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1. Recent Developments in Nicaragua

1.1 The Political Situation

The new government that took power in January 2002 had to deal with many challenges. The former president, Arnoldo Alemán, leads the liberal party that helped Enrique Bolaños to the presidency. A major rift between the two became soon evident, and it turned into an outright conflict when Bolaños formally accused Alemán for corruption.

The economic situation was very weak at the end of Alemán's government. The budget deficit had skyrocketed to 17 per cent, not of the total budget but as a per cent of the GNP. Continued spending on this scale would most probably have led to a macroeconomic breakdown and hyperinflation.

The central government institutions were politicised during Alemán's government – the Supreme Court, the Election Council and the National Audit Board. Power was shared between Alemán's liberals and the sandinista party.

Bolaños presented a program to change this situation. Corruption should be fought, the economy should be brought back to balance, the institutions should become more professional, and poverty and unemployment should be attacked through economic and institutional stability which would motivate foreign and national investors to invest.

After a prolonged battle, Bolaños achieved in December 2002 a majority in Parliament that lifted Arnoldo Alemán's parliamentary immunity. Alemán was sentenced to jail (although in his own house) for corruption and money laundering. He still wields a major influence in the Liberal party, but there is now a majority in parliament consisting of the sandinistas, liberal deputies that have left Alemán's group, and a few others.

In spite of populist actions of both the liberal and the sandinista party, Bolaños managed to get a 3-year program approved by the International Monetary Fund (IMF) in December 2002. Ten days later, the parliament voted unanimously for a budget that made Nicaragua come off track with the IMF. Inspired by the sandinista deputies, expenditure for salaries for health workers, police, teachers and soldiers were raised to a level not compatible with the targets agreed with IMF.

During the first two months of 2003, the government had to spend all its political energy on coming on track with IMF again. Eventually, the sandinista party agreed to a formula that included increased taxes and postponing some of the salary increases until a major tax reform had been presented in March. This was agreeable to the IMF, and the World bank disbursed 15 mUSD in general budget support.

At the end of April, the tax reform was passed by the parliament. Major tax reforms are normally very difficult to get through parliaments. But the fact that the sandinista party needed increased taxes to fulfil their promises of increased salaries made a political agreement possible. Through this decision, the major stumbling block for a continued agreement with IMF was removed, and it is now foreseen that Nicaragua can count on macroeconomic stability at least up to the end of 2005.

Therefore, the government is now concentrating on other areas. One is to start fulfilling the election promise of more employment. The government has presented a new economic strategy for increased growth, that is consulted widely in the Nicaraguan society. Nicaragua is also participating actively in the negotiations on a free trade area between Central America and the United States, that could be concluded at the end of 2003.

One election promise was to reform the politicised institutions, especially the judicial system and the electoral system. This will probably be more difficult. The judges in the Supreme Court and the members of the Electoral Council are split between the sandinista and the liberal parties. To change the system, and to choose persons less likely to follow the party line, requires a qualified majority in Parliament. Such a majority can only be reached through an agreement between the sandinista and the liberal parties, which is more or less synonymous with an agreement between the two “caudillos”, Alemán as leader of the liberal party and Daniel Ortega in the sandinista party. Their incentive to relinquish power is small.

So far, the Bolaños government has not done badly. It has stopped the free fall in the economy (at the price of slow growth in the short term) and it has concluded a long-term agreement with the IMF – and it has good prospects to reach this year the so called HIPC completion point, when Nicaragua’s external debt would be drastically reduced. The fight against corruption has been successful so far, and the ethical norms in government have changed completely from Alemán’s time. The government has the full support from the US and the international community, which is increasing its aid and offering easier terms, for example in the form of general budget support.

1.2 Economic development

In 2003 the Government is expected to continue its efforts to implement a policy geared towards the preservation of a stable macro-economic environment.

GDP grew by 1% in 2002 implying a negative per capita-growth of 1.7%.¹ This was caused largely by the severe fiscal adjustment, reflected in a sharp decline in public investment and by depressed global demand which contributed to a drop in exports.

It is assumed that growth will remain limited in 2003. Some sources estimate growth to 1 percent of GDP in 2003 which is below the PGRF (Poverty Growth Reduction Facility) target of 3 percent projected in Nicaragua's program with the IMF. The state of the global economy remains fragile. If prices of commodity exports (particularly coffee) weaken, or if a slowdown in the US economy takes place, Nicaragua's export earnings and growth prospects will suffer. Growth is high on the government agenda, but the chances for a fast economic recovery seem remote.

The deficit in the central government accounts diminished dramatically in 2002, from 16,4 per cent of GDP in 2001 to 9,2 per cent in 2002. This improvement came partly from higher nominal tax revenue, the elimination of some import exemptions and improved collection procedures. The tax reform, approved by Parliament in April will strengthen this development further. The reform is expected to contribute to an increase in tax revenue of approximately 1,5 per cent of GDP. It will imply a change from a regressive and unfair system to a more integrated, efficient and manageable system. The reform will broaden the tax base, strengthen public finances and facilitate export promotion.

It is not clear whether the trade deficit grew or shrank in 2002. Data from the Central Bank of Nicaragua (BCN) show that the trade deficit grew marginally while IMF data suggest that the trade deficit shrank by roughly 20 percent in 2002. Private transfers in the form of remittances from Nicaraguans living abroad (in the US and Costa Rica) are expected to increase gradually. One study suggests that remittances flowing in to Nicaragua could be as high as 800 mUSD a year, impacting positively on the current account. BCN estimates remittances at 345 mUSD in 2001, contributing to 14,4 per cent of GDP. Monthly remittances for families can vary between US\$ 70 and US\$ 150.

The negotiation over the free trade agreement between the US and Central America (CAFTA) is expected to be completed by December 2003. This would challenge the Central American countries to harmonize the internal market. The effects on exports will depend on to what extent agricultural products are included in the treaty. Negotiations hitherto show that this question is among the more difficult ones.

The high internal indebtedness of the country has surged as one of the most severe problems affecting the Nicaraguan economy. The total internal public debt to the private sector amounts to 1,583 MUSD (corresponding to 61.6% of GDP). In the coming years debt service of internal debt will be equal or higher than debt service paid for the external debt. Unlike the external debt, the internal one is not easily subject to renegotiations or to concessionality.

¹ GDP averaged by an annual growth rate of 4,5 percent during 1994–2001 and a per capita consumption of 1,5 percent. However, economic growth during this period was largely fueled by post-Mitch reconstruction investment and the economic activity it generated.

Nicaragua might reach the HIPC completion point in late 2003 which will result in lower interest payments on the foreign debt. The prospects for receiving debt relief look good since Nicaragua has managed to pass the above mentioned tax reform which is probably the single most important measure defined in the PRGF-agreement with the IMF.

Other important measures are (i) the reduction of the combined public sector deficit to 6.3%, (ii) the complete application of prudential banking norms, (ii) the selection of a reputable international firm for selling the assets of intervened banks, (iii) institutional strengthening of the bank inspection and (iv) selling of the remaining public equity in the previous national telecommunication company ENITEL.

