Presupuestario Acceso a la Justicia y Fortalecimiento de la Administración de Justicia.</p> <p>Entrevistas con A48, C8, A49, A57</p>	<p>En los FA aparecen relacionadas las intervenciones con las diferentes expresiones de las estrategias de desarrollo del país, insertándose las mismas en la ERCERP, el Plan Nacional de Desarrollo, y las líneas estratégicas de seguridad ciudadana, documentos que expresan la Planificación del Desarrollo a nivel nacional impulsadas por los diferentes gobierno de turno y aceptadas por la comunidad internacional (incluida la CE).</p> <p>En el caso de las iniciativas desarrolladas con las organizaciones de la sociedad civil las intervenciones de la CE se basan en lo establecido en los diferentes mecanismos de financiación propios de la CE y en lo expresado en los diferentes CSP.</p> <p>Sin embargo, no existe una referencia explícita a las herramientas de planificación de las organizaciones de la sociedad civil nicaragüense, ni existe un mecanismo de concertación de ellas con la DCE.</p> <p>Cabe señalar que las metodologías seguidas por proyectos que no estaban relacionados directamente con la gobernabilidad democrática existen algunos proyectos en los que la metodología fue totalmente participativa por parte de los beneficiarios directos del proyecto, lo que permitió un éxito en el desarrollo del proyecto (Campesino a Campesino)</p>

I 3.3.3 Evidence of effects and impact on capacities and functioning of entities in charge of control (accountability)	
Entrevistas con A48, C8, A49, A57	<p>La Contraloría General de la República (CGR) es la principal institución a cargo de control de las acciones de los diferentes funcionarios del estado. La CE no ha desarrollado ninguna iniciativa con esta institución.</p> <p>Sin embargo, en el marco del apoyo a las instituciones coejecutoras del PAPAJ si se ha dado apoyo general al fortalecimiento institucional y en concreto a la Planificación de las mismas a través del PAINIC.</p> <p>Este hecho ha permitido que estructuras claves como la Unidad Anticorrupción del Ministerio Público cuente con una planificación específica del desarrollo de su trabajo, así como la Inspectoría General del Ministerio de Gobernación.</p>
I 3.3.4 Evidence of EC support to the public disclosure of policy debates and monitoring of results (transparency)	
Entrevistas con A49, A50	<p>No existe un mecanismo efectivo de coordinación y diálogo entre la sociedad civil organizada y la DCE más allá de encuentros coyunturales y las relaciones directas en el marco de ejecución de las iniciativas apoyadas por la CE.</p> <p>En este sentido, se observa que las intervenciones centradas en la promoción de la participación se han desarrollado sobre todo a nivel local en el ámbito de los mecanismos establecidos por la ley de participación ciudadana (Comité de Desarrollo Municipal, Comités Comarcales), sin establecerse una estrategia de fomento de la participación a nivel nacional.</p>
I 3.3.5 Evolution of participation of regional and local governments, and civil society organisations in official consultations (participation)	
Entrevistas con A48, C8, A49, A57	<p>Las tres principales herramientas de la Planificación Nacional del Desarrollo de Nicaragua impulsadas por los diferentes gobiernos (ERCERP, Plan Nacional de Desarrollo, Plan Nacional de Desarrollo Humano) fueron herramientas que no fueron consultadas con los gobiernos locales y/o regionales, ni con los actores de la sociedad civil organizadas.</p> <p>De igual manera ni la ERCERP ni el Plan Nacional de Desarrollo fueron consultados ni incluyen los aportes de los Ministerios Sectoriales de los gobiernos de turno, pudiéndose concluir que fueron elaboradas por equipos reducidos de expertos.</p> <p>En el caso de la elaboración del Plan Nacional de Desarrollo Humano se ha realizado un proceso de consulta con los ministerios sectoriales y con las instancias de participación promovidas por el gobierno de turno (Consejos de Poder Ciudadano) pero no así con las instancias de concertación que se incluyen en la Ley de Participación Ciudadana (Comités Comarcales y Comités de Desarrollo Municipal).</p>

C 3.4 The Commission developed an overall institutional capacity to participate in the policy dialogue and to deal effectively and efficiently with the question of governance	
I 3.4.1 Quantity of human resources available in the Delegation dealing (specifically or not) with governance matters.	
Entrevista con C10	<p>La cantidad de recursos humanos que están dedicados a temas de gobernabilidad se encuentran dispersos en diferentes Secciones de la Delegación.</p> <p>La sección que cuenta con mayor número de recursos humanos destinados a temas de Gobernabilidad es la Sección de Desarrollo Humano y Social quien cuenta con 2 recursos cuyo trabajo está destinado a cuestiones de gobernabilidad a tiempo completo (asesores de cooperación encargados de Gobernabilidad y Derechos Humanos) y la Jefe de Sección quien dedica parte de su tiempo a cuestiones relativas con Gobernabilidad y Derechos Humanos. Contando con 3 funcionarios que están involucrados en temas de gobernabilidad. De estos tres recursos solamente uno cuenta con especialidad formativa en la temática.</p> <p>En la sección de Apoyo Presupuestario se encuentra un recurso humano que tiene que ver con temas de gobernabilidad entre sus funciones dado que es la Sección que tiene la responsabilidad de seguimiento del PAPAJ.</p> <p>En la Sección Política, Comercio y Prensa existe un recurso humano vinculado con los temas de gobernabilidad pero desde un punto de vista no relacionado y coordinado con la ejecución de los programas en ejecución.</p> <p>En total se reconocen seis recursos humanos entre el total de los funcionarios de la DCE de Nicaragua que tienen que ver con temas de gobernabilidad y derechos humanos.</p>
I 3.4.2 Number of governance-related sectors/groups/committees in which delegation members participate, and availability of archives (see note)	
Entrevista con C10	<p>Al menos existen 4 instancias de concertación donde funcionarios de la delegación han venido participando: (mesa global de donantes, grupo de apoyo presupuestario, Mesa de Gobernabilidad, Submesa de Justicia y Submesa de Seguridad Ciudadana y Defensa).</p> <p>Existe constancia en las ayudas a memoria de las diferentes instancias mencionadas de la participación clave de los funcionarios de la DCE.</p>
I 3.4.3 Availability and effective use of relevant training opportunities on governance-related issues (European civil servants)	
Entrevista con C10	<p>Respecto al fomento de las capacidades de los funcionarios en temas especializados vinculados con gobernabilidad y derechos humanos se ha constatado que las formaciones recibidas por los funcionarios promovidas por la CE no contemplan una formación específica en la temática.</p> <p>En este sentido, el fortalecimiento de las capacidades ha estado centrado en formaciones más de tipo general.</p>

	Se constata que existe una dificultad de acceso a capacitaciones temáticas específicas tanto a nivel central (Bruselas) como a nivel centroamericano.
I 3.4.4 Existence of institutional incentives (e.g. space for risk-taking) or disincentives to effective and efficient action in the field of governance (e.g. the possible negative effect of disbursement pressures)	
Entrevistas con A48, C1, C8.	<p>Respecto al desarrollo de iniciativas en la temática de gobernabilidad los desincentivos en Nicaragua son de amplio espectro, por un lado las instituciones clave para el desarrollo de intervenciones en los que la CE se ha centrado (Justicia) cuentan con un alto grado de partidización.</p> <p>Esta partidización va más allá de las instituciones que dependen directamente del gobierno de turno: Corte Suprema de Justicia, Consejo Supremo Electoral, Ministerio Público, Procuraduría para la Defensa de los Derechos Humanos.</p> <p>Este hecho se convierte por sí mismo en un desincentivo al depender el desarrollo y muchos de las decisiones clave del desarrollo institucional de las mismas de coyunturas políticas que van más allá de las necesidades institucionales.</p> <p>Sin embargo, se debe señalar que este sentido Nicaragua cuenta con instituciones clave para el desarrollo de la gobernabilidad democrática que a lo largo de los 10 años del presente análisis han demostrado garantías de avances en la institucionalización de las mismas, a como son la Policía Nacional y el Ejército de Nicaragua.</p> <p>Esto supone un valor añadido si tenemos en cuenta que el antecedente de dichas instituciones, la Policía Sandinista y el Ejército Popular Sandinista respectivamente, contenían un alto grado de identificación partidaria.</p>
I 3.4.5 Evidence of consideration of contextual political dimensions in implementation (e.g. power, vested interests, objective criteria for selection of direct beneficiaries)	
Monitoring reports Entrevistas con C1, C8, C10, C11, C15	<p>En el caso de las iniciativas desarrolladas con organizaciones de la sociedad civil se dio un análisis en la formulación de los proyectos de las condiciones locales de la zona de ejecución de las iniciativas.</p> <p>Por otra parte dichas iniciativas se desarrollaron con organizaciones con presencia y trabajo previo en las zonas de ejecución de los proyectos.</p> <p>La conjugación de ambas circunstancias permitió la ejecución de las intervenciones se desarrollarán en buen término ante los diferentes cambios o particularidades de las autoridades locales o regionales.</p> <p>En el caso de las iniciativas desarrolladas con instituciones del estado debemos hacer una diferenciación entre las acciones que se desarrollaron en el marco del Proyecto “Fortalecimiento de la administración de justicia en Nicaragua” y las del PAPAJ.</p>

	<p>En el caso del primer proyecto se demostró una capacidad de adaptación a las circunstancias derivadas de la vida política e institucional del país y del sector en los años de ejecución del mismo (1998-2002), donde se dio un traspaso de gobierno (Gobierno de Alemán al Gobierno de Bolaños) y donde el país vivió momentos de crisis política, que afectaron al poder judicial fruto de las características del gobierno de Enrique Bolaños (sin apoyo del partido político con el que presenta su candidatura PLC).</p> <p>En este contexto el proyecto se pudo ejecutar de manera exitosa gracias, entre otras causas, a la capacidad de adaptación de todos los actores involucrados en la ejecución del mismo.</p> <p>En el caso del PAPAJ la capacidad de adaptación de la CE debió ser uno de los aspectos más tenidos en cuenta en la ejecución por una serie de hechos que señalamos a continuación:.</p> <p>Contexto del Sector:</p> <p>Las instituciones pública de Nicaragua habían venido haciendo esfuerzos desde 2003 en la realización de un Plan Sectorial del Sector Justicia en el marco de la Submesa de Justicia y una Planificación de la Seguridad Ciudadana en el marco de la Submesa de Seguridad Ciudadana y Defensa.</p> <p>El PAPAJ pretende atender ambos ámbitos sin contar con un Plan Sectorial definido por parte del Sector Justicia o del Sector Seguridad Ciudadana y mucho menos uno consolidado que abarque los dos sectores.</p> <p>En el marco del contexto cabe la pena señalar que ciertas instituciones involucradas en el sector consideran que el proceso de formulación del Programa fue un ejercicio más bien exógeno que consistió en poner a la orden de los consultores externos los funcionarios de las instituciones sin considerar los esfuerzos nacionales que se habían realizado en el sector.</p> <p>De igual manera, merece la pena ser señalado que lo largo del proceso de negociación del Programa el mismo fue concebido inicialmente como un Programa tal y como se venían ejecutando tradicionalmente que posteriormente se convirtió en un Programa de Apoyo Presupuestario Sectorial.</p> <p>Firma del Programa:</p> <p>El Programa se negocia con las autoridades del gobierno de Enrique Bolaños y firmado por la CE en periodo de ese gobierno (Mayo 2006).</p> <p>Por parte del gobierno de Nicaragua el Programa es firmado por el Gobierno de Daniel Ortega (Octubre 2007).</p> <p>A pesar de todo lo señalado, tras ser firmado el Convenio de Financiación, el Gobierno de Nicaragua y la DCE comienzan las negociaciones para el</p>
--	--

	<p>cumplimiento de los indicadores expresados en el mismo y el ajuste de las programaciones y coordinaciones necesarias de cara a constituir un Adendum al FA que permitiera adaptar el Programa a las condiciones actuales.</p> <p>Este hecho demuestra, que a pesar de las limitaciones descritas, la voluntad de adaptación y aprovechamiento de los mecanismos establecidos por parte de la CE para la ejecución del presente programa.</p> <p>Es necesario señalar, sin embargo, que estas coordinaciones desarrolladas para el inicio de la ejecución del PAPAJ se vieron truncadas, por el momento, por el anuncio de fines de 2008 de Congelamiento de las iniciativas de Apoyo Presupuestario de la CE.</p>
<p>C 3.5 EC interventions have enhanced democratic governance</p>	
<p>I 3.5.1 – Human rights indicators evolution</p>	
<p>Anuarios estadísticos de la Procuraduría para la Defensa de los Derechos Humanos (PDDH), Entrevista con A50, A57, C3.</p>	<p>En términos generales, agencias especializadas en derechos humanos, organizaciones de la sociedad civil e instituciones del estado coinciden que ha habido una evolución positiva en el desarrollo del marco legal que garantice el cumplimiento de los derechos humanos en Nicaragua.</p> <p>Dicho marco legal ha sido reforzado con la aprobación de diferentes leyes en el periodo de análisis, entre las que cabe destacar:</p> <p>El Código de la Niñez y Adolescencia de 1998, la Reforma del Código Procesal Penal que entra en vigencia en 2002, la Ley del Sistema Penitenciario Nacional de 2003, la Ley de Participación Ciudadana de 2003, Ley de Acceso a la información pública de 2007, Ley de Igualdad de Derechos y Oportunidades de 2008, Ley y Normativa de Carrera Judicial que entró en vigor en 2008.</p> <p>Entre la diferente adecuación del marco legal merece análisis especial la Reforma del Código Penal la cual contiene elementos de avance y retroceso en materias de derechos humanos.</p> <p>Como avances se despenalizan las prácticas homosexuales (que estaban tipificadas como delito de sodomía) se incluyen como agravante delictiva la discriminación racial (art. 36) y se tipifica la violencia intrafamiliar como delito, y ya no como una falta.</p> <p>Como retroceso se penaliza el aborto terapéutico, negándose el derecho a la vida y a la salud de las mujeres embarazadas. Este punto ha derivado en conflictos de diferente intensidad entre grupos de la sociedad civil y el actual gobierno.</p> <p>Con la implementación del marco legal referido se crean instituciones del estado encargadas de velar por el cumplimiento de los Derechos Humanos (Procuraduría para la Defensa de los Derechos Humanos en 1996,</p>

Ministerio Público en 2000).

Consideramos importante realizar un análisis somero a la figura de la PDDH como institución del Estado encargada por el cumplimiento de los derechos humanos.

En primer lugar señalar que si bien la PDDH es creada en 1996 mediante la Ley de la Procuraduría para la Defensa de los Derechos Humanos (Ley 212) no es hasta Junio de 1999 que la Asamblea Nacional nombra al primer Procurador de Derechos Humanos, fruto de las negociaciones entre los partidos mayoritarios (PLC y FSLN), quien ostentó su cargo hasta el 10 de Noviembre de 2004 cuando asume el segundo y actual Procurador de Derechos Humanos. Se puede ver el progreso de la institución viendo las denuncias recibidas por la institución según cuadro mostrado a continuación:

**Figure EQ3.1: Número de Denuncias Recibidas por PDDH -
Noviembre 1999-Noviembre 2007**

Desde	Hasta	No de Denuncias
10/11/1999	09/11/2000	1,120
10/11/2000	09/11/2001	1,103
10/11/2001	09/11/2002	1,877
10/11/2002	09/11/2003	2,423
10/11/2003	09/11/2004	1,936
10/11/2004	09/11/2005	2,425
10/11/2005	09/11/2006	1,535
10/11/2006	09/11/2007	1,827

Fuente: Elaboración propia a partir de datos de Anuarios de PDDH

En el cuadro presentado anteriormente se puede observar que el número de denuncias presentadas en el último periodo registrado (Noviembre 2006 a Noviembre 2007) está por debajo de las recibidas en el tercer periodo de la institución (Noviembre 2001 a Noviembre 2002).

A nivel internacional Nicaragua ha ratificado una serie de instrumentos internacionales de protección de derechos humanos en el periodo analizado, tanto del Sistema Universal de Derechos Humanos (Convención contra la Tortura y Otros Tratos o Penas Crueles, Inhumanos o Degradantes en 2005, Convención Internacional sobre la Protección de los Derechos de todos los Trabajadores Migratorios y de sus familiares, 2005, Convención sobre los derechos de las personas con Discapacidad en 2007) como del Sistema Interamericano de Derechos Humanos: (Convención

	Interamericana para la Eliminación de Todas las formas de Discriminación contra las Personas con Discapacidad,2002.)																																																																									
I 3.5.2 – Evolution of corruption rates																																																																										
CSP 2002-2006, Latinobarómetro 2001-2007. Entrevista con C17.	<p>Tal y como señalaba la Country Strategy Paper 2002-2006 “the judiciary also is subject to political influence and corruption. The Supreme Court continued its structural reform programmes for the judicial system”. A new judicial Organic Law, intended to address many of these problems, came into effect in January 199, however, the weakness of the judiciary continued. “</p> <p>De igual manera en el CSP 2007-2013 se establece que “ Corruption in Nicaragua is perceived as widespread. The population and the international community supported the fight against corruption promoted by Bolaños Government but, besides a few successes, the perception is that Nicaragua has not been able to seriously confront the problems of corruption, and to put an end to impunity. The policy to root out bribery seems to have failed”.</p> <p>Según Transparencia internacional, Nicaragua ha pasado de contar con un Índice de percepción de la Corrupción de 3.0 en 1998 a 2.6 en 2006, en una escala donde 0 es la percepción de mayor corrupción y 10 la de menor corrupción, manteniéndose siempre en niveles altos de percepción de la corrupción en el país. Lo que nos pone de manifiesto débiles avances en la mejora de la percepción del país sobre la corrupción.</p> <p style="text-align: center;">Figure EQ3.2: Índice de percepción de la corrupción en Nicaragua – 1998-2008</p> <table border="1"> <thead> <tr> <th rowspan="2">País</th> <th colspan="2">1998</th> <th colspan="2">1999</th> <th colspan="2">2000</th> <th colspan="2">2001</th> <th colspan="2">2002</th> <th colspan="2">2003</th> <th colspan="2">2004</th> <th colspan="2">2005</th> <th colspan="2">2006</th> </tr> <tr> <th>R</th> <th>IPC</th> <th>R</th> <th>IPC</th> <th>R</th> <th>IPC</th> <th>R</th> <th>IPC</th> <th>R</th> <th>IPC</th> <th>R</th> <th>IPC</th> <th>R</th> <th>IPC</th> <th>R</th> <th>IPC</th> <th>R</th> <th>IPC</th> </tr> </thead> <tbody> <tr> <td>Nicaragua</td> <td>61/85</td> <td>3.0</td> <td>70/99</td> <td>3,1</td> <td>Sin datos</td> <td>Sin datos</td> <td>77/91</td> <td>2,4</td> <td>81/102</td> <td>2,5</td> <td>88/133</td> <td>2,6</td> <td>97/146</td> <td>2,7</td> <td>107/159</td> <td>2,6</td> <td>111/163</td> <td>2,6</td> </tr> </tbody> </table> <p>Fuente: Elaboración propia en base a datos de Transparencia Internacional</p> <p>Por su lado, el Banco Mundial cuenta con un indicador sobre el control de la corrupción midiendo el ejercicio del abuso del poder público para beneficio privado. Dicho indicador se sitúa entre el -2.5 y el 2.5 donde el valor máximo de control de la corrupción sería el 2.5. La evolución entre 1999 y 2006 se presenta a continuación:</p> <p style="text-align: center;">Figure EQ3.3: Control de la corrupción en Nicaragua 1998-2006</p> <table border="1"> <thead> <tr> <th rowspan="2">País</th> <th colspan="5">Año</th> </tr> <tr> <th>1998</th> <th>2000</th> <th>2002</th> <th>2004</th> <th>2006</th> </tr> </thead> <tbody> <tr> <td>Nicaragua</td> <td>-0.8</td> <td>-0.9</td> <td>-0.5</td> <td>-0.3</td> <td>-0.6</td> </tr> </tbody> </table> <p>Fuente: Elaboración propia en base a datos del Banco Mundial</p> <p>Dichos datos ponen de manifiesto que se han dado avances en cuanto al control de la corrupción, pero que los mismos se sitúan en un marco general del país de control de la corrupción débil por parte del estado.</p>	País	1998		1999		2000		2001		2002		2003		2004		2005		2006		R	IPC	R	IPC	R	IPC	R	IPC	R	IPC	R	IPC	R	IPC	R	IPC	R	IPC	Nicaragua	61/85	3.0	70/99	3,1	Sin datos	Sin datos	77/91	2,4	81/102	2,5	88/133	2,6	97/146	2,7	107/159	2,6	111/163	2,6	País	Año					1998	2000	2002	2004	2006	Nicaragua	-0.8	-0.9	-0.5	-0.3	-0.6
País	1998		1999		2000		2001		2002		2003		2004		2005		2006																																																									
	R	IPC	R	IPC	R	IPC	R	IPC	R	IPC	R	IPC	R	IPC	R	IPC	R	IPC																																																								
Nicaragua	61/85	3.0	70/99	3,1	Sin datos	Sin datos	77/91	2,4	81/102	2,5	88/133	2,6	97/146	2,7	107/159	2,6	111/163	2,6																																																								
País	Año																																																																									
	1998	2000	2002	2004	2006																																																																					
Nicaragua	-0.8	-0.9	-0.5	-0.3	-0.6																																																																					

I 3.5.3 – Evolution of confidence of population in its public institutions and political representatives

Latinobarómetro,
Barómetro
Iberoamericano

El Latinobarómetro nos arroja datos sobre la confianza en dos instituciones claves de Nicaragua, a como son los partidos políticos y el sistema de justicia.

EQ3.4: Niveles de confianza

Porcentaje de personas que confían mucho o algo en:	Año			
	2000	2002	2004	2006
Partidos Políticos	18.8	16.1	11.2	7.7
Sistema de Justicia	20.2	27.2	23.3	14.8

Fuente: Elaboración propia en base a datos de Latinobarómetro

Según los datos sobre partidos políticos la población ha venido desconfiando cada vez más de los partidos llegando solamente un 7.7% de la población a confiar mucho o algo en ellos.

En el caso del Sistema de Justicia la confianza de igual manera la población ha venido perdiendo el nivel de confianza que tenía en el mismo.

Los datos del Latinobarómetro se pueden contrastar con los del Barómetro Iberoamericano del Consorcio Iberoamericano de Investigaciones de Mercados y Asesoramiento, quienes incluyen a Nicaragua en su análisis desde 2006 y quienes en el capítulo relacionado sobre la confianza sobre las instituciones muestran los siguientes datos:

EQ3.5: Confianza de la Población:

		Sí tiene confianza	No tiene confianza	Ns/Nr
En los partidos políticos	2008	13,7%	85,0%	1,3%
	2007	14,0%	84,7%	1,3%
	2006	23,0%	75,0%	2,0%
En la Asamblea Nacional	2008	22,0%	73,3%	4,7%
	2007	24,0%	74,3%	1,7%
	2006	27,0%	70,7%	2,3%
En el Ejercito Nacional	2008	63,3%	34,0%	2,7%
	2007	64,7%	31,3%	4,0%
	2006	75,0%	22,7%	2,3%
En la Justicia	2008	33,0%	63,7%	3,3%
	2007	31,3%	66,3%	2,3%

	2006	27,3%	71,7%	1,0%
En la Policía	2008	49,3%	47,3%	3,3%
	2007	57,0%	41,7%	1,3%
	2006	60,0%	38,3%	1,7%
En la Corte Suprema de Justicia	2008	32,0%	61,7%	6,3%
	2007	33,7%	63,7%	2,7%
	2006	37,0%	60,7%	2,3%

Fuente: Elaboración propia en base a datos del Barómetro Iberoamericano

Si bien estos últimos datos presentan algunas diferencias con los presentados por el Latinobarómetro respecto a la confianza en los partidos políticos en el 2006 (7.7 y 23 por ciento respectivamente), los datos del Iberobarómetro nos muestran que la institución con mayor confianza es el Ejército Nacional, seguido de la Policía a lo largo de los tres años analizados, si bien es necesario señalar que la confianza de ambas instituciones viene decayendo.

La justicia (de manera general, no la Corte Suprema de Justicia) viene presentando mejores niveles de confianza llegando en el 2008 a un 33% de confianza por parte de la población. La Corte Suprema de Justicia, por su parte viene generando mayor desconfianza, así como la Asamblea Nacional y los partidos políticos quienes son los que cuentan con menor confianza por parte de la población.

Respecto al Consejo Supremo Electoral (CSE) existen limitados recursos a la hora de comprobar la confianza de la población.

Entre los datos arrojados por estudios realizados en Nicaragua nos encontramos con diferentes datos.

Por una parte, del Centro de Investigaciones de la Comunicación (CINCO)

afirma en su Suplemento Político de Análisis quincenal de Junio de 2006 que “la opinión pública en general ha disminuido sustantivamente su nivel de confianza en la institución, de un poco menos del 70 % en 1991 hasta menos el 10 % en el año 2005”.

Por otra parte MYR Consultores presentó una encuesta en el 2006 de cara a las elecciones presidenciales celebradas ese mismo año, sobre el grado de confianza en el CSE para administrar una elección limpia y transparente de los nicaragüenses en el CSE donde el 4.7% de la población presentaba un grado muy alto, el 16.9 % alto, el 37.4% regular, el 23.2% bajo, el 15% muy bajo y el 2.7% no opina.

Por su lado Ética y Transparencia en su Encuesta sobre Democracia en Nicaragua de 2005 y 2007 arroja datos sobre cuáles eran los niveles de confianza de la población en el CSE.

EQ3.6: Nivel de Confianza en el CSE				
Porcentaje				
Año	Nada de Confianza	Algo de Confianza	Bastante Confianza	Completa confianza
2005	45.5	38	11.9	4.5
2007	28.3	42.7	18.7	10.2

Fuente: Elaboración propia a partir de Datos de la Encuesta de Democracia en Nicaragua 2005 y 2007 de Ética y Transparencia

Analizando los datos se puede afirmar que el CSE contó con un nivel de confianza mayor el año posterior a la celebración de las elecciones presidenciales de 2006 al que contaba el año anterior a la celebración de las mismas, pasando de contar con un 16.9% de población que contaba con una completa o bastante confianza en la institución a un 28.9% que se sitúa en esas posiciones.

Cabe señalar que las elecciones presidenciales de 2006 no generaron conflictos de consideración y que contaron con la participación de observadores nacionales e internacionales (incluyendo la CE) lo que puede considerarse como una variable a la hora de crear la sensación de confianza en la población.

Lamentablemente no se cuenta con datos fiables del nivel de confianza de la población en el CSE más actuales pero es necesario señalar que las acusaciones de fraude realizadas por partidos políticos de la oposición al gobierno y por organizaciones de la sociedad civil, han venido determinadas, entre otras causas, por la falta de una observación electoral (nacional e internacional) tan amplia como las celebradas en elecciones anteriores.

I 3.5.4 – Evidence of local authorities empowerment (policy design, human resources, financial management)

Entrevistas con A57, A58, C9, C16.

A nivel local el fortalecimiento de las capacidades de las autoridades ha venido determinado sobre todo con las iniciativas desarrolladas con organizaciones de la sociedad civil.

Dicho fortalecimiento se ha caracterizado por la inclusión de los proyectos en las instancias de participación definidas a nivel municipal por la Ley de Participación Ciudadana, Comités Comarcales y Consejo de Desarrollo Municipal.

La ejecución a nivel local ha pasado por la coordinación con las alcaldías y las instancias mencionadas de manera que las capacidades de planificación del desarrollo y concertación a nivel local se han venido fortaleciendo.

Aunque se debe mencionar que este fortalecimiento esté dirigido más a la formación de recursos ya existentes que al apoyo de estrategias de desarrollo de fortalecimiento de las autoridades locales.

C 3.6 The EC intervention in good governance offers a value added to Member States' interventions	
I 3.6.1 Evidence of a visible advantage of EC in taking into account good governance in the preparation and/or implementation of interventions	
	<p>El cambio progresivo de modelo de la CE ha permitido que la DCE cuente con un mayor peso específico para la negociación con los diferentes actores nacionales.</p> <p>De igual manera le ha permitido contar con un conocimiento de la situación de gobernabilidad del país a la hora de la formulación y ejecución de las iniciativas desarrolladas.</p>
I 3.6.2 Evidence of a common political agenda between Member states' donors on good governance	
	<p>Existe una instancia de concertación de la comunidad donante denominada la Mesa Global de donantes donde participa la Delegación y los estados miembros con representación en Nicaragua.</p> <p>Adicionalmente a partir del 2004 se constituyó el Grupo de Apoyo presupuestario donde participa el gobierno de Nicaragua y la Delegación y 5 estados miembros.</p> <p>Por otro lado en el 2003 se crearon mediante decreto del Ejecutivo de Nicaragua, Mesas Sectoriales, donde una de ellas es la de gobernabilidad, la cual cuenta contó con una submesa de justicia y otra de seguridad y defensa.</p> <p>Cabe señalar que la submesa de justicia fue el ámbito donde se desarrollo el Plan Sectorial de Justicia, insumo básico del desarrollo del Programa de Apoyo Sectorial Presupuestario Acceso a la Justicia (PAPAJ).</p> <p>Un ejemplo claro de contar con una agenda común entre los Estados Miembro y la DCE es el papel jugado por parte de la Embajada de Suecia en el Programa Plurianual Democracia y Derechos Humanos quien asumió el apoyo técnico y financiero de aquellos aspectos que no contemplaba la CE en la ejecución del mismo.</p>

EQ4: Budget support

<p>EQ4. To what extent have the EC interventions through budget support been adapted to the national context, and to what extent have they contributed to improve the framework for public policy and expenditure?</p>	
<p>C 4.1 The EC interventions through budget support have been adapted to the national context and in particular the implementation procedures have been adequate in regard to the country's interest</p>	
<p>I 4.1.1 Evidence that EC interventions responded to a need (deficit in public finance, demand from the GoN, joint donor initiative, harmonisation and alignment...)</p>	
<p>GBS Evaluation 2005</p>	<p>EC interventions (PAPSE) started in 2004, a year in which the deficit in public finance (before grant) still represented 5% of GDP. But the adjustment which took place from 2002 onwards progressively reduced the deficit until in 2006 it was only 3.7% of GDP, a year in which there was a fiscal surplus after grants (which represented 3.9% of GDP in 2006)⁴⁵.</p> <p><i>“Since 2002 the Bolaños administration undertook reforms in Nicaragua’s aid management and coordination based on the implementation of sector round-tables and the development of sector wide approaches (SWAps). The international aid coordination forum started discussions on the necessary preconditions for providing sector and GBS in 2003, fuelled by the HIPC and PRSP process, the signature in 2002 of the IMF PRGF 2 and the growing consensus that the highly earmarked, fragmented and supply-driven character of aid in Nicaragua was hampering impact and sustainability. The key initiative by international partners (IPs) on the development of GBS in Nicaragua took place in 2003 with the formation of the BSG as the IP forum for discussing budget support. With rotating leadership, this group has involved a wide group of bilateral and multilateral International Partners (IPs). Current members include: the European Commission (EC), Finland, Germany, Inter-American Development Bank (LADB), the Netherlands, Norway, Sweden, Switzerland, the United Kingdom (UK) and the WB.” (Nicaragua Country Report S8)</i></p> <p>According to the same report, there is no doubt that the development of BS in Nicaragua is the result of a partnership, but the report shows serious reservations about the effective quality of this relationship, reservations based on the dialogue (exclusively with the central government), conditionality (more reflecting donor interests than those of the country) and ownership (sectoral ministries such as health, education or justice, are not especially interested in BS, except if they can obtain by this way a net increase in their budget). See I 4.1.2</p> <p>At least until 2007 both GoN and donors were promoting harmonisation and alignment, even if the low participation of BS in total ODA and the fact that large influential donors (Japan and Spain) are operating outside the Joint</p>

⁴⁵ See 2.2.1: economic context

	<p>Financial Agreement (JFA) slowed the progress. It must be noted that Nicaragua produced its own national action plan for harmonisation and alignment in 2006.</p> <p>The JFA was signed in May 2005.</p>
<p>I 4.1.2 Evidence that conditions come from a policy dialogue (are owned by the GoN), are functional and are being respected</p>	
<p>GBS evaluation 2005</p> <p>Interviews with A48, A1, A68</p>	<p>According to the GBS evaluation of 2005, based on a detailed inventory of donor conditions, the first Performance Assessment Matrix (PAM containing 74 indicators) attached to the Joint financial Agreement signed in 2005, as well as most of other donor conditions, reflect more the point of view of the donors than that of the GoN <i>“because of the excessive number of indicators, the lack of GoN capacity in many of the sectors covered, and because it is not embedded in the national monitoring system”</i> (p. 34). The combination of multilateral (the PAM matrix) and bilateral conditions⁴⁶ made the system still more complicated. This was confirmed by interviews with members of the ex-Bolaños government who stressed that even if the policy dialogue was of “good quality and useful”, the conditions (as reflected in the 2005 PAM indicators), even if theoretically agreed on by both parties, were in some cases imposed by the donors and did not reflect the priorities of the GoN.</p>
<p>Interviews with A17, A18, A20</p>	<p>But the following years showed a positive evolution. First there was a reduction of the PAM indicators to 52 indicators in 2006 and finally to 27 in 2008. Second, there was an increased appropriation⁴⁷ of the whole BS process from 2007 onwards, which was illustrated by a stronger willingness, from the GoN side, to negotiate each indicator, to include the sectoral Ministries into the negotiation, to improve coordination between Ministries, to acknowledge the leading role of the MHCP⁴⁸.</p>
<p>Interviews with A35, A38, A42, A43, A56, A65</p>	<p>Simultaneously to this evolution the Donor community grew increasingly sceptical on the respect by the GoN, of the fundamental principles stated in the JFA preamble⁴⁹ and explicitly understood as being above and beyond concerns raised about under-performance against indicators and targets expressed in the JFA/PAM (JFA, article 6.3).</p>
<p>Joint</p>	<p>Various objective facts fuelled the donor’s negative reaction, such as the prohibition of therapeutic abortion⁵⁰, the interdiction of two small opposition</p>

⁴⁶ The existence of a Joint agreement (JFA) and of the PAM which goes with it, does not impede each donor from applying his own particular condition which add to the general conditions agreed on.

⁴⁷ In order to avoid a debate on the definition of the word “ownership” we use the word “appropriation” which is simply defined as “the national government sets the agenda”.

⁴⁸ But this role was later weakened again in 2008 when the BS coordination was assumed by the MINREX.

⁴⁹ The fundamental principles of the JFA are the following: “commitment to international law and conflict prevention, respect for human rights, democratic principles, including free and fair elections, the rule of law, independence of the judiciary, free, transparent and democratic processes, accountability and the fight against corruption, sound macro-economic policies and the commitment to poverty reduction...” (JFA preamble vii)

⁵⁰ Nicaragua is the latest (October 2006) but not the only example of penalization of therapeutic abortion: El Salvador (1998) and the Dominican Republic are other and older cases.

<p>Financing Arrangement for GBS Between the Government of Nicaragua and the Donor Group (2005). See especially articles 6.1 to 6.4 Banco Central de Nicaragua: "Informe de Cooperación Oficial 2007 – Nicaragua"</p>	<p>political parties, the harassment of people and institutions critical of government actions⁵¹, and most of all the massive fraud committed in the November 2008 municipal elections⁵². First Sweden decided to pull out of BS in 2007 even before it decided to end its cooperation with Nicaragua. In September 2008 both the German cooperation and DFID halted their contribution to BS. The Netherlands decided to suspend half of its BS disbursements in December. At the same time Finland decided to suspend its disbursements for 2008 and 2009, while EC decided to suspend BS disbursements for 2009, but which included transfers due in 2008 and likely to have been executed at the beginning of 2009. Switzerland and Norway are likely to take the same decisions at the beginning of 2009. Altogether, the GoN estimates that these decisions may concern around 64 m. US\$, or 4,6% of the scheduled revenue side of the 2009 budget. Under these conditions the first BSG meeting, scheduled for April 2009, will probably be cancelled. On the other hand the US have also suspended their aid to the millennium goals ("Fundación Cuenta Reto del Milenio")⁵³, which concerns a sum a least as important as the BS.⁵⁴</p>
<p>Letter of Intent and technical Memorandum of Understanding, between the IMF and the GoN, August 28, 2008</p>	<p>Since the November 2008 municipal elections, there is a consensus among the members of the GBS group and of the donor community in general, that there is a clear deterioration of the respect of the fundamental principles from the side of the GoN, that this deterioration may justify the suspension of the BS. Even so it should be noted that the use of very general conditions as stated in the JFA give rise to political interpretations witch very well may differ from one donor to another and eventually can lead to non coordinated or contradictory actions.</p> <p>Another difficulty may rise from the fact that the maintenance of an appropriate macroeconomic framework is a pre-condition for all donors but corresponds to a <i>de facto</i> alignment with the IMF assessment of progress in the reform included in the PRGF. According to the GBS evaluation, this <i>"limits the flexibility of GBS dialogue, ..., and reduces the effectiveness of the JFA as a partnership instrument since the dialogue becomes highly influenced by an International Partner (the IMF) which is not part of the BSG"</i> (p. 34)⁵⁵. These gave rise to a</p>

⁵¹ The two most clear cases are those of CINCO, a NGO specialized in communication and directed by Carlos Fernando Chamorro, a famous journalist and ex director of "Barricadas", a Sandinista publication of the eighties, and MAM (Movimiento Autónomo de Mujeres) known for its opposition to the law prohibiting the therapeutic abortion.

⁵² Some donors also complain about a lack of transparency in cooperation with Venezuela and a lack of independence of the Justice sector (interview with A5)

⁵³ This Fund, financed by the USA, was created in June 2006 with the objective of disbursing up to 175 m. US\$ in 5 years. BCN estimates that it had disbursed around 10 m. US\$ in 2007

⁵⁴ A raíz de la manera en que se gestionaron las elecciones municipales del 9 de noviembre, los EEUU decidieron suspender los nuevos proyectos de la Cuenta Reto del Milenio, a partir del 1 enero 2009. Informaron el Gobierno con una carta del 16 de diciembre. La carta menciona que para normalizar su ayuda el Gobierno debería llegar a un acuerdo amplio (con la oposición y sociedad civil) sobre las medidas que corregirían las irregularidades del proceso electoral, reformas en el Consejo supremo electoral, ley electoral, instituciones democráticas etc. El 11 de marzo el Directorio del MCC decide si cancelar definitivamente los USD 64M que quedan para comprometer sobre el total de 175M, si seguir la suspensión hasta nueva fecha o si reanudar los proyectos (lo que parece poco probable). Personal communication from DCE, March 3, 2009.

⁵⁵ However the EC does not require, strictly speaking, an IMF letter of confort in order to disburse a BS tranche.

<p>Interviews with A5, A17, A18, A20</p> <p>DCE: Notas preparatorias a la evaluación del tramo fijo del PAPND (2006)</p> <p>Interviews with A25 to A30, A17, A18, A20.</p>	<p>temporary suspension of disbursements in the first half of 2005 and in April 2008 (see I 4.2.2). It should be noted that there has been no disagreement between the IMF and the donor community in Nicaragua from 2002 onwards, and also no contradiction between the conditions and targets stated in the IMF programme, and the 2008 PAM.</p> <p>Finally, it is beyond doubt that the GBS technical conditions (PAM) are increasingly functional as the number of indicators have diminished and reflects more the appropriation of the GoN, but it also should be noted that these indicators and their respective targets do not pledge the donors since each one signs with the GoN its own financial agreement containing a proper list of conditions and targets. The function of the PAM is not to offer precise targets which in turn will trigger disbursements, but to render the GoN accountable of its objectives and realizations, to measure results and to fuel a policy dialogue which should improve the PMF.</p> <p>Technical conditions are not always strictly respected. Concerning the EC BS, disbursements have been made even if it was acknowledged that some conditions were not fulfilled. See for example the inside 2006 debate on the disbursement of the PAPND fixed tranche which did not respect most of the targets concerning the rural sector. On the other hand new conditions, not agreed on, may appear and slow the disbursement process, as happened in 2008 when GoN was warned that the 10 m. € of the PAPSE fixed tranche would be released only when the delayed Financial Agreements of other interventions would be signed⁵⁶.</p>
<p>I 4.1.3 Evidence that disbursements are on time and coordinated with GoN and other Donors</p>	
<p>Standard Explanatory Note Closure Statement of PAPSE (2008)</p> <p>Nota de dossier sobre el estado de</p>	<p>Available evidence shows that in the PAPSE programme (SBS to education), of 8 disbursements made for the fixed and variable tranches, 4 were executed after the first of November. Among these were two payments which, according to the Technical and Administrative Arrangements (TAA/DTA), should have been made in the first semester.</p> <p>Almost 20 m. €⁵⁷ which should have been disbursed in 2008, were suspended or postponed to 2009, because of various lateness's due in some cases to the GoN and in others to the EC. In consequence, 13 m. € not yet disbursed were directly affected by the decision to suspend the BS</p>

⁵⁶ El compromiso para este tramo del programa está en el AAP 2007, junto con otros 2 proyectos: apoyo al sector privado y gobernabilidad (registro civil). La Delegación mantuvo la posición que los tres programas se tenían que aprobar como un paquete conjunto. Por lo tanto, el retraso de parte del Gobierno en aprobar los otros 2 proyectos tendría impacto sobre el pago del tramo fijo PAPSE. Efectivamente las 3 acciones del AAP 2007 fueron aprobadas por el Gobierno con mucho retraso, solo a finales de Octubre. Pero para el tramo del PAPSE quedaban pendientes algunas condiciones técnicas (plan de mejoramiento de finanzas públicas sectoriales, definición de los indicadores y metas, que luego acordamos). El plan sigue pendiente, y además luego llegaron las elecciones... Communication from DCE, March 3, 2009.

