IEG Independent Evaluation Group

CLR Review

Independent Evaluation Group

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1. CPS Data

Country: Nicaragua	
CPS Year: FY13	**CPS Period**: FY13 – FY17
CLR Period: FY13 – FY17	**Date of this review:** March 5, 2018

2. Ratings

	CLR Rating	IEG Rating
Development Outcome:	*Moderately Satisfactory*	*Moderately Satisfactory*
WBG Performance:	*Good*	*Good*

3. Executive Summary

i. Nicaragua is a lower middle-income country with a GNI per capita of $2,050 in 2016. Nicaragua's annual economic growth increased from 3.3 percent during the prior CPS period (2008-2012) to 4.9 percent during the CPS period under review (2013-17). Growth was sustained by an adequate macro and fiscal environment and responded to higher growth of the US economy, from 0.9 percent to 2.2 percent between the two CPS periods. Growth helped reduce poverty rates, from 42.5 percent in 2009 to 29.6 percent in 2014 and 24.9 percent in 2016. Better social conditions are reflected in Nicaragua's Human Development Index, which improved from 0.636 in 2013 (ranked 132nd among 187 countries) to 0.645 in 2015 (ranked 124th among 188 countries). However, inequality (the GINI Index) increased, from 44.2 in 2009 to 46.6 in 2014. The poverty rate in rural areas (50.1 percent in 2014) remains higher than in urban areas (14.8 percent in 2014), and 45 percent of Nicaraguans are at risk of falling into poverty if hit by a shock.

ii. The World Bank Group's (WBG) had two pillars: (i) improve access to quality basic services and (ii) improve competitiveness and productivity. The CPS was broadly aligned with the Government of Nicaragua's (GON) National Human Development Plan 2012-2016 (NHDP). The NHDP sought economic growth with employment generation and poverty and inequality reduction. Government strategies focused on increasing poverty-related spending and boosting investments in the social sectors and in rural infrastructure. WBG's support was also aligned with a number of GON's programs, including the new Education Sector Plan, the Family and Community-Based Social Welfare Model, and Rural Road Improvement programs.

iii. During the CPS period, new IDA commitments, including Additional Financing and regional projects (or 14 operations) amounted to $439.9 million. The new lending commitments were above the total planned amounts ($249.0 million). New IDA lending commitment allocations were higher (exceeding 10 percent of total allocation) for roads, education, health, and land administration. New trust fund (TF) commitments ($97.04 million) were also higher than the inherited portfolio ($24.32 million) covering several areas including education (see Annex 4). The education sector received more than half of the TF commitments. The sector shares of new IDA commitments were significantly higher than those of pre-existing operations for education and health, and significantly lower for social protection, water, roads, and private sector development, perhaps reflecting GON's human development priorities. All lending operations are in the form of Investment Project Financing (IPFs).

CLR Reviewed by:	Panel Reviewed by:	CLR Review Manager/Coordinator
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iv. During the CPS period, IFC made a total net commitment of US$513.7 million. IFC's short term trade finance guarantee accounted for 83.1percent of this total net commitment, with core product of long-term loans and equity investments of only US$89.1 million. Through its investment operation, IFC financed financial institutions, including a hospital, an agribusiness, and a power plant. During the CPS period, IFC approved four new AS projects amounting to $2.2 million in the financial and agricultural sectors, and for investment climate reforms. During the same period, MIGA underwrote US$89.0 million guarantees to support foreign direct investments in agribusiness, manufacturing, and the banking sector.

v. On balance, IEG rates development outcomes as **Moderately Satisfactory**. The CPS achieved significant results on Focus Area I (Improve Access to Quality Basic Services). These include increased delivery of education and health services, albeit with shortfalls in the quality of those services; and a higher number of people in rural areas with access to water and sanitation. While there was progress on public financial management in meeting the CPS outcome target, the extent or scope of that progress is unclear. Focus Area II (Improve Competitiveness and Productivity) achieved results in improving rural access to roads and telecommunications as well as in increasing agricultural productivity. IFC investment and AS projects contributed to increase the supply of renewable energy, the availability of specialty health care, and the access to training and funding by coffee farmers. However, IDA's impact on the investment climate was unclear from somewhat contradictory indicators. IEG could not verify the extent to which WBG support increased access to finance by Medium, Small, and Micro Enterprises (MSMEs).

vi. IEG rates WBG performance as **Good**. On design, the CPS addressed well-identified development challenges and benefited from congruence with GON programs and consultation with multiple stakeholders. Selected CPS areas were consistent with WBG poverty reduction and shared prosperity objectives (e.g., by focusing on basic services). The CPS was selective, aligning support with focus areas, and with proposed interventions based on the WBG's extensive country knowledge, their congruence with NHDP goals, and their possible impact. Planned selectivity also considered a sectoral division of labor with the Inter-American Development Bank (IDB). Planned interventions could reasonably be expected to achieve objectives in most areas. The results framework could have been clearer by explicitly articulating the CPS objectives in the results matrix and providing a clear definition of some outcomes. The use of lending and non-lending instruments were appropriate overall. On balance, the CPS and PLR adequately identified risks mitigation measures to address those risks. However, when the capacity risk materialized on early childhood education, the planned mitigation measures did not suffice to neutralize this risk.

vii. Implementation benefited from the absence of major adverse shocks during the CPS period. The WBG and GON worked well in coordinating implementation through well-structured communications that strengthened portfolio management. During implementation, the PLR made some revisions to the results framework, primarily downgrading expected outcomes where implementation was slower than anticipated and defining better some of the program's outcome indicators. Bank-IFC activities were largely separate and independent from each other, with no evidence of the stronger collaboration that the CPS anticipated. The CLR reports that there were no major safeguard issues and that fiduciary issues were effectively handled. INT noted two complaints that were substantiated.

viii. IEG agrees with the CLR lessons, summarized as follows: (i) IDA's convening power (e.g., through trust funds) can increase financing and catalyze development through leveraging its resources with those of other donors; (ii) Government commitment combined with effective communication channels, such as those established between GON and IDA, can improve portfolio management and implementation; (iii) increased women participation (e.g., in roles under community rural road building programs) can help reduce poverty and contribute to shared prosperity; (iv) existing institutional capacity levels and commensurate implementation arrangements are key determinants of the development objectives that can be achieved; (v) access to quality data will improve decision-making.

ix. IEG provides the following additional lessons:

- First, Nicaragua's quest for improved social services would benefit from a stronger focus on quality. In the case of Nicaragua, available indicators suggest that primary education quality has not improved. A focus on education requires monitoring of quality levels. Complementing completion rates with periodic test scores will help understand what works for improving learning outcomes.
- Second, WBG's development effectiveness and impact could be further enhanced through joint Bank/IFC implementation. In the case of Nicaragua, it was envisaged in the CPS to have joint IDA/IFC work in education, health services and financial innovation. However, joint implementation did not materialize and the Bank/IFC pursued parallel and separate activities.

4. Strategic Focus

Relevance of the WBG Strategy:

1. ***Congruence with Country Context and Country Program***. The CPS pillars and objectives were broadly congruent with the GON's objectives on economic growth with employment generation and poverty and inequality reduction, as articulated in GON's NHDP. Furthermore, CPS objectives were aligned with specific Government programs. For example, on reducing poverty and inequality, the CPS objective to improve educational attainment was consistent with GON's Education Sector Plan, which sought to improve the coverage and quality of preschool education, completion of primary education; and the coverage and quality of secondary education. Similarly, on competitiveness and productivity, the CPS objective to expand rural infrastructure was aligned with GON's National Rural Road Infrastructure Improvement Program, and with GON's focus on rural telecommunications and renewable energy investments. Success in achieving these objectives faced several challenges. The buildup of human capital had been constrained by inefficiencies in the education system, with high dropout and repetition rates, and by slow progress on nutrition and maternal health outcomes. There were inefficiencies and gaps in access to water and sanitation, particularly in rural areas. Economic growth had also been undermined by weaknesses in the investment climate, inadequate access to credit, infrastructure gaps, and low agricultural productivity.

2. ***Relevance of Design***. The proposed WBG interventions could reasonably be expected to have an impact toward CPS objectives in most areas. For example, planned education projects could improve educational attainment by increasing or improving standard education inputs (e.g., better teacher training). Similarly, land administration projects could be expected to increase access to finance and improve the investment climate through stronger property rights. On the investment climate, however, planned interventions (MSME support) were unlikely to have a strong impact. Planned ASAs covered critical knowledge inputs (e.g. on poverty and on water and sanitation) that could enhance impact through better country dialogue and project design. On health, capitation payment could encourage better delivery of services at the local level and investments in water infrastructure could improve health through better access to improved water. The CPS was appropriately flexible on financing instruments, by planning originally to provide IPF exclusively, albeit envisaging possible Development Policy Operations if GON requested them on the basis of robust policy agendas. Planned joint IDA/IFC activities (on agriculture and financial innovation) could improve WBG's impact; however, this proposed internal synergy did not materialize as both entities pursued separate and parallel activities. Planned ASA covered some of the areas targeted by CPS objectives (Agriculture, Education, PFM, and water/sanitation). Planned coordination with the IMF could help maintain macro stability and mitigate external shocks.

Selectivity

3. The CPS was selective in its two focus areas and eight objectives, given the country context. Proposed interventions were based on the WBG's extensive country knowledge, their congruence with NHDP goals, and their possible impact. The CPS covered some of the critical areas (e.g., education, land administration, water and sanitation) that could support poverty reduction or shared prosperity through its focus on basic services and competitiveness, and where IDA had experience and knowledge, as well as a good implementation record. Given its resource constraints or GON priorities, IDA excluded some other critical areas (e.g., vocational education and training for better

jobs, as the Systematic Country Diagnostic suggests) from its planned objectives or core interventions. Other areas (e.g., governance) may have been excluded due to weak progress during the FY0812 CPS. Program selection also considered a planned division of labor with the IDB on some areas (larger roads, rural water and sanitation (IDA) and rural roads electrification and procurement (IDB)), as well as co-financing of PFM and combined work on customs administration and governance, also with the IDB. Selectivity also responded to GON's request in specific areas, including the mobilization of the Global and Food Security Program to link small-holder producers to markets.

Alignment

4. The CPS objectives were broadly aligned with the 2013 corporate twin goals of poverty reduction and shared prosperity goals. Although the CPS objectives did not target or monitor poverty and shared prosperity directly, the proposed interventions (on basic services and rural infrastructure) could conceivably contribute to the twin goals directly or indirectly. The CPS maintained IDA's focus on key areas to reduce poverty, including basic education, health, water services, rural infrastructure, and agricultural productivity. Progress on these areas could help raise incomes for the poorest 40 percent of the population (shared prosperity). Other interventions (on the investment climate, access to finance, and energy) could also help raise those incomes by increasing overall economic growth.