In spite of the last few years' severe macro-economic imbalances inflation has remained fairly stable. The annual inflation was 4,0 percent in 2002. An inflation level of 6 percent is expected during 2003, implying that the inflation will keep pace with the gradual deflation of the Cordoba against the dollar.

1.3 Poverty reduction and Social Development

The World Banks' recent draft report on poverty in Nicaragua² provides useful information on poverty, changes in the poverty situation and on the future challenges facing the Government and the people of Nicaragua in the years to come in order to reach the Millennium Development Goals (MDG).

The incidence of income poverty shows a steady decrease from 50.3% of the population in 1993 to 45.8% in 2001. During the same period the incidence of extreme poverty fell from 19.4 to 15.1%. The positive trends apply both to rural and urban areas, although poverty in the rural areas is much higher. The most important factors explaining poverty reduction during the period 1998–2001 seem to have important contributions from post-Mitch reconstruction efforts. The reduction of poverty can also be explained by the fact that food staple prices increased less than other basic food prices.

The tax reform is expected to contribute to poverty reduction through distributional measures in the years to come. This could be achieved for example if increase in revenues will be used for investment in social sectors. Basic food staples (rice, beans, corn and sugar) will continue to be exempted from the value added tax.

As part of the HIPC initiative Nicaragua completed its National Poverty Reduction Strategy (ERCERP³) in July 2001. The strategy is built on four main pillars: (i) broad-based economic growth, (ii) investment in human capital, (iii) social safety nets and (iv) improved governance, as well as three cross-cutting themes; (a) environment and ecological vulnerability, (b) social equality and (c) decentralisation.

Progress in achieving the goals, defined in ERCERP and the MDGs has been made in many respects but several goals raise concerns in the longer term perspective. Six ERCERP targets show satisfactory performance,

² Nicaragua Poverty Assessment: Prosperity Entry Paths, March, 2003

³ The Nicaraguan PRSP document is called "Estrategia Reforzada de Crecimiento Económico y Reducción de Pobreza (ERCERP)

among them extreme poverty, net primary school enrollment, infant mortality, strategy for sustainable development and chronic malnutrition. Five ERCERP targets are not on track, among them, under-five mortality, access to reproductive health care services, access to drinking water and sanitation, and illiteracy.⁴

Looking towards 2015, the year when the MDGs should be met, Nicaragua would probably still have some way to go in terms of fulfillment of the projected goals. It is possible that Nicaragua will manage to:

(i) reduce extreme poverty by 50 per cent, (ii) reduce under five mortality by 2/3, and (iii) achieve the goal of access to water and sanitation.

However, this will only be possible if economic growth will develop in accordance with the PRGF estimates, that is by an annual growth rate of 4,1 per cent of GDP during the period 2003–2005.

In 2001 unemployment increased drastically especially in rural areas since many of the larger coffee farmers have ceased to hire seasonal workers, affecting landless farmers and their families. Rural employment fell by 17,7 per cent in 2001 as a result of the contraction in coffee production and declines in other export lines. Increasing levels of chronic malnutrition among children have been reported from coffee-growing areas in northern and central Nicaragua. The employment opportunities in urban areas worsened in 2002 for the second consecutive year.

In December 2002 the Government presented a National Development Strategy (La Estrategia Nacional de Desarrollo, ENADES). The status of the ENADES in relation to the ERCERP is not entirely clear. It is too early to say whether the two documents will be integrated into one single strategy which would be advisable. The ENADES is an interesting contribution to the discussion on comparative strengths and weaknesses of Nicaragua. The ENADES focusses to a large extent on growth issues and efforts are made to map and analyse economic potentials in relation to patterns of poverty, which is of importance since the spatial dimension is a crucial aspect in development planning. A country wide consultation process on the ENADES was launched in May.

In early May a two day evaluation seminar was held on civil society participation in policy making processes (e.g. poverty reduction policies) and on the management of public information, by the state bureaucracy, in Nicaragua. Representatives from civil society organisations, government and the donor community took part. The seminar resulted in a proposal that was handed over to Government on e.g. how to institutionalize the dialogue between Government and civil society organisations. Another important suggestion to Government was the importance of elaborating a policy on access to and use of public information.

⁴ Implementation of the Nicaraguan Poverty Reduction Strategy started in second half of 2001.

2. Swedish Development Co-operation and Donor Co-ordination

2.1 Regional Development Co-operation Strategy and the Development Co-operation Agreement with Nicaragua

In January 2001 Swedish government adopted a Strategy for the Swedish development Co-operation with Central America. The main objectives of the co-operation with Central America are economic and social equity, and democracy and good governance. A Country Programme for Nicaragua for the period 2003–2005 was approved in February 2003, outlining the direction and general contents of the Swedish development Co-operation with Nicaragua.

2.2 Disbursement and Planning

Swedish Development cooperation with Nicaragua in 2002 amounted to SEK 376 million of which SEK 188 million originated from the country allocation for Nicaragua (within the regional frame for Latin America).

The indicative country allocation for 2003 amounts to SEK 205 million, of which SEK 94,5 million was disbursed as per May 10, 2003.

The recently made update of forecasts of projected disbursements for 2003 indicates that the country allocation will be fully utilized by the end of the year.

In the past six months, November 2002 to April 2003, the following agreements have been entered into with either government or civil society partners:

- Agreement between Sweden and the General Secretariat of the Organization of American States (OAS) on Rural Judicial Facilitation, 2002–2007; 39 MSEK
- Agreement with FUNDEMOS on strengthening local governments and citizen participation in the decentralization process, 2002–2005; 1.5 MSEK
- Agreement with Forum Syd on Phase II of the Gender Equality Programme, 2003–2006; 18 MSEK

In the coming period, May–October 2003, the following major projects and programmes are expected to reach an agreement:

- Agreement between the Government of Sweden and the Govern-

ment of Nicaragua on Development Co-operation, July 2003–December 2005

- Agreement between the Government of Sweden and the Government of Nicaragua on General Terms and Conditions for Development Co-operation, July 2003–June 2009
- Agreement between the Government of Sweden and the Government of Nicaragua on General Budget Support, 2003; 60 MSEK
- Agreement with Fundación Prodel of the Phase III of the local development programme, 2004–2007; 85 MSEK
- Support to Midwife training, 2003–2006; 65 MSEK
- Agreement with “Etica y Transparencia” (EyT) on Judicial Observation, 1 MSEK
- Support to UNICEF country programme, 2003–2006; 50MSEK
- Agreement with the Ombudsman for Human Rights, 6,5MSEK

2.3 Donor Co-ordination

The general donor group, the so-called Good Governance Group has been the most important donor co-ordination body for some time. Sweden is chairing the group since August 2002.