⁵⁷ The disbursements normally due in 2008 if no delay had occurred, were the following:

PAPND	FT	10 m €
	VT	6.5 m €
PAPAJ	FT	3 m €

<p>cumplimiento del PAPSE II (12/12/08)</p> <p>Interviews with A16, A18, A17, A20</p>	<p>disbursements, officially announced on the 10th of December 2008. Only 6.5 m. € corresponding to the variable tranche of PAPND (65% of the 2006 targets of 10 m. €) evaluated in 2007 will be disbursed in 2009.</p> <p>Disbursements are coordinated with other donors, scheduled on a quarterly basis, and communicated to the GoN. For the reasons already mentioned, the 2008 schedule was not respected.⁵⁸</p>
<p>C 4.2 The EC interventions have improved the inclusion of external assistance into the public policy & public finance process</p>	
<p>I 4.2.1 Increased size and share of external and EC funds made available through national budget</p>	
<p>GBS evaluation Nicaragua 2005</p> <p>DTAs and reports PAPND and PAPSE</p> <p>2006 and 2008 Surveys on Monitoring the Paris Declaration Country chapter Nicaragua</p>	<p>Since the introduction of the Single Treasury Account (CUT) in 2001, there has been a considerable increase in funds channelled through the CUT (all loans and a majority of grants), which means that these funds are “on treasury”. But this does not mean that they are “on budget”. Indeed, many funds are not integrated into planning and budget preparation. Even PAPSE, an EC SBS programme, was not “on budget” until 2006 (Mid Term evaluation, annex 10, p.4).</p> <p>The 2005 and 2007 surveys of the Paris Declaration (see figure EQ9.5) show that in Nicaragua the proportion of aid on budget passed in two years from 49% to 63% for EC aid, and from 73% to 83% for all donors’ aid. This is a impressive progress but it should be remembered that the GoN has some times deliberately kept some aid out of budget in order to avoid the almost 20% “tax” constituted by the legally earmarked funds (see I 4.5.2).</p> <p>According to the GBS evaluation in Nicaragua, the funds disbursed through BS did not add new commitments, but rather replaced other funding instruments. Available information does not permit rebuttal or confirmation of this statement: from 2002 to 2008 variations in commitments and disbursements have been too wide for it to be possible to draw any conclusion from a mere statistical observation.</p> <p>Figure EQ4.1 shows the relative importance of GBS (all donors) from 2002 to 2007 as compared to total ODA, and the importance of EC BS (general and sectoral) from 2004 to 2008, according to DAC/OECD sources. It can be seen first that in relation to total ODA to Nicaragua (grants and loans), GBS still represents a very small proportion of commitments (6% on average) and of disbursements (4%). Second, the importance of GBS was growing until 2006, but unequally: it passed from 3% to 8% of commitments in 5 years and from 5% to 8% of disbursements. Third, GBS began diminishing in 2007 and this tendency has almost certainly continued in 2008 even so we</p>

⁵⁸ En la práctica, siempre ha habido una coordinación entre los miembros del BSG sobre las fechas de desembolsos, de la siguiente manera: El TWG Macro/GFP preparaba una calendario de desembolsos en el cual se detallaba los compromisos de cada donante y la programación de desembolsos por trimestre. De manera que, se garantizara el flujo continuo de recursos al Tesoro. Una vez listo el calendario, éste era remitido de manera oficial al Ministerio de Hacienda y Crédito Público y al Banco Central. El 2008 ha sido el único año en el que no se ha seguido el cronograma comunicado a las autoridades. Communication from DCE, March 3, 2009.

don't yet dispose of data's on that year. Fourth, GBS is not only small, it is also unpredictable according to the definition used by the Paris Declaration monitoring system: on average funds disbursed represented 41% of commitments, but this ratio varied from 102% in the first year of GBS in Nicaragua (2002) to 15% in 2004⁵⁹.

Figure EQ4.1 : ODA to Nicaragua – All donors

	Committed (current USD m)			Disbursed (current USD m)			GBS disbursed /GBS comitted
	Total	GBS	GBS/ Total	Total	GBS	GBS/ Total	
2002	433	12.6	3%	244	12.8	5%	102%
2003	698	38.1	5%	541	16.4	3%	43%
2004	1.569	98.1	6%	1.212	14.4	1%	15%
2005	706	34.6	5%	541	27.3	5%	79%
2006	1018	82.9	8%	461	38.6	8%	47%
2007	378	n.a.	n.a.	542	32.0	6%	n.a.
Total	4802	266.3*	6%*	3541	141.5	4%	41%*

Source: Author's calculations based on OECD DAC online database on aid activity (CRS)

*Based on 2002 to 2006 information

The EC BS seems more predictable since 86% of the funds initially allocated to the PAPND and PAPSE programmes between 2004 and 2007 have been disbursed. Of course if the 2008 data's are added, then predictability falls sharply since only 6,5 m € were disbursed in 2008.

It can also be seen that between 2004 and 2007 BS represented one-third of EC cooperation through the ALA budget line. In turn the ALA budget line represented almost 51.6% of all budget lines.

Figure EQ4.2 : EC budget support to Nicaragua: PAPND+PAPSE

	(current EUR m)			
	Committed	Disbursed	D/C	D/ALA D*
2004	15	15		34%
2005	11	9,75		27%
2006	23,5	22,5		49%
2007	18	10,47		23%
2008	26,5	6,5		
Total 04-07	67,5	57,72	86%	34%
Total 04-08	94,0	64,22	63%	

Source: Author's calculation based on PAPND reports and on PAPSE - Standard Explanatory Note and Closure Statement 2008, and information from the Delegation and from CRIS database.

⁵⁹ Predictability is defined here, following the Paris Declaration Monitoring System, as the difference between commitments announced by donors and disbursements effectively recorded by beneficiaries' governments. The lower the difference, the higher is predictability. Predictability depends both on donors which should provide reliable commitments over a multi-year framework and disburse aid in a timely and reliable manner, and on the beneficiary country which should record all disbursements in its national accounting system. The predictability indicator therefore measures problems and achievements stemming both from the donor and from the beneficiary side. The predictability indicator of the PD monitoring system does not necessarily encompass the real concept of predictability of budget support which is the difference between the amount announced by a donor during the period of budget preparation and the amount effectively and punctually disbursed during the budget execution period.

	<p>* D/ALA D is the ratio between disbursement in BS and total disbursements through the ALA budget line</p> <p>In the case of BS, the rate of disbursement is not necessarily an indicator of effectiveness in the short/medium term: a low rate of disbursement may be caused by the Government's inability to meet the conditions set out in the programme, which in turn may reflect poor programme design (unrealistic conditions or goals), or alternatively an indication that results indicators and conditions are taken seriously by donors. Therefore, differences between amounts committed and disbursed do not necessarily indicate a lack of predictability.</p> <p>Another observation is that there is no commonly agreed information on ODA in general or on BS in particular. Data's may vary significantly whether they come from the IMF, the DAC/OCDE or from Nicaraguan sources (BCN/MINREX/MHCP). The following table, as compared with EQ 4.1 and 4.2, illustrates this point</p> <p style="text-align: center;">Figure EQ4.3 : ODA and GBS to Nicaragua from 2002 to 2007 – All Donors - Current US\$ m</p> <table border="1" data-bbox="448 1048 1390 1339"> <thead> <tr> <th></th> <th>Total ODA disbursed (a)</th> <th>Total GBS disbursed (b)</th> <th>Total EC GBS disbursed</th> <th>b/a</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>510</td> <td>6</td> <td>0</td> <td>1.2%</td> </tr> <tr> <td>2003</td> <td>553</td> <td>8</td> <td>0</td> <td>1.4%</td> </tr> <tr> <td>2004</td> <td>602</td> <td>63</td> <td>19</td> <td>10.5%</td> </tr> <tr> <td>2005</td> <td>718</td> <td>40.2</td> <td>11.5</td> <td>5.6%</td> </tr> <tr> <td>2006</td> <td>875</td> <td>129.0</td> <td>27.7</td> <td>14.7</td> </tr> <tr> <td>2007</td> <td>1020</td> <td>110.6</td> <td>26.5</td> <td>10.8%</td> </tr> <tr> <td>Total</td> <td>4278</td> <td>356.8</td> <td>84.7</td> <td>8.3%</td> </tr> </tbody> </table> <p>Source: from 2002 to 2004: Evaluación Conjunta APG: Informe País Nicaragua, cuadros A 3.1 to A 3.4. From 2005 to 2007: BCN 2008, Informe de cooperación Oficial Nicaragua 2007 y anexos al PGR 2009, Tabla No 3.6.</p> <p>According to the figure 4.3, GBS disbursed represented, on average, more of 8% of total ODA to Nicaragua between 2002 and 2007, and reached a peak of almost 15% of ODA in 2006. EC disbursements on the same period represented almost one fourth (23.7%) of total GBS disbursement. Different sources offer different information on ODA and GBS.</p>		Total ODA disbursed (a)	Total GBS disbursed (b)	Total EC GBS disbursed	b/a	2002	510	6	0	1.2%	2003	553	8	0	1.4%	2004	602	63	19	10.5%	2005	718	40.2	11.5	5.6%	2006	875	129.0	27.7	14.7	2007	1020	110.6	26.5	10.8%	Total	4278	356.8	84.7	8.3%
	Total ODA disbursed (a)	Total GBS disbursed (b)	Total EC GBS disbursed	b/a																																					
2002	510	6	0	1.2%																																					
2003	553	8	0	1.4%																																					
2004	602	63	19	10.5%																																					
2005	718	40.2	11.5	5.6%																																					
2006	875	129.0	27.7	14.7																																					
2007	1020	110.6	26.5	10.8%																																					
Total	4278	356.8	84.7	8.3%																																					
<p>I 4.2.2 Increased predictability of external and EC funds</p>																																									
<p>GBS evaluation Nicaragua 2005 DTAs and</p>	<p>As shown in the previous figure, GBS in Nicaragua is relatively unpredictable, at least at a global (all donors) level. It should be noted that in 2005 the IMF postponed the Poverty Reduction and Growth Facility (PRGF) review because delays in budget approval along with other factors (the large wage increases approved by the National Assembly in the 2005 budget as well as the delayed passage of other laws). This, in turn, triggered the suspension of</p>																																								

<p>reports PAPND and PAPSE</p> <p>2006 and 2008 Surveys on Monitoring the Paris Declaration Country chapter Nicaragua</p>	<p>the 2005 GBS disbursement until September 2005. In 2008, a mixture of technical⁶⁰ and political⁶¹ problems led to a new suspension of disbursements.</p> <p>As can be seen in figure EQ 9.5, the general predictability of external aid to Nicaragua is relatively good since in 2005, 70% of aid committed was effectively registered by the GoN and in 2007 this indicator was 74%. The EC results are less good: the predictability indicator was 52% in 2005 and 55% in 2007. If these results were strictly comparable to the results shown in I 4.2.1, the conclusion would be that the predictability of EC cooperation is better than average in BS, but worse than average all together.</p> <p>Figure EQ 4.4: Predictability according to the monitoring of the Paris Declaration: percentage of aid committed effectively registered by the GoN</p> <table border="1" data-bbox="619 808 1003 920"> <thead> <tr> <th></th> <th>2005</th> <th>2007</th> </tr> </thead> <tbody> <tr> <td>All donors</td> <td>70%</td> <td>74%</td> </tr> <tr> <td>CE</td> <td>52%</td> <td>55%</td> </tr> </tbody> </table> <p>Source: 2006 and 2008 Surveys on Monitoring the Paris Declaration Country chapter Nicaragua</p>		2005	2007	All donors	70%	74%	CE	52%	55%
	2005	2007								
All donors	70%	74%								
CE	52%	55%								

I 4.2.3 Evidence of the quality of the policy dialogue: conducted by the GoN, conducive to government strategy, coordinated between Donors, frequency, level, content of the dialogue, implication of the EC.

<p>GBS evaluation p.28-29</p> <p>Joint Financing Arrangement for GBS Between the Government of Nicaragua and the Donor Group (JFA) May 2005</p>	<p>Two different levels of dialogue are included in the JFA and comprise all the signatories of the agreement⁶²:</p> <p>(i) at policy level involving meetings twice a year: an annual and a Mid-Year meeting. The annual meeting is held in May of each year to review progress with implementation of the PRS in fiscal year n-1, and to pledge Donor contributions for the next fiscal year, n+1. In August or September the Mid-Year meeting takes place to review progress in the financial year to date and to confirm donor pledges in line with the budget cycle of the GoN. (ii) at technical level (working groups) with quarterly meetings, which monitor implementation of the PAM.</p> <p>The JFA is explicit and precise on the content, schedule, objectives, key issues and follow-up of the dialogue between GoN and donors.</p> <p>Key issues for Dialogue covers a wide range of topics and include:</p> <p><i>a) the fundamental principles of the JFA</i> <i>b) Macro-economic stability and growth;</i> <i>c) Progress on the implementation of the PRS including issues related to economic growth,</i></p>
---	---

⁶⁰ On the one hand the lack of a new operative development plan to replace the PND, and on the other the refusal by the GoN to pay due bank bonds, led the WB and IMF to fear a strong increase in the risk of financial instability in April 2008. This induced the need for a new agreement with the IMF which was signed in September 2008.

⁶¹ See I 4.1.2 for a general description. The two political parties which were declared illegal by the “Consejo Superior Electoral” in September 2008 are the “Partido Conservador” and the “Partido de Renovación Sandinista” (PRS): the two dominant parties who control the Consejo Electoral (the PLC and the FSLN) decided to eliminate their two small direct rivals.

⁶² The signatories of the JFA are for the GoN the Ministry of Foreign Affairs and the Ministry of Finance and Public Credit, and for the donors the European Commission, Finland, Germany, Interamerican Development Bank, International Development Association (World Bank), Netherlands, Norway, Sweden, Switzerland, and United Kingdom.

<p>A1, A47, A48, A64</p> <p>http://www.hacienda.gob.ni/hacienda/gap2007/main.html</p>	<p><i>employment generation, poverty reduction, equality, vulnerability, marginalisation and human capital;</i></p> <p><i>d) Public sector reform and governance, including political governance and corruption;</i></p> <p><i>e) Domestic resource mobilisation, debt policy and public financial management;</i></p> <p><i>f) Assessment and review of performance of budget execution and expenditure priorities on the basis of the agreed indicators as described in the PAM;</i></p> <p><i>g) Alignment and harmonisation of practices, transparency and predictability of donor commitments and disbursements;</i></p> <p><i>h) Implementation of the JFA.” (see JFA p.5)</i></p> <p>As already stressed in I 4.1.2, most of the interviewees from the ex Bolaños government insist on the quality of the policy dialogue and note that it gave the GoN incentives to pursue its modernization programme, to maintain the macro-economic stability and to resist to some inside political pressure.</p> <p>On the other hand the information available on the various meetings of the BS Group in 2007 and 2008 show a good quality and a real openness and frankness, between GoN and donors, on the discussion about the development of the country, its priorities and means. Due to its financial weight, EC had an important role in this dialogue (see C4.6).</p>
<p>I 4.2.4 Evidence that non financial support (Technical Assistance) has responded to expressed needs, has shown clear results and has been sustainable (capacity building)</p>	
<p>Interviews with A2, A3, A48</p> <p>Evaluación de Medio Término al Programa de Apoyo Institucional a las Políticas de Desarrollo de Nicaragua (PAINIC) 2007</p>	<p>PAINIC, the EC technical assistance project linked to BS, was not asked for by the GoN but was proposed by the EC as part of the “BS package”. Therefore, according to the mid-term evaluation, to members of the prior government and to some members of the Technical Assistance team themselves, it was confronted with many difficulties (changes in the TA team, limited response by national institutions, lack of effectiveness, impact and sustainability). Even so, these results varied, disappointing for example for the MECD (Ministry of Education, later NINED), but quite good in the Justice sector and also in the MHCP during the programme’s last months. In the Justice sector PAINIC is remembered as having played a crucial role in the elaboration of a realistic sectorial plan which adjusted itself to the Medium Term Budget Framework. At the end of 2007 the Minister of Finance asked for an International Technical Assistance to elaborate a Modernisation Plan of the MHCP, assistance which was successfully provided by PAINIC.</p> <p>Interviewees also stress that PAINIC played an important role, in 2007, in explaining to the new Sandinista government the meaning, objectives and functioning of Budget Support. This could partly explain the initial enthusiasm of the GoN for this aid modality.</p>
<p>C 4.3 The EC interventions have contributed to improving public financial management</p>	
<p>I 4.3.1 Existence and effective application of an Action Plan to improve public finance management, which offers clear priorities and sequences</p>	
<p>GBS Evaluation p.190</p>	<p>Until 2002 a Financial Action Plan was not a real priority because fiscal policy was very much under the control of the IMF and the country had begun modernising its public finance management with the introduction of SIGFA</p>

<p>Interviews with A1, A2, A3</p> <p>Interview with A70, A71, A72 GoN: “Programa de Defensa de la Producción, el Crecimiento y el Empleo del año 2009”</p>	<p>(Sistema Integrado de Gestión Financiera y Auditoría), SNIP, etc. From 2002 forwards, current action plans are largely derived from the CFAA (Country Financial Accountability Assessment) and CPAR (Country Procurement Assessment Report), both prepared in 2003, but they mainly consist of pinpointing of measures, often agreed with one or more donors.</p> <p>In 2003, GoN begins to work on a Medium-Term Fiscal Framework which was presented to Parliament in 2006. The actual GoN adapted the 2006 framework and presented it to the BSG in June 2008. A revised version was finally presented in September 2008 on the second meeting of the BSG.</p> <p>Finally, as part of the Action Plan, the executive should present to Parliament during the first semester of 2009 a new fiscal law which should, among other things, authorize the GoN to reallocate the numerous tax exemptions which amount to between 200 and 300 m US\$/year.</p>
<p>I 4.3.2 Level of involvement of actors in the preparation process (who participated in the preparation? Who was consulted? Who has criticised it? What publicity was given to debates and to main documents? Who has access to information?)</p>	
<p>World Bank PER 2008 p.122 §6.60</p> <p>P 118 §6.41 and 6.42</p> <p>Interviews with A1, A2, A3, A69, A70, A71, A72</p>	<p>The annual formulation of the budget is made in an orderly fashion, with due participation by the implementing entities, notwithstanding the small scope for flexibility due to earmarked funds and "fixed" expenditures (mostly salaries). The preparation process includes first the main actors which are the MHCP, SETEC and BCN. Previous discussions are held with the main Ministries prior to the first draft, and with Parliamentary specialists before it is sent for debate and approval. CONPES (Consejo Nacional de Planificación Económica y Social⁶³) is also consulted. But these consultancies are not obligatory and depend from one government to another.</p> <p>The Budget is normally presented on time to the National Assembly⁶⁴, is discussed and approved. There is usually no important debate in Parliament which is mostly interested in subsidies, regional matters and universities.</p> <p>In Nicaragua, public access to key fiscal information is good but incomplete. At the beginning of October 2008 the projected budget for 2009 was available on the MHCP website http://www.hacienda.gob.ni/hacienda/ppresupuesto2009/index.html.</p> <p><i>“Law 550 (Ley de Administración Financiera y del Régimen Presupuestario, noviembre del 2005) requires that the general and sector budgets, as well as the monitoring reports should be put at the disposition of citizens through information and communication media</i></p>

⁶³ CONPES is an official consultative institution which represents civil society in Nicaragua.

⁶⁴ 2008 is an exception. The massive fraud committed during the November elections lead to a political crisis which impeded Parliament to meet. In January 2009 the 2009 budget had not yet been discussed and voted. At the end of January, the Sandinista-controlled Supreme Court quashed a 20-years sentence for embezzlement against, Arnoldo Alemán, an ex-president, ex-official in the Somoza dictatorship and leader of the PLC (the most important conservative party). Hours after Mr Alemán's absolution, the PLC ended a filibuster in the Parliament and voted to let the Sandinistas run the legislature's affairs.

<p>www.openbudgetindex.org</p>	<p><i>available, at the latest fifteen days after their issuance. An important medium that has been recently used by the MHCP to disseminate such information is the Citizen Access Portal (www.consultaciudadana.gob.ni), where the budget documentation, the in-year execution reports and the annual execution reports of the PGR are published. Notwithstanding of these advances, some critical information is not yet easily available to the public, such as the public sector financial statements, the audit on the PGR (Presupuesto General de la República), or information on tender processes and public contracting.” World Bank PER 2008 p.122</i></p> <p>The private International organisation “Open Budget” considers that the GoN offers little budget information to the public during the year. According to this organisation it is difficult to monitor expenditures, tax collection and loans. Nicaragua provides good information in its in-year reports but does not publish a comprehensive mid-year review. Year-end reports by the executive are released in a timely manner but lack the details needed to facilitate comparison between enacted levels and actual outcomes. They permit a comparison between what was budgeted and what was effectively collected and executed, but do not provide some critical information, such as the use of under-executed funds which are some times important. Also, Nicaragua doesn’t publish its audit reports and doesn’t offer information on the follow up of the audit recommendations.</p> <p>Since 2008 the responsibility for preparing the capital expenditure part of the budget Lies directly on the Presidency (SETEC), which constitutes a clear setback from previous rules.</p>
<p>I 4.3.3 Evolution of procurement policies and activities</p>	
<p>World Bank PER p. 124 §6.75 Interview with A1</p>	<p>The State's Public Contracting Law was elaborated at the beginning of the 1990s with the help of the WB and was amended in 2003 (Law 323). According to the WB 2008 PER (p.124), <i>“The Public Procurement Law promotes competitive processes, establishes ceilings for three types of tenders (public, by registration, and restricted) and for the use of quotations, and describes the exception mechanisms. However, there is currently no information system that permits gathering and producing aggregate data on the number and amount of processes under each of the cited methods. The recent worthy introduction of the Public Procurement and Contracting System (SICCE) aims at, among other objectives, filling the cited gap. The Office of the Controller General (CGR) authorises the exceptions to the established procedures. The exceptions are presumably made according to the law (“for reasons of urgency, safety or other reasons of public interest”, by means of a justified petition). The CGR publishes monthly summaries of the approved exceptions (www.cgr.gob.ni), but not of the correlated justifications. With respect to the complaint mechanisms available to bidders, the Law sets forth three administrative instances: (i) recourse of clarification before the Tender Committee; (ii) recourse of impugnation before the Reviewing Committee; and (iii) recourse for annulment before the CGR.”</i></p> <p>The application of Law 323 has brought to light some significant weaknesses in the</p>

I 4.3.5 Evolution of the role of the Court of Auditors and of its functioning)	
<p>World Bank PER p. 129 and 141</p> <p>Interviews with A17, A18, A20, A70 See: “Arreglo Conjunto de Financiamiento PAM Revisada Matriz Finanzas Públicas Estado de Avance de Metas, Indicadores y Acciones” 2008 http://www.hacienda.gob.ni/hacienda/gap2007/MATRIZ_de_finanzas.pdf</p>	<p>The CGR (Contraloría General de la República) is officially an independent and autonomous constitutional entity and the members of its Superior Council are elected by the National Assembly. The CGR submits its reports to the highest authority of the entity audited. The National Assembly only receives the annual performance report of the CGR but can request special audits.</p> <p>The World Bank PER of 2008 summarised its findings on external audit on the following way: <i>“The ex post scrutiny of public expenditure, although guaranteed by law, in practice is limited because the National Assembly does not receive all external audit reports, and when it does, their review and discussion take a significant amount of time, with minimal subsequent monitoring.</i></p> <p><i>With respect to the Office of the Controller General of the Republic (CGR), an important recent step was the preparation of an evaluation of the 2004 annual budget execution report. However, since this activity did not constitute a financial audit, its scope was limited in comparison to international practice. On the other hand, for the audit reports that are indeed produced (most of them of a “special” type), the monitoring of recommendations is made in a formal fashion but, in general, the response from implementing entities is delayed and not particularly thorough. The monitoring system that the CGR is putting into practice is another important step that would help to improve monitoring during future years.”</i></p> <p>Although there are no public sector financial statements, the annual Budget Execution Report was not normally audited by the CGR before 2006. Performance audits were not conducted (p. 141). A first audit of the Budget Execution Report, covering fiscal year 2005, was completed and presented to the Finance Ministry (MHCP) in 2007. A second audit, covering 2006, was presented in September 2008. A third audit, covering fiscal year 2007, should be presented in August 2009. A fourth audit, covering fiscal year 2008, was scheduled to begin in the second semester of 2009, but will probably be postponed due to the present international crisis which affects directly the programmed government incomes from taxation⁶⁵. Even so, these auditing practices constitute an important progress whose importance should be highlighted. However, since there are no significant sanctions or penalties associated with the findings published by the General Controllers Office (CGR), its control capacities are very limited.</p>
I 4.3.6 Evolution of the institutional framework governing the Public Financial Management (PFM)	
<p>Evaluation of GBS p.190</p>	<p>The Public Finance Management system in Nicaragua was considered rather weak but it displayed strong improvement after 2002: application and progressive implementation of the “Integrated Financial management and Audit System” (SIGFA), the Government Procurement Reform programme, the Public Sector Modernisation Project, the Programme for Modernisation</p>

⁶⁵ According to a GoN document released in February 2009 (“Programa de Defensa de la Producción, el Crecimiento y el Empleo del año 2009”), the projected diminution in tax revenue in 2009 is of 65,6 m. US\$, which represents 4,7% of the projected 2009 budget (current incomes).

<p>Evaluation of GBS p.50</p>	<p>and strengthening of the Controller General's Office, the growing institutionalisation of the national public investment system (SNIP).</p>
<p>World Bank PER p.123 §6.69 and p.138</p>	<p>In 2004-2005, an ambitious process on reform in different fronts was launched, of which the most relevant result is the November 2005 new law on financial administration and the budget⁶⁶ (law 550).</p>
<p>World Bank "Program Document for a Development Policy Credit" August 2008, p. 12</p>	<p>The law improved the controls over financial resources, implemented a single treasury account, strengthened the budget system, and implemented the Medium Term Expenditure Framework (MTEF). In addition, the Government improved its debt management through a new and comprehensive legal framework (Law No. 477), and the development of new systems for debt management.</p> <p><i>"This law coordinates all systems of public expenditure management: the budget, the treasury, accounting and public credit. It regulates all processes related to the formulation, approval, execution, control, evaluation and liquidation of the national budget. In particular, it reduces the possibility of increases in the budget decreed by the Executive during the financial year without the approval of the National Assembly."</i> (GBS evaluation p.50)</p>
<p>Interview with A2</p>	<p>This last aspect is important because during recent years modifications to the budget have been significant⁶⁷. As these have increased, and not diminished the expenditure, they had no negative effect either on fiscal discipline or on the funds available for the entities. The increments were a consequence of internal revenues that exceeded the amount budgeted and of automatic budget additions for project loans and grants.</p>
<p>Interview with A2</p>	<p>But to a large extent, the reforms achieved have been made with the support of technical assistance contracted under projects with external financing. In September 08 many MHCP civil servants were still paid through externally financed projects which are due to end sooner or later. Therefore, the sustainability of these reforms will depend on aspects such as human resource management in the public sector and the development of governmental capacity to formulate, implement, supervise and evaluate modernisation project.</p>

⁶⁶ Ley de Administración Financiera y del Régimen Presupuestario

⁶⁷ These budget modification meant: 17,1% of total budget in 2003, 11,1% in 2004 and 24,5% in 2005

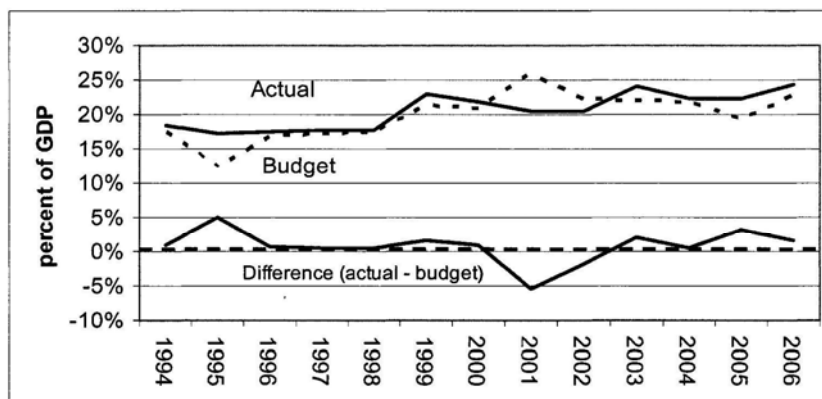
C 4.4 The EC interventions have contributed to improve the policy preparation, implementation and monitoring, including the use of budget as a policy instrument

I 4.4.1 Budget execution is closer to plan on both income and expenditure side

World Bank
PER 2008 p.
23, 24

Even though the GDP share of actual central government spending has been steadily increasing, the budgets presented to Congress exhibited a declining trend from 2001 until 2006 (see next figure). Another noteworthy feature of the initial budgets presented to Congress each year is that they systematically underestimate budget execution: since 1992, central government expenditures have exceeded, on average, the initial budget presented to congress by 1% of GDP, and they have only fallen below the initial budget in two years during that entire period, namely 2001 and 2002. This pattern reveals continuing problems in public expenditure management, especially in the area of budgeting. (World Bank PER p.23). The main reasons for this systematic under-estimation of real expenditures are twofold. First, given that the earmarked expenditures represent almost 20% of the budget, there is a clear incentive to present a very conservative budget so as to minimise these expenditures. Second, because it was possible until 2005 to increase the budget during the fiscal year without previous approval of Parliament, external grants and loans could be included in the budget without requiring serious planning and predictability.

Figure EQ4.5 : Total Central Government Expenditures; 1994-2006 (Budgeted versus Executed)



Source: Ministerio de Hacienda y Crédito Público.

The process of estimating revenues has improved in recent years, mainly through better coordination between public institutions responsible for revenues.

The following figure compares budgeted and executed receipts. It can be seen that performance has been good in terms of availability of funding: in none of the three years reviewed did actual internal collections fall below the budgeted amounts. On the other hand, it is clear that forecasts have been consistently conservative, which may point at weaknesses in the preparation of the projections reflected in the revenue budget (World Bank PER 2008, p.115).

<p>World Bank PER p.115 §6.24</p>	<p style="text-align: center;">Figure EQ4.6 : Aggregate Internal Revenue Execution (percentage of the revenue originally budgeted)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">2003</th> <th style="text-align: center;">2004</th> <th style="text-align: center;">2005</th> </tr> </thead> <tbody> <tr> <td>Tax revenues</td> <td style="text-align: center;">105.8</td> <td style="text-align: center;">109.9</td> <td style="text-align: center;">110.9</td> </tr> <tr> <td>Non-tax revenues</td> <td style="text-align: center;">120.7</td> <td style="text-align: center;">168.5</td> <td style="text-align: center;">98.6</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">106.8</td> <td style="text-align: center;">113.2</td> <td style="text-align: center;">109.9</td> </tr> </tbody> </table> <p style="text-align: center;">Source: World Bank, PER 2008, p. 115 based on MHCP</p>		2003	2004	2005	Tax revenues	105.8	109.9	110.9	Non-tax revenues	120.7	168.5	98.6	Total	106.8	113.2	109.9
	2003	2004	2005														
Tax revenues	105.8	109.9	110.9														
Non-tax revenues	120.7	168.5	98.6														
Total	106.8	113.2	109.9														
<p>I 4.4.2 Existence/preparation of a medium-term expenditure framework or at least of a medium-term plan</p>																	
<p>Interview with A1</p> <p>World Bank 2004 HIPC review p 5</p> <p>World Bank PER 2008 p.118 §6.50-6.53</p>	<p>The process of preparation of a medium-term expenditure framework, initiated in 2003 and supported by COSUDE, achieved its first success in the law on financial administration and the budget of November 2005.</p> <p>This law (known as law 550) introduced the Medium-Term Budget Framework (Marco Presupuestario de Mediano Plazo or MPMP), “<i>which must contain at least an estimate of revenues, expenditures, physical and production goals, programme of public investments, programming of external disbursements, loans and grants, evolution of public debt, and a description of budget policies and criteria that support the MPMP</i>” (WB PER 2008 p.118).</p> <p>The budget documentation of 2006 included the MPMP for the first time, as part of a strategy that reasonably anticipated its development by stages. It was constructed on the basis of a Medium-Term Sector Expenditure Framework (Marco de Gastos Sectoriales de Mediano Plazo or MGSMP) that started with three pilot institutions (Ministries of Education, Health and Transport) for the 2006 budget and was extended to other entities that form part of the PGR (Presupuesto General de la República) for the 2007 budget. At the end of 2008 35 public institutions already had their Medium-Term Framework.</p> <p>In brief, as for the medium term budget framework, the steps taken are recent but relevant. The framework has a clear legal basis, and the MHCP has an adequate strategy in place to implement this new instrument in stages.</p>																
<p>I 4.4.3 There is a Performance Assessment Framework whose indicators are regularly monitored and are based on reliable statistics</p>																	
<p>JFA 2008</p> <p>Interview with A1, A2</p>	<p>As was explained in I 4.1.2, the Performance Assessment Matrix (PAM) attached to the Joint Financial Agreement (JFA) was progressively simplified (rationalized) and its last version (2008) contains four parts (macro-economy and public finance, governance and justice, productive sectors, social sectors), includes 19 objectives, around 20 actions which are proposed every year and 28 indicators. The matrix has been considerably simplified and constitutes now a compromise between the objective of the GoN which was to limit the PAM to 10 indicators close to the Millennium Goals, and the objective of the donors which was to reflect the complexity of the development reality. The monitoring of the PAM is done by Technical Working Groups which meet quarterly and are composed of technicians from GoN and the donor community.</p> <p>The quality of the statistics used is unequal: good for financial matters or infrastructures, but much less reliable for the social sectors where the progress</p>																

C 4.5 The EC interventions have contributed to orienting budget priorities towards the poor in rural areas

I 4.5.1 Trend in allocations to and actual expenditure in social sectors and in pro-poor expenditures (e.g. primary schools, food security programmes, basic health care, security net, welfare programmes...)

World Bank
PER figure 3.4 p
47

Evaluation GBS
table B3.1 p.46

CESEP 2007
Informe del
gasto en
Pobreza y Alivio
HIPC 2006 (see
bibliography
Evaluation
GBS)

IMF:
“Nicaragua,
Letter of Intent
and Technical
Memorandum
of
Understanding,
August 28, 2008

Grupo de
Apoyo
Presupuestario:
Declaración de
los Cooperantes.
Reunión Anual
2007

The following figure shows that Nicaragua was well below the Latin and Central America average between 1991 and 2003, but that total public social sector spending as a share of total social expenditures and of GDP rose slowly but steadily from 6.6% of GDP (and 34% of public expenditure) in 1991 to 8.8% of GDP (and 40% of public expenditure) in 2003.

Table EQ4.5 : Social Sector Spending in Central and Latin America; 1990-2003

	<i>as % of GDP</i>				<i>As % of Total Public Expenditures</i>			
	1990/91	1994/95	1998/99	2002/03	1990/91	1994/95	1998/99	2002/03
Total Public Social Sector Spending								
Costa Rica	15.7	16.0	16.6	18.9	na	na	63.6	64.5
El Salvador	na	na	na	7.1	na	na	na	35.9
Guatemala	3.3	4.0	6.0	6.5	29.5	41.4	44.9	50.0
Honduras	7.9	7.8	7.5	13.0	36.4	32.0	31.4	51.8
Nicaragua	6.6	7.1	7.6	8.8	34.0	39.9	37.1	40.0
Panama	16.3	17.3	16.5	17.5	40.2	43.5	45.5	45.4
<i>LAC Average</i>	<i>9.3</i>	<i>10.6</i>	<i>11.9</i>	<i>12.0</i>	<i>40.5</i>	<i>44.0</i>	<i>46.8</i>	<i>44.1</i>
Public Spending on Education								
Nicaragua	2.6	2.8	3.4	4.1	13	15.8	16.7	18.5
<i>LAC Average</i>	<i>2.9</i>	<i>3.4</i>	<i>3.9</i>	<i>4.3</i>	<i>13.9</i>	<i>15.2</i>	<i>15.9</i>	<i>16.7</i>
Public Spending on Health								
Nicaragua	2.8	2.8	2.7	3.0	14.0	15.8	13.3	13.5
<i>LAC Average</i>	<i>2.3</i>	<i>2.5</i>	<i>2.6</i>	<i>2.7</i>	<i>9.8</i>	<i>10.0</i>	<i>10.1</i>	<i>9.9</i>

Source: CEPAL, Panorama Social de America Latina, 2006.
Source: World Bank, PER 2008, p. 47

The next figure shows that the share of poverty-related Public Expenditure rose from 8.3% of GDP in 1998 to 13.3% in 2007, just below the 13.5% target initially fixed in the PAM. Current poverty-related expenditure usually represents between 40% and 45% of total poverty-related expenditures, the rest being capital expenditures⁶⁹.

It must be noted that the policy dialogue between the BSG and the GoN includes discussions and observations on the fact that the increase in the poverty related expenditures such as reflected in the statistics, do not lead to an effective reduction of poverty in Nicaragua. The Donors bring into question both the quality of the statistics and the effectiveness of the poverty related public spending.

⁶⁹ In 2008 the GoN decided to change the definition of the “poverty –reducing expenditure”, and to separate “internal expenditures” (expenditures financed by internal revenues) from “external expenditures” (expenditures financed by external revenues). As a consequence the targets for 2008 and onward distinguish between “internal” and “external” targets.

