

<b>1. CPS Data</b>		
<b>Country: Nicaragua</b>		
<b>CPS Year: FY08</b>	<b>CPS Period: FY08 – FY12</b>	
<b>CPSCR Review Period: FY08 – FY12</b>	<b>Date of this review: November 2, 2012</b>	
<b>2. Executive Summary</b>		
<p>i. This review examines the implementation of the Nicaragua Country Partnership Strategy (CPS) of FY08 and the CPS Progress Report (CPSPR) of FY10, and assesses the CPS Completion Report (CPSCR). The strategy was jointly implemented by IDA and IFC, and this review covers the joint program of the two institutions.</p> <p>ii. The WBG strategy aimed to support the Government’s development objective of wealth creation and poverty reduction through more broadly shared economic growth. The strategy was organized under four pillars: (i) reactivating the economy, stimulating productivity and competitiveness; (ii) human capital development by improving social equity and opportunity; (iii) infrastructure and sustainable development; and (iv) strengthening governance and accountability by modernizing state institutions and promoting citizen participation. To better reflect the government’s pro-poor focus, the CPSPR re-organized these strategic objectives under three pillars by combining (ii) and (iii) above.</p> <p>iii. IEG rates the overall outcome of WBG assistance to Nicaragua as <i>moderately satisfactory</i>, concurring with the CPSCR rating. Under Pillar I, the Bank played a minor role in helping Nicaragua maintain a stable macroeconomic framework. Some progress was made in improving the business environment and in developing micro-enterprises’ access to credit, but there is no information on the extent to which this has led to further diversification and growth of the MSME sector. Progress was also made in improving land registration, although a visible impact on land tenure security is likely to take longer. The Bank contributed to Nicaragua’s improving agricultural productivity, albeit with delays in project implementation. There was an incipient contribution to sustainable resource utilization by helping farmers’ adopting new technologies and through the development of forest management plans, but there is no information on improvement in the overall sustainability of natural resource utilization. Under Pillar II, the Bank achieved some progress in health outcomes for women and children, but there is no data available on chronic child malnutrition. The Bank also helped improve enrollment and completion rates of primary education and the capacity of the Ministry of Education. Water access appears to have improved in both urban and rural areas with Bank support, although there is no recent data to confirm progress, while poor cost recovery undermined service expansions in urban areas. Access to energy and telecommunication services has improved in rural areas, but information is lacking on service quality. Road access has expanded and there is indication of improving road quality. There is little evidence for improved development outcomes in the RAAN and RAAS. Under Pillar III, governance deteriorated and the CPS benchmarks were not met.</p> <p>iv. The CPSCR summarizes the main lessons from the CPS period as: maintaining flexibility in response to emerging opportunities, including shifting resources from budget support to investment lending; developing a transparent M&amp;E system to stimulate good governance; avoiding the proliferation of small operations that threaten to strain supervision resources; consolidating the portfolio around key lines of action; and focusing on institutional capacity building for engagement with the Autonomous Regions. IEG concurs with these lessons, which reflect the Bank’s operational experience during the</p>		
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CPS period. A cross-cutting theme is the complexity in designing and implementing a coherent and results-focused strategy in an environment that is not conducive to budget support, that makes it difficult to engage in high-level policy dialogue, that involves a large number of donors, that is characterized by limited client capacity, that is vulnerable to various shocks, and that has poor data for monitoring and evaluation. To address these issues, the CPSCR discusses several options to be explored during the implementation of the forthcoming CPS (e.g., an expanded role for Analytic and Advisory Activities (AAA) support, consolidation of the portfolio around a few key areas where dialogue and coordination may be feasible and effective). This review endorses the pragmatic approach recommended in the CPSCR, and underscores the value of tracking evaluation on progress toward extending the technical-level partnerships that have been developed to policy-level partnerships.

### 3. Assessment of WBG Strategy

#### **Overview of CPS Relevance:**

##### Country Context:

1. Once one of the region's most productive economies, Nicaragua is now its second poorest after Haiti. After decades of political conflict, natural disasters and a civil war, moderate growth since the mid-1990s has only raised Nicaragua's per capita GDP to the level in the early 1980s, still well below its 1977 peak. Given the high oil dependency of the economy, external financial flows are critical to finance its very large trade and current account deficits (28 and 18 percent of GDP, respectively, in 2011). Over 30 percent of Nicaragua's budget comes from Official Development Assistance (ODA) provided by a broad range of development partners. The country is also heavily dependent on remittances (13 percent of GDP) and substantial flows (FDI and assistance) from Venezuela. Prudent economic management and some important reforms (e.g., tax policy, electricity and financial sectors) have helped Nicaragua achieve macroeconomic stability and rebound rapidly from the 2009 global economic crisis. Real GDP grew by 4.6 percent on average in 2010-2011, while inflation dropped from an average of 19.8 percent in 2008 to 8.0 percent by the end of 2011. Nevertheless, poverty is high at 42.5 percent in 2009, albeit down from 48.3 percent in 2005; human development ranking is relatively low (129/187 in 2011); and the country is off-track to attain most MDGs. In the political sphere, the years immediately preceding the CPS had been tumultuous, with the conviction of an ex-President of corruption, the breakup of the center-right political coalition that had governed Nicaragua since 1990, and the return of the Sandinista National Liberation Front Party to the presidency. The CPS period provided no respite: Nicaragua was hit by category 5 Hurricane Felix less than a month after the CPS approval, which was followed by food and oil price crisis, the global financial crisis, the H1N1 pandemic, alternating droughts and floods, and a series of political crises as the Ortega administration consolidated its power.

2. The country's development strategy was in flux at the time the CPS was designed: the Ortega government did not finalize its revision of the previous administration's 2005-09 development strategy until October 2008, and did not present it to Nicaragua's development partners until October 2009. Pending the development of this strategy, the CPS was developed on the basis of the Economic Development Program outlined in Nicaragua's Memorandum of Economic and Financial Program of August 2007 that was submitted to the IMF for a new Poverty Reduction and Growth Facility (PRGF). The key aim of the program was to create the conditions for a significant reduction in poverty and sustained economic growth in a context of macroeconomic stability, and fiscal and external sustainability. The program also proposed a structural reform agenda intended to strengthen the energy sector, public sector institutions, the social security system, and the financial system. The Government's new social policy focused on the overarching objective of reducing extreme poverty and chronic child malnutrition.

##### Objectives of the WBG Strategy:

3. The WBG strategy aimed to support the Government's development objective of wealth creation and poverty reduction through more broadly shared economic growth. It sought to strengthen sector dialogue and reform, and to ensure greater donor alignment with the new administration's

priorities and a more coordinated attempt at harmonization to improve overall development impact. The strategy was structured to support four strategic objectives: (i) reactivating the economy, stimulating productivity and competitiveness; (ii) human capital development by improving social equity and opportunity; (iii) infrastructure and sustainable development; and (iv) strengthening governance and accountability by modernizing state institutions and promoting citizen participation. To better reflect the government's pro-poor focus, the CPSPR re-organized these strategic objectives under three pillars by combining (ii) and (iii) above.

Relevance of the WBG Strategy:

4. **Congruence with Country Context and Country Program:** The CPS addressed Nicaragua's key constraints to poverty alleviation. It also focused on the northern coastal departments, where there was a concentration of poverty and deprivation, and recognized the need for donor coordination and harmonization. Given that the strategy was developed at a time of political transition, its objectives were very broadly stated. They were nonetheless well-aligned with the economic development priorities of the Ortega government, which emphasized direct interventions for poverty reduction and the technical underpinnings of public sector financial management for effective service delivery. The adjustments introduced in the CPSPR were appropriate to maintain alignment with the Government's program as it emerged, and to help Nicaragua deal with negative shocks. However, the extent to which the Bank and other partners were able to achieve overall coherence in the partnership is not clear, nor is the extent of government ownership of some elements (e.g. governance) of the WBG program.

5. **Relevance of Design:** The CPS program was modest in relation to Nicaragua's development program and the strategic objectives, but sensible in the context of the instruments available to the Bank. The results framework focused on outcomes and indicators that could be directly influenced by Bank interventions, and was not in general explicit about the relevant activities of other partners. This is perhaps a consequence of the fluid state of Nicaragua's development strategy and the Bank's inability, as documented in the CPSCR, to develop a high-level strategic dialogue with the government. Over the period 2008-2010, Bank disbursements accounted for only 6.7 percent of the ODA received by Nicaragua, and the risk of substantial overlap of activities among the partners was high. IDA-IFC coordination was an exception: the roles assigned in the CPS were clear and consistent with the capabilities of the two institutions.

6. **Risk Identification and Mitigation:** The CPS identified six risks: (i) loss of macro stability and investor confidence; (ii) inability to resolve dispute with Union Fenosa; (iii) weak institutional capacity; (iv) governance deteriorations; (v) natural disasters; and (vi) inadequate donor alignment and harmonization. The strategy envisaged plausible mitigation measures to forestall these risks and remedial measures to deal with them should they materialize. As the CPS period unfolded, several of these risks did materialize which the Bank addressed per the measures outlined in the CPS. Several natural disasters struck, which the Bank addressed effectively through lending for rehabilitation, technical assistant (TA) for disaster management, and trust fund (TF) mobilization. Nicaragua satisfactorily resolved the Union Fenosa issue and made sufficient progress in other expropriation/compensation cases to avoid a confrontation with its development partners. Governance deteriorated, although not in quite the same way as envisaged, and the Bank responded with cessation of budget support, like other development partners. The Bank had no other choice under its policies and standards for Development Policy Operations (DPOs), but the cessation of budget support also meant the demise of the planned vehicles for high-level policy dialogue with the government and for the harmonization of partners' programs.

**Overview of CPS Implementation:**

Lending and Investments:

7. During the CPS period, IDA delivered 14 lending operations totaling US\$283.8 million in IDA commitments. The size and composition of the lending program differed substantially from that envisaged in the CPS and CPSPR as the program was adjusted to deal with unexpected crises and shifting government priorities. Only 6 of the 10 planned projects were actually delivered, but with the addition of 8 non-programmed projects, total volume exceeded planned commitment levels of US\$240 million in CPS and US\$274 million in CPSPR, and was complemented by US\$45 million in Trust Funds. Policy-based lending was much lower than originally planned (US\$20 million actual versus US\$140 million planned in CPS), and investment lending much higher. The CPSCR reports that, as delivered, about two-thirds of the lending volume supported Pillar II objectives. In addition, there were 15 active projects amounting to nearly US\$300 million in commitments at the start of the CPS period, four of which were closed by the end of the period.