Discussions on a strengthened Government led donor co-ordination has continued between government and donors in Nicaragua during the last six months. Government is expected to launch a limited number of sector co-ordination groups to which the donors will be invited. Some steps along this line has been taken by Government. The future mechanisms for co-ordination at a more general level is still to be defined. This is probably an issue that will be discussed further on the Consultative Group Meeting that is planned to take place in September 2003.

3. Projects and Programmes

3.1 Support to Economic Development and Poverty Reduction

3.1.1 *Support to Local Development (Prodel)*

The program for local development (PRODEL) started in 1994 with the aim of improving the living- and economic conditions for low-income families, especially female-headed households, living in marginal urban neighbourhoods in eight towns in central-northern Nicaragua; León, Jinotega, Chichigalpa, Chinandega, Estelí, Ocotal, Somoto and Matagalpa. The present agreement with the municipal institute, INIFOM, was signed in 1998 and amounts to 60 MSEK.

A strategic goal is to support decentralisation through strengthening of the management and administration capacities of local authorities and to enhance community participation and participatory planning in the local development. The program provides matching funds for small infrastructure and community service projects in poor neighbourhoods (street pavement, sanitation etc), which are managed by the local authorities. The municipalities as well as the local communities contribute financially, furthermore the community provides local material and unskilled labour. The expected results for 2002 were completely achieved in the infrastructure projects and for 2003 the microplanning is completed and works is about to start.

The program provides short-term microcredits for existing micro enterprises, and credits and technical assistance for housing improvement. The revolving credit funds are administered by two microfinance institutions (MFI). There is a growing interest among the microfinance institutions to provide microcredits for basic units and housing improvements and PRODEL is striving to initiate collaboration with new MFI partners to spread risks and provide better services and outreach. The credit activities are showing very good results.

The transition of PRODEL from a program within INIFOM to an autonomous foundation is almost completed. The constitution act and statutes for Fundación Prodel were approved by the Nicaraguan parliament in December 2002 and preparations are made to transfer the revolving funds from INIFOM to the foundation.

The assessment of the proposal for a final project period is at its final stage, and currently discussions are going on at Sida-Stockholm on the

basic concepts for programs including micro-finance. The proposal for the third phase will be presented to Sidas Project Committee in September 2003.

3.1.2 FondeAgro

Fondeagro is a rural development programme. Its main objective is to increase the income of agricultural small producers in 6 Municipalities of Matagalpa and Jinotega, through improved productivity, quality and quantity of products, and by diversification into more high value products.

From October 2002, Fondeagro worked in the field providing technical assistance in coffee and dairy quality improvement, to some 1,800 producers. Under the Household Economy component some 1,200 plots have been established and are producing chicken and vegetables (carrots, tomatos, cabbage, lettuce, cucumber, onions, chayotes), for home-consumption and allowing some extra income.

The credit component has disbursed US\$ 1 million to the microfinancial institutions,

As of the end of April, \$650,000 have been allocated among 493 producers, 35% of these are also receiving technical assistance. The average credit has been US\$ 900 for coffee and \$1,500 for cattle; 70% of the amounts are mid-term (1–3 years), 15% short-term (<1year), and 12% are at long-term (>3 years). The intermediaries (MFI) are allocating at a rate of US\$150,000 to \$200,000 per month.

Fondeagro is also increasing efforts in the diversification and comercialization components, in response to actual needs of producers. It is foreseen that Fondeagro projections for the first phase will be accomplished.

3.1.3 ASOMIF

This is an institutional strengthening project with Asomif (Association of Microfinancial Institutions in Nicaragua), it is a 3 years (US\$465,000) project cofinanced with the Netherlands.

Asomif has implemented the project in accordance with the project document. In November 2002 the Central American Conference of Microfinance (REDCAMIF) took place in Managua, with great support from Asomif.

The “Central de Riesgos” component (Credit Information System) has been implemented with the creation of the company “Sin Riesgos”, in which most of the MFI's are participating and it is planned to include banks and commerce.

The training component has developed seminars including rural and housing credit.

The sustainability of Asomif seems feasible now since it is creating income generation and increasing associates contributions.

Another important component is to support Asomif in achieving a legal frame for the operation of Microfinance in Nicaragua. It consists in the approval of a law already submitted to the National Assembly.

3.1.4 *Centro de Exportaciones e Inversiones (CEI)*

CEI, the Center for Promotion of Exports and Investments, has been supported by Sida since 1994. It has promoted and facilitated several new exports, (mainly of non-traditional products), and foreign investments; these results are documented in different evaluations.

During the last two years, CEI has been in a very uncertain situation due to Government changes in the strategies for these promotions, and a reduced budget for CEI. It was said that CEI should only promote exports, recently a new entity for investments promotion was created.

CEI is finishing its agreement in April 2003, although they have produced a new proposal, Sida decided since the beginning of this project that it was to be the last contribution to CEI. According to Sida's mid-term evaluation the project has been executed properly. UNDP will make a final evaluation.

Despite the importance of export promotion in Nicaragua, nor the Government, nor the private sector have adequately supported CEI, which is now devising new strategies and exploring support with other donors, but still, its future and sustainability seem uncertain.

3.1.5 *Support to Local Health System Development (PROSILAIS)*

Sida has supported the Nicaraguan health sector reform for more than ten years (1992–2003) through PROSILAIS. The SILAIS and the Municipalities implement the project with the technical assistance of the Ministry of Health, UNICEF and PAHO. The present agreement amounts 75 MSEK and has been prolonged with six months to cover the period July 2000–December 2003.

The project aims to improve the health status of the population in six out of 17 Integrated Local Health Systems (SILAIS), with special focus on vulnerable groups as mothers and infants. PROSILAIS has developed a decentralised primary health care model, based on community participation, social mobilisation methods, inter-institutional collaboration and planning based on actual health risks in each community. It is interesting to note that the population in the six SILAIS of the project has experienced an improved health status as compared to the rest of the population.

According to the monitoring mission in November 2002 PROSILAIS has managed to introduce and maintain profound changes in the health care system during four different governments. The project has demonstrated that the municipalities can assume the responsibility for primary health care in their territories. The project has further contributed with new strategies such as communal health volunteers and mobile health brigades, involving different sectors of society in the primary health care system. The introduction of gender sensitivity in all activities and prevention and response to violence, is another important contribution of PROSILAIS. However, limitations to the project are the constant changes of personnel in the ministry as well as the government's ambivalent decentralisation strategy, which does not permit full financial control and management of human resources at the local level.

PROSILAIS is one of seven different primary health care projects at SILAIS level. Currently the government is reviewing each of these projects in order to co-ordinate the efforts. This will hopefully lay ground for a future sector programme and a common budget for donor assistance.

Discussions within the ministry and with the donor community concerning the development of a sector wide approach in the health sector were somewhat halted because of the change of Minister of Health in March 2003. The new minister has demonstrated interest in this approach, and there are indications that this approach will become an important issue on the agenda.