5. Development Outcome

Overview of Achievement by Objective:

5. Following the shared approach, this assessment considers the extent to which CPS objectives were achieved as reflected in the CPS results matrix and updated at the PLR stage. As the CPS results matrix did not articulate specific objectives, this assessment uses the specific objectives indicated in the PLR. In sum, this review uses the following structure and terminology: two focus areas (or pillars), eight objectives, and fourteen outcomes.

Focus Area I: Improve access to quality basic services.

6. Focus Area I had three objectives: (i) improve educational attainment, (ii) improve overall health of the population, and (iii)) design and implement a results-based financial management system.

7. **Objective 1: Improve educational attainment.** This objective was aligned with GON's Education Sector Plan (ESP) to improve: (i) the coverage and quality of preschool education, (ii) completion of primary education; and (iii) the coverage and quality of secondary education. This objective was supported through the Social Protection Project (FY11), the Second Support to the Education Sector Project (FY12), the Education Sector Strategy Support Project (FY13), and the Alliance for Education Quality Project (FY17). This objective had two outcomes and associated indicators:

- Increase in the completion rate of primary education (1st to 6th grade) in targeted municipalities: Due to changes in data definitions, the PLR reported disaggregated by gender only through 2014 (69 percent girls, 66 percent boys, and 67.5 percent total) and the total rate only through 2015 (71.4 percent). Based on these numbers (which IEG could not verify), progress was significant, albeit below targets. This progress is consistent with official data showing an increase in the countrywide completion rate from 80.4 percent in 2010 to 92.2percent in 2013[1]. However, the latter refer to the total population, not to the population in the targeted municipalities. The Social Protection Project and the FY12 and FY13 education projects, listed above, may have helped improve completion in those municipalities by

[1] Nicaragua, Revisión Nacional 2015 de la Educación para Todos. Informe preparado por las autoridades nacionales competentes en vistas del Foro Mundial sobre la Educación (Incheon, República de Corea, del 19 al 22 mayo de 2015). August 2014.

interventions such as providing school lunches, teacher and student supplies and textbooks, teacher certification, and improved teaching methods. [*Partially Achieved*].

- Increase in Grade 9 (last year of lower secondary education) completion rate in targeted municipalities: Due to changes in data definitions, the PLR reported progress only through 2014 (54 percent, 52 percent, and 53 percent respectively). Under the new data definitions, the FY13 project changed the total baseline and target to 64 percent and 71 percent, respectively. The last ISR for the project reports a 71.9 percent completion rate was achieved in 2017, thereby exceeding the new target. Interventions similar to those for primary education supported by IDA projects helped achieve these results [*Achieved*].

8. The CLR notes that the indicators above are not reliable measures of education quality. Quality may have declined over the CPS period. The primary education quality index tracked by the World Economic Forum declined from 2.7 in 2012 to 2.5 in 2017, with Nicaragua's rank declining from 123 to 132. On balance, IEG rates Objective 1 as ***Partially Achieved***.

9. **Objective 2: Improve overall health of the population.** On the health dimension, this objective was supported through the Improving Community and Family Health Care Services Project (FY11), the associated additional financing (FY14), and the Strengthening the Public Health Care System Project (FY15). On water and sanitation dimension**,** this objective was supported through the Rural Water and Sanitation Project (FY08), the associated additional financing (FY13), the Greater Managua Water and Sanitation Project (FY09), the Adaptation of Water Supplies to Climate Change Global Environmental Facility (GEF) Project (FY13), the Sustainable Rural Water Supply and Sanitation Sector Project (FY14), and the FY15 NLTA on Creating Sustainable Sanitation Services. IFC supported health services through a loan to a private hospital. MIGA supported private investment in a ceramic manufacturing company (for sinks and toilets). This objective had four outcomes and associated indicators:

On access to health services:

- Increase in percentage of institutional deliveries (i.e., deliveries made by qualified health personnel) in targeted municipal health networks. The target of 86 percent was surpassed at 93 percent. [*Achieved*]
- Increase in percentage of post-partum women receiving postnatal care. The target of 55 percent was surpassed at 65 percent. [*Achieved*]
- Increase in percentage of children less than one year old immunized with the Pentavalent vaccine in targeted municipal health networks. The target of 98 percent was surpassed at 100 percent. [*Achieved*].

On access to water and sanitation:

- Increase in sustainable access to water supply and sanitation services in rural, indigenous territories, to 45,000 people (water) and 47,000 people (sanitation). The target for water was surpassed (at 64,440). Achievements on sanitation were below target (at 44,120). There is no indication whether the access provided is sustainable or not (the CPS highlighted the need to ensure the financial sustainability of water systems). [*Mostly Achieved*].

10. The four outcome indicators discussed above focus on input quantities (access to health, and to water and sanitation services) and do not capture the quality of services or impact on health. Nevertheless, for people that did not have access to health or water services, health is likely to have improved. With these caveats, the three health services targets achieved, and the water services target mostly achieved, IEG rates Objective 2 as ***Mostly Achieved***.

11. **Objective 3: Design and implement a results-based financial management system.** IDA supported this objective through its Public Financial Management (PFM) Modernization Project (FY11).

12. The CPS sought one outcome under this objective: Multi-year sectoral strategy informs the budget, as measured by an improvement in the Public Expenditure and Financial Accountability

Indicator # 12 ("multi-year perspective in fiscal planning, expenditure policy and budgeting")**,** with a 2010 baseline of "C" and a 2017 target of B+. It was achieved in 2015, as measured by the latest PEFA. The FY 11 project contributed to this outcome by supporting improvements in government capacity, the renewal of the Integrated Financial Management System (SIGAF), and the implementation of SIGAF. [*Achieved*].

13. It is noted, however, that the result above is not reflected in the CPIA "quality of budgetary and financial management" rating, which declined from 4 in 2010 to 3.5 from 2011 to 2016. The CPIA ratings cast some doubt on the impact of the outcome on the quality of the financial management system. It is also unclear whether the PEFA rating would have been sustained through 2017, although the CLR notes that, in 2017, the government continued to implement the results-based budget framework with multi-annual and medium-term projections. On balance, IEG rates Objective 3 as ***Mostly Achieved***.

14. Given the ratings of objectives 1 to 3 (1 Partially Achieved and 2 Mostly Achieved), IEG rates Focus Area I as **Moderately Satisfactory**. On education, the CPS made progress on completion rates for primary and lower secondary education, but the quality of education remained low. On health, the CPS met or surpassed its maternal and child health care targets, and closely achieved targets on expansion of water and sanitation services (without information on the share of the population covered), but there is no information on extent to which actual health improved. On PFM, the outcome to inform GON's budget with a multiyear perspective was achieved. However, this did not result in an improvement of the quality of budgetary and financial management as measured by the respective CPIA rating.

Focus Area II: Improve competitiveness and productivity.

15. Focus Area II had five objectives: (i) expand rural infrastructure, (ii) increase renewable energy production, (iii) increase agricultural productivity, (iv) improve the investment climate, and (v) improve access to finance.

16. **Objective 4: Expand rural infrastructure.** This objective was supported through three projects: the Fourth Roads Rehabilitation and Maintenance Project (FY06), the Rural Roads Infrastructure Investment Project (FY12) and its Additional Financing (FY14), and the Rural and Urban Access Improvement Project (FY17). IDA supported access to telecommunications through the Rural Telecommunications Project (FY06) and the Caribbean Regional Communications Infrastructure Program (FY17). The CPS sought two outcomes and related targets under this objective as follows:

- Increase in the number of rural people with access to an all-season road: The target (1,019,000) was surpassed at 1,077,108. [*Achieved*].
- Increase access to telephone services: due in part to data constraints, the baselines and targets covered both rural and urban areas. The targets of 117 (telephone) and 16.5 (internet), per 100 people, were achieved in 2015, the last year for which the CLR reported coverage. [*Achieved*].

17. Although the telecom data covered both rural and urban areas, it was understood that in 2012 most urban centers already had very high levels of ICT penetration, particularly mobile, and therefore the changes in the indicators would mostly demonstrate progress in rural areas. With its two outcomes achieved, Objective 5 is rated as ***Achieved***.

18. **Objective 5: Increase renewable energy production.** To support this objective, IFC invested in the San Jacinto Geothermal Power Plant and MIGA provided guarantees for the Eolo wind farm.

19. This objective had one outcome indicator: Additional 100 MW of renewable energy in the system. This target was surpassed with the San Jacinto Plant, which has been operational since 2013 and added 62 MW, and the Eolo Plant, which has been operational since December 2012 and added 44 MW. Total electricity production from renewable sources other than hydroelectric increased by 277 MW in 2014 alone. [*Achieved*].

20. The outcome above contributed to increase the reliance on renewable sources of energy, which advanced (excluding hydroelectric) from 32.4 percent in 2012 to 45.0 percent in 2014[2]. Objective 6 is rated as ***Achieved***.

21. **Objective 6: Increase agricultural productivity.** Bank support included the Second Agricultural Technology Project (FY06), and its Additional Financing (FY10), the Caribbean Coast Food Security Project (FY15), and the Agriculture Public Expenditure Review (FY13). IFC invested in a sugar plantation and, together with IDB and other partners, on financing farmers to restore coffee plantations. MIGA provided guarantees on a project to develop bamboo plantations.

22. This objective had one indicator: <u>increase in crop production by farmers benefitting from technical assistance programs of the Nicaraguan Institute of Agricultural Technology</u> from a 2015 baseline of 1,800 metric tons to a target of 4,000 metric tons.

23. Although the outcome indicator does not reflect changes in productivity, the ICRR for the IDA FY06 project reported significant increases in productivity for the farmers participating in the project, surpassing productivity targets. The Nicaraguan Institute of Agricultural Technology (INTA) surveys showed that yields for maize, beans and rice increased 16 percent over the national average. Farmers participating in the project had yields 60 percent higher than farmers than did not participate in it. The FY06 project contributed to this outcome through agricultural extension and seed development programs. IFC AS and investments supported improvements in coffee farmers' access to training, crop inputs, and financial services, but there is no indication of their productivity impact. Objective 7 is rated as ***Achieved***.

24. **Objective 7: Improve the investment climate.** This objective was aligned with NHDP's attention to the role of micro, small and medium enterprises in stimulating growth and creating jobs. The Bank supported this objective through the Micro, Small and Medium Enterprise (MSME) Development Project (FY08).