8. The Nicaragua portfolio was implemented effectively: the rise in the proportion of projects (commitment) at risk from 8 to 25 percent (13 to 17.1 percent) between FY08 and FY10 was quickly brought down to 7 percent (5.2 percent) by FY12, lower than the Latin American average of 23 percent (13.3 percent) and the overall Bank portfolio average of 22 percent (14 percent). IEG reviewed the completion reports of the five operations closed during the CPS period and rated the development outcome of all five as *moderately satisfactory*. In four of these, the risk to development outcome was rated *moderate*, while in the other, a Development Policy Credit, the risk was rated as *high*.

9. Four IFC investment projects were in operation at inception of the CPS period for US\$45 million of net commitment. During the review period, IFC committed another US\$220 million for 14 projects in a variety of sectors. Almost all (98.6 percent) IFC commitment was in loans. Unlike in many other countries, IFC encountered substantial difficulties in investing in the financial sector. In addition to large inflows from Venezuela to Nicaraguan banks, a new law (Ley de Moratoria) that brought interest rate caps and compulsory write-offs made expansion of microfinance projects unprofitable. Mortgage finance also proved to be difficult. The fact that most banks in Nicaragua have a Panamanian holding company further limited investment possibilities, given IFC's Offshore Financial Centers Policy. Instead, IFC invested heavily in agribusinesses that were competitive and in energy projects that were expected to bring down the cost of power generation. The two largest IFC investments were for production of sugar and geothermal energy for a total of US\$100 million (plus \$140 million in mobilization).

10. IEG reviewed one IFC investment that was active at inception of the review period and rated positively its development effectiveness. For IFC's portfolio approved during the CPS period, project supervision reports indicate business success and positive development effectiveness for most of the investment projects. The exceptions include three investments in microcredit and an investment in extraction and processing of tropical hardwoods, which faced operational issues and a partial export ban after the new administration took office.

Analytic and Advisory Activities and Services

11. IDA delivered 21 economic and sector work (ESW) reports and 15 TA tasks, which were substantially more than, and different from, what was envisaged in the CPS and CPSPR. Much of the work was diagnostic, encompassing poverty, public expenditure, governance, environment, financial sector stability, investment climate, and a country economic memorandum. Again, this reflects the fluid state of the government's strategy at CPS formulation. Although the CPS envisaged active dissemination and dialogue on AAA products that had decisively influenced the CPS design, there is no indication whether the dissemination and dialogue took place and the CPSCR lacks evidence on the contribution of the AAA to program design, implementation, policy dialogue, or CPS outcomes.

12. During the CPS period, IFC continued to implement five AS projects that were approved before the review period, amounting to over US\$2.8 million of total funds, and approved four more projects totaling US\$1.7 million. Half of the on-going project funds and all newly approved funds were in Sustainable

Business Advisory business line. IEG reviewed two of the nine AS projects and rated the development effectiveness as *unsuccessful* in one and deemed the other too early to judge (IFC self-rating was *mostly successful*). Among the other seven AS projects, two have been terminated, four have been rated negatively (three *unsuccessful*, one *mostly unsuccessful*) by IFC staff, and one has not been rated. Two regional projects (both in coffee) also included work in Nicaragua. One was rated by IEG as *mostly successful*, while the other is still on-going.

#### Partnerships and Development Partner Coordination

13. Support to Nicaragua is provided by over 40 countries and international organizations amounting (exclusive of any assistance provided by Venezuela) to about US\$120 per capita per year during FY08-10. IDA accounted for about 6.7 percent of the total ODA. The CPS and CPSPR noted the need for vastly improved coordination and outlined some initiatives to achieve it, but made it clear that the Government had to lead these efforts. During the CPS period, Nicaragua was able to develop Sectorwide Approaches in agriculture, health and energy, and had active ministry-led donor roundtables in education and environment, although the earlier multi-donor budget support group that coordinated around a unified PRSC agenda dissolved after the cessation of budget support. Nevertheless, the CPSCR notes considerable scope for improving coordination, especially in high level policy dialogue, as opposed to technical discussions at sector levels.

#### Safeguards and Fiduciary Issues

14. There is no case of safeguard violations referred to the Inspection Panel. In the period FY08-FY12, the Department of Institutional Integrity (INT) recorded six allegations of fraud and corruption, and found sufficient basis to open three cases. Two of these were substantiated.

### **Overview of Achievement by Objective:**

#### **Pillar I: Reactivating the Economy, Promoting Productivity and Competitiveness**

15. Under this pillar, WBG support aimed to (i) maintain an adequate macroeconomic framework for growth and poverty reduction, (ii) diversify and promote value added MSME sectors (urban and rural) in order to promote their increased participation in internal and external markets, (iii) improve land tenure security, and (iv) increase agricultural productivity and sustainable use of natural resources.

16. ***Maintain an adequate macroeconomic framework for growth and poverty reduction.*** Nicaragua was generally successful in maintaining an adequate macroeconomic framework for poverty reduction. It completed all reviews, albeit with delays and waivers of some conditions, under an IMF PRGF program and its principal macroeconomic indicators were consistent with fiscal and macro stability and sustainability. Inflation was brought under control. Public debt to GDP declined slightly from 81 to 79.4 percent during 2007-11. It should be noted, however, that Nicaragua remains highly dependent on (and potentially vulnerable to disruption of) substantial aid flows, remittances, and assistance and FDI from Venezuela.

17. Bank assistance played a relatively minor role in these broad macroeconomic outcomes although it is noteworthy that IDA disbursements increased from 3.8 percent of the total ODA in 2008 to 9.0 and 7.2 percent in 2009 and 2010, respectively. IDA thus increased resource transfers when these were most needed. Lending, including Hurricane Felix Emergency Response (FY08), Food Crisis Emergency Response (FY09), and Development Policy Credit (FY09), contributed to stepped-up support during the slump associated with the global financial crisis. The Bank's Public Sector Management TA credit (FY04) was in principle also relevant to maintenance of fiscal discipline, although the specific role that this support might have played is not clear. The Public Expenditure Review (FY08) contained a number of useful recommendations for overall fiscal policy and sectoral expenditure policies that could potentially have contributed to strengthening the macroeconomic foundations for growth, but there is no evidence that these played a role in the dialogue with the government. The Bank also delivered a Poverty Assessment and Update (FY08 and FY11) and Poverty Monitoring and Evaluation TA (FY11). IFC investment doubled in FY08 (mainly due to a large investment in sugar production) and increased by another 13 percent in FY09

in the midst of the global crisis, demonstrating its counter-cyclical role. It may have also had the effect of mitigating other investors' concerns about the Sandinistas' mixed historical record with regard to recognition and protection of property rights.

18. ***Diversify and promote value added MSME sectors to promote their increased participation in internal and external markets.*** There is no data on the progress toward diversifying and increasing MSME production, or its shares of internal and external markets. Some progress was made in reducing the cost of doing business in some areas (e.g., reducing the number of days for business and property registration), which is reflected in the improvement of Nicaragua's overall Ease of Doing Business ranking during FY11-12 after a sharp decline during FY08-10. Its Global Competitiveness Index score increased from 3.41 to 3.73 (out of 7) between 2008 and 2012. Some progress was also made in developing the institutional framework for increasing credit access for micro-enterprises, although policy reversals with regard to credit repayments discipline impeded developments in this area.

19. Bank support for this objective included a Land Administration project (FY02), which focused on improving property rights, and a MSME Development project (FY08), which supported reductions in administrative and regulatory obstacles for MSMEs and increased MSME access to credit through a credit risk guarantee facility and grants to develop bankable MSMEs. These were complemented by an Investment Climate Assessment (FY09) and IFC AS on Municipal Simplification (FY06). IFC's planned expansion in the microfinance area, particularly in the beginning of the CPS period, was thwarted by the Government policy on defaults (Moratorium Law). Later, IFC was able to make adjustments within an existing project (Banco de Finanzas) that enabled more lending to MSMEs. Although the WBG support was modest in relation to the scope of the objective, it contributed to achieving the specific outcome targets identified in the CPS.

20. ***Improve land tenure security.*** The CPSCR provides no data bearing directly on land tenure security. The 2012 International Property Rights shows that Nicaragua continues to have poor regional and global standing in terms of Physical Property Rights (21<sup>st</sup> among 22 Latin American countries (LAC) and 123<sup>rd</sup> among 130 countries globally), Protection of Physical Property Rights (17<sup>th</sup> in LAC and 111<sup>th</sup> globally), and Registering Property (22<sup>nd</sup> in LAC and 124<sup>th</sup> globally). Nevertheless, the CPS benchmark for progress in land registration (demarcation, titling, and registration of indigenous territories) was met and some absolute improvement was recorded in the Overall Property Rights Index (which includes other forms of property, such as intellectual property, as well as physical property) from 3.7 to 3.9 in 2008-12. On the other hand, the CPIA rating for property rights and rule-based governance rating (3.0) remained unchanged from 2005 to 2011.

21. The Bank's Land Administration project (FY02) provided support for the phased development and implementation of a land registration system, while the Institutional and Governance Review (FY08) laid out a practical strategy for strengthening Nicaragua's land administration systems. They contributed directly to attainment of the CPS targets. The Institutional Governance Review argued that full development of an effective system for land tenure security is a long-term, politically complicated proposition and requires complementary judicial reforms for securing property rights after improvements in land administration. This helps explain why Nicaragua, while making clear progress over the CPS period, is still ranked poorly.

22. ***Increase agricultural productivity and sustainable use of natural resources.*** The CPSCR notes that the productivity picture is mixed, with declining productivity registered in some important export crops, but significant productivity growth (38 percent) in the production of basic grains. World Development Indicator (WDI) data on agricultural value added per worker show significant improvement (about 50 percent) over 2000-2010, with growth averaging 5 percent per annum over the period 2008-2010. Cereal yields also increased by about 25 percent during this period, with the years 2007-2010 accounting for 14 percent of the growth. These indicators are strongly influenced by weather considerations, but they do indicate productivity growth and are consistent with the hypothesis that this may have accelerated during the last years for which data are available. The CPSCR provides no data with regard to broad trends in sustainable use of natural resources. Productivity, technology adoption, and service usage benchmarks for various outputs of Bank assistance were met, while a benchmark for improved seed production was not achieved due to delays in processing the Additional Financing operation.