Table EQ4.6 : Poverty related public expenditure 1997-2006		
	TOTAL US\$ m	As a% share of GDP
1997	302,0	8,9
1998	295,5	8,3
1999	429,2	11,5
2000	457,0	11,6
2001	455,1	11,3
2002	409,2	10,2
2003	478,6	11,6
2004	551,0	12,1
2005	626,4	12,5
2006	647,6	12,3
2007	762,0	13,3

Source: Author's calculation based on GBS evaluation, on CESEP (2007) and on IMF (2008)

I 4.5.2 Existence of “protected expenditures”⁷⁰ in the budget

<p>World Bank PER 2008 p. 121, table 6.4</p>	<p>The World Bank PER of 2008 describes the situation in the following terms: <i>“Inevitably, efforts to enhance budget planning and programming are restricted by earmarked allocations mandated by the Constitution and laws. As part of the total expenditure, at least 6% must be allocated to public universities and 4% to the Supreme Court of Justice. And as part of the revenues, 6% was allocated in 2006 to municipalities, a figure that according to current legislation must increase at least 0.5% per year until reaching 10%). There are other minor mandated allocations, as well as miscellaneous fees and charges (rentas con destino específico) that the entities can claim for their own use. Altogether, legally earmarked funds can amount to around 19% of primary expenditures”(p.121) and can reach 24% in the future (see next Table).</i></p> <p style="text-align: center;">Table EQ4.7 : Legally Earmarked Funds (percentage of primary expenditures)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">2006 Budget</th> </tr> </thead> <tbody> <tr><td>Universities</td><td style="text-align: center;">6.1</td></tr> <tr><td>Municipal transfers</td><td style="text-align: center;">4.9</td></tr> <tr><td>Supreme Court of Justice</td><td style="text-align: center;">4.0</td></tr> <tr><td>Other legal allocations</td><td style="text-align: center;">1.1</td></tr> <tr><td>Entities' “own funds”</td><td style="text-align: center;">2.7</td></tr> <tr><td>Total</td><td style="text-align: center;">18.8</td></tr> </tbody> </table> <p style="text-align: center;">Source: (2006 budget documentation).</p> <p>This earmarking is much criticised first because it constitutes a blockage to pro-poor expenditures, and second because it generates an incentive to under-programme the budget, and to take a conservative approach by not including aid-financed project expenditures in the budget until the requisite financing has been secured. Until recently, the Executive could increase the budget during the course of the fiscal year without requiring immediate legislative approval if</p>		2006 Budget	Universities	6.1	Municipal transfers	4.9	Supreme Court of Justice	4.0	Other legal allocations	1.1	Entities' “own funds”	2.7	Total	18.8
	2006 Budget														
Universities	6.1														
Municipal transfers	4.9														
Supreme Court of Justice	4.0														
Other legal allocations	1.1														
Entities' “own funds”	2.7														
Total	18.8														

⁷⁰ “Protected expenditure” or “earmarked allocation” is an item in the budget which is not at risk of a budget cut or reduction because it relates to a high priority for the government or for a strong lobby group. Usually these items are protected by laws and are very difficult to eliminate.

	adequate sources of funding (loans and grants) became available. Approval could be obtained by means of retroactive amendments of the budget law. With the passage of the Financial Management and Budget Regime Management Law (No. 550) of 2005, however, this practice is no longer permitted as legislative scrutiny of any budget changes has been strengthened.
C 4.6 The EC interventions through budget support offer a value added	
I 4.6.1 Evidence of a visible advantage of EC participation in the preparation and/or implementation of the different budget support interventions or related programmes	
<p>Answers all come from interviews with GoN officials or ex officials, from representatives of other cooperation agencies, from ex members of the DCE staff:</p> <p>A22, A40, A42, A47, A48, A56, A64, A66, A68</p>	<p>It should first be noted that all the opinions received on the role and VA of the EC in BS were positive. Amongst all donors, EC is probably the most committed to BS because of the decision, by Brussels, to shift most of its aid through this instrument. Therefore, EC is also one of the most interested in the success of BS.</p> <p>This being said, the importance and/or value added of a donor in BS is directly linked to:</p> <ul style="list-style-type: none"> ▪ Its financial importance ▪ The quality of its representatives ▪ The quality of its interventions <p>The interviewees stress the role played by the EC in the modernization of the PFM system by the mere importance of its GBS disbursements, the importance of its technical support and of its analytical capacity, the quality of the people in charge of BS (committed, serious and enthusiastic).</p> <p>According to the same interviewees, the EC interventions in BS are not remarkable for the quality of its procedures which are often judged as singular and too complicated (separation between fixed and variable tranches).</p>
I 4.7.2 Evidence of a common political agenda between Member states' donors in the budget support interventions	
<p>Declaración de la Presidencia del Consejo de la Unión Europea sobre las elecciones municipales en Nicaragua, 12/11/08</p>	<p>No evidence was found of a common political agenda between member states' donors in BS interventions. A common political agenda stems from the BS Group which comprises Member states and non-Member states (BID, WB, Switzerland, Norway). The Member states do not constitute any particular group in the BS group and (happily) do not have a separate agenda.</p> <p>Even so the Member states reacted as such to the threat to governance posed by the GoN in 2008: there were common meetings, joint statements and the declaration of the UE presidency in November 08.</p> <p>It should be recalled that this common political agenda, as expressed in the JFA, comprises two parts: the fundamental principles and the PAM. The three major signatories of the JFA (the WB, EC and BID) do not include "democracy" within their criteria's for BS eligibility. So it is at least uncommon for them to sign a document which states so explicitly that democratic principles are "above and beyond" the PAM indicators and targets.</p>

EQ5: Linking relief, rehabilitation and development

EQ5. To what extent did the EC interventions with respect to rehabilitation following Hurricane Mitch link relief, rehabilitation and development and were they coordinated with and reinforcing other EC interventions?	
C 5.1 The rehabilitation programmes had concrete relations with relief operations and specially those financed by ECHO	
I 5.1.1 Number of operators which are the same as in ECHO	
<p>Particip, Food security evaluation – Nicaragua country report, 2006 Authors calculations on the basis of ECHO/HOPE projects lists and IDOM, Evaluation globale de la cooperation de la Communauté Européenne avec le Nicaragua, 2000</p>	<p>A. Food Security The final review reports cases of effective coordination between the implementing organisms of ECHO and Food Security (mainly NGOs) that were successively financed from both lines.</p> <p>4 NGO's receiving funds from the Food Security following Mitch also received post-Mitch ECHO financing. This was in 1998 and 1999.</p>
<p>Authors calculations on the basis of ECHO/HOPE projects lists and PRRAC, annual report 2007, annex 2.2 and 2.3</p>	<p>B. PRRAC PRRAC has three types of project:</p> <ul style="list-style-type: none"> - direct management, with UGP - through para-public institutions and UNDP, and - through NGOs, local initiatives component. <p>In this last category 17 grant contracts were given to 16 European operators under the PRRAC-Nicaragua (ACSUR Las Segovias was granted two contracts).</p> <p>Of these 16 operators 8 were previously financed by ECHO for relief operations related to Hurricane Mitch.</p> <p>In terms of actions, it seems <i>a priori</i> that one case of continuation exists (Solidaridad internacional – Water supply in the Department of Chinandega)</p>

Interview B9	In fact, this is explained by the fact that there is a limited number of NGOs that have presence in Nicaragua and the capacity to submit proposals to the EC. This does not mean that their projects area a continuation.
I 5.1.2 Evidence that design of interventions were related to urgent needs	
<p>EC, Programme review, Food security interventions of the European Commission in Nicaragua 1995-2002, 2002</p> <p>EC, Bi-annual Report 1998-1999 – EU Food Aid and Food Security Programme – Towards recipient country ownership of food security, 1999</p>	<p>A. Food Security</p> <p>The final review 1995-2000 reports the following in relation with post-Mitch operations:</p> <p><i>“Due to additional aid committed by the Commission after the hurricane Mitch, the scope of the FS interventions has increased largely. Specifically a programme was named ‘Mitigation Programme against effects of hurricane Mitch €5M’”. (p 5-6) These were 12 ‘post Mitch’ projects were approved by Official Letter 20132, however executed by NGOs’. These projects were focused on the rehabilitation of farms damaged by the hurricane in the northern and north-western part of the country. (p.8)</i></p> <p><i>Also, an important amount of aid in kind was channelled through EuronAid immediately after the hurricane Mitch. Important amounts of food, agricultural seed, inputs and tools were distributed in affected areas.</i></p> <p><i>The review continues: The indirect aid channelled through EuronAid played an important role in the period immediately after hurricane Mitch. The aid reached the target groups on time and was appropriate to the emergency situation. However, NGOs expressed criticism about procedures, delays and defective materials.</i></p> <p><i>Mitch projects have demonstrated their efficiency.</i></p> <p>According to Annual Report, special assignments linked to El Niño-Mitch were of €5M of direct aid and €4.2M of indirect aid through NGO. In 1998, EuronAid provided €5.2M and €5.1m in 1999.</p> <p>Sources differ on the amounts although: <i>Food Security programmes subsequent to Hurricane Mitch amounted to €30m for all Central America (according to RELEX, Informative report on the PRRAC) and to €13,2m for Nicaragua for aid in kind in distribution of food, agricultural seeds, inputs and tools (the majority was delivered immediately after Hurricane Mitch but subsequently a further twelve post-Mitch projects were financed).</i></p>
Raymond, C. and Doucin, M. for Fondation de France, Limites et efficacité de l'ingérence politique des agences d'aide - après le passage Mitch, 2004	<p>B. PRRAC</p> <p>The design of the PPRAC was directly linked to Mitch devastation:</p> <p><i>“Following the hurricane Mitch in October 1998 and the first relief aid, the European Parliament in its resolution of November 19 1998 has invited the Commission to draft a strategic communication on a reconstruction plan of the region. For the identification of such a plan, the first missions were sent in the first semester of 1999.”</i></p> <p>The Commission’s action plan was presented on 28 April 1999. The Communication establishes as the first principle that <i>“programme activities must effectively bridge the gap between the emergency stage and development cooperation schemes”</i>. The programme is grounded in the conclusions of the team experts sent to the field, which showed that <i>“impact of Hurricane Mitch has</i></p>

<p>EC, Communication from the EC to the Council and the Parliament on a Community Action Plan for the Reconstruction of Central America COM(1999)201, 28.04.1999</p> <p>PRRAC, Annual activity report for the first year 2000, 2001</p> <p>Council regulation EC 2258/96, 22 November 1996 on rehabilitation and reconstruction operations in development countries.</p>	<p><i>exacerbated existing social problems, making it even more difficult for the poor to gain access to basic education and health services". Urgent needs are not mentioned in this Communication.</i></p> <p>The objectives presented in the Communication and by PRRAC (reworded but quite similar) showed that the aim was not to address urgent needs but to support the transformation prompted by the IADB in the Washington Consultative Group ("<i>Reconstruction in the sense of transformation</i>"). This is confirmed in the First annual Report of the PRRAC.</p> <p>The PRRAC objectives are as follows: <i>To contribute to the rehabilitation and the improvement of infrastructures, supply and management of education, sanitary and health services in the zones more affected by the hurricane Mitch and give support to the transformation towards more sustainable development model in the mentioned sectors.</i></p> <p><i>Specific objectives:</i></p> <ol style="list-style-type: none"> <i>1. to rehabilitate and to increase the infrastructures and equipment in education, health, sanitation and housing sectors.</i> <i>2. to strength education, health and sanitation services including the management capacity of related governmental institutions with the aim to improve the efficiency, the quality and the access in particular of poorest population</i> <i>3. to strength the local administrations and the civil society through the support to the encouragement and the implementation of rehabilitation and development plans and the support to the preparation and launching of the normative framework of risk prevention and reducing the impact of this type of natural catastrophes.</i> <p>The PRRAC was financed from the budget line B7-313 <i>Rehabilitation and reconstruction operations in developing countries in Latin America</i>. Its legal basis is the Council Regulation EC 2258/96, 22 November 1996, on rehabilitation and reconstruction operations in development countries. The rehabilitation Regulation describes the procedures for the specific budget lines for rehabilitation and identifies rehabilitation aid as follows: <i>"These operations, of limited duration are to be launched as quickly as possible without compromising the quality of assessment, shall be designed to help re-establish a working economy and the institutional capacities needed to restore social and political stability in the countries concerned and meet the needs of the people affected as a whole. The operations must progressively take over from humanitarian action and pave the way for the resumption of medium-term and long-term development aid. They must in particular permit refugees, displaced persons and demobilized troops to return home and must help the entire population to resume normal civilian life in their countries and regions of origin."</i></p> <p>But PRRAC goes beyond the rehabilitation projects insofar as:</p> <ul style="list-style-type: none"> - it had a duration of 7 years, - it addressed medium-term/long-term development objectives and did not just "pave the way" for them.
--	--

I 5.1.3 Evidence of a link between problems generated by Mitch and EC rehabilitation interventions	
<p>EC, COM(1999)201, 28.04.1999</p> <p>PRRAC Financing Agreement, 2000</p> <p>IDOM, Evaluation globale de la cooperation de la Communauté Européenne avec le Nicaragua, 2000</p> <p>Techniplan, Evaluación del “PRRAC: Estudios y Asistencia Técnica”, 2003</p>	<p>B. PRRAC</p> <p>The Community action plan was presented on 28 April 1999. It extensively set out the damage caused by Mitch, and grounded the selected measures on this information.</p> <p>The PRRAC did not directly establish this link. It did not mention systematically the devastation incurred by Mitch when presenting the activities to be undertaken by the programme, even though PRRAC measures were the same as those presented in the Community action plan.</p> <p>In the area of educational sector, the FA mentions the devastation of Mitch but also bases its intervention on the global context “<i>Given the devastating effects of hurricane Mitch at territorial level, the limited resources of the project ASEN for schooling infrastructures, the spreading out of poverty and extremely poverty phenomena, the enrolment, desertion and illiteracy rates, the projects plans to implement actions in terms of improvement of the MECD coverage and complement the programme for the improvement of schooling infrastructure defined in the project ASEN...</i>” The same type of argument is developed for the vocational training interventions. In relation to the other sectors Mitch is not mentioned.</p> <p>The country evaluation argues that, in July 2000 while the first tranche of the PRRAC was approved by ALA Committee, the mayor damages produced by the Mitch were at the time practically repaired. It calls for caution when estimating the cost and the feasibility of remaining rehabilitation works. According to the evaluation, this is not more a matter of relief but a matter of restructuration and development and given that the absorption capacity of the national institutions (no the needs that in absolute terms are infinite) is saturated, the volumes of external aid are already largely sufficient.</p> <p>The Technical Assistance Unit to the PRRAC carried out in 2002 a study on the socio-economic effects of Hurricane Mitch. ITZANI, Efectos sociales y económicos del Huracán Mitch y la orientación de las poblaciones a la reconstrucción social en áreas de intervención del PRRAC. Relación Final + 8 Monografías, 2002.</p>
<p>IDOM, Evaluation globale de la cooperation de la Communauté Européenne avec le Nicaragua, 2000</p>	<p>C. TFC</p> <p>Under the TFC some projects were motivated as a response to Mitch damages. This is the case of the Road El Guayacan Jinotega. <i>The Matagalpa-Jinotega road was rehabilitated by the programme PROMAGAR. But at the end of the project the Mitch has damaged the road surface and provoked some minor landslides. A maintenance service would be able to repair it without any difficulty. But there is no in Nicaragua and the use is to reconstruct after some years the roads previously reconstructed. A completely new road was programmed with a new trajectory El Guayacan-Jinotega still with EC funding.</i></p>

I 5.1.4 Number of times previous relief operations are mentioned in FAs of EC rehabilitation interventions	
COM(1999)201, 28.04.1999 PRRAC Financing Agreement- Nicaragua, 2000, 2001, 2002, 2003	B. PRRAC Relief operations are presented in the Communication but not in relation to the activities proposed. Relief operations are not mentioned in PRRAC FAs. No linkages have been found in other interventions analysed.
I 5.1.5 FA of EC rehabilitation interventions were grounded in ECHO conclusions	
COM(1999)201, 28.04.1999 PRRAC Financing Agreement, 2000	Two references were found: <ul style="list-style-type: none">- In the Communication <i>“The programme is based on fact-finding missions carried by experts for the Commission and the experience of staff involved in humanitarian action and prevention (ECHO)”</i>.- In PRRAC FA for Nicaragua <i>“This proposal is the result of an identification work realised in the region with Commission experts and of an experienced cumulated by the staff participating in relief and prevention actions (...)”</i>. In addition, the thematic evaluation mentions in its case study for PRRAC that : <i>Basic documents of the PRRAC do not mention any continuity of ECHO operations. As an example the final diagnostic of needs undertaken by the Technical Assistance Unit mentions only once ECHO in its 600 pages.</i> Particip, Evaluation des actions de réhabilitation et de reconstruction financées par la Communauté Européenne dans les pays ACP/ALA/MED/TACIS, 2003. No linkages have been found in other interventions analysed.
I 5.1.6 Existence of formal as well as informal relations between the two types of intervention	
Particip, Food security evaluation – Nicaragua country report, 2006	A. About Food security Informal links existed between ECHO and Food Security budget line projects as the evaluation on food security reports in its country report for Nicaragua: <ul style="list-style-type: none">- The design of the Regional Food Security Programme has been coordinated with ECHO mechanisms and in particular with the ECHO financing of a Nourishment Information System.- Cases have been found of effective coordination between ECHO and the Strategic Unit of Food Security in Nicaragua following Mitch.- Cases have been found of effective coordination between the implementing organisms (mainly NGOs) that were successively

<p>VOICE, The grey zone or the missing link between relief, rehabilitation and development - a discussion paper, 2001</p> <p>Programme review, Food security interventions of the European Commission in Nicaragua 1995-2002, 2002</p>	<p>financed by both lines.</p> <ul style="list-style-type: none"> - But no formal mechanisms are in place for linking relief, rehabilitation and development. <p>Not all the views are aligned on this issue, according to Voice: <i>“The problem of coordination between ECHO and Euronaid affected the efficiency of food aid. Since there was a lack of coordination, it would have been preferable to work exclusively through ECHO to respond to the food emergency, given their rapid decision-making mechanisms, instead of channelling funds through Euronaid. Aid should have been channelled via Euronaid at a later stage, after food security projects were initiated”.</i></p> <p>About this issue the Programme review does not provide particular insights it only recommends that: <i>In response to natural disasters, the co-operation with ECHO, NGOs and Euronaid should be developed in close co-ordination at central and local level in order to increase post emergency actions efficiency in the field.”</i></p>
<p>Interview B9</p> <p>DRN, Evaluation Regional Cooperation EC-CA, 2007</p>	<p>B. PRRAC</p> <p>Interviewee B9 reported also that it seems that informal coordination existed between ECHO and the PRACC Identification and Technical Assistance.</p> <p>During the documentary review, the few linkages found appear to be exceptional and based in personal initiatives. For example, the evaluation on regional cooperation concludes that:</p> <p><i>“While ECHO targeted the relief aid and the PRRAC the reconstruction following apparently the LRRD concept, in practice this linkage has been only abstract, with few exceptions. There is no red line that will allow linking the benefits of both programmes in order to strength a global focus of LRRD at political/ strategic level, institutional or on pilot zones. (p. 65)</i></p> <p><i>The strategies and the programming of the PRRAC (and the PREVDA) foresee the continuity of the different interventions of the EC. In practice, this coherence has not existed during a long period, except in uneven cases. Lately, the coordination within the Managua Delegation and the coherence between ECHO, DIPECHO, PRRAC and PREVDA have been improved in the context of the preparation of the PREVDA through the creation of a technical group with the inclusion of the PRESANCA. (p. 68)</i></p> <p><i>There are examples of territorial coincidence between ECHO and PRRAC (and PRRAC and DIPECHO). (...) These examples of LRRD have not resulted of an intended strategy of projects design but rather depended of the vision and personal initiative of each project staff. Furthermore the delays occurred in launching the PRRAC</i></p>

<p>European Court of Auditors, Special Report n°2008/6 European Commission Rehabilitation Aid Following The Tsunami And Hurricane Mitch</p>	<p><i>have contributed to weaken the linkage between relief aid of ECHO and rehabilitation. (p. 66)”</i></p> <p>The Special report of the European Court of Auditors mentions in the same line that:</p> <p><i>“There was a weak link between initial humanitarian relief and subsequent rehabilitation aid following Hurricane Mitch in 1998 due to the long design process and subsequent delays regarding the rehabilitation response”</i></p> <p>Another reference in the Nicaragua report of the evaluation of food security stated that:</p> <p><i>“The PRRAC is a programme of 14 projects isolated without any connexion and without any coordination with other instruments of the Commission”. Further it continues:</i></p> <p><i>“The PRRAC even if it has been design as a rehabilitation programme is in 2004 at 25% of the implementation of its activities. Six years have elapsed between the identification and its approval. Its extended thematic conception has not facilitated coordination with other instruments. Furthermore its slow management, the quality criteria used (based on the procedures quality rather than on the quality of the impact) and the poor relation benefit/cost for beneficiaries put in evidence its failure to be a tool for rehabilitation between humanitarian and development activities. “</i></p>
<p>Interview D8</p>	<p>One of the points mentioned as explaining the weak coordination between relief and the PRRAC is the laps of time between them. This factor is increased by the internal lack of knowledge management and institutional memory of ECHO. ECHO been emergency oriented is particularly characterised by a short institutional memory.</p>

C 5.2 Rehabilitation operations had concrete relations with development programmes and the EC strategy in Nicaragua

I 5.2.1 Number of PRRAC interventions of which the objectives include restoration of institutional capacity and rebuilding of the social fabric

The PRRAC was a programme of rehabilitation but also of transformation.

PRRAC
Financing
Agreement, 2000

A. Institutional capacity
Institutional capacity was specifically tackled by the PRRAC programme, given the second and third specific purposes.

“2. to strength education, health and sanitation services including the management capacity of related governmental institutions with the aim to improve the efficiency, the quality and the access in particular of poorest population

3. to strength the local administrations and the civil society through the support to the encouragement and the implementation of rehabilitation and development plans (and the support to the preparation and launching of the normative framework of risk prevention and reducing the impact of this type of natural catastrophes).” (This second part will be treated under JC 5.3)

Institutional strengthening is also mentioned in one of the intervention principles:

“The programme will support the process of decentralisation and strengthening of the municipal power as long as they will reinforce the participative democracy and as long as the decentralisation will not lead to a weakening of the rule of state or a drawback in the level of provision of public services.”

PRRAC foresees to include institutional components in interventions on health, water and sanitation and education (no mention in the last sector, namely, social housing).

MR of the
PRRAC projects.
Evaluations of
PRIESO and
PROMAPER

All of the big projects financed in Nicaragua had institutional capacity components.

Figure EQ5.1: Consideration of and achievements in institutional capacity building

Project	Institutional capacity component	Components Achievements
Mapas de riesgos	—	—
Rehabilitación de servicios de atención primaria y fortalecimiento del SILAIS de Managua (FORSIMA)	Yes	Improve the technical and management capacity of the SILAIS de Managua Improve the management of the project process The quality of results in terms of management strengthening and human resources is very high The reform implemented is more in-depth in the units more permeable to the innovation and that have showed more leadership. They were able to put in place a new integrated model of care and management of patients. (MR-SILAIS)
Fortalecimiento del sector educativo en las zonas afectadas por el huracán Mitch (FOSED)	Transversal	Transversal Given the delays in the implementation of the project, time seems too short to succeed in a change in the education systems or in the process of the institutions. The project will therefore be limited to provide equipment and improve the work

<p>Interviews A7, A9 and D33</p>	<table border="1"> <tr> <td data-bbox="474 309 761 638"> <p>Proyecto Integrado Managua Periferia (PROMAPER)</p> </td> <td data-bbox="774 309 911 638"> <p>Yes</p> </td> <td data-bbox="917 309 1374 638"> <p>conditions.(MR-30056.02) Institutional Strengthening of ENACAL and INAA Institutional Strengthening of Alcaldía Ciudad Sandino No changes have happened in the institutions management (INAA and ENACAL). At the origin of this is the lack of support from the GoN to push for the creation of a local water company in Ciudad Sandino. At the level of the Alcaldías, the project has influenced visible improvements, in particular in terms of population identification. (PROMAPER – Final evaluation)</p> </td> </tr> <tr> <td data-bbox="474 647 761 920"> <p>Proyecto Integrado Esteli-Ocotol (PRIESO)</p> </td> <td data-bbox="774 647 911 920"> <p>Yes</p> </td> <td data-bbox="917 647 1374 920"> <p>Institutional strengthening of ENACAL Institutional strengthening of Alcaldías No considerable impact was observed at ENACAL neither at management nor at organization levels. The lack of active integration of ENACAL in the implementation has comforted ENACAL institutional passivity. Evidences of improvements in the alcaldías, in the planification process and in the development plans. But the donations of equipment are not considered sufficient for institutional strengthening. (PRIESO – final evaluation)</p> </td> </tr> </table>	<p>Proyecto Integrado Managua Periferia (PROMAPER)</p>	<p>Yes</p>	<p>conditions.(MR-30056.02) Institutional Strengthening of ENACAL and INAA Institutional Strengthening of Alcaldía Ciudad Sandino No changes have happened in the institutions management (INAA and ENACAL). At the origin of this is the lack of support from the GoN to push for the creation of a local water company in Ciudad Sandino. At the level of the Alcaldías, the project has influenced visible improvements, in particular in terms of population identification. (PROMAPER – Final evaluation)</p>	<p>Proyecto Integrado Esteli-Ocotol (PRIESO)</p>	<p>Yes</p>	<p>Institutional strengthening of ENACAL Institutional strengthening of Alcaldías No considerable impact was observed at ENACAL neither at management nor at organization levels. The lack of active integration of ENACAL in the implementation has comforted ENACAL institutional passivity. Evidences of improvements in the alcaldías, in the planification process and in the development plans. But the donations of equipment are not considered sufficient for institutional strengthening. (PRIESO – final evaluation)</p>	<p>It appears from the documentation but also from the interviews that the modality of implementation, centralised within the European Commission, was an obstacle to institutional capacity building. This was specially the case in education and in a greater measure in water and sanitation projects, in both cases the emphasis was put in infrastructure construction. The exception is constituted by the health programme that put very much emphasis on process changes.</p>
<p>Proyecto Integrado Managua Periferia (PROMAPER)</p>	<p>Yes</p>	<p>conditions.(MR-30056.02) Institutional Strengthening of ENACAL and INAA Institutional Strengthening of Alcaldía Ciudad Sandino No changes have happened in the institutions management (INAA and ENACAL). At the origin of this is the lack of support from the GoN to push for the creation of a local water company in Ciudad Sandino. At the level of the Alcaldías, the project has influenced visible improvements, in particular in terms of population identification. (PROMAPER – Final evaluation)</p>						
<p>Proyecto Integrado Esteli-Ocotol (PRIESO)</p>	<p>Yes</p>	<p>Institutional strengthening of ENACAL Institutional strengthening of Alcaldías No considerable impact was observed at ENACAL neither at management nor at organization levels. The lack of active integration of ENACAL in the implementation has comforted ENACAL institutional passivity. Evidences of improvements in the alcaldías, in the planification process and in the development plans. But the donations of equipment are not considered sufficient for institutional strengthening. (PRIESO – final evaluation)</p>						
<p>PRRAC Financing Agreement, 2000</p> <p>VOICE, The grey zone or the missing link between relief, rehabilitation and development - a discussion paper, 2001</p>	<p>B. About rebuilding of social fabric:</p> <p>Rebuilding of the social fabric is one of the intervention principles of PRRAC:</p> <p><i>“The programme will support local initiatives identified, prioritised, defined and executed by organisations, municipalities, decentralised entities of the State in the zone of intervention of the PRRAC”.</i></p> <p>The PRRAC-Nicaragua devoted 4.9 millions to Local Initiatives through 17 sub-projects. This means that commitments to local initiatives amounted for 5.8% of the overall PRACC commitments.</p> <p>From the civil society criticisms of the small amount devoted to this aspect are well summarised in the Voice article:</p> <p><i>“The proportion of PRRAC funding specifically directed towards local civil society promoted initiatives is small, considering the over-all budget. [For the entire region] it is estimated that out of some 200 proposals submitted by national civil society organisations in response to public tenders, only approximately 10% will actually be granted funding.</i></p> <p>It should be noted that as mentioned above other local initiatives were financed in the post-Mitch period (additional funds to what can be estimated the traditional stream). This was through:</p> <ul style="list-style-type: none"> - thematic budget line NGOs (in 1999 an increase of 36% over 1998 – Estimation for the overall region) 							

	<ul style="list-style-type: none"> - Food Security budget line (although programmed in 1998 under the (Decision 1998/3020) the projects started between April 2000 and January 2001). €4.9m - Finally the integrated projects PRIESO and PROMAPER had also components of Local Initiatives for social and economic development. These amounted according to their logical framework 755.000€ (440.000€ for grants management fees aside) for PRIESO and 850.000€ for PROMAPER.
<p>I 5.2.2 Number of interventions involving construction of new infrastructures compared with interventions entailing rebuilding of infrastructure destroyed by Mitch</p>	
PRRAC Financing Agreement, 2000	Of the 14 big projects of the PRRAC (implemented through PMU) five were related to construction of infrastructures and all had a rebuilding component, but three also considered construction of new infrastructures (projects 2, 4 and 10).
European Court of Auditors, Special Report n°2008/6 European Commission Rehabilitation Aid Following The Tsunami And Hurricane Mitch	The ECA reports the following in relation to the indicator: <i>“The education projects in Nicaragua (...) mainly addressed needs which existed prior to Hurricane Mitch. None of the health centres built by the programme management unit responsible for the health project in Nicaragua were to replace those which had been destroyed or severely damaged by Hurricane Mitch. Similarly most houses constructed through programme management units were not built to replace those destroyed by the hurricane. Instead, beneficiaries were selected on the basis of poverty and vulnerability. The old town hall in Sandino had not been destroyed by Mitch, but a new town hall was built because the influx of refugees from Mitch put greater demands on the municipal administration.”</i>
<p>I.5.2.3 Evidence that the PRRAC has had an influence on sector strategies (this is one of the principles of the programme – see FA 2000 – the Programme will search to influence the sectoral strategies at a decision level and will avoid to be limited to a role of fund provider and/or implementing punctual and spread out actions)</p>	
PRRAC Financing Agreement, 2000 Techniplan, Evaluación del “PRRAC: Estudios y Asistencia Técnica”, 2003	<p>The FA mentions that the programme identified its measures taking into consideration the national strategy and the interventions of other donors. This was done for the 4 components health, water and sanitation, housing and education sectors.</p> <p>The evaluation of the identification TA concludes that sectorial studies were carried out in education and health. These studies are assessed of good quality. The sectors housing and water and sanitation seem in this aspect have been less considered.</p> <p>The evaluation confirms that the TA gave assistance as part of its TORs to the EC in its information and coordination activities (Sub activity 4.1 – Support the EC in the information, coordination with the cooperation agencies, national institutions and stakeholders in the sectors and intervention areas of the PRRAC) but does not provide more details on this.</p>

The setting-up of the TA foresees to have a regional unit and country-level teams. This setting-up was supposed to allow dialogue with the beneficiaries national authorities. Special emphasis was given to this : « *Especial importancia tenía la coordinación de las actividades del Proyecto con respecto a las acciones ejecutadas por las instituciones nacionales, agentes privados y donantes presentes en las áreas de ejecución del Proyecto. En este sentido, las Unidades de Apoyo en los 4 países tenían la obligación de establecer sus planes operativos en colaboración con los eventuales interlocutores y mantenerlos periódicamente al corriente del avance de las actividades del Programa.* »

Finally the evaluation concludes that:

- (a) *El diálogo con los entes beneficiarios locales ha sido realizado de manera incierta y escasamente pro-activa, el Consultor no ha estado en condición de superar celeremente las inercias a veces mostradas por los entes beneficiarios sobre todo en la definición de los compromisos cuyo fin era de asegurar la viabilidad de los proyectos.*
- (b) *Los retrasos en la programación e inicio de las actividades de la UAT y las dificultades de diálogo con los beneficiarios se deben, aunque sea parcialmente, a la complejidad de la organización del proyecto en los primeros 12 meses (ver §1.2.1). La gestión técnico-administrativa empezada por los servicios de Bruselas de la Comisión, no fue tempestiva en el monitoreo de las actividades del Consultor imponiéndole medidas adecuadas para obviar a las deficiencias y facilitar el diálogo con los beneficiarios”.*

For FORSIMA, the evaluation recognises the potential influence of the project on the national health strategy. “*The projects supposes a strategic opportunity for the EC in concentrating its efforts and obtaining a permanent visibility as the SILAIS of Managua concentrated ¼ of the country total population and a support to it weights institutionally in the system with the possibility of influencing the national health policies.*”

Among the realisations of the project an effort of dissemination at national level has been carried out for example for, a guide for the nursery care of chronic patients, the Human resources Development Plan and the Infrastructure Maintenance Plan.

For FOSED, the evaluation confirms the coherence with the national policy (Plan Nacional de Educación 2001-2015 como en la Ley General de Educación).

The project had an important input in the framework of the intercultural bilingual education. The work done in this area found clearly a framework in the Ley General de Educación as it foresees the creation of a Subsistema Nacional de educación Bilingüe Intercultural. This framework gives a national dimension to the problematic.

In respect to water and sanitation, the PROMAPER evaluation clearly mentions the lack of dialogue and impact at sectoral level:

“La falta de una contraparte nacional involucrada y colaboradora no ha facilitado el Proyecto por lo que se refiere a un enlace con la realidad local y al enfrentamiento de los

	<p><i>problemas ocurridos (como protesta de los habitantes por las incomodidades de los trabajos de las tuberías) o en el enlace a nivel político con el Gobierno por la necesidad de sensibilizar en el asunto de la descentralización de la empresa aguadora. PROMAPER ha podido incidir muy poco en la forma en que funcionan las instituciones encargadas de este sector, en particular el ENACAL”.</i></p> <p>On the other hand, the PROMAPER evaluation assess positively the impact of the projet on municipal planification: <i>“También la preparación de estudios necesarios para la actuación de las políticas municipales realizados en el marco del Proyecto y la actuación de actividades como es el caso en la planificación municipal, el plan de inversión municipal, el desarrollo económico local, el mejoramiento del medio ambiente han generado impactos que han determinado un avance importante en la definición de una política municipal y su aplicación. Esto, por ejemplo, es el caso en cuanto a la recolección de las basuras.”</i></p> <p>For PRIESO, the evaluation also concludes negatively on the institutional set-up in water and sanitation: <i>“El impacto(...) se ha dado en el sector en términos de una mejora en la infraestructura y en la dotación de equipos a alcaldías y a ENACAL. El sistema de agua potable ha mejorado sensiblemente y los efectos de tanto el sistema de agua potable como el alcantarillado sanitario impactarán en cuanto a la salud de las familias, reducción de enfermedades y reducción de contaminación ambiental. Sin embargo el impacto en cuanto a la gestión por parte de ENACAL ha sido muy limitado, o más bien, hay que concluir que el proyecto no ha podido incidir en la manera de funcionar de la empresa ENACAL. A pesar de que el PRRAC lo tenía como uno de sus objetivos, el PRIESO no ha podido lograr una gestión más eficiente y eficaz de los actores responsables del sector agua”.</i> The evaluation emphasize on the consequence of the centralised modality on the sustainability.</p>
<p>I 5.2.4 Evidence that rehabilitation interventions are included in the CSP and that the CSP addresses explicitly the linkage issue between rehabilitation and development</p>	
<p>Interview D36</p>	<p>The CSPs of the period took very little account of the rehabilitation programmes. The 1998-2000 CSP mentions only the possibility of mobilising extra funds to support the country’s rehabilitation. As reported by an official of EuropeAid the CSP was being finalised when Hurricane Mitch occurred. Other rehabilitation programmes financed from outside the ALA budget line are not mentioned.</p> <p>The CSP 2002-2006 highlights the necessity of integrating these funds in the overall strategy of the EC cooperation with Nicaragua. In the section on education, that is the second sector of concentration of the CSP, the linkages with PRRAC are numerous. There is full consideration of the activities of the PRRAC and of the financial means deserved to education. Nothing is mentioned for the other sectors of concentration.</p> <p>The 2007-2013 CSP does not make any mention of rehabilitation programmes.</p>

<p>COM(1999)201, 28.04.1999</p>	<p>NB: The Communication insists on the fact that the reconstruction programme will be additional to the routine aid operations financed by the Community in the region. Given that NIP allocations increased over the period, it could be stated that the PRRAC used additional resources.</p> <p>As a matter of comparison PRRAC on its own represents almost additional 50% of the allocations for the 2002-2006 NIP. But it should be also mentioned that the considerable amounts devoted to PRRAC in its main components are wider the CSP concentration perspective as shows the figure here below. Only education is commonly targeted. In practical terms, given the importance and the sectoral distribution of the financial allocations, there is a <i>glissement</i> to other/new concentration sectors.</p> <p style="text-align: center;">Figure EQ5.2 : Sectors of concentration of CSP areas of intervention PRRAC Nicaragua</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">CSP – NIP</th> <th colspan="2" style="text-align: center;">PRRAC</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Socio-economic development in rural areas</td> <td style="text-align: right;">€103m</td> <td style="text-align: right;">€0.9m</td> <td style="text-align: left;">Socio-economic development in rural areas*</td> </tr> <tr> <td style="text-align: left;">Human development</td> <td style="text-align: right;">€40m</td> <td style="text-align: right;">€20m</td> <td style="text-align: left;">Human development</td> </tr> <tr> <td style="text-align: left;">Good governance</td> <td style="text-align: right;">€17m</td> <td style="text-align: right;">€0.2m</td> <td style="text-align: left;">Good governance*</td> </tr> <tr> <td style="text-align: left;">Macro-economic support</td> <td style="text-align: right;">€15,9m</td> <td></td> <td></td> </tr> <tr> <td style="text-align: left;">No focal sector and various</td> <td style="text-align: right;">€16,5m</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">€52m</td> <td style="text-align: left;">Water and sanitation/housing and reinforcement of local powers</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">€13m</td> <td style="text-align: left;">Health</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">€1.3m</td> <td style="text-align: left;">Risk prevention</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">€0.4m</td> <td style="text-align: left;">Integration of disable people*</td> </tr> </tbody> </table> <p>In bold focal sectors within the CSP and main components within PRRAC. * Through local initiatives <u>Source</u>: CSP 2002-2006 and for the PRRAC 2007 activity report and authors calculations.</p>	CSP – NIP		PRRAC		Socio-economic development in rural areas	€103m	€0.9m	Socio-economic development in rural areas*	Human development	€40m	€20m	Human development	Good governance	€17m	€0.2m	Good governance*	Macro-economic support	€15,9m			No focal sector and various	€16,5m					€52m	Water and sanitation/housing and reinforcement of local powers			€13m	Health			€1.3m	Risk prevention			€0.4m	Integration of disable people*
CSP – NIP		PRRAC																																							
Socio-economic development in rural areas	€103m	€0.9m	Socio-economic development in rural areas*																																						
Human development	€40m	€20m	Human development																																						
Good governance	€17m	€0.2m	Good governance*																																						
Macro-economic support	€15,9m																																								
No focal sector and various	€16,5m																																								
		€52m	Water and sanitation/housing and reinforcement of local powers																																						
		€13m	Health																																						
		€1.3m	Risk prevention																																						
		€0.4m	Integration of disable people*																																						

I 5.2.5 Evidence of concrete relations between interventions (for example in water and sanitation financed through the PRRAC and through the food security budget line)

<p>PRRAC Financing Agreement, 2000</p> <p>Interviews A14, B8, C7, A8 and A7.</p>	<p>The PRRAC FA 2000, identifies the ongoing programmes where linkage could be established: <i>“The intervention in support of social housing in Managua is identified in addition to an undergoing EC project of housing. The second foresees to construct 400 houses and the PRRAC the construction of 200 additional ones and the rehabilitation of other 400... The intervention in support of education is complementary with the EC undergoing projects in support of the educative system and vocational training.”</i> The FA when enumerating the concrete projects mentions that the activities would be developed complementarily with the ongoing projects.</p> <p>By the time the PRRAC was in place this mentioned project were finished.</p> <p>The question has been treated during interviews and answers convene that there was no relation with other projects. Within the big projects of the PRRAC and the ALA projects there is no thematical neither geographical coincidence. For example, PRASNIC was also a water and sanitation programme this was implemented in rural zones on the contrary to FORSIMA and PRIESO. The programme FOSED of building of education infrastructures was parallel to the PAPSE programme a BS for</p>
--	---

<p>Programme review, Food security interventions of the European Commission in Nicaragua 1995-2002, 2002</p>	<p>education programme.</p> <p>In relation to other small projects, only since last year a meeting is organised grouping all the EC-NGO co-financing programmes.</p> <p>The Nicaragua report on the evaluation of food security reported that: <i>“The PRRAC is a programme of 14 projects isolated without any connexion and without any coordination with other instruments of the Commission”.</i></p>
<p>C 5.3 Rehabilitation operations had concrete relations with disaster preparedness programmes</p>	
<p>I 5.3.1 Number of interventions including a significant number of crisis/risk prevention and/or disaster-preparedness measures</p>	
<p>COM(1999)201, 28.04.1999</p>	<p>Prevention of natural risks was considered in the Communication. It is the second principle of the programme:</p> <p><i>“The programme activities will seek to reduce vulnerability. They will be geared not just to physically repairing infrastructure damaged or destroyed by the hurricane but to remedying the shortcomings of such infrastructure and reinforcing local capacities to handle such natural phenomena.(...)”.</i></p>
<p>PRRAC Financing Agreement, 2000</p>	<p>Risk prevention is also part of the third specific objective of the PRRAC: <i>3. to strength the local administrations and the civil society through the support to the encouragement and the implementation of rehabilitation and development plans and the support to the preparation and launching of the normative framework of risk prevention and reducing the impact of this type of natural catastrophes.</i></p> <p>Under PRRAC interventions on water and sanitation, the FA provided for the following preparedness measure: <i>“Additionally and in a way in complement with ECHO activities but with another perspective than an emergency action, the programme should integrate the realisation of a map of hydrologic and geotechnical risk zones where the areas subjected to floods and landslides will be identified. This is the component of a support to INETER.”</i></p> <p>Under the 14 specific projects presented in this convention, three include risk prevention measures:</p> <p>Project 4: Rehabilitación de los servicios públicos de agua potable y saneamiento, y reforzamiento de las estructuras cívica locales en la periferia de Managua – Action: execution of a study on the state of regulation of the water level of Lake Managua.</p> <p>Project 7: Fortalecimiento institucional del INETER y elaboración de mapas de riesgo en zonas de intervención del PRRAC – Action: hydraulic and geo-technical risk map, at least for PRRAC zones.</p> <p>Project 10: Mejoramiento de la infraestructura de educación primaria – Action: three workshop cycles on vulnerability and risk prevention in school buildings.</p>

<p>PRRAC Activity report 2007, 2008</p> <p>FOSED Evaluation</p>	<p>The activities effectively carried out where the two last:</p> <ul style="list-style-type: none"> - - Elaboración de mapas de riesgos naturales para tres zonas de intervención del PRRAC (1.180.000) - - Within the FOSED programme workshops were carried out in 61 training centres through a contract with the Defensa Civil of Nicaragua. It consisted in the selection and preparation of 61 School Comities of prevention, mitigation and disaster response, in the selection and preparation of 21 School Squad, elaboration of 61 school disaster response plans. <p>The project 4 was initially located in the sides of the lago Managua but was finally relocated in Ciudad Sandino. The activity foreseen for the measurement of the waters of lake Managua was therefore abandoned.</p> <p>From the 17 local initiatives only one project is related to risk management, namely Iniciativas locales de desarrollo para la rehabilitación de la cuenca del río Macaralí y la protección de los recursos naturales en el municipio de Jalapa (228.556,77€).</p> <p>Within the other big projects of the PRRAC different components addressed the issue.</p>
<p>Interviews A7 FORSIMA Evaluation</p>	<p>Disaster prevention measures were not considered in the construction of infrastructures except in the case of the FORSIMA project as stated in its evaluation:</p> <p><i>“Se ha contemplado un enfoque de prevención de desastres prestando especial atención a que las Unidades de Salud a ser construidas se ubiquen en terrenos adecuados, libres de riesgos de inundación y deslaves, y que no interfieran en otras actividades de la comunidad. En los diseños estructurales de las obras, se respetan las normas de seguridad y estudios de vulnerabilidad de forma a minimizar las consecuencias de eventuales desastres naturales.</i></p>
<p>DRN, Evaluation Regional Cooperation EC-CA, 2007 – Vol II</p>	<p>Disaster preparedness aspects have been partially included. They have increased in the most recent years of implementation.</p> <p>PRRAC consideration of prevention issues has improved in recent years. According to ECHO staff, risk analyses have been applied to short term rehabilitation for the last three or four years.</p>
<p>I 5.3.2 Number of interventions of which the objectives include enhancing the self-help capacity of the population and/or civil protection</p>	
	<p>Only the workshops organised under the FOSED project mentioned just above could be considered under this indicator.</p>
<p>I 5.3.3 Number of institutions oriented to disaster preparedness supported</p>	
<p>Interview D7</p>	<p>The risk maps (mentioned above) where done to the benefit of INETER. (During the mission no information on this particular project was collected).</p> <p>The PRRAC had no link with the SINAPRED the national institution in charge of disaster preparedness, mitigation and disaster response neither with the municipal committees.</p>

I 5.3.4 Evidence that PRRAC has concrete relations with sub-regional preparedness: common early alert system, coordination mechanism for urgent aid and rehabilitation

COM(1999)201, 28.04.1999	<p>The PRRAC was initially designed with a regional character as stated in the Communication:</p>
PRRAC Financing Agreement, 2000	<p><i>“The Commission proposed that the PRRAC (Regional Programme for the Reconstruction of Central America) be given a regional character, albeit with due regard for the circumstances and needs of each of the countries concerned. After all the hurricane has directly or indirectly affected the whole region, which will need joint measures and progress towards integration to be able to take its place in the world economy”.</i></p> <p>In the end the PRRAC was the object of individual FAs with each of the four countries, while keeping open the possibility of financing regional initiatives:</p> <p><i>“Given the common problems expressed by the communities across the Centro American countries, it is not excluded to encourage in the framework of the support to local initiatives, the development of actions coordinated across the region with exchange of practices and dissemination of experiences”.</i></p>
DRN, Evaluation Regional Cooperation EC-CA, 2007 – Vol II	<p>According to the report on the evaluation of regional cooperation, the regional character was lost during implementation:</p> <p><i>“During its implementation the PRRAC has lost its regional character. The opportunity to contribute, systematically and coherently, to the inclusion of preventive aspects in the region has been lost. (vol II – p.90)”</i></p> <p><i>“At regional level, only two projects DIPECHO and now PREVDA address the issue of the risk prevention, while the PRRAC has been implemented through four independent programmes”.</i></p>
Interviews D8 and D11	<p>Nevertheless, the evaluation also reported that PRRAC contributed to the preparation of the regional programme PREVDA through participation in a technical group which also included ECHO, DIPECHO and PRESANCA.</p> <p>Aside from this group, PRRAC and DIPECHO did not maintain any relationship. For the record, ECHO has funded disaster preparedness activities through its “DIPECHO” programme since 1998. These activities aim at reducing the vulnerability of the population to disasters by increasing its preparedness capacities. Activities are of pilot nature which implies the possibility of its replicability.</p>

C 5.4 Rehabilitation interventions have considered sustainability

I 5.4.1 Evidence of participation of local institutions and people in the design and implementation of the interventions

PRRAC Financing Agreement, 2000	<p>Among the key principles of the programme sustainability is mentioned as one of the priorities of the programme:</p> <p><i>“With this end the participation of the beneficiary communities will be promoted to obtain viable systems, sustainable and technically accepted. To this end, the adequacy of the technical solutions to the socio-economic level of the beneficiary will be verified. In the case of water and sanitation programmes, the area selected, the profile of the beneficiaries and the characteristics of the works will necessary be analysed to estimate the capacities of the beneficiaries to assume at least the operational and the maintenance costs of the</i></p>
---------------------------------	--