25. This objective had two outcome indicators:

- <u>Increase in MSME sales by 150 percent</u>, from a baseline of 0 to a target of 600. Although the CPS or PLR did not indicate it, the baseline and target appear to refer to the number of enterprises that increased sales under the MSME project. The CLR notes that 617 of the 864 MSMEs that received project grants increased their sales by 165 percent on average, well over the average elsewhere (0.8 percent and 0.3 percent for small and for medium firms, respectively[3]). Accordingly, the indicator is biased upwards by its exclusion of the MSMEs that reduced or did not expand sales [*Partially Achieved*].
- <u>Reduce the number of days to register a new business</u>, from a 2012 baseline of 39 days to a 2017 target of 10 days. Achievement of this target was close, at 12 days in 2017. The MSME project also supported this outcome. [*Mostly Achieved*].

26. The MSME project's sales outcome covers an insignificant share of MSMEs (Nicaragua has about 120,000 MSMEs as of 2005[4]). It is unlikely to reflect an impact on, or a result from changes in the investment climate. Although the lower number of days required to open a new business and other actions outlined in the CLR may have had a positive effect, they did not suffice to improve Nicaragua's business climate. Nicaragua's rank in ease of doing business index declined from 119 to 131. This casts doubt on the extent to which the objective was achieved. On balance, IEG rates this objective as ***Partially Achieved***.

27. **Objective 8: Improve access to finance.** IFC provided a loan, together with the Global Agriculture and Food Security Program (GAFSP) Private Sector Window, to the *Fondo de Desarrollo*

[2] Latest data from WDI.
[3] ICRR for the MSME project.
[4] Rodrigo Urcuyo, Microfinanzas y Pequeñas y Medianas Empresas en Nicaragua Central Bank of Nicaragua. Banco Central de Nicaragua. 2012.

Local, the largest microfinance institution in Nicaragua, with a rural presence and focus on the agribusiness sector.

28. This objective had one outcome indicator: to increase in the number of people, microenterprises, and SMEs reached with financial services, from a 2012 base line of 62,152 to a 2017 target of 85,200, which the CLR reports was surpassed at 85,790. However, IEG could not verify that IFC's credit lines contributed to this outcome as IFC's supervision report did not report it. [*Not Verified*].

29. The outcome indicator does not reflect the amount of finance that MSMEs accessed. To adequately measure the achievement of the objective, a financial outcome (e.g., average outstanding loans per existing MSME) would have been a useful complement to the number of persons reached with services. While it is possible that MSME access to finance improved (the overall share of domestic credit to the private sector in GDP increased from 28.7 percent in 2012 to 38.7 percent in 2016[5]), the extent to which MSMEs benefited from this increase is unclear. On balance, IEG rates Objective 9 as ***Not Verified.***

30. Given the ratings of objectives 5 to 9 (3 Achieved, 1 Partially Achieved, and 1 Not Verified), IEG rates Focus Area II as **Satisfactory**. Progress was as expected on expanding rural infrastructure, renewable energy, and agricultural productivity. Progress on the investment climate was unclear. Progress on access to finance was not verified.

Overall Assessment and Rating

31. IEG rates the CPS development outcome as **Moderately Satisfactory.** The Program achieved uneven results in Focus Area I (improve access to quality basic services). These included increased delivery of education and health services, but quality of education remained low and impact on health unreported; and a higher number of people in rural areas with access to water and sanitation. Progress on public financial management met the CPS outcome target, but an alternative indicator of that outcome casts doubt on the extent or scope of that progress. The Program also achieved results in Focus Area II (improve competitiveness and productivity). These included expanded access to roads and telecommunications, increased reliance on renewable energy sources, and increased agricultural productivity. IDA's impact on the investment climate was unclear from somewhat contradictory indicators. IEG could not verify the extent to which WBG support increased access to finance by MSMEs.

Objectives	CLR Rating	IEG Rating
Focus Area I: Improve Access to Quality Basic Services.		**Moderately Satisfactory**
Objective 1: Improve educational attainment.	*Two outcomes "Mostly Achieved".*	*Partially Achieved*
Objective 2: Improve overall health of the population.	*3 outcomes "Achieved" and 1 "Mostly Achieved"*	*Mostly Achieved*
Objective 3: Design and implement a results-based financial management system.	*1 outcome "Achieved"*	*Mostly Achieved*
Focus Area II: Improve competitiveness and productivity.		**Satisfactory**
Objective 4: Expand rural infrastructure.	*2 Outcomes "Achieved"*	*Achieved*
Objective 5: Increase renewable energy production.	*1 Outcome Achieved*	*Achieved*
Objective 6: I Increase agricultural productivity.	*1 outcome "Achieved"*	*Achieved*

[5] World Development Indicators

Objective 7: Improve the investment climate.	*1 outcome "Mostly Achieved and 1 outcome "Achieved*	*Partially Achieved*
Objective 8: Improve access to finance.	*1 Outcome "Achieved"*	*Not Verified*

6. WBG Performance

Lending and Investments

32. During the CPS period, IDA approved 14 new operations including Additional Financing amounting to $439.9 million. From FY13 to FY17, the Bank's active portfolio increased by 25.2 percent from 390.4 million to $488.9 million. In addition to the new IDA operations, IDA leveraged its assistance with operations funded by partners. Most significant were the FY13 Education Sector Strategy Support Project (funded by the Global Partnership for Education and the European Union), and the FY15 Caribbean Coast Food Security Project (funded by the Global Agriculture and Food Security Program). Including new trust fund commitments ($97.04 million), new operations during the CPS period ($536.9 million) were 74.2 percent above new operations approved under the previous CPS ($308.1 million, including trust fund commitments). This acceleration may reflect both IDA's satisfaction with improved portfolio performance as well as its ability to leverage IDA funding with resources from other donors (CLR, para. 59).

33. New IDA commitment allocations were higher (exceeding 10 percent of total allocation) for roads, education, health, and land administration. The shares of new commitments were significantly higher than those of pre-existing operations for education and health, and significantly lower for social protection, water, roads, and private sector development, perhaps reflecting GON's human development priorities. All operations were in the form of IPFs.

34. Nicaragua's portfolio at exit performed better than the average for LCR and the Bank. Of nine projects that IEG validated, 89 percent (all but one project) were rated Moderately Satisfactory or better, surpassing the averages for LCR (70percent) and the Bank (72percent). Risk to Development outcome ratings were more dispersed, ranging from negligible to high, but also performed relatively better (44 percent of projects with risks rated moderate or lower) than LCR rating (52percent), albeit similar to the overall Bank rating (45 percent).

35. Nicaragua's active portfolio performed better, compared to LCR and the Bank. The share of the number of projects at risk averaged 10 percent, less than the shares for LCR (23 percent) and the Bank (21 percent). The share of commitments at risk was also lower for Nicaragua. Average disbursement ratios were also higher for Nicaragua (35 percent) than for LCR (21 percent) or the Bank (20 percent). The CLR suggests that this performance was underpinned by an effective portfolio management system that featured continuous communications with GON as well as extensive portfolio reviews twice a year.

36. During the CPS period from FY13 to FY17, IFC made a total net commitment of US$513.9 million. IFC's short term trade finance guarantee account for 83.1 percent of this total net commitment for the five-year period. IFC's core investment of equity investments and long-term loan was only $86.7 million with average annual net commitment of US$17.8 million. The largest IFC project was a $30 million loan to a financial institution in Nicaragua in FY17.

37. During the review period, IEG validated one Expanded Project Supervision Reports (XPSRs) of IFC investment project, and the EvNotes assigned it a Mostly Successful development outcome rating. The project generated positive returns to financiers, but economic benefits were not as strong as envisaged, though the project exceeded targets in producing direct jobs for women and local purchases in poor parts of the country.

38. During the review period, MIGA underwrote its guarantees for five projects with a total gross exposure of $89.0 million. MIGA guarantees were provided to foreign direct investments in agribusiness, manufacturing, and the banking sector.

Analytic and Advisory Activities and Services

39. During the CPS period, 12 ASA tasks (5 of the 17 planned and 7 unplanned) were completed. Completed tasks covered some of the areas where IDA provided project support (Agriculture, PFM, and water/sanitation), other topics not linked to WBG projects (e.g., TA on anti-money laundering), and aggregative analyses in the FY13 Country Economic Memorandum (CEM). Furthermore, IDA completed the FY17 Systematic Country Diagnostic (SCD) and included Nicaragua in three Central America regional reports (social expenditures, doing business, and school drop-outs). Two of the dropped tasks (the poverty and financial sector assessments) were to cover topics of critical importance for Nicaragua and the CPS, given that prior IDA work in these areas (in FY10 and FY 11 respectively) may have needed updating. ASA products provided the basis for country dialogue. Nevertheless, evidence of dissemination is limited, with only a few reports readily available to the public in the Bank's Open Knowledge Repository.

40. During the FY13-FY17 period, IFC approved four new AS projects amounting to $2.2 million of IFC funds. IFC has carried out projects in the financial sector, the agricultural sector, and investment climate reforms. One IFC AS project sought to provide a strategy and business plan advice to financial institutions in Nicaragua to increase its reach in rural areas through the adoption of digital financial services. Another project aimed at supporting the renovation of coffee farms that are more resilient to future disease outbreaks.

41. During the review period, IEG produced EvNotes for two Project Completion Reports (PCRs) of AS projects. IEG assigned a Mostly Successful Development Effectiveness rating to one project and a Mostly Unsuccessful rating to another project. The AS project in the coffee sector supported the development of coffee plant renovation toolkit, while another AS project was not very successful in creating an incubation center.

Results Framework

42. The CPS objectives were well-aligned with country development goals and addressed critical constraints. On health, for example, the CPS aim of better overall health was aligned with GON's program to address inadequate delivery of health services at the community level, a critical constraint. The results chain broadly reflected the links between WBG interventions to inputs, outputs, outcomes and CPS objectives. For example, health projects financed capitation payments to encourage increased delivery of basic health services and hence health outcomes. Overall, outcome indicators were measurable, and had baselines and targets. However, the results framework (e.g., on water services and the investment climate) could have been clearer by explicitly stating the CPS objectives (not just pillars). Moreover, the extent to which outcome indicators reflected objectives was limited by their exclusion of the quality dimension of service delivery (e.g., education and health). Furthermore, an outcome indicator for one of the investment climate outcomes was not well defined (MSMEs). The CLR did not discuss exogenous factors or unintended effects with a possible bearing on the results achieved. The CLR also lacked a discussion of how some interventions (e.g., on water and MSMEs) scaled-up to country level outcomes.