23. The Bank Group is one of several partners providing support for improving agricultural productivity. The European Union, Spain, and IADB were also involved and the Food and Agricultural Organization (FAO) mounted a major program to increase productivity of basic grains. The Bank's contributions were delivered via the Additional Financing to the 2<sup>nd</sup> Agricultural Technology Project (FY10), which is providing some 39,000 producers with access to sustainable agricultural, forestry and natural resource management services, technology and innovations. The project is also supporting the development of forest management plans. Moreover, one of the objectives of the Food Emergency Crisis (FY09) was to promote poor rural households' food security by increasing agricultural production, although its efficacy in this regard was modest, while the Off-Grid Rural Electrification project (FY03), with GEF financing, also had sustainability objectives. Furthermore, a Country Environmental Assessment (FY10) covered the environmental impact assessment process in Nicaragua and an analysis of environmental degradation of the lake Nicaragua Watershed. There is no indication that it has had an impact on natural resource management. IFC strategy focused on agribusiness, contributing to agricultural productivity improvement in sugar, palm oil, and coffee sectors and reduction of the country's dependence on fossil fuels for energy. Towards sustainable use of natural resources, IFC had devoted considerable effort over a long period to developing Nicaragua's capacity to derive benefit from hardwood products for the domestic market and for exports. However, this is at risk now with a partial export ban imposed by the Government on unprocessed or semi-processed hardwood products.

24. IEG rates the outcome of WBG assistance under Pillar I as *moderately satisfactory*. The Bank played a minor role in helping Nicaragua maintain a stable macroeconomic framework. Some progress was made in improving the business environment and in developing micro-enterprises' access to credit, but there is no information on the extent to which this has led to further diversification and growth of the MSME sector. Progress was also made in improving land registration, although a visible impact on land tenure security is likely to take longer. The Bank contributed to improvement in agricultural productivity, albeit with delays in project implementation. There was an incipient contribution to environmental management through development of forest management plans, but forest coverage continued to decline during the CPS period and there is no information on improvement in the overall sustainability of natural resource utilization.

#### **Pillar II: Pro-Poor Investment in the Provision of Basic Services**

25. Bank assistance under this pillar was intended to contribute to improved social (health and education) and infrastructure (water and sanitation, energy and telecommunications, and roads) services, and better development outcomes for RAAN and RAAS.

26. ***Improve access to health services and health outcomes for women and children and reduce chronic malnutrition among children (0-5 years old)***. Progress has been made in reducing infant mortality, from a baseline of 35 in 2006 to an estimated 21.5 in 2011, well below the CPS target of 26. Under-5 mortality rates are also declining. Estimated (on the basis of a model) maternal mortality rates are also falling, although this remains to be confirmed by data. There is no data on chronic malnutrition among children to measure progress.

27. The Bank's Health Services Extension and Modernization Adaptable Program Loan II (FY05) supported a package of basic maternal and child health care services and extension of coverage of overall health care services. More recently, the Bank approved the Family and Community Health project (FY11) to finance capitation payments to improve access; it is at an early stage of implementation with no results reported thus far. The Food Emergency Crisis project (FY09) sought to mitigate the negative nutritional impact of the 2009 food price increase on pre-primary and primary school children; its efficacy in this regard was substantial as reflected in delivery of school lunches. The Epidemiological Emergencies project (FY10) contributed to mitigate the impact of the A/H1N1 Influenza and strengthen the country's overall epidemiological surveillance system and capacity to respond to future epidemiological emergencies. Analytical work included an assessment of environmental health challenges as part of an overall environment report. A Public Expenditure Review (PER, FY08) and a Social Sector PER (FY10) reviewed health expenditures and provided a number of potentially useful recommendations for reforms. However, no information on the uptake of these is presented in the CPSCR. IFC invested in a hospital which is adding a new 32-bed building to its existing facility and may (depending on the economic recovery) follow-

up with an oncology center and a tower with 67 new medical offices. With IFC's help, they were able to receive the US Joint Commission Accreditation in 2011.

28. **Improve access to educational services and educational outcomes.** Net primary enrollment rates increased from 87.7 percent in 2006 to 93.4 percent in 2011 (compared to CPS target of 90.1 percent by 2009). Primary completion rates also improved, from 62 to 68 percent for boys and from 75 to 82 percent for girls during 2004-2010, although these improvements fell slightly short of the CPS targets. Another CPS benchmark – the development of a reliable internal monitoring and evaluation system for access and quality by the Ministry of Education - was also met, although the CPSCR notes the need for some further improvements.

29. In the context of a multi-donor effort, the Bank's Education projects (PASEN, FY05 and PASEN 2, FY12) supported a number of interventions to increase enrollment and quality of primary and secondary education, although implementation of the second project is only beginning. The PER (FY08) and Social Sector PER (FY10) also reviewed education spending and contained a number of recommendations for reforms, but there is no information on the uptake of these or their effect on the design of PASEN 2 is presented in the CPSCR.

30. **Improve access to and quality of water and sanitation services.** Progress with regard to this objective is unclear due to lack of monitoring data on a consistent basis. WDI shows a modest (1 percentage point) increase in both urban and rural access to improved water and sanitation between 2007 and 2008, with no change thereafter through 2010. The CPSCR provides some indication of increasing access to water and sanitation services in Managua, although it notes that water coverage (a CPS target) is no longer measured and access in the low-income areas was not reported. Progress also appears to have been made recently in rural areas, although it is impossible to determine the extent of this progress given existing data. The CPSCR notes that service expansion is undermined in Managua by poor cost recovery.

31. Bank support for this objective was provided through the Rural Water Supply and Sanitation (FY08) and the Greater Managua Water and Sanitation (FY09) projects. Support was also provided by other donors in these sectors (e.g., Inter-American Development Bank in Managua). Implementation of the Bank projects seems to be on track (implementation progress rated *moderately satisfactory*), but it is premature to draw conclusions based on available data on the efficacy of these interventions. Recent non-lending support includes a Water Sector Policy Note (FY12).

32. **Improve access to and quality of energy and telecommunications for rural areas.** Progress was made in improving access to energy and telecommunications services in rural areas. Nationally, phones per 100 people increased from 4.5 to 4.9 in 2007-2011 per WDI data. The percentage of rural households with access to electricity increased from 28.9 to 44 percent in 2005-2009, exceeding the CPS target for 2012. No information is provided concerning electrical service quality. The percentage of rural communities with access to at least one public phone increased from 14 percent in 2006 to 83 percent in 2011, surpassing the CPS target of 70 percent.

33. Bank support via the Off-Grid Rural Electrification project (FY03) and Rural Telecommunication projects (FY06 and FY12) contributed to these results and pioneered the use of small private sector providers for provision of these services. IFC invested in the generation of electricity from small hydro units (26MW) and geothermal sources (72MW). Although these are not targeted at improving access to energy in rural areas, when completed, they will meet 20-25 percent of the energy demand sustainably and at a much lower cost, which may lead to improvement in affordability in rural areas.

34. **Improve access to and quality of roads.** Progress was made in extending access to all-season roads in rural areas and in reducing vehicle operating costs via improving road conditions. By 2009, an estimated 55 percent of the rural population was served by all-season roads, up from 19 percent in 2005 and well in excess of the 25 percent envisaged for 2011 in the CPS. The average estimated road roughness indicator also declined, with the improvement exceeding CPS expectations.

35. Bank supported this objective through the Road Rehabilitation and Maintenance IV and Additional Financing (FY06 and FY10) and Rural Roads Infrastructure and Maintenance (FY12) projects. Interventions by other partners also contributed to the outcomes outlined above.



36. **Better development outcomes for the RAAN and RAAS.** The CPSCR provides some data on access to infrastructure services (electricity, water, and roads) in these regions and the gaps between different regions in Nicaragua between 2005 and 2009. These are inconclusive as different indicators moved in different directions, and there is no information on progress since 2009. No data are provided on CPS targets of primary school enrollment or proportion of families receiving production credits.

37. Bank supported this objective through the same education and infrastructure projects for the other objectives under Pillar II. It also provided targeted assistance through TF under the Caribbean Coast Development Program (FY10 and FY12).

38. IEG rates the outcome of WBG assistance under Pillar II as *moderately satisfactory*. The Bank achieved some progress in health outcomes for women and children, but there is no data available on chronic malnutrition among children, an overarching objective of the government. The Bank also helped improve enrollment and completion rates of primary education and the capacity of the Ministry of Education. Water access appears to have improved in both urban and rural areas with Bank support, although there is no recent data to confirm progress, while poor cost recovery undermined service expansions in Managua. Access to energy and telecommunication services has improved in rural areas, but information is lacking on service quality. Road access has expanded and there is indication of improving road quality. There is little evidence for improved development outcomes for the RAAN and RAAS. Overall, the outcomes under this Pillar are mixed and difficult to assess given the sparse data on basic social and infrastructure services. In many cases, the WBG's contributions to the improvements are not identified or not identifiable.

**Pillar III: Strengthening Governance and Accountability**

39. The objectives of Bank support under this Pillar included improving public sector accountability through better public sector planning and financial management and increased citizen participation in social accountability; and decentralization of public investment planning.

40. **Improved public sector accountability, planning and financial management, and citizen participation in social accountability.** Among the five CPS outcome targets, the CPSCR reports that three has not been achieved, one is not observable, and the other has been partially achieved (implementing a Medium-Term Expenditure Framework, although weaknesses remain in linking planning and budgeting). Worldwide Governance Indicator data show no improvement in governance between 2006 and 2010. Nicaragua's percentile ranking declined from 40.4 to 33.2 on Voice and Accountability; from 22.9 to 15.8 on Quality of Government; and from 26.8 to 23.4 on Corruption. Only on Regulatory Quality was there a modest improvement (38.2 to 40.2).

41. Bank support for these activities was provided through the State Modernization credits (FY04 and FY10), the Public Financial Management System Modernization Project (FY11), Public Expenditure Review (FY08), and M&E Non-Lending TA (FY10).

42. **Decentralization of public investment planning.** The CPSCR reports that this was dropped due to changes in approaches of the new administration to decentralization.

43. IEG rates the outcome of WBG assistance under Pillar III as *unsatisfactory*. Governance deteriorated during the CPS period. The Bank's support, which related to systems and processes for budget management and municipal investment planning, was of modest relevance and efficacy. Progress benchmarks were not met.