<p>interviews A7, A9 and D33</p> <p>PRRAC Financing Agreement, 2000</p> <p>FOSED MR 30056.2 17/12/2003</p>	<p><i>infrastructures that will be provided”.</i></p> <p>About the participation of the institutions, interviews report that the modality of implementation centralised within the EC imply a limited participation of the institutions to the identification and the implementation.</p> <p>The modality of centralised project was commonly agreed with the GoN. The catastrophe and the response of the international community was so huge that the capacity management of the country was overloaded. Years after the first emergency, the transference of the responsibilities to the country was though but the scandals of corruption and embezzlement of the government Alemán divert the idea.</p> <p>Within this centralised modality each sub project had a coordination committee where the stakeholders had a consultative role: <i>“For projects with a specific management structure, a consultative coordination committee will be established and the following stakeholders may be included:</i></p> <ul style="list-style-type: none"> - <i>Public authorities and operators involved in the execution of the project,</i> - <i>Representation of the beneficiary population (grass-roots organisations, women associations, cooperatives, other...)</i> - <i>NGO’s functioning in the areas of intervention of the project.”</i> <p>Each projet deployed different relations with the institutions and the target groups. The FOSED and the FORSIMA obtained a better anchorage than PRIESO and PROMAPER. This last project encountered strong political difficulties.</p> <p>FOSED – MR - <i>It would be convenient to integrate the beneficiary communities in the realisation of the infrastructures. Unfortunately the contracting modality does not facilitate the participation and the ownership of the beneficiaries. Although the project has been implemented by an UGP the project is in close contact with the target groups and the institutions of the sector, the organization of coordination tables at departmental level with the Majors, the Delegations of the MINED and the civil society will ensure a good acceptance of the prIn toject by the beneficiaries and the institutions.</i></p> <p>The evaluation also appreciates positively the efforts of coordination with different stakeholders. <i>“En efecto, la incorporación de los gobiernos locales y del Sistema Educativo Autónomo de la Región Atlántica (SEAR), junto con la participación de organismos no gubernamentales (como la Casa de la Mujer y la Asociación de Mujeres BOSAWAS-SETAP), ha sentado las bases para la adquisición de relaciones y compromisos que influirán positivamente sobre la viabilidad del Proyecto.</i></p> <p>Furthermore a component of the FOSED was implemented by sub-contracting the MECD.</p> <p>FORSIMA – <i>The programme has found the necessary balance between the independency of the management of a PRRAC project with the proximity with and inclusion of the SILAIS in the process.</i></p> <p>PRIESO – <i>the original design of the programme lack a strong component of communitarian sensibilisation in sanitation education of the benficiaries although the</i></p>
--	---

	<p><i>PMU has introduce some activities of dissemination afterwards. The project has contracted in 2006. An NGO that works on it but the efforts up to date seem limited.</i></p> <p>According to the evaluation there is a certain unbalance between the technical and the social aspects – <i>La Misión opina que hay un cierto desbalance entre “lo técnico” y “lo social”; las obras se han construido en un contexto social y en el diseño no hay la suficiente importancia para desarrollar actividades sociales complementarias a las obras, sin las cuales la sostenibilidad de las infraestructuras creadas está en peligro. Durante el proyecto esto fue corregido por la UGP, pero aún así se hubiese podido involucrar más a la población.</i></p> <p>PROMAPER – Evaluation – The Evaluation points out that POG indentified as a risk the participation of the targets groups. The POG therefore stipulates coherent additional activities of information and sensibilitation and devotes adequate resources to it. It also reported active participation: <i>Participación activa de la población a actividades del Proyecto como la realización de 30 km de red de acueducto y en la disponibilidad en cubrir los costos para conectarse al alcantarillado sanitario.</i></p>
<p>I 5.4.2 Existence of a phasing out/exit strategy or measures (capacity building dimension ...)</p>	
	<p>The existence of a phasing out strategy was only found in the case of : FORSIMA – MR - <i>No obstante, el proyecto ha interpuesto todas las medidas que estaban en su mano para disminuir en lo posible los riesgos de insostenibilidad: i.e. garantías sobre fallas logradas de los proveedores de equipamiento para dar asistencia técnica durante un año, apoyo a la creación de una Unidad de Mantenimiento al interior del SILAIS, creación de grupos ad-hoc para dirigir el proceso de innovación y reforma (Comisión del Cambio)</i></p> <p>This project has insure sustainability by putting in place maintainance plans:</p> <ul style="list-style-type: none"> - <u><i>Plan de Mantenimiento Preventivo:</i></u> <i>El Proyecto ha elaborado el Plan de Gestión del Mantenimiento de Equipos, Vehículos e Infraestructuras del SILAIS Managua, que se ha puesto en marcha en todos los 20 centros de salud y en la sede. Para ello se ha capacitado a los gerentes de las unidades de mantenimiento (23 y 2 del Nivel Central), a los técnicos polivalentes⁷¹ de mantenimiento (24) y a los conductores (54).</i> - <u><i>Materiales de reparación:</i></u> <i>Se ha dotado a los centros de salud de un lote de herramientas y materiales de reparación y se ha construido un taller para el mantenimiento de los vehículos en la sede del SILAIS.</i> - <u><i>Unidad de mantenimiento:</i></u> <i>FORSIMA ha apoyado la conformación de una Unidad de Mantenimiento en el SILAIS Managua y por primera vez se ha aprobado un presupuesto de mantenimiento en torno al millón y medio de córdobas y se ha oficializado el puesto de Responsable de la Unidad de Mantenimiento.</i> <p>PRIESO – Evaluation – PRIESO had provided trainings to ENACAL-Estelí/Ocotal in order to insure the phasing out. But the evaluation criticised that the delivery of the works will be so late that the</p>

⁷¹ Durante la visita realizada a los centros de salud se pudo constatar la satisfacción que existía por la capacitación que habían recibido los “polivalentes” recursos humanos éstos que como su propio nombre indica deben resolver las múltiples averías que se pueden producir en los centros

	<p>accompaniment period and the adjustment periods will be minimized.</p> <p>FOSED – The MECD and the INATEC had received the structures and the trainings to insure the continuation of the activities of the project. In order to ensure the daily maintenance of the buildings (usually given the lack of funds this is ensured by the teachers, the students and the parents), the mission has elaborated clear plans (cartillas) for normal and extraordinary maintenance.</p> <p>In addition the TA identification in its TORs had the obligation to prepare maintenance manuals. But at the finalisation of the TA the majority of the projects were not very advanced. This task was therefore not carried out.</p>
<p>I 5.4.4 Local institutions are supplying an effective support for continuity when needed</p>	
<p>Interviews A7, A9 and D33</p>	<p>As reported under I 5.4.4 the centralised aid modality imply limited participation of the institutions to the implementation. This was an obstacle to appropriation and sustainability. PRRAC has mainly infrastructures for which sustainability is mostly based on the capacity of the institutions for use and maintenance.</p> <p>If finally the authorities have ensured overall the management of the infrastructures funded by the PRRAC the hand over lead in certain cases to endless complains.</p> <p>The evaluations of FORSIMA, FOSED, PRIESO and PROMAPER all point out the difficulties that the centralised aid modality has implied on sustainability.</p> <p><i>PRIESO - La sostenibilidad de las inversiones del proyecto en la infraestructura de agua potable y alcantarillado depende de la capacidad de ENACAL para darle el mantenimiento debido y la operación adecuada (...)la mejor garantía para la sostenibilidad está en el pleno involucramiento de ENACAL desde el diseño hasta la entrega y el acompañamiento durante un tiempo prudencial en la fase operativa. La Misión no está convencida de que el involucramiento se haya logrado y la entrega de equipos se hará en un momento tan tardío que no permitirá un proceso de tipo “entrega-capacitación-acompañamiento-ajustes”. The evaluation concludes that the lack of institutional involvement is a design mistake. “El proyecto se ha diseñado para ejecutarse sin el involucramiento oficial del ENACAL y sin un compromiso real de esta empresa. La empresa se ha sentido más “observador “que “actor” en la ejecución de las obras. Esto tiene consecuencias para la sostenibilidad de los resultados alcanzados. Se considera que es un problema de diseño, pero aún con este diseño, durante el proyecto se hubiera podido hacer más para involucrar ENACAL en las obras y transferir a tiempo los equipos y conocimientos”.</i></p> <p><i>FORSIMA - Como propuesta basada en la experiencia, parecería recomendable formular los proyectos para ser ejecutados de manera directa, pero con la existencia previa de un compromiso de sostenibilidad explícito reflejado en el Convenio de Financiación. Este compromiso debiera obligar a los actores nacionales a dar continuidad a las acciones y resultados de los proyectos, antes de decidir la financiación de éstos. La Misión ha podido observar que aunque se habían fijado ciertos compromisos en el CF estos no eran</i></p>

	<p><i>suficientemente concretos como para garantizar la aportación nacional necesaria, como se refleja en el 8.2</i></p> <p>PROMAPER - <i>El proceso de formulación, debido a la emergencia del Mitch, contrariamente a lo que debería ser, ha tenido como efecto que el convenio de financiación haya sido hecho antes de una correcta identificación de los componentes del PROMAPER, considerando que normalmente una identificación es la definición cuantitativa y cualitativa de cada componente y de su modalidad de ejecución. En consecuencia de esta deficiencia, la completa identificación que comprendía los Resultados Esperados, los Indicadores Objetivamente Verificables y también el Objetivo Específico ha sido definida realmente por primera vez en el POG presentado por la UGP y aprobado en el 2003. Este hecho ha causado muchos inconvenientes el mayor de los cuales ha sido que la condición vinculante para la sostenibilidad de los principales componentes (AP y AS) o sea la creación de una empresa aguadora o por lo menos una oficina destacada de ENACAL en Ciudad Sandino que pueda manejar y administrar las obras de AP y AS, no se puso en manera suficientemente explícita en el Convenio de Financiación del Proyecto y su realización parece estar muy lejos de la estrategia del GdN. The UGP tried to solved the situation during the implementation of the Project (see evaluation p. 13).</i></p> <p>FOSED – The evaluation expresses that when it was carried out there were no formal guarantees of the national authorities to ensure the financial continuity of the actions realised. <i>“En cuanto a la voluntad de aportar recursos, tenemos declaraciones formales que deberán medirse con la disponibilidad de los fondos destinados a la educación, los cuales, como es sabido, son insuficientes para responder a las necesidades de cobertura nacional y al mejoramiento cualitativo de la educación”.</i></p> <p><i>En efecto la viabilidad del FOSED se ha visto favorecida, en el marco de las subvenciones a favor del MECD e INATEC, por el aporte de la contraparte en lo que se refiere a los recursos humanos, recursos de apoyo logístico e infraestructura.</i></p> <p>This will be particularly important for the ensuring the sustainability of the curriculum process at continuing the related activities (validation, text editing, programmes, experiences transfer)</p>
<p>C 5.5 The EC intervention in rehabilitation offers a value added over Member States' interventions</p>	
<p>I 5.5.1 Evidence of a visible advantage of EC in the preparation and/or implementation of the rehabilitation programme</p> <p>(financial weight, justification on the basis of comparative advantages, consideration and looking for complementarity with other donors, years of experience in the sector within the country, capitalisation of experiences in the sector (worldwide) or particular mandate within this sector, quality of its structure (procedures and staff), quality of its intervention)</p>	
<p>Interview D9</p> <p>Author calculations</p>	<p><u>Financial weight</u></p> <p>The EC is the only donor that responded to Mitch damages with a long term development programme.</p> <p>The PRRAC amounted for €84m a considerable amount that equals a half NIP.</p>

<p>COM(1999)201, 28.04.1999</p>	<p><u>Justification based on comparative advantages</u></p> <p>The Communication based the selection of the activities to be addressed by the reconstruction programme on the concept of comparative advantage. <i>“In the interest of efficiency and rationalisation of the overall effort, the main donors should focus on one or more priority areas in which their resources, know-how, etc. give them a comparative advantage”.</i></p> <p>The Communication defines and justifies the priorities of the programme as follows:</p> <p><i>“To maximise the impact (constitution of a critical mass) and visibility of the Community’s contribution, the Commission proposes that it be overwhelmingly used to support social policies in particular health and education.</i></p> <p><i>This choice is based on the following considerations:</i></p> <ul style="list-style-type: none"> - <i>When the San José process was recast in Florence in 1996, support for social policies was designated a priority for future cooperation between the Union and Central America</i> - <i>Since 1996 the Commission has been backing education and public health projects in four countries concerned, thereby acquiring substantial experience of relevance to this exercise.</i> - <i>The sectors proposed are consistent with Europe’s long-standing concern for social welfare, under which the structural adjustment policies introduced by the countries concerned are flanked by measures to cushion the impact of change.</i> - <i>In February/March the Commission sent several experts to Central America to assess needs and identify priorities for action. Despite the reconstruction efforts already made by the countries concerned and the international community, the experts’ interim reports show that the impact of Hurricane Mitch has exacerbated existing social problems, making it even more difficult for the poor to gain access to basic education and health services”.</i>
<p>PRRAC Financing Agreement, 2000</p> <p>Raymond, C. and Doucin, M. for Fondation de France, Limites et efficacité de l’ingérence politique des agences d’aide - après le passage Mitch, 2004</p>	<p><u>Complementarity with other donors</u></p> <p>According to the FA, the programme identified its measures taking account of the national strategy and the interventions of other donors. This was done for health, water and sanitation, housing and education sectors.</p> <p>Some criticism have emerged on coordination with other donors: <i>The EC, following a modest programme of emergency relief, announced a large programme of reconstruction focused on education and health, confirmed after a brief period of research and no real coordination with other donors.</i></p>

	<p><u>Years of experience in the sector within the country</u></p> <p>As mentioned above the COM states that the Commission has substantial experience in education and public health (see list below). The FA mentions that in relation with housing the EC was already engaged in a project of social housing (see list below). CRIS data base also mention that the Commission financed a programme of water and sanitation in urban areas from 1994.</p> <table border="1" data-bbox="644 589 1246 920"> <thead> <tr> <th>Project title</th> <th>Decision year</th> <th>Commitment</th> </tr> </thead> <tbody> <tr> <td>Appui à la formation professionnelle au Nicaragua</td> <td>1995</td> <td>5.191.767,74</td> </tr> <tr> <td>Program of supp.to the education sect.in NICARAGUA</td> <td>1996</td> <td>14.408.812,48</td> </tr> <tr> <td>Fortalecimiento del sistema de salud en Nicaragua</td> <td>1996</td> <td>13.471.049,84</td> </tr> <tr> <td>Apoyo a la construcción de viviendas en Managua</td> <td>1995</td> <td>8.924.054,24</td> </tr> <tr> <td>Prog.d'adduct. d'eau centre urbain</td> <td>1994</td> <td>12.724.533,03</td> </tr> </tbody> </table> <p><u>Source:</u> CRIS database</p> <p>These were classical development projects. The EC had no experience in the country of a reconstruction programme. The circumstances are quite unusual.</p>	Project title	Decision year	Commitment	Appui à la formation professionnelle au Nicaragua	1995	5.191.767,74	Program of supp.to the education sect.in NICARAGUA	1996	14.408.812,48	Fortalecimiento del sistema de salud en Nicaragua	1996	13.471.049,84	Apoyo a la construcción de viviendas en Managua	1995	8.924.054,24	Prog.d'adduct. d'eau centre urbain	1994	12.724.533,03
Project title	Decision year	Commitment																	
Appui à la formation professionnelle au Nicaragua	1995	5.191.767,74																	
Program of supp.to the education sect.in NICARAGUA	1996	14.408.812,48																	
Fortalecimiento del sistema de salud en Nicaragua	1996	13.471.049,84																	
Apoyo a la construcción de viviendas en Managua	1995	8.924.054,24																	
Prog.d'adduct. d'eau centre urbain	1994	12.724.533,03																	
	<p><u>Capitalisation of experiences in the sector (worldwide)</u></p> <p>Few years previously to the Hurricane Mitch successive reflexions on relief and development inside the Commission had lead to the release of a Communication from the Commission to the Council and the European Parliament on linking relief, rehabilitation and development (LRRD) - 30/04/1996 - COM (1996)153 and to approval of the Council Regulation EC 2258/96, 22 November 1996 on rehabilitation and reconstruction operations in development countries (the legal basis of the PRRAC).</p> <p>But it should be recognised that the magnitude of the damages of the Mitch were so exceptional that it was the first time the international community responses to some like this. The sistematization of PRRAC is still to be carried out (individually the projects have been evaluated, some of them have produced sistematization studies (good practices) the global evaluation is under way). On the issue of the sistematization the evaluation FORSIMA points out that: <i>Los proyectos, como en el caso del FORSIMA, hacen un esfuerzo por conocer otras iniciativas llevadas a cabo en sus mismos campos, buscando coherencia y complementariedad en sus acciones. Así mismo, sistematizan sus propias experiencias pero una vez finalizados, todo ello se pierde.(...) Disponer de un centro de documentación de ámbito regional, en el que los futuros proyectos y organizaciones interesadas puedan tener acceso a experiencias anteriores sin duda sería de gran valor.</i></p> <p>The LRRD concept evolved and in 2001 there is a second LRRD communication. But this does not cover the sistematization of PRRAC.</p>																		

<p>Interview C7</p>	<p><u>Quality of its structure (procedures and staff)</u> At the very beginning of the PRRAC it was thought to manage it through a BAT (Bureau d'Assistance Technique). Nevertheless the European Commission had decided to suppress this kind of structures in its reform of aid delivery. For the PRRAC, it was decided therefore to create a new type of structure. The programme was decided to be centralised because national authorities were overloaded by the magnitude of the disaster and of the response of the international community. And in addition, it was decided that the centralised structure will be located in EC Delegation of Nicaragua and will cover all the four beneficiary countries of the region. Is the first devolved structure of EC. The way had to be totally paved. This was in Sept./October 2000. New staff had to be recruited, trained in procedures. The internal process and circuits had to be created. Important efforts had to be deployed and the unit succeed in one year to launch 15 tenders.</p> <p>But the programme been so large (€250m for all the region) the institutional set-up was also large and complicated. Here are the basic elements:</p> <ul style="list-style-type: none"> - From 10/1999 starts the TA and identification project – depending of Brussels until The unit had sub-units across the four beneficiary countries. - In 09-10/2000 – Creation of a devolved unit PRRAC located at the DEC + with 3 individual sectoral experts - For each big project a PMU was created - Other projects were contracted with public and parapublic entities or international organisations - Local initiatives were launched through call of proposals with NGO's.
	<p><u>Quality of the intervention</u> The quality of the intervention could be understood as the sum of the achievements of each of the interventions linked to the quality of their design. The evaluations of the big projects provide sufficient information on the quality of the achievements. No information has been found on other projects. FORSIMA – Good FOSED – Good PROMAPER – Technical deficiencies PRIESO – Technical deficiencies</p>
<p>I 5.5.2 Evidence of a common political agenda between Member States donors in rehabilitation after Hurricane Mitch</p>	
<p>PRRAC- FAs Nicaragua Consultative group of Washington</p>	<p>The objectives of the PRRAC are strongly influenced by the leitmotiv of the Washington Consultative Group “<i>Reconstruction in the sense of transformation</i>”, as illustrated by the global objective: “<i>To contribute to the rehabilitation and the improvement of infrastructures, supply and management of education, sanitary and health services in the zones more affected by the hurricane Mitch and give support to the transformation towards more sustainable development model in the mentioned sectors.</i>”</p>

EQ6: Education

EQ6. To what extent has EC support contributed to improving equitable access to quality education for all?

C 6.1 The shift in the EC intervention strategy in the education sector is based on the sector evolution, on a co-ordination between donors and is more in line with the GoN

I 6.1.1 Existence and modalities of coordination between EC, other donors and the GoN at the level of the conception/design/feasibility study of the intervention and its implementation

<p>PAPSE Financial Agreement</p> <p>Interviews with A35, A41, A12, A18, A66</p>	<p>The origin of this intervention took place in 2002 when the National Education Plan 2001-2015 was first approved. This plan is based on the National Strategy of Education and on the results of the dialogue with Civil Society. The National Education Plan aims to enhance stability, sound management and efficient implementation of the education policies in the long term (2001-2015), providing a framework for allocation of both internal resources and foreign aid. This provides the context for measuring developments in the education sector over future years. It is also a framework of dialogue for the national institutions and donors and offers the basis for a sectoral policy which could be supported by SBS.</p> <p>From 2003 onward, a group of donors (CE, WB, IADB, Finland, Spain and Luxembourg), worked together with the Ministry of Education (MECD) to complete the sectoral policy. This led to the formation of both the sector round-table on education⁷² and of five working groups including a group dedicated to harmonisation of finance and donor inputs. This round-table developed a SWAp in which the EC was the first (and until now the only) donor to initiate the non-earmarked SBS (PAPSE) that started in 2004. Three donors (The Netherland, Canada and Denmark) created a basket fund (PROASE) in which The Netherland delegated their cooperation to Canada. Denmark and Canada use their own procedures for accounting, reporting and auditing. For the first time they conducted a common audit in 2008. The World Bank administrates the Education for All (EFA) programme. A Common Work Plan 2005-2008 (Plan Común de Trabajo or PCT) for the MECD⁷³ was produced. Finally, in 2007, the GoN issued a new sectoral plan: the PDI (Plan de Desarrollo Institucional).</p> <p>The education sector is the most advanced in terms of coordination and</p>
---	--

⁷² Altogether sector roundtables were formed in the areas of education, health, production and competitiveness, governance, infrastructure, social protection.

⁷³ Since 2007 and the installation of the new GoN, the name of the Ministry of Education changed: MECD (Ministerio de Educación, Cultura y Deportes) was replaced by MINED (MINisterio de EDucación).

	<p>harmonisation between donors, and alignment on GoN.</p> <p>However, most donors interviewed are sceptical about the quality of the political dialogue with the Ministry of Education.</p> <p>During the preparation of PAPSE an expert mission worked for 6 weeks with the Minister of Education. Commission HQ missions assisted the Delegation in the final stages.</p>
<p>C 6.2 The Commission's intervention in the education sector contributed to the expected outputs in four aspects of the NEP:</p> <ul style="list-style-type: none"> a) decentralisation b) support to teachers c) secondary education reform d) support to Atlantic regions 	
<p>I 6.2.1 Number of schools with administrative autonomy and territorial decentralisation</p>	
<p>World Bank PER 2008, annex C</p>	<p><i>"The school autonomy programme started as a pilot in 1993, with the participation of 20 large, urban secondary schools that volunteered to participate. In 1995, the model was extended to primary schools with special adaptations in rural areas, and by 1997, a total of 3,950 schools were participating in the autonomy program. The autonomy programme was institutionalised with the Education Participation Law passed in 2002, along with its internal regulations for its operationalisation.</i></p> <p><i>By 2006, a total of 4,997 primary schools (or 58% of the total) and 501 secondary schools (or 40% of the total), enrolling a total of 942,476 students, were operating under the Participation program."</i> World Bank PER 2008, annex C p.166.</p> <p>But in 2005 the number of these schools remained unchanged, and the PAPSE objective in this area was not fulfilled.</p> <p>It should be noted that this programme allows for decentralisation of decision-making and of financial resources: grants are allocated to schools, based on a capitation principle which creates an incentive to overestimate enrolment at school level, to increase the pupil:teacher ratio, and to collect levies, fees or "volunteer contribution" from parents.</p> <p>The World Bank PER describes this problem in the following terms: <i>Key elements of the Autonomy Principle are the decentralisation of decision making and of financial resources to schools that are incorporated to the autonomous programme. Financial resources, in the form of grants, are transferred from the Ministry of Education to the schools based on a capitation grant formula. On occasion, a nominal amount is added to cover minor school repairs and rehabilitation. School fees and levies are not official in Nicaragua, but it is not uncommon to find schools collecting levies, fees or contributions to cover services ranging from maintenance of school grounds to school fairs and lotteries. Although there is no information available on the proportion of school-based revenue relative to the grant sent from the Ministry of Education, anecdotal evidence indicates that in some cases school-based revenue can be substantial. Evidence</i></p>

	<p><i>from qualitative studies indicates that school fees, coupled with the indirect costs of schooling (uniform, shoes, materials, lunch meal, etc.), have a deleterious impact on school age children from extremely poor households who are unable to afford such expenses. In 2007, the Ministry of Education denounced the practice of collecting school fees and banned schools from charging students. (...)</i></p> <p><i>A recent analysis of the profile and characteristics of schools that have been incorporated into the autonomous model indicates that (...) the single most important factor positively and consistently correlated with good school management practice is the strong and clear leadership from School Principals and School Councils.</i></p> <p><i>A recent analysis of the model yields some important findings. Among the positive aspects of the programme are the empowerment of parents, students and teachers to identify, manage and solve issues affecting their school and its immediate community as well as better indicators such as lower repetition rates, fewer unqualified teachers and higher test scores in 3'd grade Spanish. (...) A weakness of the grant transfer programme has been the lack of a mechanism to mitigate the perverse incentives that capitation grants can often have on enrolment. An enrolment audit carried out in 2002 by the Ministry of Education identified inflation in the enrolment statistics in the order of 19% at the primary level and of 23% at the secondary level. Since then, the Ministry has adopted several measures to correct the problem and while these have been effective in reducing over reporting of students to 16% at the primary level and to 6% at the secondary level, the persistence of this problem, coupled with other problems, prompted the Ministry to make some changes to the transfer formula in 2005-2006”.</i></p>
<p>I 6.2.2 Design and application of a training plan for teachers and salary increase</p>	
<p>Informe de Evaluación de medio Término del PAPSE Dic 2006</p> <p>World Bank PER 2008</p>	<p>According to the PAPSE Mid-Term evaluation, the salary increase in the public education sector from 2002 to 2006 varied between 8% and 18% in real terms, depending on the teacher category. The report stresses that, despite this small real improvement, the level of wages remains very low in comparison with other Central American countries. On average, a teacher salary represented, in 2005, 2.5 times GDP <i>per capita</i>, well below the target benchmark (3.5 times GDP <i>per capita</i>) established under the Education for All (EFA) indicative framework.</p> <p>An important fact which explains, at least partially, the poor quality of teachers, is that there are no significant differences between salaries of the highest category of teachers and those of the lower category (unqualified teachers or “maestros empíricos”). As the salary increases are fixed and the same for all, the differences between categories are decreasing. As a result an unqualified teacher has no incentive to obtain a professional degree because he or she will invest time and money to be paid only 3% to 6% more as a qualified teacher than as an unqualified one (Mid-Term evaluation, annex 10, p.5). In primary education unqualified teachers represented 26% of teachers in 2004, but 51% in secondary education. These proportions are rising.</p>

<p>Interviews with A21, A32, A33, A34</p>	<p>There exists an official training programme for primary education teachers (Programa de Certificación de Aptitudes Pedagógicas con las Escuelas Normales) which is achieving its goals (at least in term of coverage). No similar programme exists for secondary education. At this level only 12% of teachers have received some kind of in-service training. According to the results of the regional student assessment (SERCE) coordinated by UNESCO in October 2006, only 1% of students achieve a sufficient level of proficiency in mathematics, and 13% in Spanish (mid-term evaluation p.28).</p> <p>Since 1997 the GoN attacked the salary problem with a programmed salary increase of 500 C/. each year since 2007 for all teachers and a 1000 C/. increase in 2007 for the “maestros profesionalizados” (teachers with a professional degree). As a consequence a teacher who was earning 2000 C/. (about 120 US\$/month) in 2006 would be earning 3500 C/. per month (175 US\$) in 2009. But this programme is probably directly affected by the budget restrictions of 2009, by the rise in inflation since 2008 and by the suspension of part of aid to the sector decided at the end of 2008.</p>
<p>I 6.2.3 Design and application of a new curriculum and new educational proposals for vocational training in secondary education</p>	
<p>Informe de Evaluación de medio Término del PAPSE Dic 2006</p> <p>Interviews with A21, A32, A33, A34</p>	<p>According to the Mid-Term evaluation, the secondary education reform has been carried out as planned and has achieved its objectives. It was a well-organised process, well-designed and supported by a large range of stakeholders: public institutions, universities, international cooperation (education sector round-table) and Civil Society. This reform led to a new curriculum which was completed in 2006 and which was implemented by the new government in 2008..</p> <p>The Mid-Term evaluation also points out some weaknesses in this process, such as the lack of implication of the technical education directorate, the fact that the Atlantic Autonomous Regions have not elaborated their own curricula, and the lack of coordination with the teacher training institutions (“escuelas normales”). (mid-term evaluation, p.28.)</p>
<p>I 6.2.4 Application of an autonomous regional educational system in RAAN and RAAS</p>	
<p>Informe de Evaluación de medio Término del PAPSE Dic 2006</p>	<p>Achievements have been rare in this area. There is a lack of clear definition of the respective roles of the Ministry of Education and the SEAR (Sistema Educativo Autónomo Regional), the regional institution in charge of the education sector in RAAN and RAAS. SEAR depends on MECD for payment of teachers' salaries and the Ministry still intervenes directly in the schools located in the autonomous regions. The curriculum transformation does not apply to these regions, which draw up their own curricula. But this process came to a standpoint because of lack of resources.</p>

	<p>The Mid-Term evaluation also points out that resource for education in the autonomous regions has increased considerably, but that this does not seem to have contributed to an increase of the quality of public education.</p>
<p>C 6.3 The Commission's intervention in the education sector contributed to the expected results of the NEP: enhanced equality, quantity and quality of education services</p>	
<p>I 6.3.1 Evolution of enrolment, dropout and repetition rates</p>	
<p>World Bank PER 2008 Annex C</p>	<p>The World Bank PER of 2008 refers to the enrolment question in the following terms: <i>“Enrolment in primary education has increased in absolute terms from 838,437 students in 2000 to nearly 1 million in 2006; representing an average annual growth rate of about 2.1% over the period 2000-2006⁷⁴. The increase responds to greater efforts to increase first time enrolment in grade 1 to cater for the natural growth in the school age population. The positive trend is supported by data from the two most recent household surveys, which highlights a decline in the proportion of children aged 7-12 not attending school from 12.1% in 2001 to 9.4% in 2005. While the decline in the proportion of non-attendance is most evident amongst children from extremely poor households, from 27% to 21% from 2001 to 2005, respectively, the proportion of children out of school remains extremely high and, therefore, in need for urgent attention. (...) In primary education the net enrolment rate increased from 84.1 in 2000 to 91.9 in 2005”.</i></p> <p>The enrolment in pre-school education increased on average 1.4% a year between 2001 and 2006. <i>“In 2005 the official age at entry in the first grade was also reduced from 7 years to 6 years to promote an earlier entrance into the formal school system, which is consistent with international best practice. The policy appears to be yielding results: in 2005, approximately 75% of first graders in urban areas where in the appropriate age range (6 and 7). In rural areas, however, only 54% were in the appropriate age bracket; in fact, a third of first graders were 9 years or older. Overall, the highest annual growth rates in enrolment for the 2001-2006 period are preschool and secondary education, which is consistent with the existing policy framework supported by the PRSP and the Common Work Programme at the sector level. (...)”</i> WB PER p.162.</p> <p><i>“With respect to internal efficiency indicators, progress has been steady since 2001, but it has also been slow. Repetition rates have remained unchanged since 2001, at around 11% for in primary education and 6% in secondary education. The proportion of students who complete primary education in the allotted time for the cycle (6 years), increased from 27% in 1997, to 36% in 2001 and 41% in 2006. Completion rates within six years are higher among female students and in urban areas. It is important to note the substantive improvements of this indicator in rural areas, from a low base of 14% in 1997, to 23% in 2001 and 31% in 2006. Increasing the proportion of students who complete without repeating a grade is of particular importance not only to</i></p>

⁷⁴ During the same period total population increased at an average annual growth rate of 1.2%

ensure learners become confident of their academic abilities and prospects for their educational future (the likelihood of dropping out increases sharply for overage students) but also to increase the efficiency of resource use by creating more places in the system. Improvements in the primary completion rate are hampered by a high rate of repetition and drop out, and the fact that many students simply fail to register for the next school year. This last phenomenon is most pronounced in the transition from first to second grade.” WB PER p.163

“The drop out rate in primary education remains high, particularly in the early grades of the cycle. The average annual drop out rate in grade 1 for 2000 through 2005 was 17.5% compared to 20% 1990-2000. Since 2005 there has been a marked improvement in lowering the drop out rates in grade 2 and beyond, which is a commendable achievement for the Ministry. While there is still some way to go to eliminate drop out in primary education, the immediate challenge remains in grade 1 which is an exit point for a number of students. The situation in secondary education is similar of that in primary education with respect to the high level of dropout rates. The difference, however, is that whereas in primary education the rates are on the decline, improvements in secondary are negligible, if any at all.” WB PER p.164.

In brief, the three critical points for dropouts are the following: grade 1 in primary education (average dropout rate from 2001 to 2005: 17.6%), grade 7 (first year) in secondary education (average dropout rate from 2001 to 2005: 18%), and the transition from primary to secondary education: usually less than half of the students that finish primary school register in secondary education.

It is worth noticing that the evaluation of the PAPSE indicators on dropouts rates in 2004 and 2005, showed negative results (real values beneath the goal). It should also be noted that there can be a considerable loss of students between any two successive grades in primary or secondary school, which do not register in the dropout rate. For example, 15% of children that finished the first grade of primary school in 2002 did not register in the second grade.

I 6.3.2 Evolution of pupil:teacher ratio

World Bank PER
2008
Annex C

World Bank
Nicaragua
Poverty
assessment

Figure EQ6.1 : Ratio Pupil/Teacher by Region and Area

	Primary					Secondary				
	Autonomous	No Autonomous	Private with subsidy	Private without subsidy	Total	Autonomous	No Autonomous	Private with subsidy	Private without subsidy	Total
National	36.9	34.5	30.2	19.2	33.6	43.3	30.8	27.5	21.4	33
Rural	35.8	34.4	33.3	20.7	34.8	37.1	27.1	24.9	22.1	32
Urban	38.7	34.7	28.5	19.0	32.0	45.9	33.9	28.1	21.2	34
Zone										
Managua	42.9	36.5	29.6	19.1	32.2	47.8	30.4	27.7	19.4	32
Pacific	35.3	37.3	24.5	16.5	29.6	37.6	27.6	30.3	21.6	32
Central	35.5	33.6	28.5	19.5	33.9	40.7	33.1	24.4	22.8	34
Atlantic	37.6	35.6	33.1	22.9	35.5	31.7	29.0	22.4	22.3	26

Source: Angel-Urdinola and Laguna (2007)

Source: Poverty Assessment table 2.11 p. 45

It should be noted that, on the basis of the 2005 data, neither regional nor urban-rural differences are marked, and that there are no real differences between primary and secondary education. As expected the figure shows clear differences between types of school, but also indicates higher rates in autonomous schools than in non-autonomous schools, which confirms observations made in I 6.2.1.

Figure EQ6.2: Ratio pupil/teacher from 2002 to 2005

	2002	2003	2004	2005
Total Pais	35	34	33	33
RAAN	36	39	55	46
RAAS	88	87	93	102

Fuente: Elaboración propia en base a los datos del MECD

Source: PAPSE Evaluación de Medio Término anexo 10 p.25.

The pupil:teacher ratio decreased between 2002 to 2005, but too little to make any statistical difference. On the other hand this ratio has shown a considerable increase in the Atlantic regions, which reflects a deterioration of the quality of education.

One of the most serious problems in the sector, with a direct effect on the quality of education, is the increase in the number of unqualified teachers ('empíricos'). At primary education level, the percentage of unqualified teachers increase slightly from 24% in 2002 to 26% in 2004, while in secondary education the increase was fairly substantial, from 37% to 51%. See also I 6.2.2.

I 6.3.3 Evolution of enrolment in vocational training programmes after secondary education

World Bank PER
2008
Annex C

Figure EQ6.3 : Average Annual Growth Rate in Enrolment by Level 2001-2006

Level	2001	2002	2003	2004	2005	2006	Average 2001-2006
Special Education	6.38%	-3.09%	6.87%	-3.44%	-0.39%	0.54%	1.44%
Preeschool	-1.73%	8.36%	3.48%	8.55%	7.15%	-1.74%	4.00%
Primary	3.35%	6.56%	0.41%	1.59%	0.33%	2.23%	2.45%
Secondary	6.23%	8.66%	3.41%	4.77%	5.31%	2.52%	4.94%
Teacher Education	7.81%	9.24%	-7.84%	-5.72%	-9.09%	2.39%	0.91%
Adult Education	-3.18%	-6.11%	-15.28%	34.25%	3.24%	8.33%	2.79%

Source: Indicadores MECD. Incluye Toda la Oferta de Cobertura del MECD

Source: World Bank PER 2008, figure C.2 p.162.

As can be seen in the previous table, vocational training (adult education) showed a quite high average increase in the enrolment rate between 2001 and 2006 (2.8% a year on average), but also substantial variations from one year to the next. Also, figure EQ6.1 shows that between 1995 and 2006 the number of students enrolled in adult education increased from 50,000 to almost 100,000.

I 6.3.4 Evolution of enrolment and dropout rates in the Atlantic regions

PAPSE Mid-Term evaluation annex 10 p.26	Figure EQ6.4 : Evolution of Enrolment in RAAN and RAAS						
		2002	2003	2004	2005	Inc. %	Inc. Abs
World Bank PER 2008 Annex C	PREESCOLAR						
	Total Pais	177.534	183.709	199.291	213.672	20,4%	36.138
	Costa Atlántica	18.438	19.507	22.217	25.330	37,4%	6.892
	RAAN	12.129	12.868	14.808	13.853	14,2%	1.724
	RAAS	6.309	6.639	7.409	11.477	81,9%	5.168
	PRIMARIA						
	Total Pais	923.391	927.217	942.448	945.089	2,3%	21.698
	Costa Atlántica	114.260	122.286	132.156	130.915	14,6%	16.655
	RAAN	57.544	63.357	71.105	64.712	12,5%	7.168
	RAAS	56.716	58.929	61.051	66.203	16,7%	9.487
	SECUNDARIA						
	Total Pais	364.012	376.409	394.072	415.273	14,1%	51.261
	Costa Atlántica	20.464	23.420	26.290	29.264	43,0%	8.800
	RAAN	9.145	11.154	12.602	13.703	49,8%	4.558
	RAAS	11.319	12.266	13.688	15.561	37,5%	4.242
	ADULTOS						
	Total Pais	78.316	66.347	77.019	91.961	17,4%	13.645
	Costa Atlántica	1.495	1.005	1.088	1.090	-27,1%	-405
	RAAN	825	620	641	627	-24,0%	-198
	RAAS	670	385	447	463	-30,9%	-207
	Fuente: Elaboración propia en base a los datos del MESSORce: PAPSE Mid-Term evaluation 2006 , annex 10 p.26						
	As can be seen in the previous table, enrolment in the Atlantic region has been much higher than in the rest of the country, for all types of education except for adults. But this last item relates to a small number of people, so that small variations in absolute terms translate into high variations in percentage terms. As already stated, this increase in quantity does not seem to be matched by an increase in quality.						

I 6.3.5 Evolution of the share of education in the general budget

WB PER 2000 Annex C	Figure EQ6.5: Total expenditure on Education (in millions of Córdoba)								
		1998	1999	2000	2001	2002	2003	2004	2005
PAPSE Mid-Term evaluation 2006	Total Expenditure on Education	1,124	1,734	1,917	2,012	2,303	2,896	3,109	3,93
	Expenditure as % of GDP	3.0%	3.9%	3.8%	3.6%	4.0%	4.6%	4.3%	4.9%
	MINED	730	1,265	1,378	1,379	1,485	1,774	2,047	2,49
	As % GDP	1.9%	2.9%	2.8%	2.5%	2.6%	2.8%	2.8%	3.1%
	As % of Total Education	65%	73%	72%	69%	64%	61%	66%	63%
	Universities	349	420	490	586	670	795	843	94
	As % GDP	0.9%	1.0%	1.0%	1.1%	1.2%	1.3%	1.2%	1.2%
	As % of Total Education	31%	24%	26%	29%	29%	27%	27%	24%
	/p: preliminary figures								
	Source: World Bank PER 2008, table C.9 p.165.								
	Since the late 1990s there has been a marked upward trend in education expenditure. As illustrated in the previous table, total expenditure on education increased from 3.6% of GDP in 2001 to 4.9% of GDP in 2005. But in terms of budget share, expenses on education were constant. They represented 15.2% of total expenditures in 2000 and in 2006: they were no more a priority in 2006 than they were at the beginning of this century. However the share of education in the budget proposal rose from 11.3% in 2006 to 13.4% in 2008.								
	For MINED (Ministry of Education, ex MEDC), expenditure on								

education increased steadily from 2.5% of GDP in 2001 to 2.8% of GDP in 2005. About two-thirds of the total expenditure on education is allocated to INED for pre-university education, a figure that has been constant for a decade.

I 6.3.6 Evolution of the rate of enrolment between rural and urban areas

World Bank PER 2000
Annex C

World Bank
Nicaragua Poverty
Assessment 2008

Available information for 2005 show the following results:

Figure EQ6.6 : Net enrolment rate by gender and urban/rural

	Primary			Secondary		
	Total	Male	Female	Total	Male	Female
All	84.1	82.5	85.9	45.1	39.9	50.4
Urban	84.3	84.0	84.6	61.1	56.4	65.3
Rural	84.0	81.0	87.2	28.1	23.6	33.0

Source: World Bank: Nicaragua Poverty Assessment, Table A2-E02, p.148.

They are no differences between the rate of enrolment in urban and rural areas in primary education, but a huge difference in secondary education. This last observation is partially explained by the fact that the secondary schools are located in urban areas.

Figure EQ6.9 compares the percentage of students completing primary school in six years in urban and rural areas. Differences between urban and rural areas are considerable but tend to decrease, while the rate of completion was almost three times as high in urban areas as in rural areas in 1997, it was “only” 83% higher in 2006.

In 2003, a student needed on average 7.5 years to complete primary education in an urban area, but 11.4 years in a rural area and 14.3 years if he came from an extremely poor rural background. (Mid-Term evaluation, p.16)

The lowest levels of academic achievement as measured by curriculum proficiency are found in rural areas, in multigrade schools, among girls, among grade repeaters, and among those students who speak a language other than Spanish.