Partnerships and Development Partner Coordination

43. The CPS planned on specific areas of coordination and collaboration with the IDB and the IMF, as well as mobilization of resources from development partners. During implementation, the WBG mobilized significant resources from partners and worked jointly with IDB to strengthen Nicaragua's capacity to engage in Public-Private Partnerships. The CLR also noted WBG's ASA contribution to helping the Government and donors develop rural development strategies, as well as its broader convening role among donors for support in key sectors, such as education, social protection and agriculture.

Safeguards and Fiduciary Issues

44. During the review period, safeguards policies were triggered in all nine operations that were closed and validated by IEG during the review period, in the agriculture, market and finance, transport and water practices. Compliance was generally reported as satisfactory, with the proper application of

the social and environmental safeguard instruments, the respect of standard mitigation measures and faithfulness to the guidelines. However, the project ICRs and ICRRs noted some challenges related to historical sociopolitical considerations of indigenous peoples in the country, and the inadequate staffing of project teams. It is noted that none of those shortcomings had a negative impact on project compliance with the safeguard policies. Overall, the projects had positive impacts on the environment and the population. The Bank provided consistent institution strengthening in key environmental and social areas. The ICRs and ICRRs reported the recognition, inclusion and participation of Indigenous Peoples, the acknowledgement of their land rights as well as their local cultural practices in the project design, with special attention to gender. No Inspection Panel investigation was documented during the review period.

45. INT noted 14 complaints during the period FY 2013 to FY 2017 related to Bank-financed operations across various sectors. There were two substantiated cases, one related to the Hurricane Felix Emergency Recovery Project and the other related to the Education sector. IDA cancelled the Hurricane Felix Project.

Ownership and Flexibility

46. Ownership, both at the design stage and implementation stages, was strong in most areas. Congruence with GON programs and IDA's consultation with a broad range of stakeholders suggest ownership at the design stage. The CLR notes that well-organized portfolio management, with strong arrangements for communications with the Ministry of Finance and sector institutions, underpinned commitment. On flexibility, the PLR reported that the results framework was revised where implementation was slower than anticipated (e.g., by dropping or replacing pre-school enrollment, education quality, and agricultural productivity outcomes).

WBG Internal Cooperation

47. The CPS and PLR outlined Bank and IFC interventions, as well as areas of collaboration (e.g., on agriculture), in support of program objectives, with the Bank focused on Investment Project Financing (IPF) of public programs and IFC/MIGA focused on private participation. For example, in education, IDA focused on interventions to improve the delivery of public education and health services and IFC was to work on financing private sector solutions in the education and health sector. Planned joint work included a Joint IFC-WB technical assistance program on financial innovation. However, the CPS implementation does not demonstrate joint IDA and IFC/MIGA activities and the CLR does not provide indications of how the three institutions collaborated. IFC covered some areas outside CPS objectives (exports, environmental sustainability in local mining). The planned joint effort on financial innovation did not materialize.

Risk Identification and Mitigation

48. The CPS articulated risks from political economy developments, external shocks and natural disasters that could derail government programs. The PLR added risks from program or project design, environmental and social developments, capacity constraints (particularly in rural and remote areas), and the fiduciary environment. To address these risks the CPS and PLR identified general and specific mitigation measures. For example, to address political economy risks, the CPS planned on maintaining close coordination with development partners and diverse stakeholders and, more specifically, to align the CPS with the political cycle. However, as the PLR noted, when capacity constraints risks materialized on early childhood education, impeding rural areas from meeting the original CPS preschool enrollment targets, the mitigation measures (strong commitment to reforms and institutional strengthening project components) did not fully neutralize the risk in this case. Support for risk mitigation included, in particular, an FY14 regional project on catastrophe risk insurance, which benefited from the IDA regional allocation and provided Nicaragua with policy payout (in cash and within two weeks) in the event of a hurricane or earthquake of sufficient fiscal impact in line with pre-agreed fiscal trigger levels.

Overall Assessment and Rating

49. IEG rates WBG performance as **Good**. The CPS addressed well-identified development challenges and benefited from congruence with government programs and consultation with multiple stakeholders. The selected CPS areas were consistent with WBG poverty reduction and shared prosperity objectives (e.g., by focusing on basic services), although some critical areas (vocational education and training,) did not receive enough attention. The CPS was selective, aligning support with focus areas, and with proposed interventions based on the WBG's extensive country knowledge, their congruence with NHDP goals, and their possible impact. Planned selectivity also considered a sectoral division of labor with the IDB. Planned operations included interventions that could reasonably be expected to achieve objectives in most areas. The results framework could have been clearer by explicitly articulating the CPS objectives, and defining some outcomes and indicators were inadequate). The use of IPFs and ASA, as well as IFC investments and MIGA guarantees as WBG instruments was appropriate. The knowledge base for the CPS was appropriate, with ASA addressing some of the same areas covered by IPF and including core products. The CPS and PLR identified risks, mitigation measures adequately. However, not all measures were sufficient to mitigate risks. When a capacity risk materialized on education, planned mitigation measures did not suffice to neutralize this risk.

50. Implementation benefited from a country environment that was free from major adverse shocks during the CPS period. There were indications that the WBG and the government worked well in coordinating implementation through well-structured communications that strengthened portfolio management, including joint comprehensive portfolio reviews twice a year. During implementation, the PLR made some revisions to the results framework, primarily downgrading expected outcomes where implementation was slower than anticipated and defining better some of the program's outcome indicators. However, it failed to articulate the CPS objectives in the results matrix. Bank-IFC activities were largely separate and independent from each other, with no evidence of the stronger collaboration that the CPS anticipated. There were no major safeguard issues. INT noted two complaints that were substantiated.

7. Assessment of CLR Completion Report

51. The CLR provides an informative assessment. The CLR provided evidence on the extent to which outcomes were achieved as well as on WBG's contribution to those outcomes, albeit limited by inadequacies in some indicators. However, its assessment of the development outcome could have been more consistent with the results framework and the Shared Approach of IEG/WBG on Assessing Country Engagement. The CLR discussed each of the fourteen outcomes with no discussion or rating of the eight objectives. There was also an inadequate attention to the role ASA may have played. The CLR provided little detail on implementation challenges and IDA responses to those challenges. Lessons could have been more specific and better articulated.

8. Findings and Lessons (see comments in the ES).

52. IEG agrees with CLR lessons which are summarized as follows. First, IDA's convening power can increase financing and catalyze development through levering its resources with those of other donors. Second, Government commitment combined with effective communication channels can improve portfolio management and implementation. Third, increased women participation (e.g., in roles under community rural road building programs) can help reduce poverty and contribute to shared prosperity. Fourth, existing institutional capacity levels and commensurate implementation arrangements are key determinants of the development objectives that can be achieved. Fifth, access to quality data will improve decision-making.

53. IEG provides the following additional lessons:

- First, Nicaragua's quest for improved social services would benefit from a stronger focus on quality. In the case of Nicaragua, available indicators suggest that primary education quality has not improved. A focus on education requires monitoring of quality levels. Complementing completion rates with periodic test scores will help understand what works for improving learning outcomes.

- Second, WBG's development effectiveness and impact could be further enhanced through joint Bank/IFC implementation. In the case of Nicaragua, it was envisaged in the CPS to have joint IDA/IFC work in education, health services and financial innovation. However, joint implementation did not materialize and the Bank/IFC pursued parallel and separate activities.

Annex Table 1: Summary of Achievements of CPS Objectives – Nicaragua

	CPS FY13-FY17: Focus area I: Improve Access to Quality Basic Services	Actual Results (as of current month/year)	IEG Comments
	CPS Objective 1: Improve educational attainment.		
Major Outcome Measures	Outcome (1): Increase in the completion rate of primary education (1st to 6th grade) in targeted municipalities Indicator: Primary completion rate in targeted municipalities Baseline (2010): Combined: 56.7% Girls: 58% Boys: 54% Target (2017): Combined: 75% Girls: 77% Boys: 74%	This outcome was supported by the Second Support to the Education sector project (P126357; FY12) and the related additional financing (P160057; FY17). The projects aimed to (a) improve the students' retention rate in Primary Education Schools located in Participating Municipalities; and (b) strengthen MINED's education management capacity. The outcome was also supported by the Nicaragua Social Protection project (P121779; FY11) which sought to improve Public preschool and primary retention rates in selected municipalities. This outcome has also received some support from the Alliance for Education Quality Project (P161029:FY17) which is aiming to improve (a) teacher practices for participating teachers in preschool, primary and secondary education nationwide, and (b) physical learning conditions in targeted schools. None of the projects that supported this outcome included this as an indicator to track progress on the outcome. Due to changes in data definitions, the FY13-17 PLR reported progress disaggregated by gender only through 2014. According to the PLR, the primary school completion rate (national) increased from 64.2 percent in 2010 to 77.8 percent in 2014. In the selected municipalities, the primary school completion rates increased from 56.7 percent in 2010 to 67.5 percent in 2014. For boys in the selected municipalities, the report indicated an increase from 54% to 66% while for girls, the increase was from 58% in 2010 to 69% in 2014. The FY13-17 CLR report indicated an increase in the primary completion rate from 56.7 percent registered in 2010 to 71.4 percent in 2015 although it did not disaggregate the data by gender. These figures could not be verified.	At the PLR stage, the target values were revised downwards to incorporate new available data. The new data also resulted in the correction and downward revision of the baseline values. The formulation of the original outcome was as follows: "*Increase in the completion rate of primary education:* *Baseline (2010):* *Girls: 81%* *Boys: 69%* *Combined: 75%* *Target (2017):* *Girls: 87%* *Boys: 83%* *Combined: 85%* Also, at PLR, the CPS outcome related to increase in the coverage of pre-school education (ages 3-5) was taken out and the name of Focus Areas I was changed from "Raise social welfare by improving access to quality basic services".