Objectives	CPSCR Rating	IEG Rating
<b>Pillar I:</b> Reactivating the economy, stimulating productivity and competitiveness	NA	<i>Moderately Satisfactory</i>
<b>Pillar II:</b> Pro-poor investment in the delivery of basic services	NA	<i>Moderately Satisfactory</i>
<b>Pillar III:</b> Strengthening governance and accountability	NA	<i>Unsatisfactory</i>

<b>4. Overall IEG Assessment</b>		
	<b>CPSCR Rating</b>	<b>IEG Rating</b>
<b>Overall Outcome:</b>	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
<b>IDA Performance:</b>	<i>Satisfactory</i>	<i>Satisfactory</i>
<b>IFC Performance:</b>		<i>Satisfactory</i>
<b>Overall outcome:</b>		
<p>44. IEG rates the overall outcome of WBG assistance to Nicaragua as <i>moderately satisfactory</i>, concurring with the CPSCR rating. Under Pillar I, the Bank played a minor role in helping Nicaragua maintain a stable macroeconomic framework. Some progress was made in improving the business environment and in developing micro-enterprises' access to credit, but there is no information on the extent to which this has led to further diversification and growth of the MSME sector. Progress was also made in improving land registration, although a visible impact on land tenure security is likely to take longer. The Bank contributed to Nicaragua's improving agricultural productivity, albeit with delays in project implementation. There was an incipient contribution to sustainable resource utilization through helping farmers' adopting new technologies and the development of forest management plans, but forest coverage continued to decline and there is no information on improvement in the overall sustainability of natural resource utilization. Under Pillar II, the Bank achieved some progress in health outcomes for women and children, but there is no data available on chronic child malnutrition. The Bank also helped improve enrollment and completion rates of primary education and the capacity of the Ministry of Education. Water access appears to have improved in both urban and rural areas with Bank support, although there is no recent data to confirm progress, while poor cost recovery undermined service expansions in urban areas. Access to energy and telecommunication services has improved in rural areas, but information is lacking on service quality. Road access has expanded and there is indication of improving road quality. There is little evidence for improved development outcomes in the RAAN and RAAS. Under Pillar III, governance deteriorated and the CPS benchmarks were not met.</p>		
<b>IDA Performance:</b>		
<p>45. IEG rates IDA performance as <i>satisfactory</i>. During the CPS period, IDA was faced with the challenge of designing a strategy to support a country program that was still being developed, in the absence of a close policy dialogue with the Government and in the context of a very large number of development partners. The WBG strategy was well-aligned with Nicaragua's development challenges and strategy, and adjusted proactively to maintain this alignment amid internal and external shocks and shifts in priorities. The results chain linking IDA interventions to the objectives was not always well articulated and the outcome indicators tended to be outputs of specific IDA projects. However, this reflects, at least in part, the fluid state in which the CPS was designed. Responding flexibly and promptly, IDA delivered more assistance than had been programmed and helped to meet emergency needs. Nicaragua portfolio performance compared favorably against LAC and Bank averages, and all projects reviewed by IEG were rated positively for their development outcomes. The fiduciary issues that arose could not have been forestalled by IDA. Coordination among external donors was not satisfactory overall, but this was beyond IDA's control.</p>		
<b>IFC Performance:</b>		
<p>46. IEG rates IFC performance as <i>satisfactory</i>. The IFC program was relevant for assisting exporters and hard currency earners and for addressing the bottleneck constraints in infrastructure as identified by the private sector. IFC support for trade financing through banks, however, was less relevant in a context where the banks had other sources of funds including those from Venezuela. During the review period, IFC built a substantial investment program that led to positive development effectiveness. However, the implementation of six out of nine AS projects was either unsuccessful, mostly unsuccessful or terminated before/shortly after approval. In particular, the AS project on improving municipal investment climate did not work in six out of seven municipalities. Poor program design, due to insufficient consideration of the</p>		

finances of the clients, or inappropriate choice of the clients, was a key factor in the poor performance of the AS projects.

## **5. Assessment of CPS Completion Report**

47. The CPSCR is clear, concise, and candid in its assessment of WBG achievements in supporting Nicaragua's development agenda. It is limited, however, by weaknesses in the results framework and weaknesses in Nicaragua's data systems for monitoring and evaluation. Statements concerning outcomes and the factors contributing to them are thus difficult to assess. An example of this is the statements concerning recent reductions in rural poverty even though the latest data reported in the CPSCR are for 2009 and the development of innovative service delivery models. The report also says very little about the contributions of IDA's AAA activities to CPS outcomes, while considerable learning could have been drawn from the failed IFC AS operations.

## **6. Findings and Lessons**

48. The CPSCR summarizes the main lessons from the CPS period as: maintaining flexibility in response to emerging opportunities, including shifting resources from budget support to investment lending; developing a transparent M&E system to stimulate good governance; avoiding the proliferation of small operations that threaten to strain supervision resources; consolidating the portfolio around key lines of action; and focusing on institutional capacity building for engagement with the Autonomous Regions. IEG concurs with these lessons, which reflect the Bank's operational experience during the CPS period. A cross-cutting theme is the complexity in designing and implementing a coherent and results-focused strategy in an environment that is not conducive to budget support, that makes it difficult to engage in high-level policy dialogue, that involves a large number of donors, that is characterized by limited client capacity, that is vulnerable to various shocks, and that has poor data for monitoring and evaluation. To address these issues, the CPSCR discusses several options to be explored during the implementation of the forthcoming CPS (e.g., an expanded role for Analytic and Advisory Activities (AAA) support, consolidation of the portfolio around a few key areas where dialogue and coordination may be feasible and effective). This review endorses the pragmatic approach recommended in the CPSCR, and underscores the value of tracking evaluation on progress toward extending the technical-level partnerships that have been developed to policy-level partnerships.



<b>Annex Table 1:</b>	<b>Summary Achievements of CPS Objectives</b>
<b>Annex Table 2:</b>	<b>IDA Lending: Actual vs. Planned, FY08-FY12</b>
<b>Annex Table 3:</b>	<b>Grants and Trust Funds Active in FY08-FY12</b>
<b>Annex Table 4:</b>	<b>IDA Analytical and Advisory Work: Actual vs. Planned, FY08-FY12</b>
<b>Annex Table 5:</b>	<b>IEG Project Ratings for Nicaragua, FY08-FY12</b>
<b>Annex Table 6:</b>	<b>IEG Project Ratings for Nicaragua and Comparators, FY08-FY12</b>
<b>Annex Table 7:</b>	<b>IDA Portfolio Status Indicators, FY08-FY12 (in US\$ million)</b>
<b>Annex Table 8:</b>	<b>IDA Net Disbursement and Charges Summary Report for Nicaragua (in US\$ million)</b>
<b>Annex Table 9:</b>	<b>List of IFC's investments in Nicaragua during FY08-FY12 (US\$'000)</b>
<b>Annex Table 10:</b>	<b>List of IFC's Advisory Services in Nicaragua, FY08-FY12</b>
<b>Annex Table 11:</b>	<b>Total Net Disbursements of Official Development Assistance and Official Aid, FY08-FY10 (in US\$ million)</b>
<b>Annex Table 12:</b>	<b>Economic and Social Indicators for Nicaragua and Comparators, FY08-FY10</b>
<b>Annex Table 13:</b>	<b>Nicaragua - Millennium Development Goals</b>



**Annex Table 1: Summary Achievements of CPS Objectives**

	<b>CAS 08-12: Pillar 1</b> <b>Reactivating the Economic, Stimulating Productivity and Competitiveness</b>	<b>Actual Results</b> <b>(as of current month year)</b>	<b>Comments</b>
<b>Major Outcome Measures</b>	<b>1. Maintenance of an adequate macroeconomic framework for growth and poverty reduction</b>		
	Principal macroeconomic indicators are consistent with fiscal and macro stability and sustainability	No data available	
	<b>2. Diversity and promote value added Micro-SME sector (urban and rural) in order to promote their increased participation in internal and external markets</b>		
	Number of days for business and property registration (both Commercial Register and National Cadastre) in four departments reduced 30% Commercial Register days is expected to reduce from 42 days in 2006 to 35 days in 2010 National Cadastre days is expected to reduce from 30 days in 2006 to 21 days in 2010	Time required to start a business is 39 in 2008 and 2011.	Obtain the Cadastre Certificate and valuation at the Cadastre takes 14-21 days in 2012.  At least 30% reduction in the average number of days to regularize property rights through the Property Intendancy in the pilot area: 10 days (2012 avg for the 4 depts: Chinandega, Esteli, Madriz & Leon compared with baseline in 2009 of 15 days in 2009)  Source: World Development Indicators Doing Business World Bank CPSCR Land Administration (P056018) ISR
	Increase in access to credit for small and medium urban and rural Micro-SMEs with data segregated by gender: Women's participation will increase from 59 in 2008 to 65 in 2012	65% female borrowers (Mix Market, 2011)	
	Increase by 50% the ASOMIF, finance companies and cooperative networks' in Total Accounts & Loan Portfolio Baseline (2003): 310, 300 US\$138.4M Target (2012): 465, 450 US\$207.6M	No data available	Source: CPSCR
	<b>3. Improved land tenure security</b>		
	Indigenous communities have territories demarcated, titled and registered. Number of territories baseline: 1 in 2006 target: 12 in 2010 and 15 in 2012	According to IDA, as of July 2009, 9 territories have been duly demarcated, titled and registered. Another 6 territories belonging to indigenous and Afro-descendant peoples are due to be demarcated, titled and registered by 2010.	Source: World Bank CPSCR
	<b>4. Increased agricultural productivity and sustainable use of natural resources</b>		
	Farmers participating in agricultural and forestry extension services have adopted at least two new production and/or processing technologies. Baseline: 0 (2005) Target: 25,000 (2010) Men: 17,500 Women: 7,500	39,000 producers served by INTA and INAFOR	Source: Second Agricultural Technology Project (P087046) ICR
Productivity levels of farmers engaged in technical assistance programs by INTA and FUNICA have increased. Baseline: 100(2005) Target: 115 (2010)	Productivity Indices of participating farmers have increased on average by at least 15 percent.	Source: Second Agricultural Technology Project (P087046) ICR CPSCR	
Certified seed availability increased: Baseline: 1700(2009) (tons/years) Target: 11,000 (2012) (tons/year)	No data available	Additional Financing only became effective only in 2011. Results to be evaluated during 2012-2013.  Source: CPSCR	