3.1.6 Strengthening the obstetric nurses

One of Nicaragua's main challenges within the health sector is to reduce the maternal mortality rate. This requires a better coverage of professionally attended births close to where women live. Today, Nicaragua does not educate obstetric nurses, which in other countries has proved to be the best strategy for reducing maternal mortality. A feasibility study concerning the education and function of the midwife in Nicaragua was carried out by Sida in 2001 and 2002. And based on this study a project proposal has been developed by representatives from the ministry of health, the obstetric doctors' and nurses' associations, the national university UNAN, and consultants from Karolinska Institute in Stockholm. The project is now in its ultimate phase of preparation and it is expected that activities will start in September 2003. The planning, implementation and monitoring will be carried out by an inter-institutional network collaboration tried out in other countries with Sida support, with the technical assistance from Karolinska Institute in Sweden.

3.1.7 Support to Social Sector Development through UNICEF

In December 2002 the Basic Service project (PROSERBI), supported by Sida since 1993 came to an end. The last agreement (2000–2002) amounted 45 MSEK. The programme included a project for water and sanitation implemented through the national water and sanitation enterprise ENACAL. Community participation and education in water protection and maintenance of installations, preventive health care, hygiene and gender focus, were important aspects of the project. This approach has contributed to an institutional change in ENACAL from mere service delivery to social mobilisation and capacity building. PROSERBI also included support to Los Pipitos, which is a parent driven organisation working for the rights of disabled children and adolescents. The project has contributed to the raised awareness among national institutions and authorities for the needs, capabilities and potentials of disabled children.

During the end of 2002 and beginning of 2003 the Embassy has assessed renewed support to social sector development through UNICEF. The assessment culminated in a decision in April 2003 to support the UNICEF Country Programme through the following projects and components: (1) Water and Healthy Environment, (2) Education for Citizenship and Peace, and (3) Strengthening of the National and Local Health Systems (which includes social communication and prevention of STI/HIV/

AIDS among adolescents). The contribution amounts 48,5 MSEK during four years 2003–2006.

3.1.8 Supporting the Social Investment Fund

Sida has supported the Social Investment Fund (FISE) in Nicaragua from 1995. The present support amounts to 28 MSEK for the period 2000–2003. It was agreed to extend the termination date of the Agreement until December this year. The major donors to FISE include the World Bank, the IDB and KfW.

One important feature of the Swedish support has been the introduction of micro-planning exercises at the local level for the planning of project investments. Through Swedish support, FISE has also established a decentralization system which provides training and evaluation with good results in the original nine municipalities targeted by the project. With support from other major donors, FISE has expanded this system throughout the country.

The FISE leadership has concluded a national discussion about its future role and, particularly, in the context of the national poverty reduction strategy. However, a discussion on the institutional role of FISE has not concluded. Late in year 2002, the members of the National Assembly decided to transfer a portion of the 2003 FISE budget to municipal governments, which included money from international sources. After difficult negotiations, the Assembly stepped back from its decision and FISE got back its original budget under certain conditionalities that include the passage of the Municipal Transfers' Law. This law is being discussed by the National Assembly and is expected to pass before the middle of this year.

The Embassy of Sweden will assess whether it should continue supporting FISE after the present project period.

3.1.9 Support to National Health and Demographic Surveys (MECOVI)

Sweden is supporting the second phase of the MECOVI-project in close collaboration with a number of other donors. The second phase covers the period 2002–2005 and the Swedish contribution amounts 10 MSEK. The MECOVI project aims to strengthen the National Statistics and Survey Institute (INEC) by putting in place a national system for living standard surveys. The latest living-condition survey of MECOVI was carried out in September 2001 and the results from this survey were published in November 2002. The survey is an important instrument for the follow-up of the effects of the PRS-process. MECOVI has contributed significantly to increased capacity at INEC and most staff has been retained at the institute. MECOVI has however not managed to broaden the scope of users to the extent desired. Use of data by for example independent researchers and Civil Society Organisations has been limited. Together with increased dissemination and training, participation will be one of the major objectives for continued support in phase two.

3.1.10 Budget support

Like-minded donors have started discussions on a coordinated approach to general budget support to Nicaragua. The purpose is to elaborate a

joint mechanism for untied financial support through the national budget. This effort to design a common partnership framework for budget support will be elaborated in close co-operation with the Government, based upon the experience made in several countries in Africa. One important challenge for the parties involved will be to formulate an adequate performance assessment framework. The Embassy participates actively in this working group. The budget support working group will hopefully present a status report to the CG-meeting in September. The joint mechanism could perhaps become operational in 2004.

The Embassy has started preparations towards the disbursement of Swedish budget support amounting to 60 MSEK in 2003.

3.2 Support to Democratic Development and Poverty reduction

3.2.1 Support the National Police Force

A comprehensive five-year modernisation and development plan (2001–2005) for the **National Police** and the Police Academy has been prepared. The plan envisages the creation of a democratic, efficient police force with a clear mandate to uphold the protection of the citizens in a state governed by the rule of law. The plan builds on the experiences made during the co-operation period 1998–2001.

Other donors in this area are the European Union, IDB and Spain.

The Swedish support is provided over a three-year period, 2002–2004, and amounts in total to SEK 31.5 million. This support shall be seen as a further contribution to the strengthening of democratic institutions and respect for human rights in Nicaragua. The Nicaraguan Police delivered an annual report, financial reports and a plan of operation in March 2003. The annual review was held at the Police Academy in April and the Embassy and the National Police examined together the progress of the project and reached agreement on improvements and clarification of plans. The mid-term report will be presented and discussed in August this year.

Sweden has signed a three-year agreement together with four other donors to support to the special police stations for women and children, **Comisarias de la Mujer y la Niñez**. The co-ordination of the project will rotate among the donors. Denmark is today the lead donor. Sweden will be the lead donor in August this year. In February a joint semi-annual review meeting was organised which included comprehensive discussions about budget and administration issues of the project. The project had to do changes in all documents before they were approved. A mid-term evaluation of the project was presented and discussed in March this year. The evaluation showed a number of weaknesses in the project, but was in overall positive.

3.2.2 Support to the Office of the Ombudsman

The government in November 2001 requested financial assistance to the **Institutional Strengthening of the Office of the Ombudsman**. The donors are Sweden, Norway, Denmark and UNDP. The immediate

objectives of the project are: to strengthen the institutional and staff capacity of the Office of the Ombudsman in the conceptual, political, technical and methodological use of the instruments and mechanisms. The project delivered a final report in March and financial report in April 2003. The reports will be discussed with the project group in May. The Office of the Ombudsman has also delivered a plan of operation 2003–2007 and the document will soon be discussed among the donors and with the project group. The Embassy plans for a continued support to the Office of the Ombudsman.

3.2.3 The Legal Sector

The legal sector in Nicaragua suffers from corruption and continues to be inefficient. This hampers the democratic development of the country. Nine new judges to the Supreme Court will be nominated by the National Assembly before August 2003. However, strong politicization of the selection process will imply continued party influence in the judiciary. A special commission appointed by the Executive Branch has been unfunctional and its recommendations have not been discussed. The National Consultative Commission (CONPES), created by the Executive, recommended a series of changes in the judiciary that include the creation of a separate administrative body (today, the Supreme Court concentrates both administrative and jurisdictional powers). A change of president in the Supreme Court seems to have positive effects.