	CPS FY13-FY17: Focus area I: Improve Access to Quality Basic Services	Actual Results (as of current month/year)	IEG Comments
		According to data from the 2015 National Review of Education for All report, the national primary school completion rate advanced from 80.4% (2010) to 92.2% (2013). Partially Achieved	
	Outcome (2): Increase in Grade 9 (last year of lower secondary education) completion rate in targeted municipalities: Indicator: Grade 9 completion rate in targeted municipalities. Baseline (2010): Combined: 44.5% Girls: 45% Boys: 43% Target (2017): Combined: 57% Girls: 57% Boys: 57%	This outcome was supported by the two projects discussed above and by the Education Sector Strategy Support Project (P133557; FY13) whose objectives are to: (a) increase access to preschool education in selected municipalities, and to improve preschool education learning conditions nationwide; and (b) increase access to lower secondary education in selected municipalities, and improve lower secondary education quality and completion rates nationwide. According to the November 2017 management supervision report for the Education sector strategy support project (ISR:S), the combined grade 9 completion rate for the 2017 school year in selected municipalities was 71.9 percent which is higher than the CPS target. Achieved	The project' results reporting on completion rates in the targeted municipalities did not disaggregate the results by gender. Before the PLR, the original Outcome was: Quality of Education in primary and lower secondary improved as measure by national standardized tests • Increase in the percentage of Grade 9 students achieving advanced or above proficiency levels standardized evaluations from 4.4% to 9% in Math and from 37.4% to 44% in Spanish in 2010 and 2017, respectively.
	CPS Objective 2: Improve overall health of the population		
	Outcome (3): Increase in percentage of institutional deliveries in targeted municipal health networks: Indicator: Percentage of institutional deliveries in targeted municipal health networks. Baseline (2011): 72% Target (2015): 86%	This outcome was supported by the Community and Family Health Care Services project (P106870; FY11) and the associated additional financing (P146880; FY14). The projects sought to i) improve the access to, and the quality of, preventive and promotion health and nutrition services among poor and vulnerable populations in Nicaragua; (ii) strengthen the operational capacity of the Nicaragua Ministry of Health through the rehabilitation of health centers; and (iii) ensure financial support in case of a public health emergency. This outcome was also supported by the Strengthening the Public Health Care System project (P152136, FY15) which supported improvements in the quality of health services in selected municipal health networks through the financing of Capitation Payments to Selected Municipal Health Networks.	At the 2014 AF restructuring of the Community and Family Health Care Services project (P106870; FY11), new targets were set for 34 additional municipalities. For the new set of municipalities, the percentage of institutional deliveries increased from 73% in 2012 to 78% in 2016.

CPS FY13-FY17: Focus area I: Improve Access to Quality Basic Services	Actual Results (as of current month/year)	IEG Comments
	According to the IEG review for the Community and Family Health Care Services project IEG:S, the percentage of institutional deliveries in the 32 originally targeted municipal health networks, increased from 72% at baseline to 93% in 2016. Achieved	
Outcome (4): Increase in percentage of post-partum women receiving postnatal care: Indicator: Percentage of post-partum women receiving postnatal care. Baseline (2011): 32% Target (2014): 55%	This outcome was supported by three projects: the Community and Family Health Care Services project (P106870; FY11), its related additional financing (P146880; FY14) and the Strengthening the Public Health Care System project (P152136, FY15). IEG:S for the Community and Family Health Care Services project indicated that the percentage of post-partum women receiving postnatal care within ten days of delivery in the 32 original project municipalities targeted MHNs increased from 32% at baseline to 65% in 2016. Achieved	At the PLR stage this outcome was added to measure the relevant support of the WBG program. At the 2014 AF restructuring of the Community and Family Health Care Services project (P106870; FY11), new targets were set for 34 additional municipalities. For the additional municipalities, the percentage of post-partum women receiving postnatal care within 10 days of delivery increased from 50% in 2012 to 73% in 2016.
Outcome (5): Increase in percentage of children less than one year old immunized with the Pentavalent vaccine in targeted municipal health networks: Indicator: Percentage of children less than one year old immunized with the Pentavalent vaccine in targeted municipal health networks Baseline (2011): 88% Target (2014): 98%	This outcome was supported by the three projects discussed above: the Community and Family Health Care Services project (P106870; FY11), its related additional financing (P146880; FY14) and the Public Health Care System project (P152136, FY15). According to IEG:S for the Community and Family Health Care Services project, the percentage of children less than one-year-old immunized with the Pentavalent vaccine in targeted MHNs achieved full coverage (100%) in 2016, exceeding the original target of 98.5%. These results refer to the first 32 municipalities covered by the project. Target Achieved	At the 2014 AF restructuring of the Community and Family Health Care Services project (P106870; FY11), new targets were set for 34 additional municipalities. For the additional municipalities, the percentage of children less than one-year-old immunized with the Pentavalent vaccine achieved 97% coverage in 2016.
Outcome (6): Increase in sustainable access to water supply and sanitation services in rural, indigenous territories: Indicator: Number of people with sustainable access to water and sanitation services in rural areas.	The outcome was supported by the Rural Water Supply and Sanitation (P106283, FY08) and the related additional financing (P132102; 2013). The projects sought to increase access by project beneficiaries to sustainable water and sanitation services in rural areas of Nicaragua.	At the PLR stage, this outcome was revised to reflect the WBG program. Instead of measuring access at the national level, the PLR revised the baselines and targets to reflect the 108 municipalities that are supported by the WBG.

	CPS FY13-FY17: Focus area I: Improve Access to Quality Basic Services	Actual Results (as of current month/year)	IEG Comments
	Baseline (2008): Water: 0 Sanitation: 0 Target (2017): Water: 45,000 Sanitation: 47,000	The outcome also received support from the Greater Managua Water and Sanitation project (P110092:FY09) which sought to increase access to reliable* water and sanitation services to the population of the greater Managua region. The Bank also delivered a Non-Lending Technical Assistance (NLTA) project (P132169; FY15) whose objective was to assist in the design, planning, and execution of a pilot initiative aimed at testing a new demand-based sanitation approach and to develop new on-site sanitation technologies in Nicaragua. The outcome was also supported by the Sustainable Rural Water Supply and Sanitation Sector project (P147006; FY14) whose objective was to (a) to increase the access to sustainable WSS services in selected poor rural areas of Nicaragua. Finally, the outcome was supported by MIGA which provided a guarantee of US$11 million, covering an equity investment in a bathroom ceramic ware plant, *Industria Cerámica Centroamericana S.A.*, as well as a trademark license. The investment aimed at contributing to greater availability of sinks and toilets in the country. According to IEG:S for the Water Supply and Sanitation project, by March 31 2015, a total of 64,440 additional beneficiaries had access to new water supply while 44,120 beneficiaries had access to (and estimated to use the) sanitation services. The June 2017 ISR:MU for the Sustainable Rural Water Supply and Sanitation Sector project reported that, by January 2017, an additional 1,257 beneficiaries had sustainable access to water supply in Project supported rural communities while only 203 had sustainable access to sanitation in Project supported rural communities. Overall, a total of 65,697 additional beneficiaries had access to new water supply while 44,323 beneficiaries had access to (and estimated to use the) sanitation services. Mostly Achieved	The original specification of this outcome was: "*Increase in rural access to water and sanitation improved by 4.5pp and 1.pp by 2014*".

	CPS FY13-FY17: Focus area I: Improve Access to Quality Basic Services	Actual Results (as of current month/year)	IEG Comments
	CPS Objective 3: Design and implement a results-based financial management system		
	Outcome (7): Multi-year sectoral strategy informs the budget, as measured by an improvement in the Public Expenditure and Financial Accountability Indicator # 12 (Public Asset Management): <u>Indicator:</u> Public Expenditure and Financial Accountability Indicator # 12 (Public Asset Management): Baseline (2010): C Target (2017): B+	This outcome was supported by the Public Financial Management Modernization Project (P111795; FY11) whose objective was to enhance the efficiency, performance orientation, and transparency of Nicaragua's public expenditures management. The August 2017 management supervision report for the Public Financial Management Modernization Project (ISR:MS) indicated that the 2015 PEFA scores for Indicator 12 was B+. According to the latest PEFA assessment report (2015 PEFA), the score for PEFA indicator #12 was B+. However, Nicaragua's CPIA rating for the "quality of budgetary and financial management" declined from 4 in 2010 to 3.5 in 2015 and 2016. Target Achieved Objective: Mostly Achieved.	At the PLR stage the outcome was revised to simplify the language. The original outcome was: *Fiscal and budgetary projections are analyzed under a multi-annual perspective and are linked to budget and expenditure policies through the implementation of the MTBF and results-budgeting methodologies*

	CPS FY13-FY17: Focus Area II: Increase Competitiveness and Productivity	Actual Results (as of current month/year)	IEG Comments
<u>Major Outcome Measures</u>	CPS Objective 4: Expand rural infrastructure		
	Outcome (8): Increase in the number of rural people with access to an all-season road: <u>Indicator:</u> Number of rural people with access to an all-season road Baseline (2011): 945,000 Target (2017): 1,019,000	This outcome was supported by the Rural Roads Infrastructure Improvement Project (P123447; FY12) and its additional financing (FY14) which sought to improve the access of the rural population living in the Project areas to markets, and to social and administrative services through: (i) improvements in the Recipient's road infrastructure, and (ii) the strengthening of MTI's institutional capacity for asset and disaster risk management. Two other projects also sought to support this outcome: the Fourth Roads Rehabilitation and Maintenance Project (FY06) and the Rural and Urban Access Improvement Project (FY17) The August 2017 ISR:S for Rural Roads Infrastructure reported that by March 2017, 1,077,108 rural people had access to an all-season road. Achieved	At the PLR stage, the original outcome was moved to milestones and this outcome added as a new outcome. The original outcome was: *Roads in good and fair condition as a share of total classified roads Baseline (2011):* 29% of the total classified network of 23,647 km Target (2017): 35%

	CPS FY13-FY17: Focus Area II: Increase Competitiveness and Productivity	Actual Results (as of current month/year)	IEG Comments
	Outcome (9): Increase in access to telephone services (fixed line and cellular phones per 100 people) and to internet services (subscribers per 100 people) in rural areas: Indicator: Number of fixed line and cellular phones per 100 people number of internet subscribers per 100 people in rural areas: Baseline (2008): Telephone: 37.83 Internet 2.8 Target (2015): Telephone: 117 Internet: 16.5	This outcome was supported by the Rural Telecom Project (P089989; FY06) which sought to increase access to and reduce costs of telecommunications services in rural areas of Nicaragua. A Caribbean Telecom project (P155235: FY17) is in its early implementation stage. According to IEG: S, of the Rural Telecom Project by June 30, 2015 the number of people with access to telephone services (fixed mainlines plus cellular phones) was 117.32 per 100. The number of people with access to Internet services was 16.5 subscribers per 100 people. These results included both urban and rural areas of Nicaragua The World Development Indicators database indicates the following results by 2016: Mobile cellular subscriptions per 100 people: 122.1 - Fixed telephone subscriptions per 100 people: 5.8. A United Nations Database indicates that the number of Internet users (per 100 people) was 19.7 in 2015. Achieved	At the PLR stage this outcome was added to reflect the WBG support under this CPS that was omitted from the original given the uncertainty in implementation. Although the reported CLR results measured access at the national level (urban plus rural), the indicator was supposed to track changes in access to telephone and internet services in rural areas. The management completion report for the Telecom project (ICR:S) noted that the tracking of results at the national level was considered strategically relevant because they (i) better allowed for aggregation across projects; (ii) were heavily used by shareholders to understand the impact of WBG work; (iii) allowed international comparison; and (iv) were readily available from telecommunications operators, regulators and Information Telecommunications Union (ITU).
	CPS Objective 5: Increase renewable energy production		
	Outcome (10): Additional 100MW of renewable energy in the system: Geothermal: San Jacinto plant operating since December 2012 with capacity of 59MW Wind power: EOLO plant operating since February 2013 with capacity of 44 MW	This outcome was supported in part by a US$50.5 million IFC investment in the San Jacinto Geothermal Power Plant (27676, FY10). The outcome was also supported by a 2013, MIGA issued guarantee of $16.3 million to GME Wind (10994, 2013), covering its equity investment in the project for a period of up to 20 years against the risks of transfer restriction, expropriation, and war and civil disturbance. The Eolo project involved the construction of a 44-megawatt wind farm in Rivas Province on the shores of Lake Nicaragua. According to the December 2017 Client Supervision report for the IFC Geothermal project, the gross generation level at San	At PLR stage, this outcome was revised to ensure clarity. The original outcome was: *Increased 100 MW in renewable energy (IFC, MIGA) (2012-2017)*