CAS 08-12: Pillar 2 Pro-Poor Investment in Delivery of Basic Services		Actual Results (as of current month year)	Comments
<b>Major Outcome Measures</b>	<b>1. Reduce chronic malnutrition among children (0-5 years old)</b>		
	The prevalence of chronic malnutrition in children under 5 years old will be reduced from 21.5% in 2005 to 18% in 2011	23.0% in 2007	The country does not have an updated figure until ENDESA 2012.  Source: WHO CPSCR
	<b>2. Improved access to health services and improved health outcomes for women and children</b>		
	Maternal, infant and child mortality have been reduced. Maternal mortality ( per 100,000 live births) Baseline: 96 (2006) Target: 26( 2011)  Infant Mortality ( per 1,000) Baseline: 35 (2006) Target: 26( 2011)	Maternal mortality: 100 deaths/100,000 live births (2008)  Infant Mortality: 25 (2008) 23 (2010) 21.86/1000 (2011 est)	In 2008, the estimated maternal mortality rate is 100, it is estimated that it will be reduced to 95 in 2010.  Source: UNESCO Estimates developed by WHO, UNICEF, UNFPA and The World Bank CIA The World Fact
	<b>3. Improved access to educational services and improved educational outcomes</b>		
	Net primary enrollment (% of relevant age group) Baseline: 87.7% (2006) Target: 90.1%( 2009)	Net primary enrollment rate is 93 in 2008 and 92 in 2010.	Source: UNESCO
	Primary school completion rate Baseline: Boys 62 (2004) Girls 75(2004) Progress: Boys 66 (2008) Girls 73.9(2008) Target: Boys 75 (2010) Girls 85(2010)	Gross primary graduation ratio: Male: 67 (2008) 73(2010) Female: 76 (2008) 80(2010)	Source: UNESCO
	MINED has developed a reliable internal M&E system which generates information on key education quality and access indicators. The system includes periodic standardized testing, results of which offer comparisons to previous years.	No data available	MINED has a reliable internal M&E system, but it remains overly centralized and requires further automation and integration.  Source: CPSCR
	<b>4. Improved access to and quality of water and sanitation services</b>		
	Increased water and sanitation coverage in Managua (% of population) Water Baseline: 60% (2005) Target: 85( 2012) Sanitation Baseline: 57% (2005) Target: 80( 2012)	Drinking water: 92% (2008) 92%(2010)  Sanitation: 61% (2008) 63%(2010)	Source: WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation (JMP) CPSCR
	Increased effective water and sanitation coverage in rural areas (% of population) Water Baseline: 44% (2005) Target: 70( 2012) Sanitation Baseline: 69% (2005) Target: 90( 2012)	Drinking water: 72% (2008) 74%(2010)  Sanitation: 36% (2008) 37%(2010)	Source: WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation (JMP) CPSCR
	<b>5. Improved quality and access to energy and telecommunications for rural areas</b>		
	Percentage of households in rural areas which have access to electricity. Baseline: 28.9 (2005) Target: 40( 2012)	72.1% in 2009 (Latest data available)	Source: WDI CPSCR
	Percentage of rural population with access to at least one public telephone. Baseline: 14% (2006)	83% (2011, TELCOR).	Source: CPSCR



CAS 08-12: Pillar 2 Pro-Poor Investment in Delivery of Basic Services	Actual Results (as of current month year)	Comments																																																																																												
Target: 70%( 2011)																																																																																														
<b>6. Improved access to and quality of roads</b>																																																																																														
Increased access to all-season roads- percent of rural population. Baseline: 19% (2005) Target: 25%( 2011)	55% (LSMS, 2009)	Source: CPSCR																																																																																												
15% reduction in vehicle operating costs, as measured by lowered road roughness indices Baseline: 9 (2005) Target: 5( 2010)	IRI= 8 in 2006 IRI = 3.6 in 2012	Source: P083952 CPSCR																																																																																												
<b>7. Reduce poverty in the Autonomous Regions of the Caribbean Coast (RAAN and RAAS)</b>																																																																																														
Pac. Cent. RAAN/S Access to Electricity (2006) 86.8% 56.8% 34.2%  Children in Primary Sch. (2006) 86.1% 84.9% 80.8%  Access to Paved Roads/Aquatic Transport (2006) 60% 39% 9.9%  % families receiving production credits (2004) 60% 39% 9.9%  Access to Potable Water (2006) 82.8% 63.2% 31.2%	<table border="1"> <thead> <tr> <th colspan="4" data-bbox="651 585 1162 613">URBAN</th> </tr> <tr> <th data-bbox="651 613 748 640"></th> <th data-bbox="748 613 846 640">Atlántic</th> <th data-bbox="846 613 1008 640">Pac-Atl gaps</th> <th data-bbox="1008 613 1162 640">Cen-Atl gaps</th> </tr> </thead> <tbody> <tr> <td colspan="4" data-bbox="651 640 1162 667">Access to Electricity</td> </tr> <tr> <td data-bbox="651 667 748 695"><b>2005</b></td> <td data-bbox="748 667 846 695">80.1</td> <td data-bbox="846 667 1008 695">8.3</td> <td data-bbox="1008 667 1162 695">10.0</td> </tr> <tr> <td data-bbox="651 695 748 722"><b>2009</b></td> <td data-bbox="748 695 846 722">90.5</td> <td data-bbox="846 695 1008 722">0.7</td> <td data-bbox="1008 695 1162 722">7.1</td> </tr> <tr> <td colspan="4" data-bbox="651 722 1162 749">Access to Water</td> </tr> <tr> <td data-bbox="651 749 748 777"><b>2005</b></td> <td data-bbox="748 749 846 777">44.0</td> <td data-bbox="846 749 1008 777">3.6</td> <td data-bbox="1008 749 1162 777">43.6</td> </tr> <tr> <td data-bbox="651 777 748 804"><b>2009</b></td> <td data-bbox="748 777 846 804">64.9</td> <td data-bbox="846 777 1008 804">5.0</td> <td data-bbox="1008 777 1162 804">21.5</td> </tr> <tr> <td colspan="4" data-bbox="651 804 1162 831">Access to Paved roads</td> </tr> <tr> <td data-bbox="651 831 748 858"><b>2005</b></td> <td data-bbox="748 831 846 858">27.3</td> <td data-bbox="846 831 1008 858">15.9</td> <td data-bbox="1008 831 1162 858">39.8</td> </tr> <tr> <td data-bbox="651 858 748 886"><b>2009</b></td> <td data-bbox="748 858 846 886">47.4</td> <td data-bbox="846 858 1008 886">3.6</td> <td data-bbox="1008 858 1162 886">30.8</td> </tr> <tr> <th colspan="4" data-bbox="651 886 1162 913">RURAL</th> </tr> <tr> <th data-bbox="651 913 748 940"></th> <th data-bbox="748 913 846 940">Atlántic</th> <th data-bbox="846 913 1008 940">Pac-Atl gaps</th> <th data-bbox="1008 913 1162 940">Cen-Atl gaps</th> </tr> <tr> <td colspan="4" data-bbox="651 940 1162 968">Electricity</td> </tr> <tr> <td data-bbox="651 968 748 995"><b>2005</b></td> <td data-bbox="748 968 846 995">8.8</td> <td data-bbox="846 968 1008 995">37.8</td> <td data-bbox="1008 968 1162 995">23.9</td> </tr> <tr> <td data-bbox="651 995 748 1022"><b>2009</b></td> <td data-bbox="748 995 846 1022">6.8</td> <td data-bbox="846 995 1008 1022">27.9</td> <td data-bbox="1008 995 1162 1022">37.0</td> </tr> <tr> <td colspan="4" data-bbox="651 1022 1162 1050">Water</td> </tr> <tr> <td data-bbox="651 1050 748 1077"><b>2005</b></td> <td data-bbox="748 1050 846 1077">13.3</td> <td data-bbox="846 1050 1008 1077">9.1</td> <td data-bbox="1008 1050 1162 1077">12.8</td> </tr> <tr> <td data-bbox="651 1077 748 1104"><b>2009</b></td> <td data-bbox="748 1077 846 1104">5.4</td> <td data-bbox="846 1077 1008 1104">18.2</td> <td data-bbox="1008 1077 1162 1104">16.5</td> </tr> <tr> <td colspan="4" data-bbox="651 1104 1162 1131">Paved roads</td> </tr> <tr> <td data-bbox="651 1131 748 1159"><b>2005</b></td> <td data-bbox="748 1131 846 1159">0.4</td> <td data-bbox="846 1131 1008 1159">9.2</td> <td data-bbox="1008 1131 1162 1159">19.4</td> </tr> <tr> <td data-bbox="651 1159 748 1186"><b>2009</b></td> <td data-bbox="748 1159 846 1186">3.9</td> <td data-bbox="846 1159 1008 1186">12.1</td> <td data-bbox="1008 1159 1162 1186">13.2</td> </tr> <tr> <td colspan="4" data-bbox="651 1186 1162 1213">Source: LSMS 2005, 2009</td> </tr> </tbody> </table>	URBAN					Atlántic	Pac-Atl gaps	Cen-Atl gaps	Access to Electricity				<b>2005</b>	80.1	8.3	10.0	<b>2009</b>	90.5	0.7	7.1	Access to Water				<b>2005</b>	44.0	3.6	43.6	<b>2009</b>	64.9	5.0	21.5	Access to Paved roads				<b>2005</b>	27.3	15.9	39.8	<b>2009</b>	47.4	3.6	30.8	RURAL					Atlántic	Pac-Atl gaps	Cen-Atl gaps	Electricity				<b>2005</b>	8.8	37.8	23.9	<b>2009</b>	6.8	27.9	37.0	Water				<b>2005</b>	13.3	9.1	12.8	<b>2009</b>	5.4	18.2	16.5	Paved roads				<b>2005</b>	0.4	9.2	19.4	<b>2009</b>	3.9	12.1	13.2	Source: LSMS 2005, 2009				Source: CPSCR
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CAS 08-12: Pillar 3 Strengthening Governance and Accountability		Actual Results (as of current month year)	Comments
<b>Major Outcome Measures</b>	<b>1. Improved civil service management</b>		
	<b>2. Increased public sector accountability: improved public sector planning and financial management: and increased citizen participation in social accountability</b>		
	National monitoring and evaluation system designed and implemented, strengthening SIGFA, SYSODA and the M& E system in Health and Education ministries	Efforts to align the diverse M&E systems across government saw some progress, while the e reform of budget classification was delayed until the design of SIGFA II. As such, it remains difficult to track program indicators in the budget and to attribute their contribution to overall goals.	Source: CPSCR
	Medium term expenditure framework (including all norms and guidelines consistent with M& E) is implemented in all central government entities and key decentralized agencies	The MTEF has been rolled out to all 19 central government and all 41 decentralized agencies, but weaknesses remain in linking planning and budgeting. Existing information is very rich but requires additional coordination to consolidate the MTEF.	Source: CPSCR
	SIGFA 2 has been fully implemented and is used as an important tool to formulate, develop, execute and monitor public policies, especially those related to poverty reduction.	The new SIGFA is still in development stage. The PMSAF project was approved in FY10 and is now in implementation.	Source: CPSCR
	All public entities of Central government certified by CGR for the use and implementation of the Technical Norms of Internal Control according to international standards. Baseline: 43% (2006) Target: 100% ( 2012)	No advances were observed in the certification and implementation of the Technical Norms of Internal Control according to international standards.	Source: CPSCR
	<b>3. Decentralization</b>		
Increase in percentage of public investment programs registered in SNIP which were proposed at municipal level Baseline: 30% (2007) Target: 60% ( 2012)	No data available	The SNIP methodology changed under the new administration. A network of Citizen Councils (instead of the Local Public Investment Units) is used channel to local needs into central government plans. As such, the SNIP only registers the capital transfers to municipal governments.  Source: CPSCR	