The Swedish Embassy signed in November 2002 an agreement with the OAS General Secretariat and the Government of Nicaragua to develop a separate program on **Rural Judicial Facilitators**. The main objective is to provide access to justice in remote rural areas where most of the people fall under the extreme poverty line. The programme has started its activities in 20 more municipalities of the central part of the country and continues the consolidation in 16 municipalities in the northern area. The program will be carried out during the period 2002 – 2006 and will amount approximately MSEK 39.

The Embassy of Sweden will make an assessment of the judicial system in Nicaragua. This will include a study of the main needs and priorities and recommended strategies of cooperation towards a sector approach. Discussions with other donors will take place to involve them in the assessment process. Also, the Supreme Court and other judicial actors will be involved. Other studies and assessments will be considered to avoid duplication.

3.2.4 Strengthen Democracy on the Atlantic Coast (RAAN-Asdi-RAAS)

Sweden has supported the Atlantic Coast regions of Nicaragua since early 1990s. The main areas of the programme has been institutional strengthening, developing and consolidating the regulatory framework and institutional strengthening of local capacities at the municipal level. In August 2000, the Swedish Embassy commissioned an external evaluation of the program's first two phases, which showed that the program had achieved its objectives and that it had contributed substantially to the consolidation of democracy on the Atlantic Coast.

During 2001 and the first half of 2002, the programme was prolonged during a bridging phase in order to prepare a consolidated proposal for a third phase for the years 2002–2005. The new proposal for a third phase has been approved and a new Agreement with the Government of Nicaragua and one of the Regional Councils at the Coast have been signed. The main objective of the third phase is to strengthen institutional capacities at regional, municipal and community levels. Further focus will be placed on supporting the municipal governments and their administrations and to incorporate a gender perspective as a crosscutting theme in all the programme's activities. Between October 2002 and April 2003, the program has started to reinforce the use of natural resources and sustainable development at municipal levels. This was done mainly by strengthening local and regional environmental capacities in Bluefields, Puerto Cabezas, Corn Island and also within the regional institution SERENA.

The program successfully concluded the consultation process of the national decentralization policy. A new chapter of this policy has been incorporated by the National Decentralization Commission, ensuring the voice of the coastal citizens in that policy. Unfortunately, the policy has not become operational and the parties have not adopted a firm stand on its implementation. More recently, the program has supported the consultation process of the Municipal Transfers' Law in conjunction with the Municipal Commission of the National Assembly and other donors. As a result, significant changes have been included to the draft and special articles have been added on the Atlantic Region.

3.2.5 Improved efficiency and transparency in public procurement and the Anti-Corruption Trust Fund

Together with IDB and a number of bilateral donors, Sweden support a program aimed at improved efficiency and transparency in public procurement. The program comprises eight central ministries, representing more than 80 per cent of government procurement. The program has three components: a) Project inspection will strengthen the Executive Branch's system for internal oversight of government agencies' procurement to ensure transparent use of resources; b) Procurement management support will upgrade and consolidate the capacity for preparing and managing procurement in seven government agencies; and, c) Development and introduction of training in procurement will establish a sustainable training structure in Nicaragua for ongoing training of personnel involved in procurement. Sweden provides a total of SEK 2 million of total project costs of 22 MUSD. The activities of the program have developed satisfactorily during the last six months.

Sweden and a number of other donors support an Anti-Corruption Trust Fund. Norway has been assigned the role of leading agency. The objective of the programme is to support Nicaragua and the Nicaraguan Government in its efforts to fight corruption by financing key activities aimed at diminishing corruption, promoting national integrity and transparency with a focus on the promotion and establishment of a new culture of ethics, values and practices in public and civil society. Areas of co-operation and financing are: Public access to information, Awareness-

raising activities, Promotion of transparency, Financial and legal control, Investigations/tracking and base-line studies, Judicial system, Institutional strengthening of Procuraduria General etc. The activities of the program have developed satisfactory during the last period of time.

3.2.6 *Support to the Civil Society*

The main part of the Swedish support to civil society is channelled through the Swedish non-governmental organisations, like Diakonia, Forum Syd and Save the Children. Diakonia works mainly in the area of participation and human rights. Forum Syd is responsible for the main part of the Swedish support to gender equality; this support was earlier administrated directly by the Embassy. Save the Children are supporting the rights of children and youth. The total budget for Swedish support to these three organisations in Nicaragua is approximately 20 MSEK per year.

The Embassy also supports some local organisations in the civil society. The new strategy for this type of support elaborated in 2001 is complemented with an annual plan. For 2003 a total of SEK 7 000 000 has been assigned for local civil society projects. The new strategy is to support a few strategic networking organisations in the civil society. Areas of priority are participation, transparency in local democracy and election support. Some complementary contributions in the areas of gender equality and the rights of the child might also be financed by the embassy after consultations with Forum Syd/Rädda Barnen. At present the following organisations receive support:

- **El Centro Nicaragüense de Derechos Humanos (CENIDH)**, SEK 3 300,000 for a four year project to work with human rights, gender equality and the right of the child.
- **Coordinadora Civil (CC) and Centro de Derechos Constitucionales (CDC)**, SEK 1 194 000 for one and half year to strengthening the institutional and legal framework of the non-governmental organisations.
- **El Instituto de Estudios Nicaragüenses (IEN), la Fundación Violeta Barrios de Chamorro, el Centro de Derechos Constitucionales (CDC) and Grupo FUNDEMOS**, SEK 1 136 000 for four years to work with democracy and human rights in Nicaragua.
- **Etica y Transparencia (EyT)**, SEK 710 000 for one year to a campaign to reform the election law.
- **Asociación para la Integración de la Población Desarraigada de Nicaragua (AIDEP)**, SEK 1 000 000 for a two year project to protect and promote the rights of child and youth.
- **Foro de Mujeres**, SEK 1 000 000 for an eighteen month project to promote women's participation and influence in local and national decisionmaking.

3.2.7 *Contributions to gender equality*

The promotion of gender equality is important to all development cooperation in Nicaragua. The main strategy is to mainstream gender equality in all projects and programmes and in dialogue at all levels.

About ten organisations in civil society receive support for projects and actions aimed at equality through the **Gender Equality Program** run by **Forum Syd**. This is complemented by a smaller number of contributions directly from the Embassy to other civil society organisations for projects aiming at influencing public opinion as well as lobbying for new laws and policies defending and promoting gender equality and women's rights. The Embassy has financed the elaboration of a proposal for a "law of equal opportunities" as well as the ongoing lobby campaign. There have also been several efforts to lift the issue in political dialogue.