I 6.3.7 Evolution of the literacy rate

World Bank
Nicaragua Poverty
Assessment 2008

http://globalis.gvu.unu.edu/indicator_detail.cfm?Country=NI&IndicatorID=27

From the following figure it can be seen that the adult illiteracy rates is falling, constantly but very slowly, that it was still above 30% in 2003, and that there is no significant difference between males and females at a global level (pooling urban and rural areas)

Figure EQ6.7 : Adult illiteracy rates (above 15) from 1980 to 2003 in%

	Total	Male	Female
1980	41.2	41.0	41.5
1985	39.2	39.1	39.3
1990	37.3	37.3	37.2
1995	35.4	35.5	35.2
2000	33.5	33.8	33.3
2003	32.5	32.8	32.5

Source:
http://globalis.gvu.unu.edu/indicator_detail.cfm?Country=NI&IndicatorID=27
Origine : UNESCO estimates

Figure EQ6.8 : Nicaragua 2005 – per cent literate (15-24 years and 15 years and older) and Ratio of Females to Males (literate and in school)

	Literate (15-24 years)	Literate (15 years and older)	Ratio of Literate Females to Males (15-24 years)	Ratio of Girls to Boys in Primary and Secondary education
All	90.4	79.8	95	104
Extreme Poor	77.1	87.4	80	111
Not Extreme Poor	87.0	72.7	92	103
Poor	83.9	68.1	88	106
Non-poor	95.8	88.1	101	103
Urban	95.8	88.6	103	106
Extreme Poor	85.6	65.5	103	121
Not Extreme Poor	92.9	82.4	99	101
Poor	91.5	79.3	100	104
Non-poor	97.6	91.9	104	107
Rural	83.0	67.1	84	102
Extreme Poor	74.5	55.2	73	109
Not Extreme Poor	82.4	65.4	85	105
Poor	79.3	61.6	80	106
Non-poor	90.6	76.9	92	93
Quintile				
Poorest	78.3	59.1	78	105
II	87.3	73.1	94	110
III	92.1	80.9	101	99
IV	94.9	86.4	101	105
Richest	99.0	93.2	100	102
Zone				
Managua - Urban	96.5	92.0	100	96
Managua - Rural	95.6	78.1	69	110
Managua	96.4	90.6	96	97
Pacific- Urban	96.6	89.2	97	102
Pacific - Rural	89.9	74.8	99	104
Pacific- Total	93.9	83.4	98	103
Central - Urban	93.9	82.8	117	128
Central - Rural	79.6	63.9	76	102
Central - Total	85.2	71.6	92	111
Atlantic- Urban	94.4	84.3	109	111
Atlantic - Rural	76.7	59.3	87	97
Atlantic - Total	82.8	68.0	95	102
Indigenous				
No	90.5	79.8	95	104
Yes	89.2	80.8	103	98
Worked land last 12 months?				
No	94.5	86.7	104	108
Yes	83.3	66.7	80	98

Source: World Bank Nicaragua Poverty Assessment 2008, table A2 – E10 p.155

As can be expected, the literacy rate is higher among the non poor than among the poor, and much higher in urban areas than in rural ones. It can also be seen that females are more literate than males in urban areas, while it is the opposite un rural areas.

I 6.3.8 Evolution of gender equality in education (male/female rate)

All indicators on gender in education show high equality between females and males, with a slightly higher participation of females as illustrated by enrolment rates, completion rates, and so on. See, for example, tables EQ6.7, 8 and 9.

I 6.3.9 Evolution of completion rate in primary education																																																																			
<p>World Bank Nicaragua Poverty Assessment 2008</p> <p>World Bank PER 2008 Annex C</p>	<p style="text-align: center;">Figure EQ6.9: percentage of Students Completing Primary School in 6 Years</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Year</th> <th>Total</th> <th>Female</th> <th>Male</th> <th>Urban</th> <th>Rural</th> </tr> </thead> <tbody> <tr><td>1997</td><td>27</td><td>29</td><td>24</td><td>42.3</td><td>14.9</td></tr> <tr><td>1998</td><td>31</td><td>34.4</td><td>27.2</td><td>48.8</td><td>16.8</td></tr> <tr><td>1999</td><td>32.2</td><td>35.7</td><td>28.9</td><td>49.5</td><td>18.7</td></tr> <tr><td>2000</td><td>35.4</td><td>39.2</td><td>31.9</td><td>54.1</td><td>21.5</td></tr> <tr><td>2001</td><td>36.3</td><td>40.5</td><td>32.4</td><td>52.5</td><td>23.3</td></tr> <tr><td>2002</td><td>38.5</td><td>42.8</td><td>34.6</td><td>59.2</td><td>27.7</td></tr> <tr><td>2003</td><td>40.8</td><td>45.3</td><td>36.7</td><td>58.9</td><td>30.2</td></tr> <tr><td>2004</td><td>40.9</td><td>45.1</td><td>37</td><td>60.8</td><td>30.2</td></tr> <tr><td>2005</td><td>41.2</td><td>45.6</td><td>37.2</td><td>58.2</td><td>31.2</td></tr> <tr><td>2006</td><td>41</td><td>45.2</td><td>37.1</td><td>57.3</td><td>31.3</td></tr> </tbody> </table> <p>**2006 is preliminary</p> <p>Source: World Bank PER 2008 Annex C, table C3 p. 163</p> <p>The proportion of students who complete primary education in the allotted time for the cycle (six years), increased from 27% in 1997, to 36% in 2001 and 41% in 2006. Completion rates within six years are higher among female students and in urban areas. It is important to note the substantive improvements of this indicator in rural areas, from a low base of 14% in 1997, to 23% in 2001 and 31% in 2006. Increasing the proportion of students who complete without repeating a grade is important not only for ensuring that learners become confident of their academic abilities and prospects for their educational future (the likelihood of dropping out increases sharply for over-age students) but also for increasing the efficiency of resource use by creating more places in the system.</p>	Year	Total	Female	Male	Urban	Rural	1997	27	29	24	42.3	14.9	1998	31	34.4	27.2	48.8	16.8	1999	32.2	35.7	28.9	49.5	18.7	2000	35.4	39.2	31.9	54.1	21.5	2001	36.3	40.5	32.4	52.5	23.3	2002	38.5	42.8	34.6	59.2	27.7	2003	40.8	45.3	36.7	58.9	30.2	2004	40.9	45.1	37	60.8	30.2	2005	41.2	45.6	37.2	58.2	31.2	2006	41	45.2	37.1	57.3	31.3
Year	Total	Female	Male	Urban	Rural																																																														
1997	27	29	24	42.3	14.9																																																														
1998	31	34.4	27.2	48.8	16.8																																																														
1999	32.2	35.7	28.9	49.5	18.7																																																														
2000	35.4	39.2	31.9	54.1	21.5																																																														
2001	36.3	40.5	32.4	52.5	23.3																																																														
2002	38.5	42.8	34.6	59.2	27.7																																																														
2003	40.8	45.3	36.7	58.9	30.2																																																														
2004	40.9	45.1	37	60.8	30.2																																																														
2005	41.2	45.6	37.2	58.2	31.2																																																														
2006	41	45.2	37.1	57.3	31.3																																																														
C 6.4 The EC intervention in education offers a value added over Member States' interventions																																																																			
I 6.4.1 Evidence of a visible advantage of EC in the preparation and/or implementation of the education SBS programme (PAPSE)																																																																			
<p>A12, A18, A35, A41, A42, A46, A66, A79</p> <p>Evaluación intermedia de PAINIC</p>	<p>The EC has been the pioneers in the application of BS for the education sector but is still the only donor to apply this form of financing. However, the preparation of this programme implied a strong and usefull policy dialogue and a good knowledge of this sector from the EC. The EC commonly ensures the coordination of the sectoral round-table. Most other donors consider that the quality of this coordination is the main EC added value. The EC played no particular role in the elaboration of the sectoral strategy because, according to its final evaluation findings and to the comments of interviewees, PAINIC was not a success in the education sector.</p>																																																																		

I 6.4.2 Evidence of a common political agenda between Member State donors in the education sector	
A79, A66	No evidence of a common political agenda between MS was found in the education sector. This fact can be regretted because The Netherland and Denmark participate in a basket fund (PROASE) and according to interviewees, the initial intention to join the two funds (PROASE and PAPSE) was never pushed forwards.

EQ7: Efficiency

EQ7. To what extent have the financial and human resources been used to reach objectives in a timely and cost effective manner, and was the regulatory and administrative framework appropriate for doing this?

C 7.1 The human, financial, regulatory and/or administrative resources were sufficient to reach the objectives of the interventions as planned (quantity)

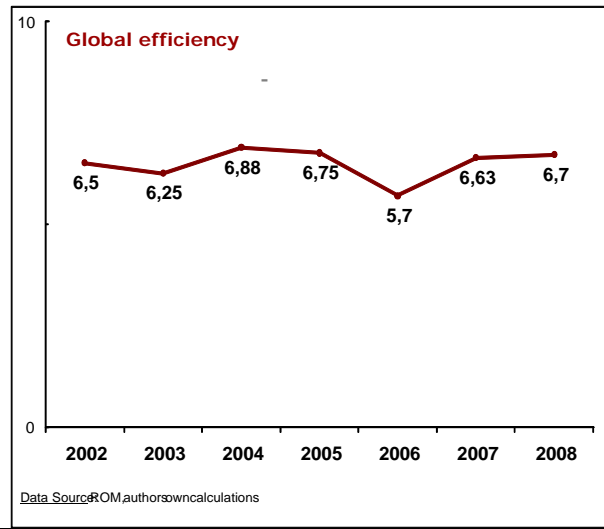
I 7.1.1 Monitoring Reports efficiency rates⁷⁵

Monitoring Reports

According to the 73 monitoring (ROM) realized between 2005 and 2008 in about 40 different interventions, the human, financial and administrative resources were sufficiently adequate to attain the objectives of the interventions in 39 cases (53%), and insufficient (“with problems” or “with serious deficiencies”) in 34 cases (47%). This means that almost half of the MR point out to inefficiencies, while for more than half of the MR, efficiency of interventions is “good” (rating ‘b’) or very good/exceptional (rating ‘a’). The average rating for the efficiency criterion is more or less equivalent to the rating obtained by other criteria such as relevance, effectiveness, impact and sustainability.

The following graph shows that on the long run the efficiency rating is more or less steady. There was a clear worsening of efficiency in 2006 due, according to the 2006 general monitoring report, to the new administrative rules which gave more responsibilities to the beneficiaries. But during the two next years the rate recovered its previous level. Part of the explanation of this improvement lays, always according to the general reports, in the incorporation into ROM of more NGOs interventions which are, on average, more efficient than other instruments.

Figure EQ 7.1: Monitoring Efficiency Rates 2002-2008



⁷⁵ In order to evaluate the efficiency criteria, the MR uses 4 questions:
 1) The means are on time, respect costs, are well managed?
 2) The activities are on time, respect costs, are well managed?
 3) Expected results are reached as planned?
 4) Flexibility following changes in needs?

	<p>Turning to the sub-criteria which explain the relative efficiency of interventions, the ROM country reports from 2006 to 2008 (the only years for which data are available) all consistently show that the major factors in efficiency are “participation of stakeholders” and “availability of means” (sufficient human, financial and administrative resources) which both score well and enhance efficiency. On the other hand these same reports also consistently show that the major factor in inefficiency is the proneness to major delays in implementation which affect more than half of interventions and cause low levels of financial execution and delivery of results</p>
<p>I 7.1.2 Evidence of adequacy of resources (resources are probably adequate if no clear bottleneck can be identified during the preparation and implementation phases of different programmes)</p>	
<p>Interview of officials in the Delegation CSP 2007-2013 Monitoring Reports (MR) on the following projects: De campesino a campesino DRI zona norte y central: DRI zona norte DRI DECOPANN PRASNIC Servicios legales – Nitlapan : Interviews with A10, A6, A7, A8, A9, A12, A14, A15</p>	<p>Resources may be adequate for one intervention modality and not for another, or for one type of intervention and not for another. BS, for example, requires different staff qualifications from those needed for “traditional” projects; or promotion of good governance needs resources very different from those for improvement of the public expenditure framework. Therefore, the use of this indicator will have to be more detailed.</p> <p>Some interviewees mentioned that the lack of local capacity in project management was often a bottleneck in the implementation phase of project-type interventions, and that existing capacities need to be better assessed during project identification and formulation.</p> <p>The CSP 2007-2013 offers some explanations for observed inefficiencies in the project implementation:</p> <ul style="list-style-type: none"> - Underestimation of complexity of implementation - Execution delays because of severe weaknesses in the identification phase - High administrative and financial requirements (heavy burden of EC procedure) (CSP p.16) <p>At intervention level, a small sample of six projects⁷⁶ in the “rural development” sector gives the following results, based exclusively on the ROM reports:</p> <p><u>Positive aspects:</u></p> <ul style="list-style-type: none"> - The work dynamics between the technical team and the departmental delegations of the UNAG insure punctual preparation of activities (Campesino a Campesino) - Good follow-up of financial data, and activities are prepared well in

⁷⁶ These six projects are :

1. De campesino a campesino : MR-30041.01 (15/09/02) and MR-30263.01(14/10/04)
2. DRI zona norte y central: MR-30036.01 (28/08/02)
3. DRI zona norte : MR-30038.01 (28/08/02) and MR-30262.01 (14/10/04)
4. DRI DECOPANN : MR-30042.02 (17/12/03), MR-30042.03 (27/10/05) and MR-30042.04 (01/09/06)
5. PRASNIC : MR-30037.01 (15/09/02), MR-30037.02 (17/12/03)
6. Servicios legales – Nitlapan : MR-30264.01 (14/10/2004)

	<p>advance (DRI norte – central)</p> <ul style="list-style-type: none"> - Complete information system including internal and external information, and activities planned and prepared on time (DRI norte) <p><u>Negative aspects:</u></p> <ul style="list-style-type: none"> - Delays in approval of the Operative Plan, constraining execution: over a period of 15 months no technical investment took place (DRI norte – central) - Slow implementation rhythm because of prolonged planning process, delays in disbursement, changes in staff, low capacity level of local partner, or underused local partners (municipalities) (DRI norte). - Problems with approval of the POG: up to seven versions were sent to the Delegation; European co-director replaced 15 months after the beginning of the project (DECOPANN). - Management problems because of transition between “co-direction project” and “facilitator project” (DECOPANN) - Misunderstanding between co-directors, high rotation of staff, numerous changes of staff in charge of the project (PRASNIC). <p>As can be seen, a small project sample yields a long list of efficiencies and (specially) inefficiencies, almost all linked to administrative or staff problems. Even so, the sample is too small to offer any relevant conclusion.</p>
--	--

I 7.1.4 Rate of disbursement and other efficiency criteria	
<p>Monitoring Reports (MR) on the following projects:</p> <p>De campesino a campesino</p> <p>DRI zona norte y central:</p> <p>DRI zona norte</p> <p>DRI</p> <p>DECOPANN</p> <p>PRASNIC</p> <p>Servicios legales – Nitlapan :</p> <p>TRANSTEC:</p> <p>Evaluación Final del PRRAC (julio 2009)</p>	<p>Almost all the monitoring reports (MR) compare disbursements with the time elapsed since the beginning of the project. In one case (de campesino a campesino) disbursements were suspended, and in all the others disbursements tended to be very slow at the beginning of the project and much faster at the end. For example, in PRASNIC the ROM found 10.2% of disbursement had taken place after 42% of implementation time, but rising to 24% after 52% of implementation time. In most of the cases reported, total disbursements were lower than initially planned.</p> <p>Information on other efficiency criteria is too scarce (it is noted, for example, in PRASNIC, that after two years 3% of target indicators had been achieved or that the unit cost of latrines was too high). It should be stressed that a low level of disbursement may reflect bad planning of expenditure rather than bad execution of activities; or it may reflect over-optimism in expenditure planning.</p> <p>At another level, EC procedures for norms of origin⁷⁷ can result in high costs and sustainability problems and are difficult to reconcile with the spirit of the Paris Declaration. Cases in point are, for example, coffee processing equipment in two NGO projects⁷⁸, drinking water pipes in PROMAPER and PRIESO, medical equipments, cars, machines, weather forecast station, cows, etc⁷⁹.</p> <p>According to the PRRAC final evaluation (p.53):</p> <p><i>En lo que se refiere a equipos y maquinarias suministrados, las principales desventajas ocurrieron debido a la “regla de origen”: los bienes y equipos suministrados en un proyecto de Cooperación Europea deben ser de origen europeo. Esta regla ha sido aplicada a tuberías, bombeos, carros, vehículos pesados, equipos médicos, instrumentos satelitales, planchas, vacas⁷², y otros, a pesar de la inexistencia de una red de asistencia en el País y de la imposibilidad de encontrar repuestos en el mercado nacional. El hecho que las tuberías europeas se miden en milímetros y las locales en pulgadas ha ocasionado algunos problemas en las conexiones entre tramos nuevos y tramos existentes.</i></p> <p><i>En el Proyecto FOSED, se reportó un caso de rigidez en la aplicación de los procedimientos en el cual estaba previsto el suministro de unas 20 vacas a los CETA del INATEC en Nicaragua. La compra de las vacas era parte de una paquete más grande de equipos y el proyecto pidió fraccionar y tratar el tema de las vacas por aparte ya que los animales europeos serían mucho más costosos (transporte) y además menos adaptados al clima del País. La Comisión Europea no concedió en primer instancia la autorización de utilizar vacas locales. La Delegación no permitió fraccionar la licitación internacional a pesar de numerosas peticiones de la UGP y explicaciones que la compra de vacas europeas para el área del proyecto no tenía lógica. Las vacas se compran en ferias por razones obvias. Ni</i></p>

⁷⁷ This rule specified that all equipment (above a certain amount) bought for an intervention financed by the EC should have a European origin. The rule permitted derogations and was recently rendered more flexible, but many examples can still be found of equipments that could not be replaced or maintained because spare parts are not available in the country.

⁷⁸ These are “Living with Dignity in Globalisation Times” and “Coffee: an Example of Production and Responsible consumption”.

⁷⁹ Many examples concerning the use and abuse of norms of origin in PRRAC interventions can be found in the PRRAC final evaluation (2009 p. 53).

	<p><i>siquiera en Nicaragua se podían comprar vacas por licitación. Solo después de comprobar que ninguna empresa europea ofrecía vacas con las adecuadas características, se concedió finalmente la compra en Nicaragua pero a costo de muchos meses de tiempo perdido.</i></p> <p><i>Caso similar se dio en el Proyecto de Mapas en Nicaragua: las estaciones meteorológicas para la red de detección de riesgo climático son alimentadas por energía solar y por lo tanto no funcionan cuando el tiempo no es bueno (lluvioso, nublado), o sea precisamente cuando pueda ocasionarse un riesgo climático y cuando más se necesitaría un permanente seguimiento. Además estos equipos transmiten los datos del satélite a estaciones que encuentran la imposibilidad de decodificarlos debido a una entrega mal hecha de decodificadores (faltan los códigos y el software). Debido al mismo descuido, en el Proyecto se encuentran suministros complementarios que se encontraron inutilizados por años en las oficinas de INETER. En el caso de los equipos médicos a los Centros de Salud, muchos de los entrevistados del Ministerio de Salud de los cuatro países afirman que los productos suministrados, al ser Europeos, incluyendo vehículos, tenían estándares demasiado sofisticados y que con los mismo fondos se hubiera podido atender a un mayor número de Centros, adquiriendo equipos presentes en el mercado local. En casos parecidos se considera razonable que, respondiendo al interés del Proyecto, se derogue la cláusula sobre el origen europeo y se adopten los estándares usados en la institución beneficiada.</i></p> <p><i>Se señala por ejemplo las planchas suministradas a INETEC en el Proyecto FOSED, las cuales están inutilizadas debido a la falta de transformadores eléctricos, la maquinaria de carpintería del mismo proyecto, los equipos médicos de FORSIMA y los equipos entregados a INETER que todos tienen problemas de compatibilidad con los equipos existentes.</i></p> <p><i>La Misión observa que no es solamente la rigidez en la aplicación de los procedimientos y la norma de origen, sino también deficiencias en la elaboración de los expedientes y poca capacidad de argumentar en las solicitudes de derogaciones. Sea como sea, el hecho es que hay constancia de la compra de materiales y equipos que no son los más adecuados desde el punto de vista del beneficiario.</i></p>
--	--

C 7.2 The institutional set-up foresees a clear distribution of roles at each level of project implementation and a good cooperation between main actors. (organisational set-up)

I 7.2.1 Share of responsibilities between Headquarter and Delegation

Interviews with members of Delegation	Before the devolution process, the share of responsibilities was clear and lied essentially with HQ. During the devolution process (since 2002) there was a difficult transition period because responsibilities were transferred before capacities. Therefore, responsibilities were not properly assumed. After the transition, no evidence was found of problems provoked by the share of responsibilities between headquarter and the DEC. These seem clear, understood and generally accepted. In particular the DEC appreciated the support it received from HQ in matters such as BS.
---------------------------------------	--

I 7.2.2 Evidence of well defined procedures, job roles and responsibilities inside the Delegation (who, exactly, is responsible in each phase of the project cycle?)

Interviews with members of Delegation	Inside the DEC, responsibilities are well defined and are assigned following sectoral specialization, and not on an instrument (or budget-line) basis. This way a same Task Manager may be responsible for different projects
---------------------------------------	---

<p>Interviews with A5 to A9, A12, A14, A15</p>	<p>financed by different budget lines (FTC, NGO, Food Security...). The only exceptions are ECHO, PRRAC and the regional cooperation which have they own staff. This division of roles permits a higher level of coherence, at least inside the main sectors and as far as there is a good exchange of information. A thematic division of responsibilities is therefore adequate since different budget lines can finance the same kinds of project.</p>
<p>I 7.2.3 Evidence of coordination (formal or informal) and information-sharing between the four operation departments (regional integration, human development, natural resources, macro-economy), between different budget lines (TFC, food security, rehabilitation, NGO), between Delegation and field staff.</p>	
<p>Interviews with A6, A7, A8, A9, A12, A14, A15 D7,D8,D9,D11, D33</p>	<p>At Delegation level there is a weekly meeting between the heads of the four departments and the head of operations. At this level the information seems to be well shared.</p> <p>However There is insufficient information sharing and/or debates at lower levels (Task Managers) of operational Departments: these lack global meetings where they could learn about the interventions which are followed by other Departments.</p> <p>Before the devolution process, the different budget lines were managed by different units inside HQ. Coordination and coherence between budget lines were difficult to attain. Devolution improved coherence with the local situation and this was further enhanced when the DEC assumed the responsibility of the calls for proposal for NGOs. Although this budget line still suffers from a lack of a real strategic vision which would link it to the CSP.</p> <p>Relations between DEC and PRRAC have sometimes been affected by a lack of clear definition of each responsibility.</p> <p>The problems linked to the devolution process affected relations between DEC and field staff (ITA) but the evidence collected during the field visits, all point to good and useful relations between DEC and field staff (PRODELSA, MAGFOR, PROGUAJI)</p> <p>In DECOPANN, the 2005 MR reported good coordination between the Delegation and the IDR.</p>

I 7.2.4 Evidence that the information is well organised, available and transmitted so that the institutional memory is preserved (archives are organised, available and used)	
Interviews with A6, A7, A8, A9, A12, A14, A15	There is no centralized system of physical archives or simply of information keeping (such as common network). Theoretically, since 2002 all the computerized information should be stocked in CRIS, but information in CRISS is more or less random: in some cases all the main documents related to an intervention are available, in others they are absent. Therefore, although there is some improvement, CRIS is not yet a reliable instrument. The most reliable information source is ROM but with its own limitations (it was not intended to be a system of information sharing). Meanwhile each staff member keeps his own documents in his computer following his own method. There is thus no or very little institutional memory.
C 7.3 The EC implementation modalities are in line with Nicaragua's interest and adapt to change	
I 7.3.6 Evidence that the EC implementation modalities respect Nicaragua's interest and can adapt to changes (flexibility)	
.CSP 2007-2013 Interviews with A5, A52, A48, A64, A76, A47, A69, A66, A56	<p>It should be noted that this is an indicator of flexibility which is generally considered a hallmark of good cooperation implementation. However flexibility is not always seen as a quality: It is sometimes criticised when it implies successive adaptations to opposing policies.</p> <p>On the long run, the capacity to adapt to changes is good (see EQ 1 and strategic changes) but there can be (and there is) an inevitable lag between the political agenda (elections) and the EC cooperation agenda (CSPs). This lag entails an obligation to adapt to a new reality when necessary. The present situation is an extreme example of this necessity and is showing that the financial regulations do not permit the flexibility required by the political decisions (BS cannot be substituted in the short term by other financial instruments).</p> <p>EC still imposes its own modalities of implementation (procurement, norm of origin...) even against the spirit of the Paris Declaration. According to interviewees inside and outside the DEC and to the MR, EC aid is known to be slow (PRRAC, PROGUAJI,...) and bureaucratic.</p> <p>Finally and although its application is out of the range of this evaluation, the new financial regulation ("Devis-programme") means an increase of rigidities and controls and will probably lead to a reduction of the importance of the decentralized mode of execution. This would be a setback with respect the principles of harmonization and alignment.</p> <p>It was seen in I 1.1.3 that the EC incurred some criticism from Civil Society for its lack of transparency and participation and that these criticisms found an echo in the 2007-2013 CSP. These findings were confirmed by interviews with civil society representatives. However this relative lack of participation should be qualified by the ROM results which show that "participation of stakeholders" is a sub-criteria that enhance efficiency (see I 7.1.1)</p>

C 7.4 Shift towards budget support is time and cost efficient	
I 7.4.1 Time and cost of budget support programmes	
<p>Interviews of budget support programme managers at the Delegation, and GoN officials</p> <p>2006 Survey of Monitoring of the Paris Declaration</p> <p>Joint Evaluation of GBS – Nicaragua Country Report May 2006</p> <p>Interviews with A2, A22, A24, A48</p>	<p>During 2006, the BSG examined means of improving the Performance Assessment Matrix (PAM) so as to reduce transaction costs of BS for the GoN (p. 11).</p> <p>It is possible that transaction costs were not significantly reduced by the introduction of BS. The 2005 evaluation of the GBS programme states the following:</p> <p><i>“The majority of aid is still provided through project aid following its own cycle and requiring individual negotiations, reporting procedures, evaluation and missions. With GBS there are clear transaction cost savings for GoN inasmuch as GBS funds are disbursed entirely through GoN systems without special procurement or accounting requirements for the donors. Reduction of transaction costs in both the negotiation of aid and the monitoring of its use has also been one of the expected results of GBS. This effect of GBS over the total of the GoN efforts in aid management is not observable due to the limited share of GBS in total aid.</i></p> <p><i>GBS may also change the nature of transaction costs. GBS, even more than project aid or SBS, requires high-level technical skills, both in GoN and donors to ensure effective dialogue. Furthermore with GBS it is necessary to get agreement on a number of reforms with a number of individual donors, which requires a good deal of time spent in negotiation and consensus building. Therefore, there is a risk that transaction costs will shift in nature with GBS rather than decrease. They are certainly likely to be high during the initial phases of GBS.</i></p> <p><i>A transaction cost that has been particularly high so far in Nicaragua is related to the low predictability of GBS funds following the signature of the JFA. This reduces the ministries’ planning capacity and requires continual adjustment of expenditure, with the risk of distracting managers’ attention away from the implementation of plans.”</i> (p.101)</p> <p>No study on BS transaction costs is available in Nicaragua, but most of the interviewees from institutions engaged in BS confirm one of the conclusions of the 2006 evaluation of BS: transactions costs are high during the initial phases of GBS, but fall significantly thereafter.</p>
I 7.4.2 Identification of exogenous implementation difficulties	
<p>Interviews of project (programme) managers at the Delegation: A12, A18 And also A66, A35</p>	<p>According to interviews with the PAPSE Task Managers in the DCE:</p> <ul style="list-style-type: none"> ▪ Initially MINED had difficulties understanding what a sectoral BS is about: they had to follow all the indicators, write reports, discuss with donors and finally they never saw the money (there is nothing on the books!). Things began to change slowly. Now the TM thinks that at least the MINED understood that it had to negotiate with the MHCP. ▪ Political changes mean that nothing happened for 6 month after the new Government took power (2007) and that there were a rapid rotation of staff in the Ministry:: 3 Ministers in 3 years (2005-07) and 4 different coordinators.

EQ8: Cross-cutting issues

EQ8. To what extent were issues related to gender, environment and decentralisation taken into account in the design and implementation of the interventions?																					
C 8.1 The EC interventions have taken into account and promoted gender equity																					
I 8.1.1 Explicit references to gender equality in the formulation of non-specific interventions																					
I 8.1.2 Number of gender-specific actions undertaken within the non-specific interventions																					
	<p>The figure below summarise for the 18 projects analysed in the desk and in the field, the level of consideration of the issue in the formulation as well as the type of actions undertaken.</p> <p>In 4 cases the actions undertaken were minor or with a limited impact on the issue. In 4 other cases major actions have been undertaken and for two cases the approach was implemented transversally over the whole projects.</p> <p style="text-align: center;">Figure EQ8.1: Mainstreaming of gender</p> <table border="1"> <thead> <tr> <th>Project Title</th> <th>Level of consideration</th> <th>Actions undertaken</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>PAPND (F)</td> <td>0</td> <td>0</td> <td>This is a GBS with goals and indicators also attached to the rural sector (apart those on public finance, social issues and private sector), which provoked a first level of difficulties between GoN and DEC. It seems that neither parties was keen to make matters even worse by introducing gender-related indicators for this type of intervention.</td> </tr> <tr> <td>PAPSE (F)</td> <td>1</td> <td>0</td> <td>In the case of PAPSE, the DTA mentions that the indicators tracked will be those of the PNE (Plan Nacional Educativo). The PNE tracks two gender-related indicators (female/male enrolment and completion ratios in primary. (PAPSE – DTA). Later it was observed that gender-related indicators in education are generally favourable to girls. Therefore the DEC refused to incorporate indicators which they knew would be fulfilled beforehand.</td> </tr> <tr> <td>PAPAJ (F)</td> <td>2</td> <td>1</td> <td>Se menciona a las mujeres como uno de los grupos más vulnerable de la seguridad ciudadana. En la tabla de indicadores se habla del “Número de denuncias presentadas por mujeres”</td> </tr> <tr> <td>PRRAC</td> <td>1</td> <td>1</td> <td>Standard reference is included in the FA: "The Commission and the beneficiary engage their efforts in supporting an active integration of women, without any kind of discrimination, in all the stages of the programme from the selection of national staff to the realisation and supervision of the activities of the programme". (PRRAC Financing Agreement, 2000) Scarcely treated during the implementation of the big projects according to their evaluations: - FOSED (participation to training), FORSIMA</td> </tr> </tbody> </table>	Project Title	Level of consideration	Actions undertaken	Comment	PAPND (F)	0	0	This is a GBS with goals and indicators also attached to the rural sector (apart those on public finance, social issues and private sector), which provoked a first level of difficulties between GoN and DEC. It seems that neither parties was keen to make matters even worse by introducing gender-related indicators for this type of intervention.	PAPSE (F)	1	0	In the case of PAPSE, the DTA mentions that the indicators tracked will be those of the PNE (Plan Nacional Educativo). The PNE tracks two gender-related indicators (female/male enrolment and completion ratios in primary. (PAPSE – DTA). Later it was observed that gender-related indicators in education are generally favourable to girls. Therefore the DEC refused to incorporate indicators which they knew would be fulfilled beforehand.	PAPAJ (F)	2	1	Se menciona a las mujeres como uno de los grupos más vulnerable de la seguridad ciudadana. En la tabla de indicadores se habla del “Número de denuncias presentadas por mujeres”	PRRAC	1	1	Standard reference is included in the FA: "The Commission and the beneficiary engage their efforts in supporting an active integration of women, without any kind of discrimination, in all the stages of the programme from the selection of national staff to the realisation and supervision of the activities of the programme". (PRRAC Financing Agreement, 2000) Scarcely treated during the implementation of the big projects according to their evaluations: - FOSED (participation to training), FORSIMA
Project Title	Level of consideration	Actions undertaken	Comment																		
PAPND (F)	0	0	This is a GBS with goals and indicators also attached to the rural sector (apart those on public finance, social issues and private sector), which provoked a first level of difficulties between GoN and DEC. It seems that neither parties was keen to make matters even worse by introducing gender-related indicators for this type of intervention.																		
PAPSE (F)	1	0	In the case of PAPSE, the DTA mentions that the indicators tracked will be those of the PNE (Plan Nacional Educativo). The PNE tracks two gender-related indicators (female/male enrolment and completion ratios in primary. (PAPSE – DTA). Later it was observed that gender-related indicators in education are generally favourable to girls. Therefore the DEC refused to incorporate indicators which they knew would be fulfilled beforehand.																		
PAPAJ (F)	2	1	Se menciona a las mujeres como uno de los grupos más vulnerable de la seguridad ciudadana. En la tabla de indicadores se habla del “Número de denuncias presentadas por mujeres”																		
PRRAC	1	1	Standard reference is included in the FA: "The Commission and the beneficiary engage their efforts in supporting an active integration of women, without any kind of discrimination, in all the stages of the programme from the selection of national staff to the realisation and supervision of the activities of the programme". (PRRAC Financing Agreement, 2000) Scarcely treated during the implementation of the big projects according to their evaluations: - FOSED (participation to training), FORSIMA																		

			(not a focus, issue recently treated, majority of women in the SILAIS benefited the training), .PRIESO (not considered by contractors only by NGOs component of housing in property issues), PROMAPER (considered in the housing components). Out of the 17 sub-projects implemented by NGO under PRRAC, two are specifically oriented to reactivating the production and organisation capacities of women.
Fortalecimiento de administración de justicia (F)	0	0	No mention
Programa pluriannual de DDHH (F)	2	3	“Género como fundamento de la democracia y los derechos humanos” fue uno de los ejes que el Programa desarrolló en las actividades implementadas.
Food Security - 9 pilot projects	2	NA	Gender has also been considered in food security interventions. It is one of the foci of the 9 pilot projects designed to gain experience with new and innovative issues related to the origins of food insecurity. (Programme review, Food security interventions of the European Commission in Nicaragua 1995-2002, 2002)
Servicios legales Nitlapan	NA	2	The gender approach is relatively well thought out. This is the case in the research of mancommunal property titles, promotion of legalisation process on women names, and in the content of capacity-building training (MR-30264.01 14/10/2004)
Campeño a campeño (F)	2	3	Campeño a campeño: This project is the second part of a previous project. This project takes into consideration the weaknesses identified in the evaluation of the previous phase, including better consideration of gender issues. The project counts within its team a gender specialist (MR-30263.01 14/10/04).
Zona norte-central (F)	3	1	The programme has a specific focus on strengthening women's participation in productive dynamics. Gender is the fourth specific objective identified. The programme is a DRI. (Zona Norte-Central MR-30036.01 28/08/02) In terms of actions it is true that a specific fund was provided for women but no technical assistance accompanied the creditors. For this reason, it could be affirmed that the fund did not contributed to the advancement of the gender issue as beneficiaries continued traditional women related activities and the applicants had already a certain level of empowerment. (Interview B16)
Zona Norte	3	1	The same reference as in the programme Zona Norte Central has been found for this other DRI covering another area. The programme has a specific focus on strengthening women's participation in productive dynamics. Gender is the fourth specific objective identified. The gender approach has been applied vertically and mechanically, imposing women rates. This has contributed neither to the debate not to sensitisation. (Zona Norte MR-30038.01 28/08/02).
Decopann	3	1	The existence of a specific fund for women-led initiatives has allowed better participation by this group in the local economic dynamic. But the previous monitoring report gave a different assessment of the way the gender issue was considered: The project has not considered sufficiently the access of women to the benefits of the project. The approach was limited to their representation (in number) in the management instances. (DECOPANN MR-30042.04 01/09/06 - MR-30042.03 27/10/05)
PRASNIC	NA	NA	
PRODELSA	3	1	Gender approach is transversally adopted through

				all the identification. Gender is among the specific objectives. A specific fund has been created and is operational since mai 2008. In particular this mechanism had been disbursed through the mechanism of BPA (Bonos Productivos Alimentacion) distributed through the CPC (Comité del poder Ciudadano). The project has created comisiones de mujeres that are represented in the Gender tables active in the CDM (Comité de Desarrollo Municipal). (Mid-term evaluation)
	Sistema de información agropecuaria (F)	NA	NA	NA
	Para una vida digna en tiempos de la globalización (F)	2	3	Considered through different components. Food security, politic incidence (Evaluation). Particularly interesting is the support to Cuculmecca a women organisation. A indepth work has been carried out for the advancement of women empowerment: on gender roles and women participation. Far from proposing the maintenance of traditional roles. (Field visit)
	Café: un ejemplo de producción y consumo responsable (F)	NA	1	In the frame of cafenica a specific group of women producers has been created – La Flor del Café. (Field visit)
	Carretera Guayacán-Jinotega (F)	NA	0	Gender issues were not considered in the construction of the road. The project faced the dilemma on how gender issues could be included in the construction of a road.
<p><u>Legend for consideration</u></p> <p>0: No consideration of the issue (2/13)</p> <p>1: Standard reference (2/13)</p> <p>2: Foresaw specific measures addressing the issue (5/13)</p> <p>3: Among the specific objectives (4/13)</p> <p>NA: identification documents not available (5/18)</p> <p><u>Legend for actions undertaken</u></p> <p>0: without any specific actions (4/15)</p> <p>1: Minor actions or actions not successful (7/15)</p> <p>2: Major specific actions undertaken (1/15)</p> <p>3: Transversally considered (3/15)</p> <p>NA: Not informations found (3/18)</p>				
I 8.1.3. Number of gender-specific interventions				
Authors own analysis on the basis of the list of projects	<p>13 of the 178 interventions supported in Nicaragua were gender-specific. These represent 9% of the projects and account for 2.1% of commitments, from which it can be concluded that the projects were numerous but very small (average size of €748,715).</p> <p>These interventions concerned domestic violence, sexual exploitation, reproductive health but also production conditions and advocacy capacity. All these projects were financed through thematic budget lines.</p>			
C 8.2 The EC interventions have taken into account and promoted protection of the environment				
I 8.2.1 Explicit references to protection of environment in the formulation of the interventions				
I 8.2.1 Number of environment protection measures within the implementation of non-specific interventions				
Various:				

<p>Evaluations, interviews, MR</p> <p>ECA, Special Audit report 2006 n°6- concerning the environmental aspects of the Commission's development cooperation</p>	<p>The figure below summarise for the 18 projects analysed in the desk and in the field, the level of consideration of the issue in the formulation as well as the type of actions undertaken.</p> <p style="text-align: center;">Figure EQ8.2 – Mainstreaming of environment</p>																																																
	<table border="1"> <thead> <tr> <th>Project Title</th> <th>Level of consideration</th> <th>Actions undertaken</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>PAPND (F)</td> <td>0</td> <td>0</td> <td>No mention in DTA, no indicators attached to environment</td> </tr> <tr> <td>PAPSE (F)</td> <td>0</td> <td>0</td> <td>No mention in DTA, no indicators attached to environment</td> </tr> <tr> <td>PAPAJ (F)</td> <td>0</td> <td>0</td> <td>No se considera en el Programa.</td> </tr> <tr> <td>PRRAC</td> <td>1</td> <td>2</td> <td>For PRRAC, the communication includes a brief mention on environment: <i>"The major environmental damage suffered by the Central American countries has aggravated the effects of the disaster. Environmental issues therefore warrant special attention in the reconstruction action plan.</i> <i>The Commission is considering financing regional scheme to protect catchment basins by replanting the worst affected areas with trees. (COM(1999)201)</i> The FA includes also the following mention: <i>"Will be excluded from the project any activity that could imply irreversible damages to environment or/ and any intervention that will not respect the national legislation in force related to environmental protection"</i> (PRRAC Financing Agreement, 2000) At the level of individual projects, according to their evaluations: PROMAPER – The actions planed in terms of environmental impact could not take effect. Positive actions at the level of municipal services. PRIESO – Positive impacts for the sanitation components. FORSIMA – respect of the norms FOSED – not really considered </td> </tr> <tr> <td>Fortalecimiento de administración de justicia (F)</td> <td>0</td> <td>0</td> <td>No aparece mención alguna a la temática.</td> </tr> <tr> <td>Fortalecimiento de administración de justicia (F)</td> <td>0</td> <td>0</td> <td>No aparece mención alguna a la temática.</td> </tr> <tr> <td>Food Security</td> <td>NA</td> <td>1</td> <td>Regarding the food security programme, the final review reports its concern: <i>"about the poor importance given to the transversal issue environment and sustainable natural resources management. These issues are of vital importance for the poor and vulnerable families at subsistence level, who are threatened by the deterioration of the environment: degraded soils of poor fertility, deforestation of woods and phenomena of natural disasters"</i>.</td> </tr> <tr> <td>Servicios legales Nitlapan</td> <td>NA</td> <td>NA</td> <td>-</td> </tr> <tr> <td>Campesino a campesino (F)</td> <td>2</td> <td>2</td> <td><i>The project seeks to improve traditional production systems by promoting new techniques of soil and water protection in order to reduce their negative impact on the environment. New techniques disseminated have allowed improvements in soil quality, an increase in biodiversity in the land and economy in the use of water for irrigation. .(MR-30041.01 15/09/02)</i></td> </tr> <tr> <td>Zona norte-central</td> <td>2</td> <td>NA</td> <td><i>The environment is totally built in as a cross-cutting issue. The project encourages a sustainability approach. (MR-30036.01 28/08/02)</i></td> </tr> <tr> <td>Zona Norte (F)</td> <td>2</td> <td>1</td> <td><i>The project is sensitive to environmental aspects. The geographical coverage of the project corresponds to the amortiguacion area of the protected Reserve of Bosawas. This rises the question of the relationship between development and</i></td> </tr> </tbody> </table>	Project Title	Level of consideration	Actions undertaken	Comment	PAPND (F)	0	0	No mention in DTA, no indicators attached to environment	PAPSE (F)	0	0	No mention in DTA, no indicators attached to environment	PAPAJ (F)	0	0	No se considera en el Programa.	PRRAC	1	2	For PRRAC, the communication includes a brief mention on environment: <i>"The major environmental damage suffered by the Central American countries has aggravated the effects of the disaster. Environmental issues therefore warrant special attention in the reconstruction action plan.</i> <i>The Commission is considering financing regional scheme to protect catchment basins by replanting the worst affected areas with trees. (COM(1999)201)</i> The FA includes also the following mention: <i>"Will be excluded from the project any activity that could imply irreversible damages to environment or/ and any intervention that will not respect the national legislation in force related to environmental protection"</i> (PRRAC Financing Agreement, 2000) At the level of individual projects, according to their evaluations: PROMAPER – The actions planed in terms of environmental impact could not take effect. Positive actions at the level of municipal services. PRIESO – Positive impacts for the sanitation components. FORSIMA – respect of the norms FOSED – not really considered	Fortalecimiento de administración de justicia (F)	0	0	No aparece mención alguna a la temática.	Fortalecimiento de administración de justicia (F)	0	0	No aparece mención alguna a la temática.	Food Security	NA	1	Regarding the food security programme, the final review reports its concern: <i>"about the poor importance given to the transversal issue environment and sustainable natural resources management. These issues are of vital importance for the poor and vulnerable families at subsistence level, who are threatened by the deterioration of the environment: degraded soils of poor fertility, deforestation of woods and phenomena of natural disasters"</i> .	Servicios legales Nitlapan	NA	NA	-	Campesino a campesino (F)	2	2	<i>The project seeks to improve traditional production systems by promoting new techniques of soil and water protection in order to reduce their negative impact on the environment. New techniques disseminated have allowed improvements in soil quality, an increase in biodiversity in the land and economy in the use of water for irrigation. .(MR-30041.01 15/09/02)</i>	Zona norte-central	2	NA	<i>The environment is totally built in as a cross-cutting issue. The project encourages a sustainability approach. (MR-30036.01 28/08/02)</i>	Zona Norte (F)	2	1	<i>The project is sensitive to environmental aspects. The geographical coverage of the project corresponds to the amortiguacion area of the protected Reserve of Bosawas. This rises the question of the relationship between development and</i>
	Project Title	Level of consideration	Actions undertaken	Comment																																													
	PAPND (F)	0	0	No mention in DTA, no indicators attached to environment																																													
	PAPSE (F)	0	0	No mention in DTA, no indicators attached to environment																																													
	PAPAJ (F)	0	0	No se considera en el Programa.																																													
	PRRAC	1	2	For PRRAC, the communication includes a brief mention on environment: <i>"The major environmental damage suffered by the Central American countries has aggravated the effects of the disaster. Environmental issues therefore warrant special attention in the reconstruction action plan.</i> <i>The Commission is considering financing regional scheme to protect catchment basins by replanting the worst affected areas with trees. (COM(1999)201)</i> The FA includes also the following mention: <i>"Will be excluded from the project any activity that could imply irreversible damages to environment or/ and any intervention that will not respect the national legislation in force related to environmental protection"</i> (PRRAC Financing Agreement, 2000) At the level of individual projects, according to their evaluations: PROMAPER – The actions planed in terms of environmental impact could not take effect. Positive actions at the level of municipal services. PRIESO – Positive impacts for the sanitation components. FORSIMA – respect of the norms FOSED – not really considered																																													
	Fortalecimiento de administración de justicia (F)	0	0	No aparece mención alguna a la temática.																																													
	Fortalecimiento de administración de justicia (F)	0	0	No aparece mención alguna a la temática.																																													
	Food Security	NA	1	Regarding the food security programme, the final review reports its concern: <i>"about the poor importance given to the transversal issue environment and sustainable natural resources management. These issues are of vital importance for the poor and vulnerable families at subsistence level, who are threatened by the deterioration of the environment: degraded soils of poor fertility, deforestation of woods and phenomena of natural disasters"</i> .																																													
Servicios legales Nitlapan	NA	NA	-																																														
Campesino a campesino (F)	2	2	<i>The project seeks to improve traditional production systems by promoting new techniques of soil and water protection in order to reduce their negative impact on the environment. New techniques disseminated have allowed improvements in soil quality, an increase in biodiversity in the land and economy in the use of water for irrigation. .(MR-30041.01 15/09/02)</i>																																														
Zona norte-central	2	NA	<i>The environment is totally built in as a cross-cutting issue. The project encourages a sustainability approach. (MR-30036.01 28/08/02)</i>																																														
Zona Norte (F)	2	1	<i>The project is sensitive to environmental aspects. The geographical coverage of the project corresponds to the amortiguacion area of the protected Reserve of Bosawas. This rises the question of the relationship between development and</i>																																														

			<i>preservation.(MR-30038.01 28/08/02) The project supports the creation of employment opportunities through road rehabilitation. This has had negative effects on the environment opening the way to colonisation.(MR-30038.0128/08/02). A following MR was prepared on this project indicating that it had positive effects through dissemination of environment-friendly techniques but regretting that this would not be sustained beyond the end of the support (MR-30262.01 14/10/04)</i>
Decopann	2	NA	<i>The environmental component focuses on land use planning and on the guarantee of access to water. The project will finance studies in decontamination, ground conservation, reforestation, management of natural resources and biological heritage. (MR-30042.01 28/08/02)</i>
PRASNIC	NA	NA	
PRODELSA	1	0	The consideration of the issue is marginal in the strategy. The evaluation mentions that the project has not related competencies. In terms of actions nothing is reported. (Evaluation)
Sistema de información agropecuaria (F)	NA	NA	-
Para una vida digna en tiempos de la globalización (F)	NA	1	This issue has been considered under one component putting in relation the productive activities and the political incidence. (Evaluation)
Café: un ejemplo de producción y consumo responsable (F)*	3	3	The project promotes the organic production. Promoting therefore an approach friendly with environment. Dissemination of organic techniques was totally part of the project. (Field visit)
Carretera Guayacúan-Jinotega (F)	2	1-2	Anti-erosion measures undertaken through the sides of the road could be considered under this item. An environment impact study is obligatory for this type of intervention, but the evaluation could not verify if it was done.