CPS FY13-FY17: Focus Area II: Increase Competitiveness and Productivity	Actual Results (as of current month/year)	IEG Comments
	Jacinto is at a level that is typically about 62 MW. Media reports indicate that the EOLO wind plant was inaugurated in May 2013. A 2015 MIGA brief on the project indicated that the 44 MW wind farm project is estimated to generate 178 GWh of electricity per year from a renewable energy source. Achieved	
CPS Objective 6: Increase agricultural productivity		
Outcome (11): Increase in crop production by farmers benefitting from technical assistance programs of the Nicaraguan Institute of Agricultural Technology: Indicator: Amount of crop production by beneficiaries Baseline (2005): 1,800 metric ton Target (2014): 4,000 metric ton	This outcome was supported by the Second Agricultural Technology project (P087046; FY06) and the related additional financing (P114375; FY10). Together these projects sought to provide rural households and communities with broader access to sustainable agricultural, forestry and natural resource management services and innovations and to stimulate higher productivity. The outcome was also supported through a NLTA project (P144535; FY13) that sought to support the Government of Nicaragua in its preparation and delivery of a proposal to the Global Agriculture and Food Security Program (GAFSP). The proposal, once developed, would set forth activities to improve the income and food security of poor small-scale farmers in Honduras through more and better country-led public and private sector investment in order to: (i) raise agricultural productivity; (ii) link farmers to markets; (iii) reduce risk and vulnerability to these farmers; (iv) improve non-farm rural livelihoods; and (v) facilitate technical assistance. The outcome received additional support from the Trust Funded Caribbean Coast Food Security Project (P148809: FY15) which sought to enhance food and nutritional security in selected communities of the Caribbean Coast of Nicaragua. The Bank also delivered an Agriculture Public Expenditure Review (P127573; FY13) which would i) provide a better understanding of the level and composition of public expenditure in agriculture; ii) assess the and distribution of public spending and its effect on poverty	At the PLR stage the original outcome was revised because the WB/IFC Agriculture Competitiveness Project did not materialize due to Government priorities and the WBG continued with the implementation of the Second Land Administration Project. The original outcome was "*Improve productivity, production and producers incomes in one key export crop*." Although the project was validated by IEG, IEG:MS, the IEG review did not report on this indicator.

	CPS FY13-FY17: Focus Area II: Increase Competitiveness and Productivity	Actual Results (as of current month/year)	IEG Comments
		reduction, food security and agricultural growth in Nicaragua; and iii) provide recommendations on improving the use of public resources in the sector. IFC invested in a sugar plantation (Montelimar) and, with IDB and other partners, financed farmers to restore coffee plantations. According to the management completion report of the Second Agricultural Technology project (ICR:S), about 69,973 producers benefitted from technical assistance provided by INTA (41,983 men and 27,990 women). Accordingly, production of basic and registered seed expanded from 1,806 MT to 4,728 tons. The report also noted that INTA surveys showed that yields for maize, beans and rice increased 16 percent over the national average and that farmers participating in the project had yields 60 percent higher than farmers than did not participate in it. The outcome indicator in this case referred specifically to the amount of crop production instead of the amount of seed production as was reported in the project completion report and in the CLR. Therefore, while there was a verifiable increase in the seed production the increase in the crop production could not be verified. Not Verified	
	CPS Objective 7: Improve the investment climate		
	Outcome (12): Increase in MSME sales by 150%: Indicator: Improvement in MSME sales Baseline (2009): 0 Target (2017): 600	This outcome was supported by the Micro, Small & Medium Enterprise Development. Project (P109691; FY08) which sought to improve the competitiveness of micro, small, and medium enterprises (MSMEs) and the business climate that affects those firms. The (IEG:S) reported that within the 617 firms that increased their sales during project implementation, the average rise in nominal monthly sales was 165 percent. There is no information about the results for the remaining enterprises of the 864 that received project grants. Partially Achieved	At PLR stage this outcome was added to reflect WBG support which was initially omitted due to slow implementation at the time. The outcome indicator is biased upwards by its exclusion of the MSMEs that reduced or did not expand sales.

	CPS FY13-FY17: Focus Area II: Increase Competitiveness and Productivity	Actual Results (as of current month/year)	IEG Comments
	Outcome (13): Reduce the number of days to register a new business: Indicator: Number of days to register a new business Baseline (2012): 39 days Target (2017): 10 days	This outcome was supported by the Micro, Small & Medium Enterprise Dev. Project (P109691; FY08). IEG:S, indicated that the time taken for starting a business (as measured by the Bank's Doing Business indicators) declined from 39 days to 13 by the end of the project in 2015. The 2017 Doing business report reported the number of days to start a new business as 13 in 2016 while the 2018 Doing business report indicated that it took 14 days to start a new business in 2017. Mostly achieved Objective: Partially achieved	
	CPS Objective 8: Improve access to finance		
	Outcome (14): Increase in the number of people, microenterprises, and SMEs reached with financial services: Indicator: Number of people, microenterprises, and SMEs reached with financial services: Baseline (2012): 62,152 Target (2017): 85,200	This outcome was supported by a FY14 IFC investment of $7 million in Fondo de Desarrollo Local (FDL) to support FDL's expansion of its lending in the rural agribusiness sector and to micro-entrepreneurs in Nicaragua through its network of rural branches. FDL is the largest microfinance institution in Nicaragua, with approximately 31 percent of its portfolio concentrated in extreme and high poverty regions. The IFC investment was financed by the private sector window of the Global Agriculture and Food Security Program supported this outcome. The results for this IFC project are not indicated in the supervision report. Not Verified	At the PLR stage this outcome was added to reflect IFC activities.

Annex Table 2: Nicaragua Planned and Actual IDA Lending, FY13-17

Project ID	Project Name	Proposed FY	Approved FY	Closing FY	Proposed Amount (CPS)	Proposed Amount (PLR)	Approved IDA Amount	Outcome Rating
Projects Planned Under CPS/PLR 2013-2017								
P121152	NI Second Land Administration Project	2013	2013	2020	38		40.0	LIR: S
P132102	NI AF Rural WSS	2013	2013	2015	6		6.0	
P132108	NI (AF) Hurricane Felix Emerg. Recovery	2013	2013	2015	5		5.0	
P147006	NI Sustainable Rural WSS Sector	2014	2014	2020	30		30.0	LIR: MU
P149895	Regional -Catastrophe Risk Insurance Project	2014	2014	2021		12	12.0	LIR: S
DROPPED	Agriculture Competitiveness	2014			25			
P152136	Strengthening the Public Health Care Sys	2016	2015	2021	25		60.0	LIR: S
DROPPED	Logistics and Trade Facilitation	2015			25			
DROPPED	Social Protecion	2016			25			
P160359	Rural & Urban Access Improvement Project	2017	2017	2022	30		96.8	LIR: S
	Total Planned				209		249.8	
Projects Unplanned Under CPS/PLR 2013-2017								
P146845	NI Rural Roads Infrastructure Imp. AF		2014	2018			57.0	
P146880	NI-(AF) Community Health Project		2014	2016			10.0	
P150743	NI PFM Additional Financing		2015	2019			25.0	
P155235	CARCIP-Nicaragua		2017	2023			20.1	LIR: S
P160057	Additional Financing - PASEN 2		2017	2018			5.0	
P161029	ACE		2017	2022			55.0	LIR: S
P163246	Additional Financing PRODEP II		2017	2020			18.0	
	Total Unplanned						190.1	
On-Going Projects during the CPS/PLR 2013-2017								
P056018	NI LAND ADMINISTRATION PROJECT		2002	2013			32.6	IEG: S
P077826	NI Broad-Based Access to Finan Services		2004	2013			7.0	IEG: MS
P083952	NI (CRL) Roads Rehab & Maintenance IV		2006	2015			60.0	IEG: S
P087046	NI 2nd Agricultural Technology Project		2006	2014			12.0	IEG: MS
P089989	NI Rural Telecom		2006	2015			7.0	LIR: MS
P106283	NI Rural Water Supply and Sanitation		2008	2015			20.0	IEG: S
P108974	NI Hurricane Felix Emergency Recovery		2008	2015			17.0	IEG: U

Project ID	Project Name	Proposed FY	Approved FY	Closing FY	Proposed Amount (CPS)	Proposed Amount (PLR)	Approved IDA Amount	Outcome Rating
P109691	NI Micro, Small & Medium Enterprise Dev.		2008	2015			20.0	IEG: S
P110092	NI Greater Managua Water and Sanitation		2009	2015			40.0	IEG: MS
P114375	NI (AF) GFRP 2nd Agric. Technology		2010	2014			10.0	
P117836	NI (AF) Land Administration		2010	2013			10.0	
P119709	NI (AF-C) 4th Roads Rehab & Maint.		2010	2015			39.3	
P106870	NI Comm. and Family Health Care Services		2011	2016			21.0	IEG: S
P111795	NI PFM Modernization TAL		2011	2019			10.0	LIR: MS
P121779	NI Social Protection		2011	2017			19.5	LIR: S
P123447	NI Rural Roads Infrastructure Imp.		2012	2018			35.0	LIR: S
P126357	NI 2nd Support to the Education Sector		2012	2018			25.0	LIR: MS
P129264	NI (AF) Rural Telecom		2012	2015			5.0	
	Total On-Going						390.4	