3.2.8 *Peace and conflict management*

In June 2001 an agreement was signed with **OAS**, the Organisation of American States, for a second phase of the **Program for Technical Cooperation**. This second and last phase will last two years and seven months and the Swedish contribution is 22 MSEK. The program started in 1996 as an effort to consolidate peace and reconciliation in 12 municipalities in central-northern Nicaragua with high levels of post-war conflict and very limited presence of local state entities. The program comprises three components; support to local peace commissions; increased access to the judicial administration through rural justice facilitators and strengthening of the state at local level by strengthened relations between small isolated villages and the municipal government and of citizen participation through a system of assistant mayors. A main challenge during second phase is to strengthen long-term sustainability and local ownership. The activities of the program have developed satisfactory during the last six months. As the program is coming to its end more attention is given to the analysis of the results and the effects. An LFA-workshop was held in March focusing on how to report achievement of results, fulfilment of objectives and impact. It was decided on the annual meeting that Sida will not commission an evaluation but OAS will make a systematisation of their experiences in promotion of peace, reconciliation and development in Nicaragua during the last 15 years.

3.2.9 *Demining*

The landmines planted during the war and unexploded ammunition left behind are still a major problem particularly in northern Nicaragua. The mines preclude productive use of land. As a tangible result of the demining program, a decrease in accidents mutilating children and adults have been noticed during the last year. Sweden has supported the **OAS Mine Action Program in Nicaragua** since 1996. In July 2002 the embassy and OAS signed an agreement on further support to demining in two municipalities along the border between Nicaragua and Honduras. The Swedish contribution also finances information and prevention of mine-accidents in the communities as well as support to victims of mine accidents by a special program providing vocational training in order to facilitate economic reintegration.

The de-mining is performed by the Nicaraguan army and supervised by international observers from South America. Other major donors to the program are Denmark, Norway, Canada and the United States.

The OAS program is included in the Nicaraguan plan for mine action elaborated and coordinated by the National Commission for Mine Action. Nicaragua is expected to be free of landmines by the end of the year 2005.

At the beginning of 2003 OEA proposed a change in the program in order to make it possible for Nicaraguan deminers to participate in international monitoring. Nicaraguan militaries are now about to initiate their first mission to monitor the demining of the border between Peru and Ecuador.

3.3 Reconstruction post Hurricane Mitch

3.3.1 Reconstruction along Rivers Coco and Bocay

The indigenous and mestizo communities along the Rivers Coco and Bocay were severely affected by the Hurricane Mitch in October 1998. The **OAS** was already present in the Jinotega Department through the Program for Technical Cooperation and was able to make a quick diagnostic, provide emergency aid and present a proposal for a reconstruction project. The project will also provide a basis for local development in these marginalized communities. Sweden contributed 32 MSEK to the multicomponent-project called “**Hijos del Río**” for support in the areas of emergency reconstruction, education, health, community organisation, infrastructure, technical support for production and strengthening of the state at local level during 1999 and 2000. The activity period was by an amendment prolonged through 2001.

The final result analysis report for the Hijos del Río project was presented in March 2002 showing very good levels of achieved results. However, in the last year of the implementation of the Hijos del Río project it became clear that further efforts to achieve sustainability were required.

In order to ensure the sustainability of the achieved results a new agreement was signed between OEA and Sweden for a subsequent one-year project during 2002. The emphasis was put on the community organisation and to co-ordinate with and monitor commitments made by the Ministries of Health and Education to keep the schools and health clinics running.

The activities have finished and there is a commitment by the municipality to include the maintenance of the infrastructure contributed by the project in the municipal plans for maintenance of infrastructure. The results and the impact will be studied in the planned Systematization by OAS. (see 3.2.8)

3.3.2 Carretera Yalagüina-Las Manos

Works on the Yalagüina-Las Manos road continued as planned according to the new contracts with NCC and Sweco. In April all works were essentially completed and the final disbursement to the contractor was made. A team from Stockholm visited the project in February. One issue that

was thought to have been resolved is the claim by two of the municipalities along the road for municipal tax. They have now filed legal claims in the amount of roughly 70,000 USD, and a local court has ordered embargo on some of NCC's equipment. The case is pursued by NCC and the embassy.

3.4 Other Areas

3.4.1 AMUNIC- Disaster prevention

Amunic is the Association of Municipal Mayors in Nicaragua, Sida approved the first year of their proposal which is for a three years period and for US\$568,000 contribution. The objective of the project is to create in 20 selected Municipalities, the capacity to make plans and actions to prevent, mitigate and assist the population in the event of natural disasters.

In June 2003, Amunic will end its first year of execution. An internal assessment and further investigations of the sector and actors, have confirmed that Amunic's project is very relevant and contributes very much in supporting the National System for Prevention and Mitigation of Disasters (SNPMAD) in its decentralization to the Municipalities where risks and vulnerabilities affect more the poor population.

During this first year Amunic has demonstrated capacity and effectiveness in implementing the project. So far most of the programmed training activities have been performed. The fund for infrastructures has financed works in 5 of the 20 Municipalities.

3.4.2 Support to the Small projects Foundation at Marena (Fondo de Pequeños Proyectos FPP)

FPP is executed with MARENA. It is a three year project (2001–04) cofinanced with Danida, Sida's contribution is SEK15 million. Its objective is to provide funds to allow rural Municipalities and NGO's with the participation of communities to develop small environmental projects.

A recent mid-term evaluation of the FPP performed by Danida reveals some of the results to date:

- 151 infrastructure works for the reduction of contamination,
- Conservation of soils and waters: 100,534 mts of live barriers, 30,838 mts. of channels, 870 contention dikes, 506 organic fertilizer ditches.
- Reforestation: 112 mzs. (manzanas) in river sides, 395 mzs. in river basin, 807mzs. in agroforestry, 165 mzs. in silviculture, 1.034,098 trees planted.
- In disaster prevention: 15 firefighter brigades, 1,479 improved stoves, 1,209 latrines.
- Training: 742 events with 4,239 beneficiaries.

In general terms FPP is considered an important tool in promoting an enhanced environmental management by significantly strengthening public awareness and participation in local environmental projects. Nevertheless, the project still faces the challenge of improving the capacity of the Technical Secretariat (TS) on MARENA, and to be more

proactive in identifying areas and activities where FPP can have important impacts.

3.4.3 Research Cooperation

Sida has supported research cooperation and the building of national research capacity at Nicaraguan public universities (UNAN-León, UNAN-Managua, UNA and UNI) since the beginning of the 80'Th. At present some 50 Nicaraguans are pursuing their doctoral studies in collaboration with Swedish universities as part of the cooperation. Other important ingredients of the cooperation during the last years have also been support to modernisation and reformation of the universities including support to research environments, research management and in some cases support to reformation of the education system as such. The present agreement for research cooperation between Sweden and Nicaragua is valid to December 31 2003.

In the end of January 2003 Sida/SAREC invited the four public universities in Nicaragua and Consejo Nacional de Universidades (CNU) to provide proposals for a continued research cooperation (2004–2007) in partnership with Swedish universities. The research lines for cooperation are to be defined jointly between the Nicaraguan University and the Swedish counterpart. It is foreseen that the four main areas that is; health, agriculture and natural resources, multidisciplinary environmental research and engineering will remain areas of cooperation. Regular Annual meetings were held at the four universities and CNU during in April/may 2003. During the meetings the progress of the planning for the continued cooperation was also discussed.