* Specific intervention
Legend for consideration
0: No consideration of the issue (5/14)
1: Standard reference (2/14)
2: Foresaw specific measures addressing the issue (5/14)
3: Among the specific objectives (1/14)
NA: identification documents not available (4/18)

Legend for actions undertaken
0: without any specific actions (6/13)
1: Minor actions or actions not successful (3.5/13)
2: Major specific actions undertaken (2.5/13)
3: Transversally considered (1/13)
NA: not information collected (5/18)

On the overall situation, the Special Report of the ECA reports that:

Environmental screening in the Commission's delegation in Nicaragua

The Commission's Regional Delegation in Nicaragua deals with six countries and has over 140 staff. The audit found that no guidelines for environmental screening are used by the Delegation and no environmental screening leading to further detailed assessment had been carried out for projects and programmes in the 2002 to 2006 CSP. Moreover, the Delegation did not have an environmental expert although such an expert

	could have supervised and provided support to environmental screening procedures.																				
I 8.2.3 Number of environment-protection-specific interventions																					
Authors own analysis on the basis of the list of projects	<p>18 of the 178 interventions supported in Nicaragua were environment-specific. They represents 13% of the projects and account for 2.5% of commitments from which it can be concluded that projects were numerous but small in financial terms (average size €635.170).</p> <p>These interventions concerned the protection of environmental resources (10) but also supported agricultural biological production (6) and promoted sustainable urban life schemes (2).</p> <p>All these projects were financed through thematic budget lines.</p>																				
C 8.3 The EC interventions have taken into account and promoted decentralisation of the State																					
I 8.3.1 Explicit reference to promotion of decentralisation in the formulation of non-specific interventions																					
I 8.3.2 Number of measures promoting decentralisation within the implementation of non specific interventions																					
	<p>No explicit reference to decentralisation has been found in non-specific interventions, even though support to local authorities is extensively taken into consideration in many interventions as summarised in the figure here below.</p> <p style="text-align: center;">Figure EQ8.3: Mainstreaming of decentralisation</p> <table border="1"> <thead> <tr> <th>Project Title</th> <th>Level of consideration</th> <th>Actions undertaken</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>PAPND (F)</td> <td>2</td> <td>2</td> <td>2 indicators out of 10 for the release of the VT refer to decentralisation (indicators 9 and 10) Source DTA PAPND</td> </tr> <tr> <td>PAPSE (F)</td> <td>3</td> <td>2</td> <td>Support to decentralisation was one of the specific objectives of the intervention. This reference had to be erased in PAPSE II, when the education policy of the GoN passed from decentralisation to centralisation.</td> </tr> <tr> <td>PAPAJ (F)</td> <td>1</td> <td>NA</td> <td>En el enfoque se habla de un enfoque a nivel local y descentralizado, afirmando que “El programa se orienta a mejorar y ampliar la cobertura en los municipios y departamentos del país, de forma que las instituciones sean capaces de dar una misma respuesta en cualquier territorio del país.”</td> </tr> <tr> <td>PRRAC</td> <td>3</td> <td>2 (1Enacal)</td> <td>As regards PRRAC, the third specific objective relates to the strengthening of local administrations: “<i>Specific Objective - 3. to strengthen the local administrations and the Civil Society through support for the encouragement and implementation of rehabilitation and development plans and support for the preparation and launching of the normative framework of risk prevention and for reducing the impact of this type of natural catastrophes</i>”.(PRRAC Financing Agreement, 2000) In terms of implementation the projects PROMAPER and PRIESO had strongly focused on supporting the municipalities (i) their institutional capacities but also (ii) provided materials. Another component of the projects was the creation of a local company of water in Ciudad Sandino, this did not succeed because it was not inline with the political priorities.</td> </tr> </tbody> </table>	Project Title	Level of consideration	Actions undertaken	Comment	PAPND (F)	2	2	2 indicators out of 10 for the release of the VT refer to decentralisation (indicators 9 and 10) Source DTA PAPND	PAPSE (F)	3	2	Support to decentralisation was one of the specific objectives of the intervention. This reference had to be erased in PAPSE II, when the education policy of the GoN passed from decentralisation to centralisation.	PAPAJ (F)	1	NA	En el enfoque se habla de un enfoque a nivel local y descentralizado, afirmando que “El programa se orienta a mejorar y ampliar la cobertura en los municipios y departamentos del país, de forma que las instituciones sean capaces de dar una misma respuesta en cualquier territorio del país.”	PRRAC	3	2 (1Enacal)	As regards PRRAC, the third specific objective relates to the strengthening of local administrations: “ <i>Specific Objective - 3. to strengthen the local administrations and the Civil Society through support for the encouragement and implementation of rehabilitation and development plans and support for the preparation and launching of the normative framework of risk prevention and for reducing the impact of this type of natural catastrophes</i> ”.(PRRAC Financing Agreement, 2000) In terms of implementation the projects PROMAPER and PRIESO had strongly focused on supporting the municipalities (i) their institutional capacities but also (ii) provided materials. Another component of the projects was the creation of a local company of water in Ciudad Sandino, this did not succeed because it was not inline with the political priorities.
Project Title	Level of consideration	Actions undertaken	Comment																		
PAPND (F)	2	2	2 indicators out of 10 for the release of the VT refer to decentralisation (indicators 9 and 10) Source DTA PAPND																		
PAPSE (F)	3	2	Support to decentralisation was one of the specific objectives of the intervention. This reference had to be erased in PAPSE II, when the education policy of the GoN passed from decentralisation to centralisation.																		
PAPAJ (F)	1	NA	En el enfoque se habla de un enfoque a nivel local y descentralizado, afirmando que “El programa se orienta a mejorar y ampliar la cobertura en los municipios y departamentos del país, de forma que las instituciones sean capaces de dar una misma respuesta en cualquier territorio del país.”																		
PRRAC	3	2 (1Enacal)	As regards PRRAC, the third specific objective relates to the strengthening of local administrations: “ <i>Specific Objective - 3. to strengthen the local administrations and the Civil Society through support for the encouragement and implementation of rehabilitation and development plans and support for the preparation and launching of the normative framework of risk prevention and for reducing the impact of this type of natural catastrophes</i> ”.(PRRAC Financing Agreement, 2000) In terms of implementation the projects PROMAPER and PRIESO had strongly focused on supporting the municipalities (i) their institutional capacities but also (ii) provided materials. Another component of the projects was the creation of a local company of water in Ciudad Sandino, this did not succeed because it was not inline with the political priorities.																		

	Fortalecimiento de administración de justicia (F)	2	2	Entre los objetivos específicos del Proyecto aparece “Mejorar la infraestructura de los complejos judiciales de nivel intermedio”. Con el proyecto se construyeron seis complejos judiciales en cabeceras departamentales (León, Juigalpa, Estelí, Bluefields, Puerto Cabezas, Masaya)
	Programa pluriannual de DDHH (F)	3	2	Existen tres resultados del Programa vinculados con el tema : “Se habrán pactado y ejecutado agendas locales y sectoriales alrededor de los ejes de cultura democrática y derechos humanos.” “Se habrán elaborado propuestas por parte de la sociedad civil sobre democratización, DDHH, a nivel local y nacional, así como el derecho a ser incorporadas a los programas electorales en dichos ámbitos. “ “Aumento de expresiones de la sociedad civil organizada en espacios de diálogo y negociación nacional y local.”
	Food Security	NA	NA	
	Servicios legales Nitlapan	0	0	This project is disconnected from public institutions. The implementation is going though Nitlapan.
	Campesino a campesino (F)	0	0	This project is disconnected from public institutions. The implementation is going though the UNAG.
	Zona norte-central	2	NA	There is no specific reference to the promotion of decentralisation but one expected result of the project is “El impulso al desarrollo organizativo e institucional de cooperativas y gobiernos municipales”. (MR-30036.01 28/08/02)
	Zona Norte (F)	2	2	There is no specific reference to promotion of decentralisation but one project component concerns “the strengthening of coordination, participation and local management of the municipalities, the communitarian production organisation and the support to institutions”. (MR-30038.01 28/08/02) Until the date of Monitoring the project has provided: Equipment and improvement of infrastructures of the municipalitiers. Support to the organisation of the Comités de Desarrollo Municipal, establishment or intensification of participative dynamics, establishment of management systems for archives and cadastre. (MR-30038.01 28/08/02) Evident increase of the management capacities of the municipalities (MR-30262.01)
	Decopann	2	2	There is no specific reference to promotion of decentralisation but one project component concerns the strengthening of local institutions. It has been observed that there is no criteria to select the project proposed by the municipalities, it results in the financing of multiple small scale projects, spreading out the resources without strategic concentration. Among the positive effects it could be stressed the strengthening of a participative citizenship, the initiatives of social audit, the participative planning and the municipal organisation proposals. (MR-30042.03 27/10/05)
	PRASNIC	NA	2	The municipalities have been supported through improvement of its offices. For the moment the project is located there but they will be transfer to them at the end of the project.(MR-30037.01 15/09/02) The project target intially the creation of 290 CAPS. The objective was revised to 120. It seems difficult nevertheless to reach it. The strengthening of the CAPS and the Municipalities is successful. This is not the case of the GAR (Gerencia de Acueductos Rurales) of the ENACAL. (MR-30037.02 17/12/03)
	PRODELSA	3	1	The project includes support to municipal capacities to allow a better planning of local development. The activities carried out target the strengthening of the INIFOM in charge of decentralisation and the decentralisation. But the focus of the new government in centralisation is questioning these activities.

				(Evaluation)
	Sistema de información agropecuaria (F)	NA	NA	-
	Para una vida digna en tiempos de la globalización (F)	0	0	This project is disconnected from public institutions. The implementation is going through Intermón.
	Café: un ejemplo de producción y consumo responsable (F)	0	0	This project is disconnected from public institutions. The implementation is going through Ecodes-Cafenica.
	Carretera Guayacúan-Jinotega (F)	0	0	This type of road is addressed at a national level, as well for construction as for maintenance.
<p><u>Legend for consideration</u></p> <p>0: No consideration of the issue (5/15) 1: Standard reference (1/15) 2: Foresaw specific measures addressing the issue (5/15) 3: Among the specific objectives (4/15) NA: identification documents not available (3/18)</p> <p><u>Legend for actions undertaken</u></p> <p>0: without any specific actions (5/15) 1: Minor actions or actions not successful (1/15) 2: Major specific actions undertaken (9/15) 3: Transversally considered (0/15) NA: no information collected (3/18)</p>				
I 8.3.3 Number of interventions targeting the promotion of decentralisation				
Authors own analysis on the basis of the list of projects	<p>Three of the 178 interventions supported specifically related to decentralisation. They represent 2% of the projects and they amounts for 3% of all the commitments. In fact we have taken into account the part of the variable tranche (€12.5M) related to the advancement of the decentralisation process of the programme “Education sector policy programme and its decentralization – PAPSE” of a total amount of €50m. For info, the other indicators relates to education and public finance management. This programme is financed through ALA budget line. The other two programmes targeted institutional strengthening of local authorities, accounted for less than €1m each, and were financed through the NGO thematic budget line.</p>			

C 8.5 The cross-cutting approach has contributed to the advancement of the issues in the country

I 8.5.1 Interviewees explicitly link evolution of the CCI in the country with Commission interventions

I 8.5.1 a) Evolution of gender issues in the country

Metas de Desarrollo, 2003 – Objetivo 3 – p30

Intercambios, Balance de la situación de derechos humanos de las mujeres, 2009

Indicators on gender

Since the 1990s girls' enrolment and retention rates have exceeded those of boys at all levels of school education. Access to education is lower in rural areas than in urban (for both boys and girls). Nevertheless it has shown a discernible increase for boys and girls in recent years. However, women participation is lower in tertiary education and in the labour market.

Figure EQ8.4: Education enrolment rates in rural areas

	1996	2001	2005
Girls	23.5%	38.9%	
Boys	22.5%	39.7%	

Source: 1996 and 2001 - Metas de Desarrollo, 2003 – Objetivo 3 – p30

Other indicators show persistent factors of discrimination against women:

- Rate of female-headed households has increased, particularly in urban areas (27.6% in 1993 and 30% in 2001, respectively 38% in urban areas and 19% in rural areas, in 2006 39.3%).
- Unemployment rate for women is twice that for men (14.2% cf. 6.7%)
- Women's average income is 20% inferior to male average income.
- Women are the majority of workers of the informal sector (77%)
- Women are the majority of workers in the maquilas. A recent survey mentions that in this context 11.5% of the interviewees have been sexually harassed, 45.5% have verbal violence.
- Violence toward women in particularly important: 21% of girls minor of 15 have suffered violence, 19% above 15. In the 75% of the cases the aggressor was the husband of ex-husband. In rural areas violence concern 84% of women (ENDESA 2006-2007), 92% in the RAAS, 86% of women with lowest education. The rates of sexual violence are also important including in the framework of marriage.
- 28% of the pregnancies concern teenagers.

Consideration of gender in legal and institutional framework

- The Constitution stresses that men and women are equal and have the same rights.
- Nicaragua has signed the Conventions and International Declarations related to equality between men and women (1981 last report 2005 comments of the CEDAW in 2007). The ratification of the facultative protocol is still in suspense.
- the *Ley de Igualdad de Oportunidades* was approved in February 2008. But not regulation or follow up.
- The *Ley de Responsabilidad Paterna y Maternal* in May approved in 2007.

	<ul style="list-style-type: none">- Family courts in constitution.- Backward step with the derogation of the therapeutic abortion in 2006 and the penalisation in November 2007. This right was recognised since 2006.- Strategic alliance between Civil Society, government and State organs to introduce changes in men/women equality and promote the fight against domestic violence. Creation of the Comision Interinstitucional sobre violencia intrafamiliar. Creation of Comisarias de la Mujer y la Niñez (32)- The INIM is a weak institution: lack of resources, weak autonomy, high staff rotation...- Some institutions have established gender units to allow inclusion of this aspect in their policies, programmes and projects. But resources are limited and the hierarchical position weak, both of which limit the impact on sectoral policy design. Creation of the <i>Comision Mujer Rural y Desarrollo</i>, Mined ministerial order for the dissemination in the schools of the fight against sexual abuse but with no training of teachers staff. <p>But this legal framework is only the first step, the problem of the gender violence is also a matter of application. Many studies show that the implantation of these laws are limited the population does not know its rights neither the way to fight for them.</p> <p>Last but not least, in the last months the open conflict between the government and the civil society has included also women organisations.</p>
--	--

I 8.5.1 b) Evolution of environmental issues in the country

Metas de
Desarrollo,
2003 –
Objetivo 3 –
p44

Indicators on environment

Since 1992 (Agenda 21), regional and national initiatives have been developed to promote changes in the policy framework and instruments for sustainable development. But the weak economic situation, the corruption, the increase in poverty and the challenges of the political transition have hindered their application in practice. Unsustainable use and exploitation of natural resources has persisted.

The main areas of concern are :

- Forest and land use:

Forests continue to be reduced by the advance of the agricultural border, expansion of livestock breeding, and the impact of fires, timber cutting (mainly illegal) and natural disasters.

- Water quality and access:

15 of the main rivers are polluted with agrochemical, domestic and industrial wastes. Around 60 million m³ of urban water waste are released annually without treatment in the Pacific area (*Plan Ambiental de Nicaragua 2001-2005, MARENA*).

Figure EQ8.5 : Population with access to drinkable water

	1990	2001	2006
National	45.8%	70.5%	
Urban		90%	
Rural		46%	

- Protection of biodiversity

76 protected areas, equivalent to 2,242,193 ha or 17% of the national territory (no reference to the level of respect of these areas).

Biodiversity is vulnerable to natural disasters.

Protection of environment in legal and institutional framework

- Nicaragua has developed a legal framework to strength the prevention and control of pollution and a rationalized management of natural resources, for example: *Ley General del Medio Ambiente* (1996), *Ley de Minas* (2000), *Ley de Vertidos Industriales* (1995), *Ley de Agroquímicos y Substancias Tóxicas* (1997), *Ley de Protección de Suelos y Control de Erosión* (1993), *Reglamento de Áreas Protegidas* (1999) y *Ley de Demarcación de Tierras Indígenas*.

- four important laws are still in the pipeline: *Ley de Desarrollo y Fomento Forestal*, *Ley de Pesca y Acuicultura*, *Ley de Aguas* and *Ley de Biodiversidad*.

- there exists in Nicaragua a Consejo Nacional de Desarrollo Sostenible (CONADES) and a Consejo Nacional de Planificación Económica Social (CONPES).

- Nicaragua has developed the *Plan Ambiental de Nicaragua 2001-2005* and

	<p>the Municipalities <i>Planes Ambientales</i>, the priorities of which are :</p> <ul style="list-style-type: none"> # promotion of environmental spatial planning, # creation of an environment information system, # work on environmental education, # decentralisation of environmental management, # creation of the <i>Sistema Nacional de Prevención, Mitigación y Atención a Desastres</i>. <p>- Nicaragua is a member of the Framework Convention on Climate Change. In this context Nicaragua has elaborated the First Annual communication which also includes the <i>Plan de Acción Nacional ante el Cambio Climático</i>.</p> <p>- But the biggest challenge today is the formulation of a Sustainable Development Strategy to harmonise existing policies and strategies (the last dates back to 1992 <i>Estrategia Nacional de Conservación para el Desarrollo Sostenible de Nicaragua –ECODESNIC</i>).</p> <p>http://ecoloquia.com/index.php?option=com_content&task=view&id=1299&Itemid=56</p>
<p>I 8.5.1 c) Evolution of decentralisation issues in the country – see under EQ 6 for decentralisation in education.</p>	
<p>Obed López Carrión, N., Palacios Mayorga, J. R., y Espinosa, G., <i>Descentralización y desarrollo Económico local en Nicaragua, 2004</i></p>	<p>Creation of the INIFOM in 2000. But with the arrival of the new government restructuration and less support to INIFOM</p> <p>http://www.nuso.org/upload/fes_pub/Descentralizacion_Nica.pdf.</p> <p>la descentralización en Nicaragua esta regulada a varios niveles respecto al marco legal:</p> <p>Municipal: A través de la ley 40, Ley de Municipios, de 1988. La Ley 622 Ley de Contrataciones Municipales, de 2007. Ley 347 Ley Organica del INIFOM, del 2000, donde se establece la creacion de la Comision Sectorial de Descentralizacion presidida por el INIFOM.</p> <p>Regiones Autonomas A través de la Ley 28 Estatuto de Autonomía de las Regiones de la Costa Atlantica de Nicaragua, de 1988 y su Reglamento del 2003.</p> <p>Entes descentralizados del Estado Establecidos en la Ley 290, Ley de Organizacion, Competencia y Procedimientos del Poder Ejecutivo, de 1998.</p>

EQ9: The "3Cs" (coordination, complementarity, coherence)

<p>EQ9 To what extent was the EC strategy designed and implemented in coordination with Member States and other donors so as to foster complementarities? To what extent are other EC policies coherent with the EC cooperation strategy in Nicaragua?</p>	
<p>C 9.1 The coordination mechanisms between donors and with the GoN are effective (offer concrete results)</p>	
<p>I 9.1.1 Existence and modalities of coordination between EC, other donors (especially Member States) and the GoN at the level of the conception/design/feasibility study of the interventions</p>	
<p>DAC/OCDE: 2006 Survey on Monitoring the Paris Declaration - Country Chapter Nicaragua</p> <p>OECD: Joint Country Learning Assessment on Harmonisation and Alignment (JCLA) Report on JCLA Nicaragua Prepared by The Government of Nicaragua and the country-level JCLA facilitators: EC, UPND, the Netherlands and Japan. December 2004</p>	<p>The Global Donors Round-Table (Mesa Global de Donantes or MGD) was established in February 2003 by Presidential Decree. It is the most important co-ordination forum and meets every two months. It is chaired by a representative of the Ministry of Foreign Relations (MINREX) and is composed of the heads of the co-operation agencies present in Nicaragua. The donor side is managed by a small group of donors (World Bank, Canada, EC, Japan and Sweden) who meet every two weeks. This round-table was led successively, for the donor side, by Sweden and Canada.</p> <p>In turn this Global Round-Table is divided into six Sectoral Round-tables:</p> <ol style="list-style-type: none"> 1. Governance composed of four sub-tables: Justice, Security and Defence, Decentralisation, State Reform and Modernisation 2. Education with four working groups 3. Health with four working groups 4. Infrastructure with three sub-tables: Transport, Water and Sanitation, Energy 5. Production and Competitivity with five sub-tables: Environment, Rural Development, Small and Medium Enterprises, Competitivity, Commerce and Exports 6. Social Protection <p>The round-tables (RTs) are composed of representatives from the Government, donor community and Civil Society, and led by the governing ministries of each respective sector. The RTs aim to be a platform for dialogue, discussion and agreement on sector-based strategies and policies. RTs can be used for discussion of evaluations and of the changes needed to the sector-based portfolios of projects and programmes as well as follow-up to and reporting of programmes.</p> <p>Some RTs and sub-round-tables are more effective than others. Vital elements of success include the preparation of and agreement on Operating Manuals, Terms of Reference and results-oriented workplans. These documents define the RT objectives, clarify the roles and responsibilities of participants, the composition of the RT, expected outputs (i.e. a results-oriented workplan) and decision-making structures. At least two of the RTs have Operating Manuals (Education, Governance) and the remainder were expected to have them by mid-2005.</p>

	<p>Apart from this institutional framework, the BSG was created in 2003 as a forum of discussion and coordination between donors active in BS. It is presently composed of Germany, World Bank, IADB, EC, Norway, Finland, Switzerland and the Netherlands. Sweden left the group in 2007 and UK in 2009. This same group designed and signed in 2005 a Joint Financial Agreement (JFA) to pool procedures for and monitoring of BS (see EQ4). The monitoring is carried out through a policy group and through technical groups which use a Performance Assessment Matrix (PAM) which was prepared at the same time as the PND-o and is thus coherent with this plan, even if its orientation is more operational.</p> <p>There is also a coordination mechanism between the EC and the Member States. EC acts as a facilitator for these monthly meetings.</p>
<p>I 9.1.2 Existence and modalities of coordination between EC, other donors (especially Member States) and the GoN at the level of implementation of the interventions</p>	
<p>DFID: “Progress Report on Aid Effectiveness” 2008</p> <p>Monitoring reports</p>	<p>Notwithstanding a general fragmentation of aid, there exist some successful examples of coordination at the level of implementation.</p> <ul style="list-style-type: none"> ▪ The most important, and one of the first, is the SWAp developed in education as from 2003 and which resulted on the one hand in the EC SBS (PAPSE) and on the other in basket funding in which the The Netherland, Canada and Denmark took part (PROASE). Later Nicaragua benefited from the Fast Track Initiative. The SWAp in education should include progressive development of a comprehensive and coherent sector policy and strategy, of a unified public expenditure framework for local and external resources, and of a common management planning and reporting framework. As long as these basic conditions are not met, sector ownership is not sufficiently developed and existing donor coordination relies mainly on combined funding operations rather than a truly common and focused sectoral approach. ▪ Another important example is the establishment of a new programme by the GoN and a group of bilateral donors (Norway, Finland, DFID, Sweden, Switzerland, the Netherlands, Luxembourg, Trocaire and SNV), managed by OXFAM GB, in support of democratic governance with funds provided through a Civil Society Common Fund. The fund is supporting more than 50 projects across the country. One of these, in Nicaragua’s most isolated and impoverished northern regions, has created a new type of school designed to empower local people to work together and engage, constructively, in local democratic processes. In another community, the Common Fund helps young adolescents engage in municipal decision-making, (DFID p.15) ▪ Other examples are a common fund in the health sector (Sweden, Austria, The Netherland, Finland, WB); a common fund in rural development with Finland, Denmark, COSUDE, Norway (PRORURAL); 2 other small common funds managed by NGOs on gender and anti-corruption. ▪ Common action between donors are evident in the sectors of energy, environment, micro-finance, water and sanitation, private enterprise, and rural development. These joint measures could take the form of common financing of an institution (“Campesino a Campesino” which is part of a

	<p>larger programme that receives funds from EC, DFID, Swissaid and NGOs (MR 2004.) or a common project, for example.</p> <ul style="list-style-type: none"> ▪ Examples of delegated cooperation are: from the Netherlands to Canada (PROASE); from the Netherlands to COSUDE and from DFID to GTZ (transition in municipal governments); from DFID to the PAM and to Finland (common fund on civil society). <p>EC does not intervene in any of these common schemes of implementation.</p>
<p>I 9.1.3 Evidence of results obtained at a formal level (sector or geographical specialisation, adoption of common methodology...) and informal (exchange of information and analysis).</p>	
<p>Monitoring Reports</p> <p>Helen Conefrey (DEC): “Donor Coordination in Nicaragua – Up-date November 2008”</p> <p>Interviews with A22, A23, A35, A38, A35, A40, A42, A36, A56, A65, A66</p>	<p>There seems to be little present geographical specialisation in Nicaragua (one example was found in the water sector, Luxemburg covering the northern part of the country) but this was not the case in the past. Interviewees recall that at least Finland and Germany concentrated their cooperation in precise geographical locations during the eighties.</p> <p>Evident formal results of common action is offered by the functioning of the BS Group which shows that donors have reached a high degree of coordination and are able to conduct dialogue with the GoN from a common position. This was confirmed by the decision to suspend budget support which was not a collective decision as such, but which was very much the result of a shared analysis of the political situation of Nicaragua.</p> <p>Many initiatives are being taken to improve communications, share information (EU Blue Book), coordinate emergency interventions (hurricane Felix), execute joint missions, and conduct analysis and sometimes audits and evaluations. The Blue Book provides an overview of the strategic focus of EU donors and a detailed account of ODA delivered. A database was created (ODAnic) and is freely accessible on the net. The Blue Book principle is now being applied in some African countries and in Nicaragua it will be extended to other donors who want to join the initiative: WB, Japan, USAid, Iceland, Canada, UNDP, COSUDE... EC is currently the facilitator of the working group on the Code of Conduct.</p> <p>Finally the following examples were found in documents consulted:</p> <p>A Monitoring Report states: <i>“The work with the IFNBs (No bank financial intermediaries) does not seem necessary as the GTZ and the Swiss cooperation work on this issue and are present in the region. The same occurs with the issue of land tenure, for which the World Bank and the GoN have a programme in the department of León. On the strengthening of municipalities the Spanish cooperation, the FNUDC, the World Bank and the INIFOM work together in the zone.”</i> (DECOPANN MR 2003)</p> <p><i>“In Nicaragua, UK initiatives are contributing to new agreements on delegated cooperation and an improved division of labour that will reduce the burden on government. The UK plans to close down its operations in Nicaragua and route funds via other bilateral donors; similar announcements are expected from other donors ”</i> (DFID p. 16)</p>

I 9.1.4 Evidence of harmonisation of procedures between donors

2006 survey
on monitoring
the Paris
Declaration

PAPSE:
Evaluación de
Medio
Término
2006, p.36

2008 Survey
on
Monitoring
the Paris
Declaration

According to the mid-term evaluation of PAPSE, this SBS has contributed significantly to the harmonisation and alignment process. On the one hand all the objectives of the programme were extracted from the Joint Working Plan (Plan Común de Trabajo or PCT) when they concerned education, and from the PAM when they concerned public finance; and on the other hand this SBS was designed in 2003 and served as an incentive for the BSG to elaborate and sign the JFA in 2005.

The Paris Declaration uses three indicators of harmonisation:

- aid is programme based (use of common arrangements or procedures): indicator 9
- donor missions are coordinated: indicator 10A
- analytical work is coordinated: indicator 10B

The next table shows that in 2005 48% of total ODA received by Nicaragua (US\$256m) was based on programmes (from basket funds to GBS), which means that they were coordinated between donors that shared common procedures. But it must be noted that the GoN did not approve that figure, arguing that the donors used a too wide definition of a Programme-Based Approach (PBA). The report admits that the 48% figure is very probably inflated. Even so it can be seen that the figure for EC aid is only 20%, which is much lower than the average. In 2007 46% of aid, at an all-donor level, was based on programmes, but it is not clear whether this implied a setback in harmonisation or a change in the methodology used in Nicaragua to define a PBA.

Figure EQ9.1: How much aid is programme based ?

¿Cuánta ayuda se basa en programas?

	Enfoques programáticos (PBA)			Total desembolsado (millones de USD) d	Proporción de referencia (%) e=c/d
	Apoyo presupuestario (millones de USD) a	Otros enfoques PBA (millones de USD) b	Total (millones de USD) c=a+b		
Alemania	5	4	9	24	36%
Austria	1	5	6	10	64%
Banco Interamericano de Desarrollo	--	30	30	121	25%
Banco Mundial	36	9	45	63	72%
Canadá	2	0	2	7	29%
Comisión Europea	12	0	12	60	20%
Dinamarca	0	29	29	29	100%
España	0	0	0	16	0%
Estados Unidos de América	0	37	37	0	--
Finlandia	2	6	8	9	81%
Fondo Internacional de Desarrollo Agrícola	0	0	0	3	0%
Fondo Mundial	--	--	--	3	--
Francia	1	0	1	3	54%
Japón	0	0	0	49	0%
Naciones Unidas	0	3	3	45	7%
Noruega	3	1	4	7	64%
Organización de Estados Iberoamericanos	0	0	0	0	0%
Países Bajos	11	3	15	24	61%
Reino Unido	2	0	2	8	22%
Suecia	--	--	--	--	--
Suiza	5	0	5	12	46%
Total	93	163	256	533	48%

The importance of the joint missions indicator of the PD (indicator 10A) is related to one of the most frequent complaints made by partner country authorities: too much time is spent meeting with donors and responding to donor needs. In order to better coordinate their missions, donors are requested to conduct fewer missions, to co-ordinate the timing of missions with partners, to conduct more joint missions, and to respect the “mission free periods” of partner countries. This indicator focuses only on the proportion of missions undertaken jointly by two or more donors, or by one donor on behalf of another. In so doing it recognises that the intention behind this indicator is not simply to have more joint missions but to have fewer missions overall.

In the following figure it can be seen that only 9% of donor missions are coordinated, which is a long way from the 40% objective fixed by the PD. But it should also be stressed that the total number of missions in 2005 was 356, which means on average a mission a day for a country with around 5m. inhabitants. However the contribution of the EC to this burden was modest: seven missions during the year.

In 2007 the proportion of coordinated missions rose dramatically to 20%, not because of a significant increase in coordination, but because of a reduction of the total number of missions which decreased from 356 to 257.

Figure EQ9.2: How many donor missions are coordinated ?

¿Cuántas misiones de donantes son coordinadas?

	Misiones de donantes coordinadas (misiones) a	Total misiones de donantes (misiones) b	Proporción de referencia (%) c=a/b
Alemania	2	16	13%
Austria	0	2	0%
Banco Interamericano de Desarrollo	4	44	9%
Banco Mundial	--	60	--
Canadá	1	7	14%
Comisión Europea	2	3	67%
Dinamarca	2	7	29%
España	1	20	5%
Estados Unidos de América	--	0	--
Finlandia	6	14	43%
Fondo Internacional de Desarrollo Agrícola	2	2	100%
Fondo Mundial	0	0	--
Francia	0	0	--
Japón	0	20	0%
Naciones Unidas	9	118	8%
Noruega	0	5	0%
Organización de Estados Iberoamericanos	0	0	--
Países Bajos	4	6	67%
Reino Unido	13	22	59%
Suecia	--	--	--
Suiza	6	10	60%
Total (descontado*)	34	356	9%

El total de misiones coordinadas fue ajustado para evitar el doble cómputo. Un factor de descuento de el 35% se ha aplicado.

Finally, the PD also considers as an indicator (10B) the quantity of analytical work which is coordinated between donors. Results show that, according to the donors themselves, about half of their analytical work is coordinated and that this proportion did not vary significantly between 2005 and 2007. On the other hand GoN considers that this coordination is still quite weak.

I 9.1.5 Evidence of alignment on national rules or procedures, or of improvements in those procedures

GoN: Harmonisation and Alignment Action Plan 2005

Encuesta de 2006 de seguimiento de la Declaración de Paris, Country Nicaragua p. 10
2008 Survey on Monitoring

The GoN, working closely with a group of lead donors, developed a *National Action Plan for Harmonisation and Alignment 2005-2007*, adopted by all parties in November 2005.

The most important agreement reached with the aim of aligning external funding with the national budget system is the Joint Financing Arrangement (JFA), which includes commitments on the provision of information that should improve the predictability of BS. BS has also meant an increase in the use of national PFM systems, and this should continue if more progress is made with SWAs.

The following figure refers to the indicator No 5 of the Paris Declaration, which is an indicator of alignment on only two of the country systems: public financial management (PFM) and public procurement. The results for 2005 show that only 44% of official aid which passed through government used the PFM national systems (budget, financial reporting and auditing), while 28% used the national procurement system. In 2007 these two ratios were respectively of 48% and 45%, which shows an increase in the use of the country's systems at an all-donor level. In 2005, 30% of EC aid used the PFM national systems and 24% the national procurement system.

the Paris
Declaration

World Bank
PER 2008

It should be noted that the 2008 survey on monitoring the Paris Declaration shows that there is no relationship between the degree to which the donors use national PFM systems and the quality of these systems such as they appear in the World Bank Country Policy and Institutional Assessment (CPIA). Nicaragua's PFM System reliability was rated '4' in 2007 on a scale from 1 to 6, which means "quite strong". The goal established by the Paris Declaration is that 80% of ODA should use national PFM systems. In Nicaragua donor alignment has little to do with the quality of the national systems.

Figure EQ9.3: How much aid to the government sector uses country system ?

¿Qué cantidad de la ayuda al sector gubernamental utilizó los sistemas nacionales?

	Ayuda entregada por los donantes al sector gubernamental (millones de USD)	Gestión de las finanzas públicas			Aprovisionamiento		
		Ejecución del presupuesto (millones de USD) b	Informes financieros (millones de USD) c	Auditoría (millones de USD) d	Proporción de referencia (%) promedio (b,c,d) / a	Sistemas de aprovisionamiento (millones de USD) e	Proporción de referencia (%) e/a
Alemania	22	13	5	5	35%	13	60%
Austria	1	1	1	0	52%	1	64%
Banco Interamericano de Desarrollo	110	110	0	0	33%	--	--
Banco Mundial	63	63	63	36	86%	0	0%
Canadá	2	2	2	2	89%	2	89%
Comisión Europea	50	16	16	12	30%	12	24%
Dinamarca	24	15	5	5	35%	15	62%
España	3	1	0	0	7%	1	21%
Estados Unidos de América	0	0	0	0	--	0	--
Finlandia	8	7	5	3	60%	6	72%
Fondo Internacional de Desarrollo Agrícola	3	3	3	3	100%	1	52%
Fondo Mundial	0	--	--	--	--	--	--
Francia	1	1	1	1	89%	0	0%
Japón	46	6	6	6	13%	6	13%
Naciones Unidas	27	6	3	1	13%	7	25%
Noruega	5	4	3	3	68%	4	77%
Organización de Estados Iberoamericanos	0	--	0	--	--	0	0%
Países Bajos	18	16	16	16	85%	16	85%
Reino Unido	2	2	2	2	94%	2	94%
Suecia	30	17	17	13	52%	27	90%
Suiza	--	--	--	--	--	--	--
Total	418	287	152	112	44%	116	28%

Two other Paris Declaration indicators try to measure the degree of alignment of donors and their commitments to put an end to technical co-operation that is fragmented and donor-driven, and to usher in an approach in which donors respond to strategic country-led thinking on capacity development. These are:

- donors provide more co-ordinated technical co-operation to strengthen capacity development (Indicator 4);
- donors strengthen capacity by avoiding parallel Project Implementation Units (PIU) (Indicator 6).

Only 29% of aid dedicated to technical assistance (at an all-donor level) was coordinated in 2005. For EC aid the percentage was 26%. This reflects on the one hand the lack of a public capacity-building strategy which could be supported by donors, and on the other a strong fragmentation of aid. There are exceptions to this fragmentation, such as common support to the statistical and census system or the common programme on public sector management. The Paris Declaration goal is to coordinate 50% of official aid by 2010; this goal is in

fact almost being reached since the value for this indicator had reached 45% in 2007, according to the 2008 survey.

But it should be noted that in Nicaragua donors use a very wide definition of “coordination”. If a more rigorous definition is applied, as proposed by the survey of PD monitoring, then no technical assistance programme conducted in Nicaragua in 2005 would qualify to be described as “coordinated” under the leadership of GoN.

Figure EQ9.4: How many project Implementayion Unit (PIU) are parallel to country structures ?

¿Cuántas PIU son paralelas a las estructuras nacionales?	
	PIU paralelas
Alemania	0
Austria	5
Banco Interamericano de Desarrollo	35
Banco Mundial	7
Canadá	4
Comisión Europea	7
Dinamarca	0
España	7
Estados Unidos de América	21
Finlandia	0
Fondo Internacional de Desarrollo Agrícola	2
Fondo Mundial	0
Francia	0
Japón	0
Naciones Unidas	9
Noruega	1
Organización de Estados Iberoamericanos	2
Países Bajos	0
Reino Unido	0
Suecia	3
Suiza	4
Total	107

The elimination of parallel project implementation units (PIU) means that donors adopt PFM systems and adapt salaries paid to local staff to the public sector scale. Therefore this indicator is highly significant and the goal is to halve the number of parallel PIUs by 2010. According to the 2008 survey on monitoring the Paris Declaration, there were only 49 parallel PIU left in 2007, which means that the goal has already been reached. Although it must be stressed that this reduction may be due to the integration of existing PIUs into the public sector (the World Bank, for example, announced that it was transferring the responsibility for its parallel PIU to public authorities), or by the natural ending of projects which are not succeeded by others.