**Annex 2: IDA Lending: Actual vs. Planned, FY08-FY12**

Project	Proposed FY	Approval FY	Proposed Amount	Approved Amount	Project ID	Outcome Rating
<b>Planned (CPS FY08-12)</b>						
NI Development Policy Credit	2008	2009	20	20	P106747	IEG: MS*
NI PRSC Series	2009	2009	20	Dropped	P110083	
Nicaragua Rural Water Supply and Sanitation Project (PRASNICA)	2008	2008	20	20	P106283	LIR: MS
NI Greater Managua Water and Sanitation (PRASMA)	2009	2009	45	40	P110092	LIR: MS
NI-Public Sector Technical Assistance	2010	2010	10	Dropped	P093058	
NI (AF) Land Administration	2010	2010	10	Dropped	P106894	
Additional Financing to the Second Agricultural Technology Project (GFRP)	2010	2010	10	10	P114375	LIR: S
AF Transport IV	2010	2010	20	Dropped	P076246	
Rural Roads Infrastructure Improvement Project	2012	2012	30	35	P123447	LIR: S
Health System Strengthening and Response to Epidemiological Emergencies Project	2010	2010	5	5	P112906	LIR: S
<b>Total programmed projects CPS FY08-12</b>				<b>130.0</b>		
<b>Non-programmed projects</b>						
Nicaragua Social Protection		2011		19.5	P121779	LIR: S
Micro, Small and Medium Enterprise Development		2008		20	P109691	LIR: MS
Second Support to the Education Sector Project PASEN 2		2012		25	P126357	LIR: S
Improving Community and Family Health Care Services Project		2011		21	P106870	LIR: S
Nicaragua Hurricane Felix Emergency Recovery Project		2008		17	P108974	LIR: MS
Nicaragua Rural Telecom Additional Finance		2012		5	P129264	LIR: S
Price Vulnerability (Food Crisis)		2009		7	P114441	IEG: MS
Additional Finance Fourth Roads Rehabilitation and Maintenance Project		2010		39.3	P119709	LIR: S
<b>Total non-programmed projects CPS FY08-12</b>				<b>153.80</b>		
<b>Total Projects CPS FY08-12</b>				<b>283.80</b>		
<b>On Going Projects</b>	<b>Proposed Amount</b>	<b>Approval FY</b>	<b>Closed FY</b>	<b>Approved Amount</b>	<b>Project ID</b>	<b>Outcome Rating</b>
FIN SCTR ADJ/IDA REF		1999	N/A	1.4	P065541	LIR: S
Basic Education Project - Supplemental Credit		1999	N/A	13.2	P064672	LIR: S
ERC II IDA Reflow		1994	N/A	7.6	P037558	
NI Enhanced Competitiveness For International Market Integration		2007	2012	17	P092949	LIR: MU
Broad-Based Access to Financial Services		2004	2013	7	P077826	LIR: S
Nicaragua – Education Project		2005	2011	15	P078990	LIR: MS
Second Rural Municipal Development Project		2001	2008	28.7	P055823	IEG: MS
Land Administration		2002	2013	32.6	P056018	LIR: S
Public Sector Technical Assistance Project		2004	2010	23.5	P078891	IEG: MS
Health Services Extension and Modernization (2nd APL)		2005	2010	11	P078991	IEG: MS
Offgrid Rural Electrification (PERZA)		2003	2012	12	P073246	LIR: S
Natural Disaster Vulnerability Reduction		2001	2009	13.5	P064916	IEG: MS
Nicaragua Rural Telecom		2006	2015	7	P089989	LIR: S
Second Agricultural Technology Project		2006	2014	12	P087046	LIR: S
Fourth Roads Rehabilitation and Maintenance Project		2006	2013	60	P083952	LIR: S
<b>Total On Going Projects CPS FY08-12</b>				<b>292.40</b>		

Source: Nicaragua FY08-12 CPS and CPSPR as of 9/26/2012

\* LIR: Latest internal rating. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.

**Annex Table 3: Grants and Trust Funds Active in FY08-FY12**

Project	Approval FY	Closing FY	Approved Amount	TF ID	Project ID
Investment Phase under the Caribbean Coast Development Program	2012	Active	850,000.00	TF 11097	P126788
	2012	Active	850,828.00	TF 10432	
	2012	Active	2,470,367.00	TF 99797	
Save the Children - Grant Investment Phase under the Caribbean Coast Development Program	2012	2013	1,200,000.00	TF 99791	P126812
Nicaragua FCPF REDD Readiness	2012	2013	200,000.00	TF 99264	P120657
Nicaragua Social Protection	2012	2013	2,750,000.00	TF 10216	P121779
Drought-Hardy "Food Forests" to Help Miskito Children Weather the Storm	2011	2013	200,000.00	TF 97650	P121135
NI Public Financial Management Modernization Project	2009	2011	800,000.00	TF 93095	P111795
Improving Community and Family Health Care Services Project	2011	2013	398,000.00	TF 97259	P106870
Nicaragua Food Emergency support Program for School Children	2011	2013	2,970,387.00	TF 97212	P122181
Nicaragua Influenza Response	2011	2012	300,000.00	TF 96749	P116470
Nicaragua Caribbean Coast Development Program (Initial Phase) Grant for Alternative Indigenous and Afro-Des. Agrof. Project in Nicaragua	2010	2011	88,759.00	TF 96806	P120904
	2010	2011	37,612.53	TF 96807	
	2010	2011	25,200.00	TF 96246	
	2010	2011	44,810.00	TF 96090	
Price Vulnerability (Food Crisis) /former Product ID: P113225	2009	2013	1,992,500.00	TF 93115	P115882
Nicaragua Rural Water Supply and Sanitation Project (PRASNICA)	2009	2011	7,000,000.00	TF 93698	P114441
Nicaragua Rural Water Supply and Sanitation Project (PRASNICA)	2008	2009	1,000,000.00	TF 90645	P106283
Modernization and Harmonization of Nicaragua's Commercial Regulatory Framework	2009	2012	358,000.00	TF 92923	P109604
NI Debt Reduction Facility - Debt Buy-Back	2008	2009	61,000,000.00	TF 90511	P104543
Second Agricultural Technology Project	2011	2013	2,050,000.00	TF 99911	P087046
NICARAGUA - Health Services Extension & Modernization (III APL)	2007	2008	827,600.00	TF 56965	P100629
Precious Woods Project	2006	2019	1,261,013.25	TF 56528	P094154
Broad-Based Access to Financial Services	2008	2010	210,000.00	TF 57844	P077826
Nicaragua - Education Project	2007	2011	17,000,000.00	TF 57311	P078990
Public Technical Assistance Project	2005	2010	13,126,581.04	TF 54143	P078891
Preparation of Commercial Debt Reduction Program	2004	2009	800,000.00	TF 53400	P088724
Nicaragua Off-Grid Rural Electrification	2003	2012	4,020,000.00	TF 51960	P075194
<b>Total FY08-12</b>			<b>134,190,170.82</b>		

Source: Client Connection Nicaragua FY08-FY12 as of 9/26/2012

Annex Table 4: IDA Analytical and Advisory Work: Actual vs. Planned, FY08-FY12

	AAA ID	Proposed FY	Delivery to Client FY	Output Type
<b>Economic and Sector Work</b>				
<b>Planned (CPS FY08-12)</b>				
Central America Energy Markets	P110201	FY10	FY10	Report
Social Services Accountability (Regional)	P106570	FY08	FY10	Report
Investment Climate Assessment	P107090	FY09	FY09	Report
Public Expenditure Review	P094881	FY07	FY08	Report
Country Economic Memorandum	P123253	FY10	Delayed to FY 13	Report
Poverty Assessment	P122837	FY11	FY11	Report
Nicaragua Institutional and Governance Review	P101317	FY07	FY08	Report
Energy Strategy	P101406	FY07	FY07	Report
Gender Notebooks (with IADB)	P114639	FY08	FY11	Report
Central America Crime and Violence Report	P095704	FY09	FY10	Report
Country Environmental Assessment	P101330	FY11	FY10	Report
FSAP Update	P118049	FY10	FY10	Report
Central America Disaster Risk Management and Reduction Strategy	P101639	FY11	FY11	Report
Pharm. Policies and Strengthening Health systems	P108625	FY10	FY10	Report
<b>Non-planned</b>				
DeMPA Assessment - Nicaragua	P124103	FY11	FY12	Report
Nicaragua Poverty Assessment	P101315	FY07	FY08	Report
Nicaragua - Report on the Observance of Standards and Codes - Accounting and Auditing	P118982	FY10	FY11	Report
Nicaragua Country Environmental Analysis	P101330	FY09	FY10	Report
Economics of Sanitation Initiative	P132170	FY12	FY14	Report
Strengthening government capacity for R	P132167	FY10	FY11	Report
MTDS Follow Up - Nicaragua	P121389	FY10	FY11	Report
Nicaragua Agriculture Public Expenditure Review	P127573	FY11	FY13	Report
<b>Technical Assistant</b>				
<b>Planned (CPS FY08-12)</b>				
GAP - INNOVATIONS FOR RURAL WOMEN'S ECONOMIC EMPOWERMENT in Nicaragua	P110870	FY08	FY12	Advisory Services Document
NI-TA-Improved Small-Scale Energy Supply	P103865	FY07	FY10	"How-To" Guidance
NI Nutrition (TA)	P101909	FY08	FY11	Institutional Development Plan
M & E technical assistance for INIDE	P118230	FY11	FY11	Institutional Development Plan
Central America Probabilistic Risk Analysis (CAPRA)	P125899	FY11	Active	Technical Assistance Loan
<b>Non-planned</b>				
Nicaragua: Consumer Protection # 10136	P126916	FY11	FY13	Advisory Services Document
NI - Land Administration	P108881	FY08	FY10	Institutional Development Plan
Nicaragua FLEG Support Project	P112277	FY09	FY09	Institutional Development Plan
Nicaragua Public Sector Advisory Services	P114994	FY09	FY10	Institutional Development Plan
NI Poverty Monitor & Policy Evaluation II	P122837	FY11	FY11	Institutional Development Plan
NI Poverty Monitor & Policy Evaluation	P118230	FY10	FY11	Institutional Development Plan
Nicaragua Strategic Implementation Planning Framework	P122739	FY10	FY11	"How-To" Guidance
Nicaragua Social Sector PER	P107245	FY07	FY10	"How-To" Guidance
FIRST: Nicaragua Design of MIS for Deposit insurance agency	P105489	FY07	FY09	"How-To" Guidance
Supporting poor-inclusive WSS Reform	P132171	FY12	FY15	Advisory Services Document
Strengthening government capacity for Rural and Peri urban WS projects	P132169	FY12	FY15	Advisory Services Document