Other important ingredients of the cooperation are continued support to the strengthening of research environments, research management and support to the reformation of the system for higher education in Nicaragua. An important issue is still how to secure that research becomes an well-anchored and fully accepted activity in the Nicaraguan university system. Nicaragua still lacks a national strategy for higher education including research and a working system for science and technology.

There are several processed underway in Nicaragua aiming at a reformation of the sector of higher education. Inter American Development Bank (IDB) supports the universities with the purpose to define a common system for accreditation of the universities to ensure competitiveness and quality among the institutions. Foro Nacional de Educación Superior (FONADES) was established during 2002 as result of a forum supported jointly by Sida and IDB. In the framework of FONADES both public and private universities meet and discuss issues necessary to confront for the future in higher education. Based on a consultancy launched by Sida in 2002 the book "Trends and potentials in the development of higher education in Nicaragua" was printed and distributed among parties interested in the development of higher education in Nicaragua and in the region. This book is a point of departure for discussion on the future of the sector.

In the development process of ICT at the four universities a Policy and a Master Plan were completed by the end of 2002 and are available on the

web site of the project (www.tic-nicaragua.edu.ni). The agreement on support to this area was signed between Sida and the universities in February 2003. The cooperation will comprise projects to be implemented at each of the four universities with a unique solution for each situation including:

- ICT Infrastructure including Backbone and LANs at selected faculties
- Human Resource Development and ICT training for end-users
- Information systems including Library information system
- Content Development, University on-line

Some highlights from the past half year

The Centre for Demographic and Health Research (CIDS) at UNAN-León was officially inaugurated in March 2003 when their new offices were ready and equipped. CIDS with its extensive demographic health surveillance database will become an important tool for medical researchers from different fields to do research on e.g. AIDS and tropical disease.

Jamilet Miranda also at León presented her doctoral thesis “Neurotoxicity after poisonings with organophosphate pesticides in Nicaragua” within the occupational and environmental health program at the Department of Public Health Sciences, Karolinska Institutet in March 2003. Four students finished their Master program within the infectious Disease programme at UNAN-León.

Within the multidisciplinary environmental programme at UNAN-Managua four doctoral students finished their licentiate thesis and are now entering the second phase for their doctoral degree.

At UNA the first feeding experiments in the stable built by the programme was carried out in the end of 2002 and will continue with another 3 experiments during 2003/04.

3.4.4 Support to Culture

In June 2001 the Embassy entered into agreement with the **Nicaraguan Institute of Culture** on a final support to the culture sector. This agreement totals 2.8 MSEK for a twelve-month period. The activities comprise two components. The first consist of continued support to the **National Library**, e.g. computer equipment for modernisation of the bibliographical services, the creation of ten new popular libraries and strengthening of a library for children and adults with visual impairment. The second component is the final phase of the restoration of **the Convent San Francisco in Granada**. Like in previous phases of this project the Swedish Royal Library and the Swedish Historical Museum are Swedish institutional counterparts.

After seriously delays, and an additional contribution from Sida amounting SEK 300 000, the finalisation of the restoration of the convent San Francisco was finally completed in march 2003. The solemn ceremony of reinaguration was attended by president Bolaños and the Director General of the Historical Museum of Sweden. The project will be finished after the documentation of the whole restauration process has been

completed. Further support as part of a regional program is planned.

The library project has concluding the activities according to the plans and further support to development of the National Library Ruben Dario and the community libraries is part of Sida's regional support to libraries that started in 2002.

3.4.5 Fund for Studies and Consultancies

A bilateral fund for studies and consultancies, in co-operation with the Nicaraguan Secretariat for Development Co-operation of the Ministry for Foreign Affairs is used as a flexible instrument to support initiatives in areas of interest for Swedish development cooperation. No funds have been disbursed to finance consultancies under this agreement during this period.

3.4.6 International Courses

Each year Sida sponsors Training Courses in different areas. Most of the programmes are in the fields of communications, energy, environmental protection transport and industry. These courses also include programmes for the social sector as health and human rights. For the period from January to May 2003 we have received 23 invitations and all of them have been distributed among governmental institutions, NGO's and private sector. Training Programmes information also appear at the Embassy's web site www.suecia.org.ni

At this moment we have received applications for 9 programmes in the following areas: one, for Local Environmental Management; one, for Human Rights; one, for World Trade and Conformity Assessment; one, for Risk Management in Community Development Planning; one, for Forest Certification, one for Architecture, Energy and Environment; three, for Record Management in Service for Democracy; four, for Child Rights, Classroom and School Management; one for Information Technology Management.

3.4.7 Swedish non-governmental organisations and Swedish Corporations

A number of Swedish non-governmental organisations have Swedish personnel stationed in Nicaragua, e.g. UBV, Forum Syd, Svalorna, VFSN and SHIA. Long-term consultancy companies, financed by Sida are also present such as Orgut International. With the privatisation of the Nicaraguan telephone company ENITEL, Swedtel AB became a minority shareholder of the new company and has brought some Swedish personnel. Ericsson has opened a local office. The Embassy organises on a regular basis, meetings to inform and exchange information with Swedish NGOs on the situation in the country and issues related to development cooperation.

4. Administration

The short-term assigned economist ended his commission the 7th of March 2003. He also reported the results of his special assignment of leading the Quality Assurance Project, before he left.

The new counsellor/economist started his two-years assignment on the 24th of March.

The new Sida-employed secretary started her two-years assignment on the 2nd of January.

The associated expert ends his assignment on the June 22nd and a new associated expert has recently been recruited by Sida in Stockholm and will begin her one-year commission in August.

For the first time a regional administrative seminar was arranged by the Embassy and took place at the end of March. Participants were heads of administration from Honduras, Bolivia, Colombia, Guatemala and Nicaragua. From Sida-HQ participated representatives from Personell department, Economy department, Field Unit and Rela. Some locally employed bookkeepers participated also. Totally 19 persons attended the seminar. The idea is that this shall be a tradition in the future in the region as it has been for many years in Africa and Asia.