C 9.2 There is a 'de facto' complementarity between the interventions of EC and of other donors (especially EU Member States): they avoid conflicts and overlapping	
I 9.2.1 Identification of conflicts, duplication or overlapping between interventions of different donors as well as with GoN interventions	
<p>CSP 2000-2006</p> <p>CSP 2007-2013</p> <p>Interviews with A22, A23, A35, A38, A35, A40, A42, A36, A56, A65, A66</p>	<p>The two last CSPs suggest that substantial progress has been made on the coordination issue between 2001 and 2007. Only one case of overlapping has been observed between the EC interventions and that of other donors: the lack of coordination between the EC support to good governance through NGOs (through the call for proposal system) and the common fund on good governance financed by nine other donors lead to overlapping between both initiatives.</p> <p>The progress in information-sharing is leading naturally to a reduction in conflicts and overlaps. But interviewees did mention overlapping in studies, in technical assistance, and in seed production; and a risk of overlapping in aid to RAAN and RAAS (Atlantic region).</p> <p>The CSP 2002-2006 notes that “<i>systematic and coherent donor coordination has not yet been institutionalised in Nicaragua</i>” (p.20) in spite of the numerous coordination forums set up by donors. It also stresses that “<i>the Commission’s involvement in the coordination machinery has not been as great as it could be</i>” and that “<i>Government needs to coordinate donors better in formulation of there aid programmes</i>”. These judgments probably reflected the existence of conflicts and overlapping between interventions of different donors, but it should also be noted that before the deconcentration process started in 2002, EC had less capacity to be a pro-active partner in coordination enhancement.</p> <p>The CSP 2007-2013 recalls the progress achieved in coordination, the role of the EC in these, and the successes to which led “<i>the dynamism of coordination of cooperation and the dialogue with the Government</i>” (p.18). It also states that “<i>In 2002, the Member States financed altogether 170 projects for a total amount of US\$ 146m. As a result of increased coordination, the number of projects was reduced to 78 in 2004</i>”. (p.17). Such a remarkable evolution in only two years must mean a very significant decrease in conflicts and overlapping.</p>
C 9.3 There is a proactive and strategic complementarities between interventions of the EC and of other doors (especially EU Member States): synergies are promoted	
I 9.3.1 Identification of synergies between interventions of different donors as well as with GoN interventions	
<p>Joint Evaluation of GBS - Nicaragua Country Study p 99-101</p> <p>Analysis of the Survey on Implementation of the European</p>	<p>According to the GBS evaluation report, “<i>there is a strong synergy among the different aid modalities used by donors in the area of structural reforms and public expenditure management, particularly as regards fiduciary risk. The IMF PRGF and the LADB policy based loans complement each other (and with the Poverty Reduction Support Credit (PRSC-WB) in terms of the reforms proposed and conditionality. The Public Sector Technical Assistance Credit (PSTAC-WB) co-financing and the basket fund for the anti-corruption programme are other examples of coordination and complementarity between aid modality and donors. They show that where there is a strong common interest (such as reducing fiduciary risk) or a leading approach (such as the International Financial Institutions lead on structural reforms to achieve economic</i></p>

<p>Union Code of Conduct in Nicaragua, February 2008</p> <p>Helen Conefrey (DEC): “Donor Coordination in Nicaragua – Update November 2008”</p> <p>Interviews with A22, A23, A35, A38, A35, A40, A42, A36, A56, A65, A66</p> <p>The Accra Agenda for Action: division of labour between the countries and cooperant organisations, which would allow for directing resources in function of their comparative advantages.</p>	<p><i>growth, stabilisation and fiscal discipline), donors have already been able to combine their efforts and dialogue with GoN” (p.99).</i></p> <p>Extracts from the “Analysis of the Survey...”</p> <p><i>In this context, it can be seen that there still is no process of dialogue articulated among the EU donors, nor is there dialogue established within the national set-up for the coordination and concertation of cooperation with the Government about the EU CoC (p2)</i></p> <p><i>In relation to the application of the EU CoC, the heterogeneity of the cycles for programming, budgeting, and disbursements among the EU donors and between them and the Government is a fundamental factor that affects the predictability and flexibility of the aid, and therefore affects having greater effectiveness, which is the purpose of this process. (p.2)</i></p> <p><i>On the other hand, the Government is still concerned that the donors insist on interpreting the Paris Declaration and the EU CoC as a mechanism for harmonisation among themselves, focusing on the call for greater political commitments and therefore maintaining the status quo, ignoring the recognition and strengthening of the leadership of the Government and the State institutions of the recipient country and alignment with the policies and strategies of the recipient country. (p7)</i></p> <p>The 11 principles of the European Code of Conduct: Principle No. 1 – Concentrate the activities in the country on a limited number of sectors Principle No. 2 – Reorganise the other activities in the country Principle No. 3 – Agreement with the leader donor Principle No. 4 – Delegated Cooperation and Association Principle No. 5 – Guarantees of an agreement for support from the donors Principle No. 6 – Reproduction of practices at the regional scale Principle No. 7 – Establish priority countries Principle No. 8 – Attention to lacks of the countries not attended to Principle No. 9 – Analysis and broadening of scope for cooperation Principle No. 10 – Continue to go further into other dimensions of complementarity Principle No. 11 – Furthering of the Reforms</p>
<p>C 9.4 EC exercises a leading and visible role in promoting cooperation and complementarities</p>	
<p>I 9.4.1 Evidence of EC initiatives in order to promote cooperation and complementarities</p>	
<p>Encuesta de 2006 de seguimiento de la Declaración de Paris, Country Nicaragua</p> <p>2008 Survey on</p>	<p>The EC exercises an increasingly visible role in promoting cooperation between donors, especially amongst MS, and alignment with the GoN. According to interviewees, this role constitutes its main added value in this field. It can be seen at various levels:</p> <ul style="list-style-type: none"> ▪ For the first time the 2007-2013 EC strategy was subject to consultations (not negotiations) with the GoN, other donors and civil society. This is a clear improvement over previous strategies. ▪ The Delegation is currently managing the coordination (“enlace”) of

<p>Monitoring the Paris Declaration</p> <p>Helen Conefrey (DEC): “Donor Coordination in Nicaragua – Update November 2008”</p> <p>Interviews with A22, A23, A35, A38, A35, A40, A42, A36, A56, A65, A66</p>	<p>three out of the four active sectoral round-tables, namely those concerning education, rural development (PRORURAL) and small private enterprises (PROMIPYME).</p> <ul style="list-style-type: none"> ▪ The Delegation has taken on the presidency of the BS Group and its role in Budget Support is recognised by almost all the other agencies active in this field. Budget Support is the main way in which the EC supports progress in harmonisation, alignment and ownership. ▪ The EC took the initiative of trying to put the EU Code of Conduct into practice by supporting the first working group in June 2007, and by launching the first-ever EU Blue Book for Development Cooperation in April 2008. ▪ In 2007 the EC headed the initiative of a regional coordination group which includes 14 different donors. ▪ The EC took the initiative in coordinating aid to RAAN following hurricane Felix. ▪ The EC facilitates the monthly meetings of the EU Heads of Mission and Heads of Cooperation. ▪ Other agencies have a positive opinion of the EC coordination role. Some add that the EC “could do more” or “should be more proactive”. <p>However the following also apply:</p> <ul style="list-style-type: none"> ▪ The recognised qualities and role of the EC as a coordinator is not matched by a parallel role in common financing. It does not take part in the numerous joint financing schemes already cited, partly for strategic reasons (option of Budget Support rather than common funds) or procedural reasons (difficulties in joining a common fund or delegating cooperation)⁸⁰. ▪ There is no common agenda between Member States, partly because where a common agenda exists (the Budget Support Group, for example), participants include as well MS as non MS. However coordination between MS, in the form of information exchange, is intensive. <p>The surveys on PD monitoring aim to measure the level of effectiveness attained by international official cooperation, and especially the trends in such factors as harmonisation, ownership, alignment, accountability and development results, country-owned processes and systems.</p> <p>The following figure shows the results of the main indicators on which donors have a direct influence. They mostly concern harmonisation and alignment, which are the expected results of increased cooperation between donors and the Government.</p>
--	---

⁸⁰ The lack of coordination between the EC support to good governance through NGOs (through the call for proposal system) and the common fund on good governance financed by nine other donors lead to overlapping between both initiatives.

It can be seen that the EC results are below the average in six out of seven indicators relevant to its cooperation. In particular, for some important indicators such as aid on budget (indicator 3), predictability (indicator 7) and use of Programme-Based Approach (indicator 9), the differences between EC aid and other donor aid are considerable. The sole indicator in which EC aid performs better than the average is in coordination of missions and especially the number of missions. However it should be noted that results based on a single year may not be very significant since there may be important variations from one year to another.

Figure EQ9.5: Results of surveys on monitoring Paris Declaration

		2005 EC	2005 ALL DONORS	2007 EC	2007 ALL DONORS	2010 PD GOAL
3	Aid is on budget	49%	73%	63%	87%	87%
4	Technical Assistance is coordinated	26%	29%	24%	45%	50%
5A	Aid uses national PFM systems	30%	44%	58%	48%	63%
5B	Aid uses national procurement systems	24%	28%	48%	45%	na
6	Number of existing parallel PIU (Project Implementation Unit)	7	107	0	49	36
7	Aid is predictable	52%	70%	55%	74%	85%
8	Aid is untied	nr	nr	nr	nr	>85%
9	Aid follows a Programme-Based Approach	20%	48%	45%	46%	66%
10A	Missions are coordinated	29%	9%	33%	20%	40%
	Total number of missions	7	356	3	257	
10B	Analytical work is coordinated	nr	53%	nr	52%	66%

na: not applicable

nr: not relevant

Source: Author's elaboration based on 2006 and 2008 surveys of monitoring of Paris Declaration.

C 9.5 Other EU policies are coherent with the EC development strategy in Nicaragua

I 9.5.1 Identification of possible contradictions between EC policies (on energy, investment, commerce, human rights, migration...) and the EC's development interventions in Nicaragua

EC, Commission working paper, EU report on Policy Coherence for Development COM (2007)545 final, 20.9.2007 CSP 2002-2006 CSP 2007-2013

The evidences collected at this stage shows a generally strong level of coherence in respect of development of EC policies in Nicaragua.

Although policy incoherence could be recognised as potentially a hindrance to development aid efforts, the importance of each issue on a case by case basis depends strongly on the country context.

On the basis of the 12 policies for which a commitment to improve Policy Coherence for Development was agreed under the European Consensus on Development (20 December 2005), and taking account of the Nicaragua context, the level of sensitivity to each policy is presented in the figure below.

<p>FENACCOOP, Propuesta del sector agropecuario para incidir en la negociación de un acuerdo de asociación entre la Unión Europea y Centroamérica, Septiembre 2006</p>	Figure EQ9.6 – Importance and coherence for development of EU policies in Nicaragua				
	Degree of importance for Nicaragua	Policy	Nicaragua context	EU policy	Degree of coherence
	Strong	Transport and energy	The promotion of biocarburants in the EU could have impact on worldwide food prices, especially on the maize extensively consumed in Nicaragua	The EU continues its biofuel programme..	Weak
		Moderate	Free trade	The EU is the third commercial partner with Nicaragua but far behind Central America and the USA. The importance of the European Union in Nicaragua's foreign trade diminished between 1998 and 2007, imports from the EU decreasing from 7% to 5%, and exports to the EU from 27% to 14%. Nicaragua is at present under the GSP drugs regime, the limited duration of which, according to Nicaraguan officials, acts as a deterrent to long term investment in the area. It cannot be denied that a trend to a reciprocal system, if no changes to the current context are introduced, could have negative social (labour rules) and environmental (agricultural border) effects.	Measures were adopted in 2005 to improve GSP systems stability, predictability, and trading opportunities for its users. An Association Agreement has been under negotiation since July 2007. The EU links its policy dialogue on trade issues to respect for decent work and the introduction of environmental protection.
	Agriculture		The sector is extremely important for the country; it employs 38% of the active population and produces 65% of total exports. But productivity per unit of area is very low, producing clear pressure on agricultural border and environmental resources. The issue has moderate importance because trade relationships with the EU are weak. Nevertheless the organization of EU markets (meat and sugar) and export subsidies through the CAP still have a certain importance.	The CAP has been reformed to improve coherence with development. The reforms will be fully implemented by 2011. In particular export subsidies and trade-distorting domestic subsidies have been reduced drastically.	Under way
Indirect	Environment	Given its geographical situation Nicaragua is subjected regularly to natural disasters	Full EU commitment to environment protection,	Strong	
	Climate change				
	Transport				

		and energy		sustainable development and reduction of CO ₂ .	
		Social dimension of globalisation, employment and decent working conditions.	Labour exploitation and child labour are a reality in Nicaragua, although the impact of EU internal employment and social policies is only indirect in Nicaragua. The EU "Return Rule" had a negative but very limited impact because of the almost total absence of migration flows to EU from Nicaragua.	EU links its policy dialogue on trade issues to respect for decent working conditions. The EU promotes its vision on working conditions in international fora. And it has strengthened the suppression of illegal immigration through the so called "Return Rule"	Strong
Source: Authors					

C 9.6 The objectives and realisation of the interventions are coherent with the sub regional strategy

I 9.6.1 The sub regional objective of promoting economic integration is explicitly taken into account in the relevant interventions

Particip, Food security evaluation – Nicaragua report, 2006	Under indicator 1.3 information on the linkages between the EC's regional and national strategies has been collected. At implementation level no information came to light during the desk phase, apart from the regional food security projects as reported in the Nicaragua report of the food security evaluation: " <i>The regional food security project (PRSA) will try to coordinate the interventions and make them more sustainable supporting the definition of national policies and the capacity of analysis of the new information system.</i> "
---	---

Annex 9 - List of interventions selected

The evaluation team has conducted a focused analysis of 13 interventions. The objective of this is to further inform the evaluation by examining concrete measures stemming from the EC strategy and analysing the complete sequence of the project cycle from identification to implementation, monitoring and evaluation. This analysis complete and illustrate the answers given to each EQ. Although data collection is not limited to these 13 interventions, this is only one tool.

Five different areas of intervention are covered by the case studies, each corresponding to an Evaluation Question.

Figure A9.1: Characteristics of interventions selected as case studies

	(1)	SECTOR AND TITLE OF INTERVENTION	EFFECTIVE BEGINNING AND ENDING	EC BUDGET (M€)	BUDGET LINE	FINANCIAL MODALITY
Rural development						
1	6	De Campesino a Campesino (Carazo, Masaya, Boaco, Matagalpa and Chinandega)	1999-2006	0.87	TFC	Programme
2	13	DRI zona norte (Waslala, Cua-Boca, Tuma-La Dalia et Rancho Grande)	1999-2006	11.66	TFC	Project
3 (5)	33	Abastecimiento de agua y saneamiento en el medio rural en Nicaragua (PRASNIC) (Matagalpa)	1999-2004	11.00	TFC	Programme
4	83	Café: un ejemplo de producción y consumo responsable (Noroeste)	2003-2006	1.20	ENV	Programme
5	84	Apoyo a la constitución de un sistema de información agropecuaria (National)	1999-2004	11.00	FOOD	Project
6	85	Por el derecho a una vida digna en el tiempo de la globalización (Estelí, Madriz, Nueva Segovia, Matagalpa, Jinotega, Masaya and León)	2003-2006	5.12	NGO	Programme
7	87	Programa de Desarrollo y de seguridad Alimentaria – PRODELSA (Madriz, Jinotega, Nueva Segovia and Matagalpa)	2003-2011	13.00	FOOD	Programme
8		Proyecto Proguaji – Carretera Guayacán Jinotega	2002-2009	10.9	ALA	Programme
Good Governance						
9	15	Fortalecimiento de la Administración de Justicia en Nicaragua (National)	1997-2001	5.00	TFC	Programme
10	67	Programa Plurianual Democracia y Derechos Humanos en América Central, Programa País Nicaragua (National)	2002-2006	1.00	Regional	Programme
11 (5)	81	Apoyo a la promoción y defensa de los derechos de los pueblos Indígenas y Afrodescendientes de la Costa Caribe de Nicaragua (RAAN and RAAS)	2003-2006	1.00	Rehabilitation	Project
12	12 7	Programa de Apoyo Presupuestario Acceso a Justicia en Nicaragua, "PAP Acceso a Justicia"-PAPAJ	Not implemented yet	17.00	TFC	SBS

GBS						
13		PAPND	2005-2009	68.00	TFC	GBS
Rehabilitation						
14		PRRAC	2000-2008	84.00	Rehabilitation	Programme
Education						
15		PAPSE	2004-2006	52.50	TFC	SBS

- (1) Correlative number in the overall list of interventions
- (2) Possible Budget lines are: Technical and Financial Cooperation (TFC), Rehabilitation, Food Security, Human Rights, NGO, Environment, HIV (AIDS)
- (3) Possible financial modalities: Project (one intervention, limited in space and time), Programme (normally composed of different projects or interventions), SBS, GBS
- (4) Available documentation can be: FA (Financial Agreement), MR (Monitoring Report), MTE/FE (Mid-term or Final Evaluation), Activity reports, Others
- (5) No field visit see below.

The selection criteria used are explained here below:

EQ2: Rural Development

The evaluation team, after consulting the Delegation, selected 7 interventions out of 44.

The selection criteria were:

- necessity to include at least one DRI (Integral Rural Development) project as these were representative of a strategy followed by the EC during most of the 1990s an beginning of the 2000s;
- necessity to include interventions in strategic sectors such as coffee and water & sanitation;
- necessity to include interventions which have been or are innovative, or can offer positive lessons for the future;
- necessity to concentrate the sample on one or two regions for logistical reasons (limited time).

Figure A9.1 shows the 7 interventions selected, **but it should be noted that the activities of PRODELSA were not visited** because a mid-term evaluation of the project was conducted in October 2008. Interviews were held with the project director and the national counter parts.

EQ3: Good Governance

The evaluation had covered the governance aspects of 1 rural development intervention which attributed a certain priority to this issue: the DRI Zona Norte (No 2).

The evaluation team has selected also 4 interventions out of the 13 governance interventions. The selection criteria are:

- financial importance of the intervention;
- importance of actors involved in the intervention: the sample includes two of the four State powers (Executive, Judiciary), organisations from Civil Society (European as well as national), municipalities, and fora of dialogue between the public and Civil Society;
- the location of the interventions: the sample covers the country's main regions, including the autonomous regions (Atlantic coast) which are especially vulnerable;

- the sectors covered by the interventions, the sample covering most themes relating to governance: justice, human rights, citizen security, participation and ethnic minorities.

PAPAJ has not started yet. It has been included in the sample in order to clarify the reasons of its implementation delay. The project “Apoyo a la promoción y defensa de los derechos de los pueblos indígenas y afrodescendientes de la costa Caribe de Nicaragua” (No 12) could not be visited given that during the country visit the situation was unstable and travels to the Atlantic Coast were advised against.

EQ 4: budget support

The only GBS intervention is the PAPND, but it should be noted that the indicators used also include an assessment of technical assistance offered (PAINIC)

EQ 5: rehabilitation

At the request of the Delegation, it was proposed to limit EQ5 to a strategic analysis as a general evaluation of PRRAC is planned for the end of 2008. Therefore complementarities will be searched for with the evaluation, and duplication and overlapping will be avoided.

EQ 6: education

Only one intervention was undertaken during the reference period: the PAPSE SBS.

Annex 10 - List of interviewees

Nb	Family Name	Name	Position and Organisation
1	Acevedo	Esperanza	MHCP - Viceministro de Hacienda
2	Acevedo	Adolfo	Coordinadora Civil - Comisión Económica
3	Aguilar	Marvin	Corte Suprema de Justicia - Magistrado
4	Alanis	Patricia Saida	Proyecto Zona Norte, Rancho Grande - Ex-delegada
5	Anderson	Jesper	Embajada de Dinamarca - responsable sector Educación
6	Arana	Mario	Ex Presidente del Banco Central (06-07), Ex Ministro de Hacienda (05-06), de Comercio, Ex Secretario de la Presidencia
7	Arbaunza	Arkangel	MAGFOR - ExCoordinador Programa Comunitario de Seguridad Alimentaria 1998
8	Arnesto Soza	Jorge Ramón	SINAPRED - Secretario Ejecutivo
9	Arriola	Carlos	AMAT, Matagalpa – Gerente
10	Barahano	Rosa Adelina	FUMDEC, Matagalpa - Directora ejecutiva
11	Barreto	Paola	Corte Suprema de Justicia - Directora Cooperación Externa
12	Barrios	Carlos	Nitlapan-UCA
13	Benavente	Carlos	Coordinadora Civil
14	Benchaya	German	PAINIC MHCP - ATI
15	Bishop	Peter	COSUDE - Jefe de Cooperación
16	Bonilla	Jamileth	Asamblea Nacional - Diputada Ex Presidente Comisión AAEE
17	Bravo	Luis	Asamblea Nacional - Asesor gasto publico
18	Bulté	Nicolas	DCE - Responsable asuntos políticos – Acuerdo de asociación
19	Burguess	Peter	ECHO (Nicaragua Office)- Head of the Regional Support Office for Latin America and the Caribbean
20	Cáceres	Sinforiano	FENACOOOP – Director
21	Caldercés	René	INIFOM - Asistente
22	Canda	Emilio	DCE - Jefe de Sección Desarrollo Rural
23	Cascos	María Lourdes	Ministerio de Gobernación - Jefa de Proyectos e Inversiones
24	Castellón	Eddy	MAGFOR – Sección Estadísticas
25	Castrillo	Marta	MINREX - Monitoreo acuerdos de Paris
26	Cataldo	Pino	PROGUAJI - ATE
27	Cavero	Ramiro	PAINIC - Jefe ATI
28	Centeno	Edward	INIFOM - Director Ejecutivo
29	Centeno	Julio	Ministerio Público - Fiscal General de la República
30	Connefrey	Helen	DCE - Coordinación con Donantes
31	Cornelis	Kurt	DCE - Jefe de Sección Cooperación e Integración Regional
32	Courtney	Roberto	Etica y Transparencia - Director Ejecutiva
33	Chacón	Martha Lorena	Fundación Violeta Barrios de Chamorro - Responsable Programa Plurianal DDHH
34	Changala	Ricardo	Oficina del Alto Comisionado de Naciones Unidas para los Derechos Humanos – Asesor
35	De Castilla	Miguel	MINED – Ministro
36	De Franco	Mario	Ex Ministro de Hacienda (2002-06)
37	Del Gusman	Manuel	Coordinadora Civil - Presidente Comunidad Indígena
38	Delgado	Lidia	Asamblea Nacional – Asesora
39	Díaz	Felix	FUNDESER - Gerente General
40	Dolmus	Santiago	CECOCAFEN, Matagalpa
41	Dona	Candida	Delegada Barrio Francisco Moreno # 1, Matagalpa
42	Duch	Jorge	DCE - Contratos y Finanzas
43	Estebaranz	Angel	DCE - Desarrollo rural, recursos naturales, medio ambiente
44	Fernández	Susana	DCE - Asesora en Asuntos de Cooperación
45	Flores	Mario	Ex-Ministro de Hacienda 2006
46	Flores	Pascual	Cooperativa Vicente Talavera - Vice presidente
47	Flores	Germán	IDR - MIPYMES rurales
48	Fuentes	Marta	San Diego – Promotora
49	Gaitán	Roger	INIFOM - Director de planificación

Nb	Family Name	Name	Position and Organisation
50	Gallardo	Marta	CARUNA – Directora
51	García	Suzana	Intermon-Oxfam
52	Gasbarra	Mauro	Proyecto desarrollo rural Rivas – ATI and Ex codirector DECOPAN, Waspan, etc.
53	Getino	Elena	DCE – Educación
54	Gómez	Mauricio	Ex Viceministro MINREX cooperación internacional 2002-06
55	Gómez	Ricardo	GTZ - Director
56	Gómez	Anita	San Diego - Fiscal del banco de semillas
57	González	Nolvia	MINREX - Representante del GoN en el GBS Group
58	Gonzalez	Angel	Policía Nacional, Comisionado Mayor - Jefe División de Desarrollo Programas y Proyectos
59	Guevara	Alberto	MHCP - Ministro de Hacienda 2007 onward
60	Gutierrez	Wálmaro	Asamblea Nacional - Diputado Presidente Comisión Económica
61	Hernandez	Luis	MINED - Director de Planificación
62	Hovnikar	Egon	EuropeAid - Former Geocoordinator Nicaragua
63	Ibarra	Evert	INTERMON-OXFAM
64	Inestrose	Auxiliadora	San Diego - Promotora
65	Jaentschke	Valdrack	MINREX - Viceministro de Cooperación externa
66	Jambrina	Fernando	CISP- Ex-Coordinador Proyecto Costa Atlantica
67	Javier	Araceli	MAGFOR - Encargada tema AAA
68	Jonston	Martin	DFID - Representante para América Central
69	Joskyns	Nicolas	Proyecto « Café » ECODES - Ex-coordinador
70	Kerry	Max	Embajada de Canadá - Jefe de Cooperación
71	Lacambra	Sergio	ECHO - Responsable Regional para Centroamérica – Programa de Preparación para Desastres (DIPECHO)
72	Larios	Irving	FONG - Presidente ONGs de desarrollo
73	Larios	Douglas	Coordinadora Civil - Red Territorial Triangulo Rivero
74	Lauer	René	Head of Cooperation - Luxembourg
75	Litvine	Marc	DCE - Jefe de Operaciones (Head of Cooperation)
76	Luna	Nubia	INIFOM - Directora General
77	Llinares	Remy	DCE - Cooperación e Integración Regional
78	Llinares	Rémi	DCE - Agregado para Asuntos de Cooperación Sección Cooperación e Integración Regional
79	Mairena	Soledad	INPRUH
80	Manuel	Pinell	INIFOM - Director de planificación Desarrollo Local
81	Martínez	Manuel	Corte Suprema de Justicia, Magistrado, Presidente
82	Martínez	Pablo Fernando	MITI - Ministro
83	Martínez	María Isabel	INTA - Directora General
84	Maunula	Liisa	Embajada de Finlandia - Jefa de Cooperación
85	Maynard	Javier	Policía Nacional Comisionado General - Subdirector
86	Mecho	María Antonia	IDR - Directora Planificación
87	Medina	(Ing)	ENACAL Estelí - Ingeniero
88	Membreño	Jeaneth	Ministerio Público, Directora Administrativa Financiera
89	Mena Aragón	Francisco	MHCP - Director de presupuesto
90	Molina	Maria Luisa	Coordinadora Civil - Vocera Comité ejecutivo
91	Moller	Lasse	Embajada de Dinamarca - Jefe de Cooperación
92	Monje	María Dolores	DCE - Desarrollo rural
93	Montealban	Danilo	INTA - Director de Cooperación Externa,
94	Montenegro	Myriam	WB - Responsable sector Educación
95	Montobbio	Elena	Cooperación Española – AECID - Jefa de Cooperación
96	Moreno	Oliver	UCOSD, San Dionisio – Técnico
97	Moreno	Manuel	UCOSD, San Dionisio – Directivo
98	Muckenhirn	Rita	La Cuculmeca, Jinotega - Coordinadora ejecutiva
99	Mulder	Lutz	PROGUAJI - ATE
100	nd	Nd	Cooperativa Apante Sur, Matagalpa Sur – Afiliado
101	nd	Nd	Reunion promotoras FUMDEC en Santa Josefina (6 personas), Matagalpa Sur
102	nd	Nd	Visita a productoras apoyadas por FUMDEC en la comunidad de Payacuca, Matagalpa Sur

Nb	Family Name	Name	Position and Organisation
103	nd	Nd	Reunión delegados CPM en la Cuculmecca (10 personas)
104	nd	Nd	Equipo directivo de PRODESSA, Matagalpa
105	nd	Nd	INPRUH
106	nd	nd	INPRUH
107	Nd	Nd	Ixchen, Estelí
108	Neira	Oscar	UCA – Economista
109	Noémi	Gonda	AVSF
110	Obando	Miguel	INTA – Subdirector
111	Ortega Hegg	Manuel	UCA, Centro de Análisis Sociocultural (CASC) – Director - Sociólogo,
112	Owen	Joseph	WB - Representative in Nicaragua
113	Pascual-Salcedo	Manuel	Cooperación Española – AECID - Responsable de Programas
114	Peigné	Alain	DCE - Desarrollo Rural
115	Peña	Sandra	DCE - Apoyo Presupuestario e Institucional
116	Perez	Uriel	MHCP - Director de Crédito Público
117	Pettinato	Carlo	DCE - Jefe de Sección Apoyo Presupuestario e Institucional
118	Pommier	Denis	RESAL Central America and DCE - Former individual expert
119	Quintana	Mario	Coordinadora Civil
120	Rocha	Manuel	Policía Nacional, Comisionado - Segundo Jefe División de Desarrollo Programas y Proyectos
121	Roches Espinosa	Bartolo	San Diego – Promotor
122	Rodriguez	Marling	MHCP - Enlace BID
123	Rojas Barrios	Verónica	Ministerio de Fomento Industria Comercio Viceministra
124	Rosales	Delia Mercedes	Ministerio Público - Secretaria Ejecutiva
125	Rose	Horacio	SETEC - ExSecretario Técnico (2002-2006)
126	Rufino	Juan Jose	FUNDESER, La Dalia – Gerente
127	Saenz	Enrique	Presidente MRS - Funcionario DCE 1997-2007
128	Saenz	Rosa Angélica	INTERMON-OXFAM
129	Salatiel	Valdivia	PRODECOOP
130	Sanper	Francisco	Asamblea Nacional - Asesor cooperación
131	Santana	Amadeo	PROGUAJI Carretera – Director
132	Sillano	Laurent	DCE - Contratos y Finanzas – Consejero
133	Talavera	Luis	Cooperativa Vicente Talavera
134	Tegborg	María	Embajada de Suecia - Jefa de Cooperación
135	Tijerino	Claudia	MAGFOR - Directora de Cooperacion externa
136	Torre	Josefa	IDR, Managua - Vice Directora
137	Torres Hidalgo	Carlos	Coordinadora Civil - Coordinador Norte
138	Urbina	Rafael	INIFOM - Oficina de coordinación para la gestión de recursos
139	Valenzuela	Francisco	Alcalde de Estelí
140	Van Houtte	Florence	DCE - Jefe de Sección Sectores Sociales
141	Vanega	Rosamaría	Amudes
142	Vasquez	Jorge Iran	PCAC, Managua
143	Velázquez	Adolfo Armando	Cooperativa José Benito Jiménez - Presidente
144	Ventura	Luiz Enrique	Ministerio de Gobernación
145	Vilchez	Pastor	INTERMON-OXFAM - Responsable de programa
146	Viluce	Olga	DCE - Apoyo Presupuestario e Institucional - Asesora de Cooperación externa
147	Villapalacio	Marlon	Cooperativa Vicente Talavera
148	Wessels	Hans	Embajada de Países Bajos - Jefe de Cooperación
149	Yanez	Flor	San Diego – Promotora
150	Zabala	Carlos	San Diego - Presidente Banco de Semillas
151	Zamora	Yolanda	MINED - Directora de Estadísticas
152	Zamora	Ramón	San Diego – Promotor
153	Zelaya	María Antonia	COSUDE - Oficial de Programas
154	Zeledon	Sadrach	Alcade de Matagalpa
155	Zeledon	Mirle	PRODELSA, Matagalpa - Directora -
156	Zepera	Juan de Dios	MINED - Director de Cooperación

Annex 11 - Bibliography

Author	Title	Year
ADE	Evaluation on EC Cooperation in the field of rural and agricultural development in partner countries	2007
Banco Nacional de Nicaragua	Anuario de Estadísticas Económicas 2001-2007	2008
Banco Nacional de Nicaragua	Nicaragua en cifras	2008
Bastiaensen J. & Marchetti P.	A critical review of CGAP-IADB policies inspired by the Fondo de Desarrollo Local, Nicaragua	2007
Bastiaensen J. Ed.	Crédito para el Desarrollo Rural en Nicaragua	2002
Bastiaensen J., D'Exelle B., Famerée C.	Arenas políticas alrededor del acceso a la tierra, un diagnóstico de las prácticas de los derechos de la propiedad en el interior de Nicaragua	2006
Berenschot international solutions	Evaluación Término Medio - Programa de apoyo institucional a las políticas de desarrollo en Nicaragua (PAINIC)	2007
Bienert M.	Crecer sin destruir; crédito campesinos y sus impactos agroecológicos en las fincas	2007
Bienert M.	Sembrando futuro con el frijol abono	2008
Bilbao Ercoreca J. A.	Sébaco, Nicaragua. El impacto de la maquila en una zona campesina	2002
Brot fur die Welt	Construyendo procesos "De campesino a campesino"	2006
Cafenica	Investigación de árboles, aves y orquideas en zonas cafetaleras	2006
Cafenica	Prácticas y alternativas económicas sostenibles	2006
Cafenica	Estudio sobre el aporte económico-social de las cooperativas al desarrollo de las localidades	2007
Cecocafen	Novena Asamblea de Delegados: memoria	2006
Chafotte L. & Van den Berg A.	El financiamiento rural: impact en el desarrollo de la agricultura familiar. Analisis de impacto de los créditos otorgados por Fundeser en La Dalia, Matagalpa, Nicaragua	2004
CIDSE- Cooperation Internationale pour le Développement et la Solidarité, Caritas Europa	The EU's Foodprint in the South - Country Study Paper Nicaragua	2006
DAC/OCDE	2006 Survey on Monitoring the Paris Declaration - Country Chapter Nicaragua	2006
DAC/OCDE	Joint Country Learning Assessment on Harmonisation and Alignment (JCLA)	2008
Danish Agricultural Advisory Center	Evaluación de Medio Término del Proyecto de Desarrollo Local y Seguridad Alimentaria (PRODELSA)	2008
Doligez F.	Enl acceso a los servicios financieros en zonas rurales	2001
DRN	Evaluation of EC - ALA regulation (Asia-Latin America)	2002
DRN	Evaluation Latin America	2005
DRN	Inventario intervenciones regionales y bilaterales en América Central (1994-2006) bajo reglamento ALA	2007
DRN	Inventario intervenciones líneas horizontales regionales y bilaterales en América Central (1994-2006) bajo reglamento ALA	2007
DRN	Evaluation Central America	2007
Dumazert P.	Evaluación final del Programa La Nicaragua Posible	2008

Author	Title	Year
& Ortega M.		
ECO	Evaluacion Termino Medio - Programa de apoyo a las politicas del sector educativo en Nicaragua (PAPSE)	2006
EPTISA, agriconsulting , LASO	Informe Pais Nicaragua 2005 - Mision de monitoreo	2005
EPTISA, agriconsulting , LASO	Informe Pais Nicaragua 2006 - Mision de monitoreo	2006
EPTISA, agriconsulting , LASO	Informe Pais Nicaragua 2007 - Mision de monitoreo	2007
Etesse G.	Cultivemos la confianza; dos experiencias de desarrollo rural en America central	2005
European Commission	Country Strategy Paper - Nicaragua 2002-2006	2002
European Commission	Concept Note - For Dialogue	2005
European Commission	Country Strategy Paper - Nicaragua 2007-20013	2007
European Commission	COM(2006) 421 final, Brussels 30.8.2006 Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions - Governance in the European Consensus on Development - Towards a harmonised approach within the European Union	2006
European Commission	COM(2001) 153 Communication from the Commission to the Council and the European Parliament Linking Relief, Rehabilitation and Development – An assessment	
European Commission	“The European Consensus” (COM (2005)311)	2005
European Commission	Strategy for Latin and Central America	1994
European Commission	Revue du Country Strategy Paper (CSP) 2002-2006 Nicaragua	s/d 2003 ?
European Commission	Definition de la Strategie de coopération à moyen terme de la CE	1995
European Commission	Nicaragua - Country Strategy Paper 1998-2000	1998
European Commission	Comunicación de la Comisión al Consejo y al Parlamento Europeo - Una asociación reforzada entre la Unión Europea y América Latina COM/2005/636	2005
European Commission	Documento de trabajo de los servicios de la Comisión - Anexo de la Comunicación de la Comisión al Consejo y al Parlamento Europeo «Una Asociación reforzada entre la Unión Europea y América Latina» - Estrategia para una Asociación reforzada entre la Unión Europea y América Latina : presentación detallada SEC/2005/1590	2005
European Commission	Communication from the Commission to the European Parliament and the Council on the Commission's objectives, in the framework of the relations between the European Union and Latin America, in view of the 3rd Summit of Heads of State and Government of the European Union and Latin America and the Caribbean to be held in Guadalajara (Mexico) on 28 May 2004. COM/2004/0220	2004
European Commission	Proposal for a Council Decision On the conclusion of a Political Dialogue and Cooperation Agreement between the European Community and its Member States, of the one part, and the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama COM/2003/0677 final	2003
European Commission	Communication from the Commission to the Council and the European Parliament follow-up to the first summit between Latin America, the Caribbean and the European Union COM/2000/670	2000
European Commission	Directrices sobre los principios y buenas prácticas de la participación de los actores no estatales en los diálogos y consultas en materia de desarrollo	tbd
European Commission	Communication from the Commission to the council and the European parliament - On a Community Action Plan for the Reconstruction of Central America COM1999/201	1999

Author	Title	Year
European Commission	Commission working paper, EU report on Policy Coherence for Development COM (2007)545 final, 20.9.2007	2007
European Commission	Guidelines support to sector programmes	2007
European Commission	Programme review - Food security interventions of the EC in Nicaragua 1995-2002	2002
European Commission	Communication from the EC to the Council and the European Parliament: EU guidelines to support land policy design and reform process in developing countries COM(2004)686	2004
European Commission, Evaluation Unit	Methodology of Evaluation of Budget Support Operations at Country Level, Issue Paper May 2008, Evaluation Unit	2008
European Community	Framework cooperation Agreement - between the European Economic Community and the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama	1999
European Community	Treaty establishing the European Community	1992
European Community and Nicaragua Republic	Memorandum de Entendimiento relativo a las orientaciones plurianuales para la puesta en practica de la cooperacion comunitaria	2000
European Council	Council Regulation EEC n°443/92 of February 1992 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America	1992
European Council and European Commission	The European Community's Development Policy - Statement by the Council and the Commission	2000
European Cour of Auditors	Special Audit report 2008 n°6- European Commission Rehabilitation Aid Following The Tsunami And Hurricane Mitch	2008
European Cour of Auditors	Special Audit report 2006 n°6- concerning the environmental aspects of the Commission's development cooperation	2006
European Parliament and Council	Regulation EC N°1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing the financing instrument for development cooperation	2006
Fenacoop, Cáceres S., Ruiz Mangas B. and Morales Godínez R.	Propuesta del sector agropecuario para incidir en la negociación de un acuerdo de asociación entre la Unión Europea y Centroamérica	2006
FUMDEC	Herramientas basicas para la administracion de los bancos comunales	2007
Global Donor Platform for Rural Development	El programa sectorial de desarrollo rural productivo (PRORURAL) - Nicaragua	2007
Gonda N. & Pommier D.	Herramientas para la gestion social del territorio y de los recursos naturales	2008
Government of Nicaragua	A Strengthened Growth and Poverty Reduction Strategy - PRSP	2001
Government of Nicaragua	National development plan operational	2005
Government of Nicaragua	Informe sectorial agropecuario y forestal - avances del 2008 – nicaragua	2008
Government of Nicaragua	PRORURAL - Informe evaluacion	2008
Government of Nicaragua -	Política y estrategia para el Desarrollo Rural Productivo 2005-2009	2005

Author	Title	Year
MAGFOR		
Government of Nicaragua and EC and Germany	Adhesion Comision Europea y Alemania al codigo de conducta	2006
Government of Nicaragua and international donors	Código de conducta que define las relaciones entre el gobierno de la república de nicaragua, por medio del ministerio agropecuario y forestal, instituciones adscritas, el instituto de desarrollo rural y los socios para el desarrollo rural productivo	2005
Grigsby A. H. & Perez F. J..	Ruralstruc Program ; structural implications of economic liberalization on agriculture and rural development in Nicaragua	2007
Hocdé H. & Miranda B.	Los intercambios campesinos mas alla de las fronteras	2000
Holt-Jimenez E.	Campesino a campesino	2006
IDOM	Evaluation globale de la Communauté Européenne avec le Nicaragua	2000
IMF	Joint staff Advisory Note on PRSP	2006
IMF/WB	Evaluation of the PRSP	2004
Instituto Nacional de Informacion de Desarrollo Programa MECOVI	Perfil y características de los pobres en Nicaragua 2005	2005
Integration	Mision de pre-programacion para la formulacion del CSP 2007-2013 (Informe final + informe de fase 2)	2005
Intermon-Oxfam	Sistematizacion del proceso de intervencion "Proyecto La Nicaragua Posible: Capital social y Seguridad alimentaria en la experiencia de ADDAC, INPRHU y UNAG/PCAC	2009
MAGFOR	Evaluacion del plan AAA Sector rural productivo	2008
Mendoza Vidaurre R.	La paradoja del café: el gran negocio mundial y la peor crisis campesina	2002
Merlet M.	Acceso a la tierra, estructura agraria, mercados y origen de la pobreza en Nicaragua	2001
Merlet Medina P.	Sistematizacion de experiencia de la Comision para el Desarrollo Local (CODER) en sistemas de riego como una forma de facilitar el acceso a la tierra	2008
Merlet Medina P.	Sistematizacion de la experiencia de la Union de Campesinos Organizados de San Dionisio (UCOSD) sobre acceso a tierras mediante contratos de arriendo a largo plazo	2008
Microrating Internacional	FUNDESER	2007
PAINIC	Analisis institucional y organizacional del sector publico agropecuario rural (SPAR)	2007
Paizano J. Jardine S. Urquijo J.	Desarrollo de capacidades locales y GIS participativo para la delimitacion del territorio: experiencia innovadora en Nicaragua	2006
PARTICIP	Thematic evaluation on Good Governance	2006
Particip	Evaluation des Actions de Réhabilitation et de Reconstruction Financées par la EC dans les pays ACP/ALA/MED/TACIS	2003
Particip	Evaluación Temática de la Política de ayuda alimentaria y de las Operaciones Especiales en Apoyo de la Seguridad Alimentaria - Informe mision de terreno país Nicaragua	2004
PCAC	Almacenamiento y curado organico de las selimmas criollas	2007
Pijnenburg T., Ortega M., Espinosa J., Melman P., Sanchez Y. & Centeno E.	Mision de evaluacion de Prorural	2008
PNUD, CEPREDEN AC	Memoria Forum Regional Mitch +5, Tegucigalpa	2003

Author	Title	Year
PRASNIC	Mejores experiencias de PRASNIC	2004
Raymond, C. and Doucin, M. for Fondation de France	Limites et efficacité de l'ingérence politique des agences d'aide - A partir d'une analyse de l'essai de "transformation sociale et politique" impulsé par la communauté internationale lors de la reconstruction du Nicaragua et du Honduras après le passage de l'ouragan Mitch	2004
RESAL-AC	Rapport d'activité 2000-2001	
RESAL-Michel Merlet	Acceso a la tierra, estructura agraria, mercados y origen de la pobreza en Nicaragua	2001
Rocha J.L.	En la muerte del Banades	1998
Techniplan	Evaluación Final - PRRAC - Estudios y Asistencia Técnica	2003
Theinhardt E., Henriquez M. & Meyrat M.	Análisis institucional y Organizacional del Sector Público Agropecuario Rural (SPAR)	2007
TRANSTEC	Evaluación Global del Programa Regional para la Reconstrucción de América Central (PRRAC)	2009
UN	Nicaragua-Valoración Común de País	2007
UN-CEDAW	Examen del sexto informe periódico de Nicaragua	2007
UN-CEDAW	Lista de cuestiones y preguntas relativas al examen de los informes periódicos - Nicaragua	2006
UN-CEDAW	Examen del cuarto informe periódico de Nicaragua	1998
UN-CEDAW	Observaciones al sexto informe periódico de Nicaragua 2007	2007
UN-CEDAW	Examen de los cuarto y quinto informes periódicos de Nicaragua	2001
UN-CEDAW	Sexto informe periódico de Nicaragua	2005
UN-CEDAW	Examen de los cuarto y quinto informes periódicos combinados de Nicaragua	2006
UN-CEDAW	Examen del sexto informe periódico de Nicaragua	2007
UN-CEDAW	Examen de los informes periódicos cuarto y quinto de Nicaragua	2003
UN-CEDAW	Respuesta a la lista de cuestiones y preguntas para el examen del sexto informe periódico de Nicaragua (1999-2002)	2006
UN-CEDAW	Quinto informe periódico Nicaragua	1999
UNDP	Human Development Report	2008
UN-Economic and social Council	Informe del Gobierno de Nicaragua al Comité de Derechos Económicos Sociales y Culturales del Consejo Económico y Social de Naciones Unidas	2007
UN-Economic and social Council	Observaciones del Comité de Derechos Económico Sociales y Culturales al Informe del Gobierno de Nicaragua 2007	2008
University of Birmingham	Joint Evaluation GBS 1994-2004 – Nicaragua Country Report	2006
UNS	Escenarios de Inversión Social al 2015 para alcanzar los objetivos en educación, salud, agua y saneamiento	2008
UNS, IDB, WB, CONPES	Metas de Desarrollo, Seguimiento a la Cumbre del Milenio - Nicaragua 1º Informe	2003
VOICE	The grey zone or the missing link between relief, rehabilitation and development - a discussion paper by VOICE	2001
White A. & Roca J.	Evaluación final del PRASNIC	2004
White, A and Roca, J.	Evaluación Final - PRAISNIC	2004
World Bank	Nicaragua Poverty Assessment	2003
World Bank	Joint Public expenditure Review WB	2007
World Bank	Budget Support as More Effective Aid?	2006
World Bank	Poverty Assessment	2008
World Bank	PER	2008
World Bank	Agriculture for Development	2008

Annex 12 - Terms of reference



EUROPEAN COMMISSION

**Evaluation of the European Commission's co-operation
with Nicaragua**

Country Level Evaluation

DRAFT TERMS OF REFERENCE

19.05.2008

1. MANDATE AND OBJECTIVES

Systematic and timely evaluation of its expenditure programmes is a priority of the European Commission (EC). It is key to account for the management of the allocated funds and for promoting a lesson-learning culture throughout the organisation. The focus is on the **impact** (effects) of these programmes against a background of greater concentration of external co-operation and increasing emphasis on **result-oriented approaches**, particularly in the context of the programmes of the Relex Family¹. As the new Country strategy for the period 2007-2013 is already formulated with its mid term review due in 2010, the results of the present evaluation should provide input to the ongoing implementation of the strategy as well as future orientations.