Source: Nicaragua CPS/CSPSR as of 9/26/2012

**Annex Table 5: IEG Project Ratings for Nicaragua, FY08-FY12**

Exit FY	Project Name	Project ID	Total Evaluated (US\$M)	IEG Outcome	IEG Risk to Development Outcome*
2009	NI Natural Disaster Vulnerability Reduce	P064916	15.3	Moderately Satisfactory	Moderate
2009	NI Development Policy Credit	P106747	18.3	Moderately Satisfactory	High
2010	NI Public Sector TA	P078891	23.0	Moderately Satisfactory	Moderate
2010	NI - (APL2)Health Sector II	P078991	10.3	Moderately Satisfactory	Moderate
2011	NI-Emergency Food Price Response Project	P114441	0.0	Moderately Satisfactory	Moderate

Source: WB Business Warehouse Table 4a.5 and 4a.6 as of as of 07/26/2012.

\* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

**Annex Table 6: IEG Project Ratings for Nicaragua and Comparators, FY08-FY12**

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO% Moderate or Lower Sat (\$)*	RDO% Moderate or Lower Sat (No)*
Nicaragua	66.9	5	100.0	100.0	72.7	80.0
LCR	14,737.9	172	91.1	76.2	84.6	72.3
World	63,361.3	808	84.7	72.9	68.7	55.9

Source: WB Business Warehouse Table 4a.5 and 4a.6 as of as of 10/04/2012.

\* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

Annex Table 7: IDA Portfolio Status Indicators, FY08-FY12 (in US\$ million)

Fiscal year	2008	2009	2010	2011	2012	2013
<b>Nicaragua</b>						
# Proj	13	13	12	14	14	14
# Proj At Risk	1	2	3	2	1	0
% At Risk	8	15	25	14	7	0
Net Comm Amt	250.6	277.1	304.9	339.1	381.8	381.8
Comm At Risk	32.6	32.0	52.0	27.0	20.0	0
% Commit at Risk	13.0	11.5	17.1	8.0	5.2	0.0
<b>LCR</b>						
# Proj	260	263	270	261	257	259
# Proj At Risk	60	64	58	55	60	58
% At Risk	23	24	21	21	23	22.4
Net Comm Amt	17,848.8	25,683.7	31,610.2	31,952.1	32,733.3	33,549.3
Comm At Risk	3,666.6	3,201.9	5,264.0	3,138.9	4,356.4	4,995.8
% Commit at Risk	20.5	12.5	16.7	9.8	13.3	14.9
<b>World</b>						
# Proj	1,384	1,408	1,449	1,454	1,371	1,376
# Proj At Risk	250	310	328	302	304	306
% At Risk	18	22	23	21	22	22
Net Comm Amt	104,145.2	128,471.6	155,683.9	165,792.3	166,208.1	167,482.8
Comm At Risk	18,179.3	19,539.0	27,683.8	22,573.0	23,324.5	24,290.0
% Commit at Risk	17.5	15.2	17.8	13.6	14.0	14.5

Source: WB Business Warehouse Table 3a.4 as of 08/9/2012.

Annex Table 8: IDA Net Disbursement and Charges Summary Report for Nicaragua (in US\$ million)

FY	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
2008	24.5	0.00	24.5	1.1	1.5	21.9
2009	62	0.1	61.9	0.00	2.5	59.4
2010	52.8	0.2	52.5	0.00	3	49.5
2011	41.7	0.6	41	0.00	3.3	37.8
2012	64	2.8	61.2	0.00	3.6	57.6
<b>Total 2008-2012</b>	<b>244.9</b>	<b>3.8</b>	<b>241</b>	<b>1.1</b>	<b>13.8</b>	<b>230.9</b>

Source: WB Loan Kiosk, Net Disbursement and Charges Report as of 10/04/2012.

**Annex Table 9: List of IFC's investments in Nicaragua during FY08-FY12 (US\$'000)**

Project ID	Cmt. FY	Closure FY	Project Status	IFC Industry Group	IFC Sector Primary	Project Size	Net Loans	Net Equity	Total Net Commitment
<b>Investments approved pre-FY08, but active during FY08-FY12</b>									
20524	2004	2010	Closed	FM Industry Group	Finance & Insurance	5,000	5,000	0	5,000
23880	2007	2012	Closed	FM Industry Group	Finance & Insurance	5,000	5,000	0	5,000
24856	2006		Active	MAS Industry Group	Wholesale and Retail Trade	10,000	10,000	0	10,000
25331	2007		Active	MAS Industry Group	Agriculture and Forestry	62,000	25,000	0	25,000
<b>Subtotal</b>						<b>222,000</b>	<b>45,000</b>	<b>0</b>	<b>45,000</b>
Project ID	Cmt. FY	Closure FY	Project Status	IFC Industry Group	IFC Sector Primary	Project Size	Net Loans	Net Equity	Total Net Commitment
<b>Investments approved in FY08-FY12</b>									
26009	2008		Active	MAS Industry Group	Agriculture and Forestry	62,000	50,000	0	50,000
26027	2008		Active	FM Industry Group	Finance & Insurance	20,000	8,000	0	8,000
26287	2008		Active	FM Industry Group	Finance & Insurance	5,000	24,569	0	24,569
26819	2009		Active	MAS Industry Group	Agriculture and Forestry	52,000	25,000	0	25,000
26820	2008		Active	MAS Industry Group	Health Care	25,900	11,000	0	11,000
26950	2009		Active	Infra Industry Group	Electric Power	2,000	2,000	0	2,000
27243	2009		Active	MAS Industry Group	Agriculture and Forestry	24,369	6,300	3,000	9,300
27676	2011		Active	Infra Industry Group	Electric Power	344,000	50,300	0	50,300
27769	2009	2010	Closed	FM Industry Group	Finance & Insurance	5,000	5,000	0	5,000
27968	2009		Active	FM Industry Group	Finance & Insurance	5,000	13,880	0	13,880
28081	2009		Active	MAS Industry Group	Agriculture and Forestry	32,000	5,000	0	5,000
28207	2010		Active	FM Industry Group	Finance & Insurance	5,000	1,568	0	1,568
29570	2011		Active	FM Industry Group	Finance & Insurance	5,000	5,797	0	5,797
29974	2010		Active	MAS Industry Group	Agriculture and Forestry	9,000	9,000	0	9,000
<b>Subtotal</b>						<b>596,269</b>	<b>217,414</b>	<b>3,000</b>	<b>220,414</b>
<b>Grand Total</b>						<b>818,269</b>	<b>262,414</b>	<b>3,000</b>	<b>225,208</b>

Source: IFC, March 2012. The list does not cover the regional projects.  
MAS: Manufacturing, Agriculture, and Services; FM: Financial Markets



Annex Table 10: List of IFC's Advisory Services in Nicaragua, FY08-FY12

Project ID	Project Name	Start FY	End FY	Project Status	Primary Business Line	Total Funds, US\$
<b>Advisory Services operations approved pre-FY08, but active during FY08-FY12</b>						
522793	WWF Partnership	2005	2008	Closed	Sustainable Business Advisory	194,075
541483	National Plan for Nicaragua	2006	2010	Closed	Investment Climate	568,413
542244	Supply Chain Wood	2007	2009	Closed	Sustainable Business Advisory	1,295,958
542266	Upgrade of FINDESA's operations to commercial bank standards	2006	2010	Closed	Access To Finance	485,000
543644	Nic Leasing	2007	2009	Closed	Access To Finance	290,000
<b>Subtotal:</b>						<b>2,833,446</b>
<b>Advisory Services operations approved in FY08-FY12</b>						
570328	InfoDev-BI-Nicar	2009	2012	Closed	Sustainable Business Advisory	488,000
571147	NIPP-RE El Salto	2009	2010	Terminated	PPP (Infra. Adv.)	400,000
575307	SMG Wood Supply	2010	2012	Terminated	Sustainable Business Advisory	410,156
580708	Ecom Renovation - Nicaragua	2011		Active	Sustainable Business Advisory	434,831
<b>Subtotal:</b>						<b>1,732,987</b>
<b>Grand Total</b>						<b>4,566,433</b>

Source: Source: IFC, May 2012

**Annex Table 11: Total Net Disbursements of Official Development Assistance and Official Aid, FY08-FY10 (in US\$ million)**