Source: WB Business Intelligence 12/22/2017

Annex Table 3: Advisory Services and Analytics Deliveries for Nicaragua, FY13-17

Proj ID	Economic and Sector Work	World Bank Global Practice	Fiscal year	Report Type
P123253	NI CEM	MFM	FY13	Country Economic Memorandum (CEM)
P127573	NI Agriculture Public Expenditure Review	Governance	FY13	Public Expenditure Review (PER)
P146093	NI PEFA Nicaragua	Governance	FY16	Public Expenditure Financial Accountability
P152101	Const. & Opport. Analysis in Ag Sector	Agriculture	FY16	Sector or Thematic Study/Note
Proj ID	**Non-Lending Technical Assistance**	**World Bank Global Practice**	**Fiscal year**	**Output Type**
P144535	NI - (JIT) GASFP	Agriculture	FY13	Technical Assistance
P126916	Nicaragua #10136 Consumer Protection Pro	Finance & Markets	FY14	Technical Assistance
P144344	Nicaragua #10213 Payment Systems	Finance & Markets	FY14	Technical Assistance
P144945	AML/CFT TA to Nicaragua	Finance & Markets	FY14	Technical Assistance
P132169	Creating Sustainable SanitanitaServices	Water	FY15	Technical Assistance
P147229*	Doing Business	Trade & Competitiveness	FY15	Technical Assistance
P149357	Nicaragua#A037 Streng. Sup. of Microfin	Finance & Markets	FY16	Technical Assistance
P157750	CMC: Nicaragua Debt Management Reform Plan	MFM	FY16	Technical Assistance

Source: WB Business Intelligence 12/14/2017
Note: *Refers to a regional (Central America) Technical Assistance project

Annex Table 4: Nicaragua Grants and Trust Funds Active in FY13-17

Project ID	Project Name	Trust Fund ID	Approval FY	Closing FY	Approved Amount (US$ M)	IEG Outcome Rating
P094154	Precious Woods Project	TF 56528	2006	2019	0.79	
P115882	Grant for Alternative Indigenous and Afro-Des. Agrof. Project in Nicaragua	TF 93115	2009	2013	1.99	
P122181	Nicaragua Food Emergency Support Program for School Children	TF 97212	2011	2013	2.97	
P087046	Second Agricultural Technology Project	TF 99911	2011	2013	2.05	IEG: MS
P106870	Improving Community and Family Health Care Services Project	TF 97259	2011	2013	0.40	IEG: S
P121135	Drought-Hardy "Food Forests" to Help Miskito Children Weather the Storm	TF 97650	2011	2013	0.20	
P120657	Nicaragua FCPF REDD Readiness	TF 99264	2012	2018	3.80	
P121779	Nicaragua Social Protection	TF 10216	2012	2013	2.75	
P126788	Investment Phase under the Caribbean Coast Development Program	TF 99797	2012	2014	2.47	
P126812	Save the Children - Grant Investment Phase under the Caribbean Coast Development Program	TF 99791	2012	2014	1.20	
P126788	Investment Phase under the Caribbean Coast Development Program	TF 10432	2012	2014	0.85	
P126788	Investment Phase under the Caribbean Coast Development Program	TF 11097	2012	2014	0.85	
P133557	Education Sector Strategy Support Project	TF 13232	2013	2018	16.70	LIR:S
P133557	Education Sector Strategy Support Project	TF 13410	2013	2018	6.00	LIR:MU
P111795	NI Public Financial Management Modernization Project	TF 14059	2013	2016	3.35	
P144462	Reducing the Vulnerability of Small Farmers to Price Risk	TF 14338	2013	2016	1.00	
P131210	Nicaragua Strengthening Investment & Export Promotion	TF 12322	2013	2016	0.24	
P133557	Education Sector Strategy Support Project	TF 15143	2014	2018	34.75	LIR:S
P144415	Strengthening Institutional Capacity of GRAAN	TF 14561	2014	2017	0.60	
P148809	NI Caribbean Coast Food Security Project	TF 18703	2015	2020	33.90	LIR:S
P161359	Improving Quality and Efficiency of Public Sector Audit	TF A4518	2017	2018	0.50	
	Total				117.36	

Source: Client Connection as of 12/18/17
IEG Validates RETF that are 5M and above

Annex Table 5: IEG Project Ratings for Nicaragua, FY13-17

Exit FY	Project ID	Project Name	Total Evaluated ($M)	IEG Outcome Rating	IEG Risk to Development Outcome Rating
2013	P056018	NI Land Administration Project	48.1	Satisfactory	Moderate
2013	P077826	NI Broad-Based Access to Finan Services	5.5	Moderately Satisfactory	Moderate
2014	P087046	NI 2nd Agricultural Technology Project	22.0	Moderately Satisfactory	Significant
2015	P083952	NI (CRL) Roads Rehab & Maintenance IV	101.0	Satisfactory	Moderate
2015	P106283	NI Rural Water Supply and Sanitation	23.3	Satisfactory	Significant
2015	P108974	NI Hurricane Felix Emergency Recovery	14.6	Unsatisfactory	High
2015	P109691	NI Micro, Small & Medium Enterprise Dev.	12.2	Satisfactory	Negligible To Low
2015	P110092	NI Greater Managua Water and Sanitation	39.4	Moderately Satisfactory	High
2016	P106870	NI Comm. and Family Health Care Services	30.8	Satisfactory	Low
		Total	296.8		

Source: Business Intelligence Key IEG Ratings as of 12/14/2017

Annex Table 6: IEG Project Ratings for Nicaragua and comparators, FY13-17

Region	Total Evaluated[1] ($M)	Total Evaluated (No)	Outcome % Sat ($)	Outcome % Sat (No)	RDO % Moderate or Lower Sat ($)	RDO % Moderate or Lower Sat (No)
Nicaragua	296.8	9	95	89	56	44
LCR	24,828.7	208	85	70	57	52
World	92,475.8	1,080	85	72	56	45

Source: Business Intelligence as of 12/14/17
1)The total evaluated amount is understated because it does not include the net commitments of trust funded projects evaluated by IEG.
* Refer to Annex Table 5 for IEG project ratings.

Annex Table 7: Portfolio Status for Nicaragua and Comparators

Fiscal Year	2013	2014	2015	2016	2017	Average FY13-17
Nicaragua						
# Proj	18	18	13	10	13	14
# Proj At Risk	-	1	1	1	2	1
% Proj At Risk		6	8	10	15	10
Net Comm Amt	398	507	420	385	561	454
Comm At Risk	-	16	50	6	36	27
% Commit at Risk	-	3	12	2	6	6
LCR						
# Proj	332	315	291	259	260	291
# Proj At Risk	72	70	68	63	67	68
% Proj At Risk	22	22	23	24	26	23
Net Comm Amt	30,843	29,271	27,713	29,360	28,925	29,222
Comm At Risk	6,097	6,356	5,866	5,535	5,223	5,816
% Commit at Risk	20	22	21	19	18	20
World						
# Proj	1,964	2,048	2,022	1,975	2,072	2,016
# Proj At Risk	414	412	444	422	449	428
% Proj At Risk	21	20	22	21	22	21
Net Comm Amt	176,203	192,610	201,045	220,332	224,459	202,930
Comm At Risk	40,806	40,934	45,988	44,245	52,549	44,904
% Commit at Risk	23	21	23	20	23	22

Source: Business Intelligence as of 12/14/17
Note: Includes both IBRD/IDA projects and Trust Fund grants.

Annex Table 8: Disbursement ratio for Nicaragua and Comparators, FY13-17

Fiscal Year	2013	2014	2015	2016	2017	Overall Result
Nicaragua						
Disbursement Ratio (%)*	27	41	34	33	44	35
Inv Disb in FY	45	70	59	64	56	295
Inv Tot Undisb Begin FY	166	173	175	194	128	835
LCR						
Disbursement Ratio (%)*	24	19	20	21	21	21
Inv Disb in FY	3,421	2,414	2,457	2,588	2,687	13,567
Inv Tot Undisb Begin FY	14,385	12,991	12,076	12,429	12,608	64,490
World						
Disbursement Ratio (%)*	20	20	21	19	20	20
Inv Disb in FY	19,050	19,414	20,318	19,401	20,572	98,755
Inv Tot Undisb Begin FY	96,039	96,255	95,816	103,447	103,733	495,289

* Calculated as IBRD/IDA disbursements made in FY/Opening Undisbursed amount at FY. Restricted to Investment Lending instrument type.
Source: Business Intelligence database as of 12/14/2017

Annex Table 9: Net Disbursement and Charges for Nicaragua (US$ M), FY13-17

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
FY13	45.0	3.5	41.4	0.0	3.6	37.8
FY14	70.1	4.5	65.7	0.0	3.9	61.8
FY15	59.0	5.6	53.4	0.0	3.9	49.5
FY16	68.7	5.9	62.8	0.0	4.0	58.8
FY17	57.6	7.3	50.2	0.0	4.3	46.0
Report Total	300.4	26.8	273.6	0.0	19.7	253.9

Source: World Bank Client connection as of 12/22/2017

Annex Table 10: Total Net Disbursements of Official Development Assistance

Development Partner	2013	2014	2015
Australia	0.9	0.14	0.23
Austria	4.08	2.34	1.85
Belgium	3.78	2.8	2.15
Canada	13.63	12.5	13.91
Czech Republic	0.01	0.01	0.01
Denmark	-24.87	0.56	0.37
Finland	4	1.61	1.84
France	0.92	1.02	0.71
Germany	16.21	17.69	11.65
Greece	0.01	0.01	0.01
Iceland	0.08	-	-
Ireland	1.59	1.66	1.38
Italy	0.68	0.66	1.06
Japan	19.12	13.11	16.47
Korea	6.63	19.2	10.43
Luxembourg	15.39	11.78	7.82
Netherlands	5.93	0	-
Norway	18.31	11.51	7.1
Poland	-	-	0.01
Portugal	0.04	0.05	0.01
Spain	27.54	14.99	9.18
Sweden	1.99	3.02	1.99
Switzerland	24.09	18.05	21.15
United Kingdom	0.08	0.12	0.24
United States	39.26	25.68	40.94
DAC Countries, Total	179.4	158.52	150.51
Russia	36.4	17.24	4.56
Turkey	0.01	-	-
Non-DAC Countries, Total	36.41	17.24	4.56

Development Partner	2013	2014	2015
EU Institutions	61.41	34.69	47.98
International Monetary Fund, Total	-16.32	-21.91	-26.83
IMF (Concessional Trust Funds)	-16.32	-21.91	-26.83
Regional Development Banks, Total	151.89	163.17	190.62
Inter-American Development Bank, Total	151.89	163.17	190.62
IDB Special Fund	151.89	163.17	190.62
United Nations, Total	8.95	12.7	9.19
Food and Agriculture Organisation [FAO]	0.85	-	-
International Atomic Energy Agency [IAEA]	0.73	0.51	0.17
IFAD	2.84	6.96	4.43
International Labour Organization [ILO]	0.32	0.22	0.36
UNAIDS	-	-	0.01
UNDP	1.57	1.76	1.47
UNFPA	1.38	1.41	1.27
UNICEF	1.08	1.07	1.37
WFP	0.19	0.78	0.1
World Bank Group, Total	60.76	47.8	61.44
World Bank, Total	60.76	47.8	61.44
International Bank for Reconstruction and Development [IBRD]	-	-	-
International Development Association [IDA]	60.76	47.8	61.44
Other Multilateral, Total	13.29	18.6	16.65
Global Alliance for Vaccines and Immunization [GAVI]	4.78	4.36	2.62
Global Environment Facility [GEF]	2.08	3.63	3.55
Global Fund	7.45	7.21	5.06
Nordic Development Fund [NDF]	-0.03	1.24	0.89
OPEC Fund for International Development [OFID]	-1	2.16	4.53
Multilateral Agencies, Total	280.0	255.1	299.1
Development Partners, Total	495.8	430.8	454.1

Source: OECD Stat database as of 12/22/2017
2016 data not yet available.