The evaluation of the Commission's co-operation with **Nicaragua** is part of the **2008** evaluation programme as approved by External Relations and Development Commissioners.

The main objectives of the evaluation, in a perspective of future, are:

- to provide the relevant external co-operation services of the EC and the wider public with an overall independent assessment of the Commission's past and current cooperation relations with **Nicaragua**.
- to identify key lessons in order to improve the current and future strategies and programmes of the Commission.

2. BACKGROUND

Overview of past and ongoing EC co-operation

Cooperation with Asian and Latin America (ALA) countries started in 1976, after the enlargement of the European Community (EC) to include the United Kingdom. In 1981 the first regulation was established with emphasis on development support including agricultural and rural development, and other social sectors. In 1992 a new regulation was established, which included a budget line for economic co-operation and had an explicit concern for issues such as democracy, human rights, gender equality and the environment.

In the early nineties EC aid was relevant for Nicaragua as it supported the peace process and avoided and contained tensions in extremely poor areas that could have destabilised the just created democracy. Between 1993 and 2000 technical and financial cooperation amounted to 53.4 Mill€, horizontal budgetlines to 12.1 Mill€.

Only in 1998 the Delegation was set up. It had limited technical staff available and despite the EC's important rank among donors its capacity of engagement with other donors and in policy areas was limited. The extensive use of EU NGOs and the fact that decisions were taken more in Brussels than locally limited the sense of ownership of the programme and the dialogue with the local civil society and other local respondent.

The first Country Strategy Paper covered 1995-1998, the second 1998 to 2000, thereafter cooperation was based on a MoU until the subsequent CSP in 2002.

¹ Directorates General of External Relations, (RELEX), Development (DEV) and the EuropeAid Co-operation Office (AIDCO).

Until 2000 bilateral co-operation with Nicaragua only entailed development co-operation and humanitarian aid. Foreign aid in the nineties in Nicaragua was generally not considered having achieved significant results, especially in terms of sustainability. This applies also to EC aid.

In December 2000 Nicaragua became eligible for the HIPC initiative. In July 2001 the government published the "Strengthened growth and poverty reduction strategy" (ERCERP) based on four pillars: a) economic growth and structural reform (mainly agricultural/rural development); b) investment in social services (health and education); c) protection of disadvantaged groups (access to public services, decentralisation) and d) good governance and institutional strengthening.

Based on the Country Strategy Paper 2002 – 2006 the EC in its NIP committed a total of €207.4 Mill€ million in external aid to the country for that period with the following split:

NIP commitments 2002-2006:207.4 Mill€ -
56% Socio economic development in rural areas - 118 Mill€
19% Human Development – 40.0 Mill€
8.1% Good governance – 17.0 Mill €
7.6 % Macroeconomic support – 15.9 Mill €
7.9% Non focal sectors and various – 16.5 Mille

Effective Commitments bilateral cooperation 2002-2006: 176.7 Mill€ (it also includes PRODELISA) excluding PRRAC

Horizontal Budget Lines: Committed/ executed between 2000-2007 – 128.9 Mill€

EC cooperation evolved from a project-based approach towards a sector-oriented approach with an increased focus on budgetary support and result-oriented instruments. The sector approach was applied for the first time in Latin America with support to the education sector, followed by a programme for rural aspects of the national strategy (PNDo, which in fact is the PRSP2) and finally by a programme to support access to justice for the poor.

In addition to sector support, the EC has provided macro-economic support as part of the HIPC initiative and project support through horizontal and thematic budget lines. Despite the increased focus on sector support, a number of isolated projects are still being implemented in various sectors. In total more than 60 projects were implemented throughout the period. Some of the main themes are infrastructure, food security and NGO co-financing.

Finally, an overview of the EU's relationship with the Central American sub-region would not be complete without mentioning the unilateral tariff preferences granted through the Generalised System of Preferences (GSP), which, since 1990 have resulted in duty suspension on agricultural and industrial exports to the EU from the six Central American countries. The GSP drugs regime was replaced by the new GSP Plus scheme, which will permit continued privileged market access for countries committed to the promotion of sustainable development and good governance.

Since the beginning of the implementation of the Country Strategy Paper 2002-2006, the EC cooperation with Nicaragua has been influenced by different factors:

- the increased focus on budgetary sector support,
- the deconcentration of the Commission's services to Nicaragua, giving more responsibility to the EC delegation's staff, expanded for that purpose,
- the implementation of a new financial regulation, which entailed a number of changes in the way EC cooperation works

The present government of Nicaragua has gone through major changes in 2007 and 2008. This resulted in rejection of the PERSP2 and the drafting of a Plan Nacional de Desarrollo Humano (PNDH). Version 0 of PNDH has just been released.

The evaluation should consider that the country has had three different governments during the period covered by the evaluation, which obviously has had significant impact on EC interaction with national authorities.

Coordination mechanism

The 2003 Managua Declaration between the donors and the Government should be considered as the base for strengthening coordination, harmonization and alignment of cooperation in Nicaragua. The 2005 Joint Financing Arrangement (JFA) linked to the budget support modality reinforced this tendency. It defines a coordinated approach through a common platform for multi-donor intervention. Two member States (Sweden and United Kingdom) have recently announced that they will leave the country in 2010 and 2011.

Nicaragua was chosen in 2004 as a pilot country for an Harmonisation and Alignment (H&A) initiative known as the "Joint Country Learning Assessment" (JCLA) and in 2007 for the "Road Map" initiative. Nicaragua was the first partner country to implement the JCLA, an initiative undertaken by the OECD-DAC, in which a group of donors ("lead *facilitators*") assess the level of H&A. As a follow-up to the exercise, the lead facilitators identified the impediments to greater H&A and formulated a number of steps to be taken by both the Government and the donor community. More recently, at EU level, the General Affairs and External Relations Council's ad hoc party on harmonisation made recommendations for an EU road map for harmonisation.

Specific EU coordination in relation to the 3Cs (coordination, complementarity and coherence) is an additional step in harmonisation. Regular meetings under the local *pro tempore* presidency of the EU are held to promote coherence and complementarity.

The dynamism of coordination of cooperation, and the dialogue with the Government, has led to several successes, for example the support for the drafting of a new national strategy (PNDo), the establishment of sector tables under the coordination of the Government, the drafting of SWAPs in some sectors, the creation of a multi-annual budgetary framework and improved management of public finances.

A number of other coordination mechanisms exist in the country:

- the Budget Support Group (*el Grupo de Apoyo Presupuestario*);
- the Global Donor Table (*Mesa Global de Donantes*);
- Sector Tables (*Mesas Sectoriales*) such as Education, Prorural, Justice, Health

Not all Sector Tables are equally operative and a lot still needs to be done, in particular in the present political context. There is also a growing demand to involve civil society more in these different forums.

Nicaragua is one of few countries, which has its own National Plan for Harmonisation and Alignment (2005-2007). It includes a series of in-country objectives, actions and indicators aiming at accelerating the implementation of the H&A process at country level. The plan is consistent with the Paris Declaration and has been fully endorsed by the Government and the Donor Community.

Additionally, 2007 was a transition year with the installation of a new government – this has had a direct impact on the Harmonisation and Alignment process which relies on sound country ownership. The process was pretty inactive between Nov 2006 and September 2007, but has once again gained momentum and the "new" government has shown interest in facing the H&A challenge.

In 2008 one of the main challenges is the implementation of the EU Code of Conduct for Division of Labour and working towards greater complementarity. A new National Plan for Harmonisation and Alignment 2008-2010 is being drafted.

Current EC strategy (2007-2013)

Global objectives

Nicaragua is facing a number of important challenges, of which the most important is perhaps the difficulty of putting itself on a firm path towards sustainable development. In this respect, the main element of the EC Strategy 2007-2013 is that Commission support will not be only financial but will gradually shift to a more important policy and political dialogue in parallel with ample transfer of European experience (i.e. twinning between actors). Social cohesion must be central to this dialogue, and regional integration omnipresent (the CSP is coherent with the PRSP and with R-CSP?) Consistency between European policies and cooperation will be of utmost importance in the strategy and in its implementation. Policy dialogue should not only be with the Government but also with other entities and civil society.

Stronger control of consistency between financing and cooperation priorities is needed, together with better *ex ante* analysis of the programmes. Any cooperation activity must be consistent with a number of cross-cutting issues for which a specific analysis will be carried out, in particular the environment, gender, regional integration, and trade and development.

Increasing social cohesion broadly speaking is the aim of the strategy. Since this is mainly the Nicaraguans' responsibility, the Commission will support the Nicaraguans in their policy to establish more redistributive mechanisms helping them to comply with the Millennium Development Goals and supporting efforts towards greater efficiency of economic flows, based on improved governance, better effectiveness and competitiveness.

Implementation issues

The shift to sector approaches (already initiated in the previous CSP) will be continued in the future as it is the rule for the implementation of the CSP.

In this context, the European Commission will continue to promote donor coordination and harmonization, including EU coordination. It will also participate actively in all the

tasks of the “*mesas sectoriales*” and the “*Mesa Global de los Donantes*”.

Strategy for EC cooperation and focal sectors

The European Commission will concentrate its actions where it can add value and impact, in coherence and in complementarity with other donors, in particular Member States, thus avoiding duplication.

To ensure sustainability, for the financial and technical assistance and economic cooperation, two out of three of the focal sectors of the 2002-2006 CSP will remain: democracy and governance, and education.

Rural development was a focal sector in the previous programming documents. Until recently this has been mainly implemented through Integrated Rural Development Projects (DRI), which supports socio-economic development in geographically defined areas. If there were positive results at local level, the impact at national level has been limited. Sustainability was low due to insufficient prior assessment of what is a complicated sector with a multicultural dimension, diverging interests, weak policy and scattered and duplicated institutions.

Rural areas have a higher proportion of poor people, but also greater growth potential. Paying special attention to rural areas supports social cohesion. The rural poverty analysis highlighted three main factors linked to poverty: education, land access and conjectural adverse factors. On the basis of those assessments it might be argued that EC should change its way of supporting rural areas to achieve more impact, focusing on supporting rural aspects of other sector policies (mainstreaming), particularly when designing sector policies. The evaluation might analyse whether the rural was in practice mainstreamed in the other programs. However it is to be taken into account that the design of sector policies in the rural sector has been underway since decennia, dealing with a number of difficulties such as complex dimensions, diverging and vested interests, and sensible issues as land tenure. The first SWAP (called PRORURAL) for the rural development sector has been initiated three years ago by several donors; the Commission is highly represented, and was elected donor coordinator for the 07/07 to 06/08 period.

Sustainable economic growth and macro-economic sustainability appear to be essential to reduce extreme poverty and to support social cohesion. In particular, foreign investment needs to be attracted and fair integration in the regional economy should be better targeted, and supported by actions such as the improvement of the of Juridical Security to potential investors, including the monitoring of the adoption of labour and social security system, property law (including property registry and cadastre), assuring intellectual property. Given its effect on

the economic and social context, this will be the third focal sector, associated with a reinforced policy dialogue which includes cross-cutting issues; the EC could also provide the knowledge acquired by years of experience of progressive economic integration.

Cross-cutting issues of particular relevance to Nicaragua include food security, considering this issue is not only transversal but as well a factor for development, and the importance of a proper regional economic integration process, the need to better integrate environmental sustainability and the protection of natural resources, including risk management and disaster

preparedness, energy efficiency and climate change. Another issues to be targeted are demographic factors, strengthening of decentralisation process of the state and HIV AIDS and gender equity including sexual and reproductive health.

The importance of international cooperation with Nicaragua

International cooperation is essential for Nicaragua, for macro-economic stability, for investment and for the stability of the country (see above). The level of international aid per capita received by Nicaragua is among the highest in the world and by far the highest in Latin America.

The EC regional co-operation in Central America has shown a high degree of continuity regarding objectives, priorities and intervention sectors over the last decade (1996 -2006). The priority areas were: supporting integration, and particularly strengthening the customs union, common policies and regional institutions. Simultaneously, support was given to enhance civil society participation in the integration process. In addition to that Nicaragua benefits from the Regional Programme for the Reconstruction of Central America (PRRAC), which was set up after Hurricane Mitch, which struck Central America in October 1998 being one of the worst natural disasters ever to have hit the region, and the Latin America Regional Indicative Programme, according to its respective programming

3. SCOPE

3.1. Temporal and legal scope

The scope of the evaluation is the Commission's co-operation strategies and their implementation during the period 1998 - 2008².

The evaluation should be **forward looking**, providing lessons and recommendations for the continued support to the partnership with Nicaragua.

The Consultants must assess:

- The complete cooperation framework with the country should be taken into consideration, including the main agreements and other official commitments between Nicaragua and the EC.
- the relevance and coherence, transition and continuity, of the Commission's co-operation strategies with the country (all instruments included) for the period 1998 – 2008; this will include the assessment of the priority sectors in CSP 07-13 including recommendations for the mid-term review in 2010.
- The above mentioned analysis should consider the level of adaptation to the context and needs of the country in the different periods.

² Period corresponding to: (i) the two previous and current programming cycles if no country evaluation for the periods concerned existing; (ii) one previous and the current programming cycle if a country level evaluation already existing for the period preceding the former programming cycle

- This analysis should require a sectorial analysis of the priority sectors such as the rural which was assigned 48% of the resources in the period 2002-2006
- the European Community value added of the Commission's co-operation strategies; coherence within the Commission's developments programme, the coordination/complementarity and coherence with the partner country's policies and with other donors' interventions (focus on Member States); the consistency between programming and implementation for the same period as well as the aid effectiveness dimension as a whole.
- the implementation of the Commission's co-operation, focusing on impact, sustainability, effectiveness and efficiency for the period² 1998 – 2008 and on intended effects for the period under the programming cycle 2007 – 2013.
- The evaluation should give due attention to the role of thematic lines and participation of civil society.

3.2. Thematic scope

The scope of the evaluation is to evaluate the overall EC's cooperation with Nicaragua between 1998 and 2008, the cooperation through a mix of projects under different budget lines before 2002 and in particular the Commission's Country Strategies for the period from 2002. The assessment will consider, as needed, the strategy previous to 2002, as many projects implemented during the evaluation period, relate to the previous strategy.

The evaluation should produce a full inventory of the Commission's funding to Nicaragua in that period of time.

The evaluation should check whether the priorities of financial allocations during that period of time adequately correspond to the priorities of the respective priorities of the CSP and PRSP.

The coordination and complementarities between activities under different mechanisms, modalities and budget lines (e.g. such as PRAAC, ECHO, ECIP, ALPHA etc.) as well as between activities initiated at regional versus those at national level should be analysed .

The aspects mentioned above should be closely followed in order for the Evaluation to establish how sustainability of ECHO projects is ensured through the financing of other EC funded programs and vice versa.

The coherence of the EC's cooperation with Nicaragua in relation to regional strategies, centralised programmes and trade relationships between the EU and Nicaragua should be evaluated.

The evaluation shall evaluate, whether the recommendations of the 2000 country level evaluation, the previous regional evaluations and thematic and sector evaluations, in which

Nicaragua had been a pilot country were useful and to what extent they have been taken into account in the current programming cycle, indicating the reasons in the context of the decision making procedures.

It is to be considered that the 2002-2006 CSP rejected and did not follow the conclusions of the country level evaluation. The 2002 ALA Regulation Evaluation gave in relation to Nicaragua totally different conclusions that the 2000 country level evaluation.

Based on the purpose of the evaluation to identify relevant lessons and to produce recommendations for the current and future strategy programme, the centre of attention should be on the following areas of cooperation:

- (a) socio-economic development in rural areas,
- (b) investment in human capital, especially in the education sector,
- (c) democracy and good governance,
- (d) macroeconomic support.

The evaluation should also consider cross-cutting issues and the extent in which they have been adequately addressed.

In relation to justice sector, special attention should be paid to the difficulties encountered by the Budget Support Programme to Justice for poor people, assessing the role of the different actors and the alternatives, including individual projects, to ensure support to the sector.

In particular the gradual shift from a project and sector approach to increased budgetary support and result-oriented instruments should be thoroughly assessed, as well as the integration of the EC into donor coordination mechanisms in the country and their impact on effectiveness and efficiency.

Whilst the CSP 2002 to 2006 had socio-economic development in rural areas as a focal sector, this is not the case in the CSP 2007-2013. The evaluation should therefore carefully analyse, even that the task is difficult as at present the new program has not started yet, whether the EC's new way of supporting rural areas is meant to achieve more impact (done by supporting rural aspects of other sector policies by mainstreaming, in particular when designing sector policies) has had a significant impact in terms of contributing more effectively to the alleviation of rural poverty. THIS WILL BE DIFFICULT AS THE PROGRAMME DIDN'T START YET.

As 30% of the €230 million in external aid between 2002 and 2006 were spent on non-focal sectors and other budget lines, the evaluation should analyse the outcomes and added value of having spent this rather large percentage of aid outside the focal sectors.

NB: All completed evaluations in the country related to EC interventions at project and program level are important reference material to be taken into account. The Consultants should not deal with the points already covered by these evaluations, but build on them.

4. KEY DELIVERABLES

The overall methodological guidance to be used is available on the web page of the EuropeAid evaluation unit under the following address:

http://ec.europa.eu/comm/europeaid/evaluation/methodology2/index_en.htm

Within 14 days after the reception of the ToRs, the Consultants will present a **launch note**³ which should contain:

- their understanding of the ToR;
- a methodological note including the implementation of the quality control;
- the provisional composition of the evaluation team with CVs⁴;
- a proposed budget.

Following the launch note, the main key deliverables are:

- The inception meeting;
- The inception report;
- The desk report;
- The final reports and seminar in the country.

4.1. The inception meeting

Upon approval of the launch note by the Evaluation Unit, the Consultant proceeds to the structuring stage leading to the production of an inception report.

The main part of the work consists in the analysis of all key relevant documents regarding the Commission's co-operation (past and present) with **Nicaragua**. The Consultants will also take into account the documentation produced by other donors and international agencies.

On the basis of the information collected and analysed, the Consultants will propose evaluation questions and prepare explanatory comments for each. The choice of the questions determines the subsequent phases of information and data collection, elaboration of the methods of analysis, and elaboration of final judgements. The consultants will also identify appropriate judgement criteria.

A meeting will be held with the reference group to discuss and validate:

- the evaluation's regulatory framework, its context, main users and expected uses;
- the evaluation's central scope;
- the scope extended to related policies;
- the intervention logic according to official documents;
- the evaluation questions;

³ In the case of a tender procedure, the launch note will be replaced by the financial and technical proposal of the tender

⁴ All birthday dates must be written in the following Format: dd/mm/yyyy

- explanatory comments associated to each evaluation questions (when possible, indicate judgement criteria).

Upon validation by the Reference Group, the evaluation questions become part of the ToR.

4.2. Inception report

At the end of the inception phase, the consultants must deliver an **inception report**, which finalises the evaluation questions and describes the main lines of the methodological design including the indicators to be used, the strategy of analysis and a detailed work plan for the next stage.

The inception report contains the following elements:

- the intervention logic;
- the validated evaluation questions;
- a limited number of appropriate judgment criteria per evaluation question;
- a limited number of quantitative and/or qualitative indicators related to each judgment criterion;
- a proposal containing suitable working methods to collect data and information in the Commission's headquarters and delegations, including information coming from the country itself and other donors in the country;
- a first outline of the strategy and the methods used to analyse the collected data and information indicating any limitations;
- a chain of reasoning for answering the question;
- a concise description of the development co-operation context of the Commission with Nicaragua related to the evaluation questions;
- a detailed work plan for the next stage.

The report will also confirm if necessary:

- the final composition of the evaluation team and
- the final work plan and schedule.

The two latter points will be agreed and confirmed through a formal exchange of letters between the Consultants and the Commission.

This phase may include a short preparatory and exploratory visit of the Consultants to the field.

4.3. Desk report

Upon approval of the inception report the Consultants proceed to the final stage of the desk phase. At the end of this phase, the Consultants will present a desk report setting out the

results of this phase of the evaluation including all the following listed elements (the major part of the inception report will be in the annex of the desk phase report):

- the evaluation questions with the agreed judgement criteria and its quantitative and qualitative indicators;
- the first elements of answer to the evaluation questions when available and the hypotheses to be tested in the field;
- progress in the gathering of data. The complementary data needed for the analysis and to be collected in the field have to be identified;
- methodological design, including evaluation tools ready to be applied in the field phase: (i) suitable methods of data collection within the country indicating any limitations, describing how the data should be cross-checked and specifying the sources, (ii) appropriate methods for data collection and to analyse the information, again indicating any limitations of those methods in **Nicaragua**
- an exhaustive list of all activities covered during the period and an exhaustive list of all activities examined during the desk phase, bearing in mind that activities analysed in the desk phase and the field phase (including ROM) have to be representative;
- a workplan for the field phase: a list with brief descriptions of activities, projects and programmes for in-depth analysis in the field. The consultants must explain the value added of the visits.

The field mission cannot start before the evaluation manager has approved the desk report.

4.4. Field reporting

The fieldwork shall be undertaken on the basis set out in the desk report and approved by the reference group (which includes the Delegation). The work plan and schedule of the mission are agreed in advance with the Delegation concerned. If during the course of the fieldwork it appears necessary to deviate from the agreed approach and/or schedule, the Consultants must ask the approval of the Evaluation Unit before any changes may be applied. At the conclusion of the field study the Consultants present the preliminary findings of the evaluation:

- (1) presentation during a de-briefing meeting with the Delegation;
- (2) presentation to the reference group shortly after their return from the field.

4.5. Final reports and seminar in the country

4.5.1. The Draft Final Report

The Consultants will submit the draft final report in conformity with the structure set out in annex 2. Comments received during de-briefing meetings with the Delegation and the reference group must be taken into consideration.

The Consultants may either accept or reject the comments but in case of rejection they must justify (in writing) the reasons for rejection (the comments and the Consultants' responses are annexed to the report). If the Consultants don't want to take them in the report, they must explain in a separate document the reasons why.

If the evaluation manager considers the report to be of sufficient quality (cf. annex 3), he/she will circulate it for comments to the reference group. The reference group will convene to discuss it in the presence of the evaluation team.

4.5.2. The Seminar

The Consultants will make the appropriate amendments based on comments expressed by the reference group and the Evaluation Unit. The revised draft final report will be presented at a seminar in **Nicaragua**. The purpose of the seminar is to present the results, the conclusions and the preliminary recommendations of the evaluation to the National Authorities, the Delegation as well as to all the main stakeholders concerned (EU Member States, representatives of civil society organisations and other donors).

The Consultants shall prepare a presentation (*Powerpoint*) for the seminar. This presentation shall be considered as a product of the evaluation in the same way as the reports and the data basis. For the **seminar** 60 copies of the report and 10 reports with full printed annexes (see annex 2 of the ToR) have to be produced. [*If several languages are needed, the quantity and the distribution between languages have to be agreed with the Evaluation Unit.*]

4.5.3. The Final Report

The Consultants will prepare the final report based on the comments expressed at the seminar and on the basis of further comments from the reference group, the Delegation and/or the evaluation manager. The presentation (*Power point*) will be revised in accordance to the final report.

110 copies of the **Final Main Report** must be sent to the Evaluation Unit with an additional 10 reports with all printed annexes. A CD-Rom with the Final Main Report and annexes has to be added to each printed report. [*If the reports must be printed in various languages, the quantity and the distribution between languages must be agreed with the Evaluation Unit.*]

The evaluators have to hand over on an appropriate support (electronical or paper) all relevant data gathered during the evaluation.

The contractor shall submit a methodological note explaining how the quality control and the capitalisation of lessons learned have been addressed.

The Evaluation Unit makes a formal judgement on the quality of the evaluation (cf. annex 3).

5. EVALUATION QUESTIONS

The evaluation will be based on the seven evaluation criteria: relevance, impact, effectiveness, efficiency, sustainability, coherence and the EC value added. The first five correspond to the traditional practice of evaluation of development aid and have been formalised by the OECD (DAC). The following two apply to all EC policies. The criteria will be given different weightings based on the priority accorded to the evaluation questions.

In general, questions (to a maximum of 10) will refer to the following main areas:

- **Relevance of the strategy/programme:** this includes both relevance to the general objectives of the EC and relevance to the needs and priorities of **Nicaragua** (including the choice of target groups).
- **Design, and coherence of the intervention strategy/programme:** this mainly concerns the extent to which the resources foreseen were adequate in relation to the objectives set out in the programming documents.
- **Consistency of the implementation in relation to the strategy:** the Consultants shall verify the extent to which the work plan, schedule and implementation of the activities (all types of interventions, geographical and sectoral distribution, instruments, aid delivery channels included) were consistent with the strategy. They shall demonstrate who were the real beneficiaries, direct or indirect, of the intervention and compare them to the target population(s) in the programming documents.

The Consultants will also verify the extent to which the intervention modalities (instruments, aid delivery channels, etc.) were appropriate to the objectives.

- **Achievement of main impacts/effects:** the Consultants shall identify all recorded results and impacts, including any unintended ones, and compare these to the intended results and/or impacts. The Consultants will also identify the changes, which occurred in the areas in which EC programmes were supposed to produce an impact.
- **Efficiency of the implementation:** for the activities which were effective, it will be necessary to question to what extent funding, human resources, regulatory and/or administrative resources contributed to, or hindered the achievement of the objectives and results.
- **Sustainability of the effects⁵:** an analysis of the extent to which the results and impacts are being, or are likely to be maintained over time.
- **Key cross-cutting issues:** for example gender, environment and climate change, human rights, HIV/AIDS, institutional capacity building, etc. Verification should be undertaken, on the one hand, of the extent to which account has been taken of these priorities in the programming documents and, on the other hand, to what extent these issues have been reflected in the implementation modalities and in the effects of the intervention. *The 3Cs (co-ordination, complementarity and coherence):* co-ordination / complementarity with EU Members States and other donors; coherence with EU policies (including the Member States' own policies and eventual interventions of the EIB).

Value added of the EC interventions: The extent to which the development intervention adds benefits to what would have resulted from Member States' interventions only in the partner country. The criterion is closely related to the principle of subsidiarity and relates to the extra-benefit the activity/operation generates due to the fact that it was financed/implemented through the EC.

There may be three practical elements to illustrate possible aspects of the criterion:

- 1) The EC has a particular advantage over Member States in particular fields and how far is that visible;

⁵ Sustainability of the effects should also consider how sustainability of ECHO projects is ensured through the financing of other EC funded programs and vice versa.

2) The EC has a particular mandate in the framework of the '3Cs' and can draw Member States to a greater effort together;

3) EC cooperation is guided by a common political agenda embracing all Member States and how far is that visible.

6. RESPONSIBILITY FOR THE MANAGEMENT AND THE MONITORING OF THE EVALUATION

The Evaluation Unit (AIDCO 03) is responsible for the management and monitoring of the evaluation with the assistance of the reference group.

Information will be given to the Consultants after the signature of the contract concerning the documents referred in Annex 1.

7. THE EVALUATION TEAM

The evaluation team should consist of a team leader and 2-3 experts that possess a sound knowledge and experience in:

- evaluation methods and techniques in general and, preferably of evaluation in the field of development cooperation, including Budget Support operations;
- the aid effectiveness dimension as a whole;
- good knowledge of Nicaragua or Central America, specific experience of Nicaragua would be an asset;
- the following fields: **democratic governance** with an excellent understanding of the particular political context of Nicaragua, **education** in a development context, **macro- and microeconomics**, **rural development** with good understanding of the **socio-economic dynamics of poverty including of cross-cutting issues**.
- the following language(s): Spanish and English or French. All persons in the team must be able to read the background documentation, most of which will only be available in Spanish. All interviews in the field will be carried out in Spanish, so that all experts need to speak it fluently. The report shall be written in English or French and in Spanish.

The Evaluation Unit strongly recommends that the evaluation team should include consultants from the country or the region (notably, but not only, during the field phase) with in-depth knowledge of key areas of the evaluation.

Consultants must be strictly neutral. Conflicts of interests must be avoided.

It is highly recommended at least for the team leader to be fully familiar with the methodological approach set by the EC.

8. TIMING

After the approval of the launch note and the signature of the contract, the timing of activities will be set according to the following indicative workplan.

The dates mentioned in the following section may be changed with the agreement of all concerned.

<i>Evaluation Phases and Stages</i>	<i>Notes and Reports</i>	<i>Dates</i>	<i>Meetings/Communications</i>
Desk Phase			
Structuring Stage	Short presentation (logical diagram and EQ)	Last week of June 2008	RG Meeting
	Draft Inception Report		Optional: Short preparatory visit of the consultants to the field.
	Final Inception Report	Beginning of Sept. 2008	A formal exchange of letters between the Consultants and the Commission confirms the final composition of the evaluation team and the final work plan and schedule.
Desk Study	Draft Desk Report		RG Meeting
	Final Desk Report		
Field Phase			De-briefing meeting with the Delegation.
	Presentation		RG Meeting
Synthesis phase (seminar in the country)			
	1st draft Final report		RG Meeting
	Revised draft Final report		Seminar in [country] 60 copies of the report and 10 reports with full printed annexes.
	Final Main Report		110 copies of the Final Main Report must be sent to the Evaluation Unit. Additional 10 reports with all printed annexes must be sent to the Evaluation Unit as well.

NB: The timing of activities has to be realistic.

A country level evaluation takes about 12 months between signature of contract and approval of the final report.

Some regional evaluations take about 15-16 months between signature of contract and approval of the final report.

Account taken of the Nicaragua Government request for a "mission holidays" in Nicaragua between August 1st and September 15, the mission should not take place during that period.

9. COST OF THE EVALUATION

The overall costs include:

- The **evaluation** as such;
- 2.5% of the total budget excluding the costs of the seminar are to be used for **quality control**;
- A **seminar** in the country.

The total of these 3 elements must not exceed **€ 200.000**.

NB: The budget for the seminar (fees, per diems and travel) will be presented separately in the launch note.

10. PAYMENTS MODALITIES

The payments modalities shall be as follows:

- 30% on acceptance of the Inception Report, plus 2.5% of the agreed budget to be used for quality control;
- 50% on acceptance of the Draft Final Report;
- the balance on acceptance of the final report.

Seminar related costs are to be invoiced and paid separately.

ANNEX 1: INDICATIVE DOCUMENTATION FOR THE EVALUATION

NB: The following list is indicative and has to be adapted/expanded where appropriate

All legal texts, Council Regulations and political commitments for the period covered, communications of the Commission, various regulations

- ALA Regulation (No 443/92)
- Development Cooperation Instrument (DCI) 2007-2013
- Council Regulation (EC) No 980/2005 of 27 June 2005 applying a scheme of generalised tariff preferences
- Memorandum of Understanding 2000-2006 (signed in 2001)
- Acuerdo de Cooperación entre la Comunidad Económica Europea y las Republicas de Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua y Panamá, 1999
- Memorandum of Understanding 2007-2013 (signed in 2007)

CRIS (information on the projects and annual ROM) and other databases concerning the financed projects, engagements, payments, etc.;

All Country Strategy Papers/National Indicative Programmes (or equivalent) for the period covered

- CSP 1995 - 1998
- CSP 1998 - 2000
- CSP 2002 - 2006
- CSP 2007 - 2013

All Regional Strategy Papers/Regional Indicative Programme (and equivalent) for the periods covered

- Central America – Regional Strategy Paper 2002 - 2006
- Central America - Regional Strategy Paper 2007 - 2013
- The Regional Programme for the Reconstruction of Central America (PRRAC)

Delegation's Annual Reports, conclusions of the Mid-term and End-of-Term Reviews;

Relevant documentation from local authorities and other local partners, key documents from local organisations (if appropriate) and financial backers, etc.

Relevant documentation from other donors

Other Commission/Government Agreements

- 1993 Framework Cooperation Agreement between the European Economic Community and the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama
- EU-Central America Political Dialogue and Co-operation agreement, signed on 15 December 2003 in Rome. It will build on and replace the existing 1993 Framework Co-operation agreement.
- Joint Declarations of the San Jose Dialogue process, in particular the Declarations of San Jose (28/29 September 1984), Florence (21 March 1996) and Madrid (18 May 2002)
- The Political Dialogue and Co-operation Agreement (2003 pending full ratification).
- Ongoing negotiations on the bi-regional Association Agreement (EU and Central America) on the three pillars Political Dialogue, Cooperation and Trade.

Key Government Policy and Planning Documents

- PRSP
- national strategy (PND)
- Joint Financial Arrangement and its annual and semi-annual reviews
- PROAGRI documents

Previous Evaluations and Monitoring Reports relating specifically to Nicaragua and EC cooperation with Central America

- Evaluation globale de la coopération de la Communauté Européenne avec le Nicaragua, 2000
- Evaluation of ALA Regulation 443/92, May 2002
- Independent appraisal of the European Community Investment Partners (ECIP) financial instrument – ref 951482, 1999
- Evaluation de la Coopération Régionale de l'UE en Amérique Latine – ref. 951390, 1998
- Evaluation of the rehabilitation budget line
- Evaluación de la Cooperación Regional de la CE en America Central, 2007
- Special Report "European Commission Rehabilitation Aid following the Tsunami and Hurricane Mitch"
- Evaluation of ECHO's Aid to the Victims of Hurricane Mitch (Honduras, Nicaragua, Guatemala and El Salvador)
ec.europa.eu/echo/pdf_files/evaluation/2001/mitch2_annex.pdf
- Documents from the Global Donors Platform
http://www.donorplatform.org/component/option,com_frontpage/Itemid,1/

For consideration: Nicaragua was a case study in

- the evaluation of ALA regulation
- GBS evaluation (Joint Evaluation of General Budget Support in Burkina Faso, Malawi, Mozambique, Nicaragua, Uganda, Rwanda and Vietnam for the period 1994-2004.)
- Food Security evaluation (Nicaragua chapter)
- The evaluation of the 3Cs: Evaluating Co-ordination, Complementarity and Coherence in EU development policy: a synthesis http://www.three-cs.net/3cs_publications; Evaluations N 1 - The Treaty of Maastricht and Europe's Development Co-operation.
- Evaluation des actions de réhabilitation et de reconstruction financées par la Communauté Européenne dans les pays ACP/ALA/MED/TACIS
- Thematic Evaluation Of Food-Aid Policy And Food-Aid Management And Special Operations In Support Of Food Security 2004
- Evaluation of the Environment and Forests Regulations 2493/2000 and 2494/2000 – 2004

The three following documents are to be handed to the Consultants:

1. On access to the information contained by the ROM system for an evaluation;
2. Methodological note from Euréval concerning North-South approach to country level evaluations;
3. Template for Cover page.

In addition, the consultant will have to consult the documentation available on Internet (DAC/OCDE and EU Inventory websites in particular) as well as the documentation listed or available within the Evaluation Unit (AIDCO/0/3 Library).

ANNEX 2: OVERALL STRUCTURE OF THE FINAL REPORT

The overall layout of the report is:

• Final report

- Summary
- Context of the evaluation
- Answers to the evaluation questions
- Conclusions (1)
- Recommendations (2)

Length: the final report must be kept short (70 pages maximum excluding annexes). Additional information regarding the context, the programme and the comprehensive aspects of the methodology and of the analysis will be put in the annexes .

(1) Conclusions

- The conclusions have to be assembled by homogeneous "clusters" (groups). It is not required to set out the conclusions according to the 5 DAC criteria;
- The chapter on "Conclusions" has to contain a paragraph or a sub-chapter with the 3 to 4 principal conclusions presented in order of importance;
- The chapter on "Conclusions" must also make it possible to identify subjects, for which there are good practices and the subjects, for which it is necessary to think about modifications or re-orientations ;

(2) Recommendations

- Recommendations have to be linked to the conclusions without being a direct copy of them;
- Recommendations have to be treated on a hierarchical basis and prioritised within the various clusters (groups) of presentation selected;
- Recommendations have to be realistic, operational and feasible. As far as it is practicable, the possible conditions of implementation have to be specified;
- The chapter on "Recommendations" has to contain a sub-chapter or a specific paragraph corresponding to the paragraph with the 3 to 4 principal conclusions. Therefore, for each conclusion, options for action and the conditions linked to each action as well as the likely consequences should be set out.

- **Annexes (non exhaustive)**

- National background
- Methodological approach
- Information matrix
- Monograph, case studies
- List of institutions and persons met
- List of documents consulted

NOTE ON THE EDITING OF REPORTS

- The final report must:
 - be consistent, concise and clear;
 - be well balanced between argumentation, tables and graphs;
 - be free of linguistic errors;
 - include a table of contents indicating the page number of all the chapters listed therein, a list of annexes (whose page numbering shall continue from that in the report) and a complete list in alphabetical order of any abbreviations in the text;
 - contain one (or several) summaries presenting the main ideas. For example, the answers to the evaluation question and the main conclusions could be summarised and presented in a box.
- The executive summary has to be very short (max. 5 pages);
- The final version of the report shall be typed in 1,5 lines spacing and printed double sided, in DIN-A-4 format;
- The font shall be easy to read (indicative size of the font: Times New Roman 12);
- The presentation shall be well spaced (the use of graphs, tables and small paragraphs is strongly recommended). The graphs must be clear (shades of grey produce better contrasts on a black and white printout);
- The main report shall not exceed 70 pages including the cover page, the table of content, the lists of annexes and abbreviations. The annexes shall not be too long;
- The content must have a good balance between main report and annexes;
- Reports shall be glued or stapled; plastic spirals are not acceptable due to storage problems.

For the Cover page, please use the template mentioned in Annex 1.

Please, note that:

- The Consultant is responsible for the quality of translations and their conformity with the original;
- All data produced in the evaluation are property of the EC.

ANNEX 3 - QUALITY ASSESSMENT GRID

Concerning these criteria, the evaluation report is:	Unacceptable	Poor	Good	Very good	Excellent
1. Meeting needs: Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference?					
2. Relevant scope: Is the rationale of the policy examined and its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences?					
3. Defensible design: Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions?					
4. Reliable data: To what extent are the primary and secondary data selected adequate. Are they sufficiently reliable for their intended use?					
5. Sound analysis: Is quantitative information appropriately and systematically analysed according to the state of the art so that evaluation questions are answered in a valid way?					
6. Credible findings: Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale?					
7. Validity of the conclusions: Does the report provide clear conclusions? Are conclusions based on credible results?					
8. Usefulness of the recommendations: Are recommendations fair, unbiased by personnel or shareholders' views, and sufficiently detailed to be operationally applicable?					
9. Clearly reported: Does the report clearly describe the policy being evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood?					
Taking into account the contextual constraints on the evaluation, the overall quality rating of the report is considered.					