Development Partners	2008	2009	2010
<b>Bilaterals</b>			
Australia	..	..	0.96
Austria	8.59	7.85	8.35
Belgium	9.92	3.66	3.48
Canada	16.83	13.56	12.53
Denmark	37.95	27.01	31.79
Finland	17.49	15.11	17.05
France	1.35	1.13	0.96
Germany	26.08	28.8	27.71
Ireland	3.23	1.71	2.15
Italy	1.28	4.28	1.77
Japan	43.77	17.39	34.37
Korea	9.07	14.84	5.6
Luxembourg	16.39	11.85	9.45
Netherlands	36.96	30.95	26.37
New Zealand	0.32	0.4	0.05
Norway	19.99	17.46	18.49
Portugal	..	0.05	..
Spain	125.36	142.37	106.18
Sweden	33.46	27.95	10.54
Switzerland	18.1	10.12	14.94
United Kingdom	10.66	7.06	7.25
United States	103.53	89.34	54.47
<b>DAC Countries, Total</b>	<b>540.33</b>	<b>472.89</b>	<b>394.46</b>
Czech Republic	0.75	0.71	..
Iceland	2.23	1.53	0.72
Israel	0.03	0.05	0.01
Poland	..	..	0.01
Slovak Republic	..	0.01	..
Turkey	0.01	..	0.02
United Arab Emirates	..	..	0.02
<b>Non-DAC Countries, Total</b>	<b>3.02</b>	<b>2.3</b>	<b>0.78</b>
<b>Multilaterals</b>			
EU Institutions	34.79	46.13	21.89
GAVI	0.47	1.58	5.79
GEF	4.3	0.4	4.13
Global Fund	4.48	14.11	10.7
IAEA	0.28	0.3	0.6
IDA	28.28	69.68	44.49
IDB Sp.Fund	76.28	113.07	107.78
IFAD	5.29	1.87	3.57
IMF (Concessional Trust Funds)	29.07	36.7	19.53
Nordic Dev.Fund	4.67	9.52	2.42
OFID	2.72	-1.61	0.05
UNAIDS	..	..	0.1
UNDP	2.74	2.41	2.23
UNFPA	1.61	1.55	1.45
UNICEF	0.74	1.28	0.81
UNTA	1.4	..	..
WFP	0.25	0.45	0.08
<b>Multilateral Agencies, Total</b>	<b>197.37</b>	<b>297.44</b>	<b>225.62</b>
<b>All Development Partners, Total</b>	<b>740.72</b>	<b>772.63</b>	<b>620.86</b>

Source: OECD DAC Online database, Table 2a. Destination of Official Development Assistance and Official Aid - Disbursements, as of 07/26/2012.

Annex Table 12: Economic and Social Indicators for Nicaragua and Comparators, FY08-FY11

Series Name	Nicaragua				Nicaragua	Latin America	World
	2008	2009	2010	2011	Average 2008-2011		
<b>Growth and Inflation</b>							
GDP growth (annual %)	2.8	-1.5	4.5	4.7	2.6	3.3	1.5
GDP per capita growth (annual %)	1.4	-2.8	3.1	3.2	1.2	2.1	0.4
GNI per capita, PPP (current international \$)	2,640.0	2,550.0	2,660.0	2,840.0	2,672.5	11,051.8	10,935.6
GNI, Atlas method (current US mil. \$)	5,970.5	5,983.9	6,350	6,842.1	6,286.6	4,491,628	61,583,607
Inflation, consumer prices (annual %)	19.8	3.7	5.5	8.1	9.3	..	..
<b>Composition of GDP (%)</b>							
Agriculture, value added (% of GDP)	20.2	19.9	20.8	21.5	20.6	6.1	2.8
Industry, value added (% of GDP)	29.3	29.2	29.6	31.1	29.8	31.4	26.2
Services, etc., value added (% of GDP)	50.5	50.9	49.6	47.4	49.6	62.5	71.0
Gross fixed capital formation (% of GDP)	31.1	27.2	27.0	29.7	28.7	20.3	20.1
Gross domestic savings (% of GDP)	-4.8	-2.4	-1.2	-0.8	-2.3	21.4	20.1
<b>External Accounts</b>							
Exports of goods and services (% of GDP)	34.6	34.7	42.6	45.9	39.5	23.3	27.6
Imports of goods and services (% of GDP)	72.6	60.5	69.7	78.1	70.2	23.8	27.9
Current account balance (% of GDP)	-23.7	-12.5	-13.4	-17.8	-16.8	..	..
External debt stocks (% of GNI)	68.8	78.4	76.9	..	74.7	..	..
Total debt service (% of GNI)	6.7	8.7	8.3	..	7.9	3.3	..
Total reserves in months of imports	2.4	3.9	3.7	3.1	3.3	8.4	13.4
<b>Fiscal Accounts <sup>1/</sup></b>							
Revenue (% of GDP)	19	18.9	19.7	..	19.2	..	..
Total Expenditure (% of GDP)	138	126	127	132	130.8	..	..
Overall Balance Including Grants (% of GDP)	-23.7	-12.5	-13.4	-17.8	-16.8	..	..
Public Sector Debt (% of GDP)	..	..	..	..	..	..	..
<b>Social Indicators</b>							
<b>Health</b>							
Life expectancy at birth, total (years)	73.1	73.4	73.7	..	73.4	73.9	69.4
Immunization, DPT (% of children ages 12-23 months)	96.0	98.0	98.0	..	97.3	92.5	84.4
Improved sanitation facilities (% of population with access)	52.0	52.0	52.0	..	52.0	78.2	62.0
Improved water source (% of population with access)	85.0	85.0	85.0	..	85.0	93.7	87.9
Mortality rate, infant (per 1,000 live births)	24.6	23.7	22.6	..	23.6	18.9	42.0
<b>Population</b>							
Population, total (in million)	6	6	6	6	6	586	6,855
Population growth (annual %)	1.3	1.3	1.4	1.4	1.3	1.1	1.2
Urban population (% of total)	..	..	57.3	..	57.3	78.9	50.3
<b>Education</b>							
School enrollment, preprimary (% gross)	56.1	..	55.4	..	55.7	69.8	46.8
School enrollment, primary (% gross)	118.1	..	117.6	..	117.8	115.0	106.2
School enrollment, secondary (% gross)	68.0	..	69.4	..	68.7	89.3	69.3

1/ IMF, Article IV Consultations and The Economist Intelligence Unit database.

Source: WB World Development Indicators for all indicators excluding Fiscal Accounts data

Annex Table 13: Nicaragua - Millennium Development Goals

	1990	1995	2000	2005	2010
<b>Goal 1: Eradicate extreme poverty and hunger</b>					
Employment to population ratio, 15+, total (%)	55	54	56	58	60
Employment to population ratio, ages 15-24, total (%)	47	46	46	46	46
GDP per person employed (constant 1990 PPP \$)	..	..	..	..	..
Income share held by lowest 20%	..	4.0	6.0	6.0	..
Malnutrition prevalence, weight for age (% of children under 5)	..	10	8	4	..
Poverty gap at \$1.25 a day (PPP) (%)	..	6	4	2	..
Poverty headcount ratio at \$1.25 a day (PPP) (% of population)	..	18	14	12	..
Vulnerable employment, total (% of total employment)	..	39	46	45	..
<b>Goal 2: Achieve universal primary education</b>					
Literacy rate, youth female (% of females ages 15-24)	..	..	89	89	..
Literacy rate, youth male (% of males ages 15-24)	..	..	84	85	..
Persistence to last grade of primary, total (% of cohort)	..	..	52	50	..
Primary completion rate, total (% of relevant age group)	39	49	66	75	81
Total enrollment, primary (% net)	68	75	83	95	94
<b>Goal 3: Promote gender equality and empower women</b>					
Proportion of seats held by women in national parliaments (%)	15	11	10	21	21
Ratio of female to male primary enrollment (%)	107	103	101	97	98
Ratio of female to male secondary enrollment (%)	163	..	117	113	110
Ratio of female to male tertiary enrollment (%)	107	104	108	109	..
Share of women employed in the nonagricultural sector (% of total nonagricultural employment)	..	..	..	38.3	..
<b>Goal 4: Reduce child mortality</b>					
Immunization, measles (% of children ages 12-23 months)	82	85	86	95	99
Mortality rate, infant (per 1,000 live births)	52	42	34	28	23
Mortality rate, under-5 (per 1,000)	68	54	43	34	27
<b>Goal 5: Improve maternal health</b>					
Adolescent fertility rate (births per 1,000 women ages 15-19)	..	133	125	115	108
Births attended by skilled health staff (% of total)	..	61	67	74	..
Contraceptive prevalence (% of women ages 15-49)	..	49	69	72	..
Maternal mortality ratio (modeled estimate, per 100,000 live births)	170	150	130	110	95
Pregnant women receiving prenatal care (%)	..	72	86	90	..
Unmet need for contraception (% of married women ages 15-49)	..	..	15	8	..
<b>Goal 6: Combat HIV/AIDS, malaria, and other diseases</b>					
Children with fever receiving antimalarial drugs (% of children under age 5 with fever)	..	..	2	..	..
Condom use, population ages 15-24, female (% of females ages 15-24)	..	..	7	..	..
Condom use, population ages 15-24, male (% of males ages 15-24)	..	..	..	..	..
Incidence of tuberculosis (per 100,000 people)	108	85	68	53	42
Prevalence of HIV, female (% ages 15-24)	..	..	..	..	0.1
Prevalence of HIV, male (% ages 15-24)	..	..	..	..	0
Prevalence of HIV, total (% of population ages 15-49)	0.1	0.1	0.1	0.2	0.2
Tuberculosis case detection rate (all forms)	66	72	70	66	100
<b>Goal 7: Ensure environmental sustainability</b>					
CO2 emissions (kg per PPP \$ of GDP)	0.0	0.0	0.0	0.0	0.0
CO2 emissions (metric tons per capita)	1.0	1.0	1.0	1.0	1.0
Forest area (% of land area)	38	..	32	29	26
Improved sanitation facilities (% of population with access)	43	46	48	50	52
Improved water source (% of population with access)	74	77	80	83	85
Marine protected areas (% of total surface area)	1	13	16	37	37
Net ODA received per capita (current US\$)	80.0	140.0	110.0	141.0	107.0
<b>Goal 8: Develop a global partnership for development</b>					
Debt service (PPG and IMF only, % of exports, excluding workers' remittances)	2	42	17	4	3
Internet users (per 100 people)	0.0	0.0	1.0	2.6	10.0
Mobile cellular subscriptions (per 100 people)	0	0	2	21	65
Telephone lines (per 100 people)	1	2	3	4	4
<b>Other</b>					
Fertility rate, total (births per woman)	5	4	3	3	3
GNI per capita, Atlas method (current US\$)	310	520	730	890	1,100
GNI, Atlas method (current US\$) (billions)	1.3	2.4	3.7	4.8	6.3
Gross capital formation (% of GDP)	19.3	22.0	30.2	29.5	25.8
Life expectancy at birth, total (years)	64	67	70	72	74
Literacy rate, adult total (% of people ages 15 and above)	..	..	77	78	..
Population, total (millions)	4120797	4637040	5073704	5424336	5788163
Trade (% of GDP)	71.3	53.8	75.0	87.5	112.3

Source: World Development Indicators database as of 07/27/2012.