Annex 1: Revised Country Plan 2003 with disbursement overview

COUNTRY PLAN NICARAGUA FOR 2003

ALLOC ACC TITEL	DEV/NO DEV AGR	OP AREA	Status	AGR PERIOD	Type of fund	CONTRIBUTION ID AND TITEL	Disbursed 2003-05- 10	Forecast disbursed 03-09-01	PLUS current forecast 2003	Country Plan FC 2003	FC 2004	FC 2005	Appr. agr. amount (DAA TOTAL)				
01 Nicaragua	DEV AGR	1. HR/DEM	A	200101 - 200412		62000211 Comisarias II	689	30%	1 662	1 300			4 500				
				200004 - 200301		62000179 Progr Off. Demo/HR	731	30%	1 725	1 650	1 700		20 710				
				200106 - 200406		62000210 OAS PCT II	4063	65%	6 500	6 500			22 000				
				200201 - 200506		62000240 Police II	3038	50%	9 679	13 200	10 300		31 500				
				200012 - 200406		61000471 Diakonia Nicaragua 01-03		30%	2 200	4 400			13 200				
				200205 - 200307		62000304 Anti-corruption Fund	86	30%	126	220							
				200001 - 200309		62000180 Forum Syd Gender Eq.	600	30%	600				15 000				
				200206 - 200606		62000296 MECOVI II		30%	2 000	3 000	2 500	2 500	10 000				
				200208 - 200512		62000230 Atlantic Coast III	7075	90%	10 900	12 000	13 000	7 000	43 000				
				200212 - 200512		62003857 Fundemos Municipal		30%	515		515						
				200201 - 200312	CS	62000307 Foro de Mujeres-politic		30%	500	500			1 000				
				200212 - 200709	CS	62000314 IEN (EU Consortie)		30%	632				1 200				
				200109 - 200408	CS	62000269 CENIDH Human Rights	460	30%	800	1 000	1 100		3 300				
				200206 - 200312	CS	62000305 AIDEP- Child rights-Boaco		30%	500	500			1 000				
				200212 - 200503	CS	62000316 Coord. Civ		30%	600				1 194				
				200301 - 200506	CS	62000274 Civil Society 2003		30%	1 000	4 400			7 000				
				200301 - 200606		62000272 Forum Syd Gender	3000	100%	5 000	8 000	6 500	6 500	20 000				
				200211 - 200612		62000273 OAS judicial facilitators	4600	100%	4 600	10 000	9 400	10 200	39 700				
				200308 - 200602		62000286 NDC-Mine Action		30%		1 000	1 000		2 000				
				200401 - 200606	CS	62000275 Civil Society 2004					7 000		7 000				
				200401 - 200606		62000312 Diakonia 04-06					5 000	5 000	15 000				
				200301 - 200606		62000306 Judicial Observation		30%	500	1 000	1 000	1 000	3 000				
						620003222 Judicial Sector		30%	300	300							
				200201 - 200212		62000219 HR-ombudsman		30%	500	1 000	3 000	2 500	6 500				
1. HR/DEM Total							24342	32 378	50 839	69 970	62 015	34 700	251 626				
2. SOCIAL	A			200006 - 200312		62000195 FISE III 2000-2003		100%	3 702	5 300			28 000				
				200001 - 200301		62000169 Program Officer Social	668	30%	1 625	1 800	1 600		6 325				
				200301-200612		62003856 Midwifery training		30%	1 460	1 000	1 470	6 750	6 500				
				200201 - 200312		62000265 Midwifery function	34	30%	309								
				200007 - 200312		62000102 PROSILAS III	15553	30%	23 194	15 000			76 000				
				200109 - 200212		62000198 Local Programme Officers	401	30%	1 113	1 113	1 113		3 660				
				200103 - 200306		62000221 Culture Support	267	30%	267				3 105				
				200301 - 200612		62000309 Support UNICEF		30%	12 200	17 000	13 100	11 100	53 000				
				200301 - 200412		62000311 Planning SPS Health		30%	385	335	200		535				
						62000310 Health Sector Support					15 000	20 000	55 000				
				2. SOCIAL Total							16923	16 575	44 255	41 548	32 483	37 850	229 024
				3. INFRA, PSD	A			200004 - 200310		62000228 CEI 2000-2003		30%	867	500			10 443
199901 - 200306		71000604 Yalaguina-Las Manos Road	30864					100%	30 864	33 600			65 000				

ALLOC ACC TITEL	DEV/NO DEV AGR	OP AREA	Status	AGR PERIOD	Type of fund	CONTRIBUTION ID AND TITEL	Disbursed 2003-05-10	Forecast disbursed 03-09-01	PLUS current forecast 2003	Country Plan FC 2003	FC 2004	FC 2005	Appr. agr. amount (DAA TOTAL)
				200110 - 200406		62000267 ASOMIF2		30%	735	735			1 650
			A	199803 - 200312		62000029 PRODEL II			8 500				
			P	200301 - 200806		62000184 PRODEL III				25 000	30 000	25 000	90 000
			3. INFRA, PSD Total							59 835	30 000	25 000	167 093
			A	200107 - 200312		62000231 FondeAgro Impl. phase 1	30864	31 345	40 966	25 000			70 000
				200111 - 200412		62000288 Small environ-mental projects fund	14193	55%	31 512	3 700	3 700		15 400
								100%					
			P	200301 - 200506		AMUNIC		30%	2 191	2 500	2 500		5 000
			I			FondeAgro phase 2		30%		30 000	30 000		100 000
			4. NATURE Total				14193	21 689	37 403	31 200	36 200	30 000	190 400
			A	200101 - 200409		75007190 Res. coop. UNAN-Leon		30%	8 051	6 500			19 700
				200101 - 200409		75007194 Support to CNU		30%	400	400			1 300
				200101 - 200409		75007192 Res. coop. UNI		30%	7 066	5 500			15 600
				200101 - 200409		75007193 Res. coop. UNA		30%	5 125	4 500			14 000
				200101 - 200409		75007191 Res. coop. UNAN-Managua		30%	5 500	6 000			16 300
				200201 - 200409		75007196 Higher education	45	30%	23	100			1 000
			P			Res. coop. UNAN-Leon					7 500	7 000	
						Support to CNU					1 500	1 500	
						Res. coop. UNI					6 000	6 000	
						Res. coop. UNA					6 000	6 000	
						Res. coop. UNAN-Managua					6 000	6 000	
						75007195 Social science - planning		30%	624	1 000	1 000		1 600
			6. RESEARCH Total				45	8 037	26 789	24 000	28 000	27 500	69 500
			A	200205 - 200512		62000271 OAS Demining	3600	100%	6 800	6 900	6 700	6 700	23 500
			7. HUM Total				3600	6 800	6 800	6 900	6 700	6 700	23 500
			P		PDF	620004 PDF-2003		30%	1 500	1 500			
					PDF	620005 PDF 2004-2005				1 500	1 500		3 000
					PK	620006 PK Fund 2003		30%		1 000			1 000
					PK	620007 PK Fund 2004-2005				1 000	1 000		2 000
			I			Additional Budget Support 2003			10 000				
			99. Oklassific. Total					450	11 500	2 500	2 500	2 500	6 000
			DEV AGR Total					117 274	218 552	235 953	197 898	164 250	937 143
01 Nicaragua			Total					117 274	218 552	235 953	197 898	164 250	937 143
06 Concessionary credits			I			NIC-ENITEL guarantee							
			NO DEV										
			NO DEV Total										
			06 Concessionary credits Total										
			Grand Total					117 274	218 552	235 953	197 898	164 250	937 143

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



SWEDISH INTERNATIONAL
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