Annex Table 11: Economic and Social indicators for Nicaragua, 2013-2016

Series Name	2013	2014	2015	2016	Nicaragua	LCR	World
					Average 2013-2016		
Growth and Inflation							
GDP growth (annual %)	4.9	4.8	4.9	4.7	4.8	0.8	2.7
GDP per capita growth (annual %)	3.7	3.6	3.7	3.5	3.6	-0.3	1.4
GNI per capita, PPP (current international $)	4,640	4,910	5,140	5,390	5,020.0	14,935.3	15,403.0
GNI per capita, Atlas method (current US$)	1,810	1,890	1,960	2,050	1,927.5	9,298.5	10,653.6
Inflation, consumer prices (annual %)	7.1	6.0	4.0	3.5	5.2	2.8	2.1
Composition of GDP (%)							
Agriculture, value added (% of GDP)	18.3	18.5	18.2	17.3	18.1	5.4	3.9
Industry, value added (% of GDP)	28.1	27.8	27.2	26.8	27.5	28.5	27.7
Services, etc., value added (% of GDP)	53.6	53.7	54.6	55.9	54.5	66.1	68.4
Gross fixed capital formation (% of GDP)	28.7	27.7	30.1	..	28.9	20.2	23.5
External Accounts							
Exports of goods and services (% of GDP)	45.2	45.0	40.0	39.0	42.3	20.9	30.0
Imports of goods and services (% of GDP)	65.8	61.7	58.2	57.0	60.7	22.7	29.4
Current account balance (% of GDP)	-10.9	-7.1	-9.0	-8.6	-8.9		
External debt stocks (% of GNI)	91.1	87.7	85.0	85.4	87.3		
Total debt service (% of GNI)	6.0	6.1	6.5	6.4	6.3	4.5	
Total reserves in months of imports	3.2	3.6	3.8	3.7	3.6	9.7	13.4
Fiscal Accounts[1]							
General government revenue (% of GDP)	23.5	23.3	23.9	25.2	24.0	27.8	
General government total expenditure (% of GDP)	24.2	24.5	25.3	26.8	25.2	33.1	
General government net lending/borrowing (% of GDP)	-0.7	-1.2	-1.4	-1.6	-1.2	-5.3	
General government gross debt (% of GDP)	28.8	28.7	28.9	31.0	29.4	53.1	
Health							
Life expectancy at birth, total (years)	74.5	74.8	75.0	..	74.8	75.1	71.7
Immunization, DPT (% of children ages 12-23 months)	98.0	98.0	98.0	98.0	98.0	89.5	85.3
Improved sanitation facilities (% of population with access)	67.8	67.8	67.9	..	67.8	82.9	67.0
Improved water source (% of population with access)	86.8	86.9	87.0	..	86.9	94.5	90.5
Mortality rate, infant (per 1,000 live births)	18.6	17.9	17.3	16.8	17.7	15.6	32.0
Education							
School enrollment, preprimary (% gross)	..	..	..	..		76.0	47.4
School enrollment, primary (% gross)	..	..	..	..		108.6	104.7
School enrollment, secondary (% gross)	..	..	..	..		93.8	76.1
School enrollment, tertiary (% gross)	..	..	..	..		44.6	34.5
Population							
Population, total (millions)	5.9	6.0	6.1	6.1	6.0	627.6	7,312.3
Population growth (annual %)	1.2	1.1	1.1	1.1	1.1	1.1	1.2
Population, female (% of total)	50.7	50.7	50.7	50.7	50.7	50.6	49.6
Urban population (% of total)	58.1	58.5	58.8	59.1	58.6	79.7	53.6

Source: World Development Indicators database as of 12/14/2017

1) Data from the IMF's World Economic Outlook Database, April 2017. 2016 data are estimates

Annex Table 12: List of IFC Investments in Nicaragua

Investments Committed in FY13-FY17

Project ID	Cmt FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm
38658	2017	Active	Finance & Insurance	G	30,000	30,000	-	30,000	-	-	30,000	-	30,000
39044	2017	Active	Construction and Real Estate	E	13,000	13,000	-	13,000	-	-	13,000	-	13,000
38463	2016	Active	Oil, Gas and Mining	E	403	-	404	404	-	57	404	347	347
32519	2015	Active	Oil, Gas and Mining	G	10,000	-	5,679	5,679	-	-	5,679	5,679	5,679
33779	2015	Active	Health Care	E	4,350	4,350	-	4,350	-	-	4,350	-	4,350
33969	2015	Closed	Agriculture and Forestry	E	30,000	12,000	-	12,000	-	-	12,000	-	12,000
28799	2014	Active	Finance & Insurance	E	7,000	5,000	-	5,000	-	-	5,000	-	5,000
32383	2014	Closed	Agriculture and Forestry	G	17,600	4,500	-	4,500	4,500	-	-	-	-
34131	2014	Active	Finance & Insurance	G	15,000	3,750	-	3,750	-	-	3,750	-	3,750
32253	2013	Active	Food & Beverages	E	15,000	15,000	-	15,000	-	-	15,000	-	15,000
			Sub-Total		142,353	87,600	6,084	93,684	4,500	57	89,184	6,026	89,126

Investments Committed pre-FY13 but active during FY13-17

Project ID	CMT FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm
27676	2011	Active	Electric Power	G	409,000	50,300	-	50,300	-	-	50,300	-	50,300
29570	2011	Active	Finance & Insurance	E	10,000	133,087	-	133,087	-	-	133,087	-	133,087
28207	2010	Active	Finance & Insurance	E	15,000	114,454	-	114,454	-	-	114,454	-	114,454
26819	2009	Active	Agriculture and Forestry	G	52,000	25,000	-	25,000	-	-	25,000	-	25,000
27968	2009	Active	Finance & Insurance	E	5,000	43,470	-	43,470	-	-	43,470	-	43,470
26287	2008	Active	Finance & Insurance	E	20,000	203,358	-	203,358	-	-	203,358	-	203,358
26820	2008	Active	Health Care	G	25,861	11,000	-	11,000	4,500	-	6,500	-	6,500
25331	2007	Active	Agriculture and Forestry	E	62,000	25,000	-	25,000	-	-	25,000	-	25,000
			Sub-Total		598,861	605,668	-	605,668	4,500	-	601,168	-	601,168
			TOTAL		741,214	693,268	6,084	699,352	9,000	57	690,352	6,026	690,295

Source: IFC-MIS Extract as of 8/30/17

Annex Table 13: List of IFC Advisory Services in Nicaragua

Advisory Services Approved in FY13-17

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US$
598187	LAC - IDA, C3P Business Development	2017	2017	ACTIVE	CAS	560,371
600900	FDL Alternative Delivery Channels	2016	2017	ACTIVE	FIG	115,925
600532	Nicaragua MLR Forestal	2015	2015	ACTIVE	MAS	54,417
600321	Coffee Renovation Response 1 - Ecom	2014	2018	ACTIVE	MAS	747,529
595727	Cocoa Rehabilitation Mesoamerica	2013	2015	ACTIVE	MAS	573,404
599518	FUNDESER RM MF	2013	2014	ACTIVE	FIG	137,936
	Sub-Total					2,189,582

Advisory Services Approved pre-FY13 but active during FY13-17

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US$
580708	Ecom Renovation - Nicaragua	2011	2013	CLOSED	SBA	434,831
575307	Building SMG's Sustainable Wood Supply through Community Forest Management	2010	2013	TERMINATED	SBA	670,083
576087	Building competitiveness for CISA coffee farms in Nicaragua through productivity and sustainability	2010	2013	TERMINATED	SBA	620,000
577387	Ecom Renovation	2010	2013	CLOSED	SBA	760,000
	Sub-Total					2,484,914
	TOTAL					4,674,496

Source: IFC AS Data as of 10/15/17

Annex Table 14: IFC net commitment activity in Nicaragua, FY13 - FY17

		2013	2014	2015	2016	2017	Total
Financial Markets			8,750,000			30,000,000	38,750,000
Trade Finance (TF)		53,430,897	69,518,562	73,911,372	104,748,310	125,477,785	427,086,926
Agribusiness & Forestry	Primary Production & Commodity Processing	15,000,000					15,000,000
	Packaged Food & Beverages		4,500,000	7,500,000			12,000,000
	Forest & Wood Products					(700,000)	(700,000)
Tourism, Retail, Construction & Real Estates (TRP)	Property (Construction & Real Estate)					13,000,000	13,000,000
Health, Education, Life Sciences	Health			4,350,000			4,350,000
Oil, Gas & Mining	Mining			5,616,211	350,282		5,966,493
Infrastructure	Electric Power				(1,571,338)		(1,571,338)
Total		68,430,897	82,768,562	91,377,582	103,527,254	167,777,785	513,882,081

Source: IFC MIS as of 10/20/17

Annex Table 15: List of MIGA Activities in Nicaragua, 2013-2017

ID	Contract Enterprise	FY	Project Status	Sector	Investor	Max Gross Issuance
10120	EcoPlanet Bamboo Nicaragua - Expansion	2015	Not Active	Agribusiness	United States	22
11683	Industria Cerámica Centroamericana S.A.	2015	Active	Manufacturing	Barbados	11
10120	EcoPlanet Bamboo	2013	Not Active	Agribusiness	United States	27
10994	Eolo Wind Farm	2013	Active	Power	Bermuda	16
9196	ProCredit Group Central Bank Mandatory Reserves Coverage	2011	Active	Banking	Germany	13
Total						89

Source: MIGA 10/23/17