

THE CONSULTATION PROCESS

I. Background

1. Since 1990, Nicaragua has made great efforts to transform itself into a more open and democratic society. By 1996, the peace process was accomplished and the basis for democracy and a free market economy established. Since the beginning of the current administration, the government of Nicaragua has intensified dialogues and contacts with the political parties, churches, the private sector, labor unions, non-governmental organizations (NGO's) and citizens. Members of the economic cabinet have met on many occasions with the business community's Superior Council for Private Enterprise (COSEP) to discuss economic issues. Likewise, the President of Nicaragua has had many meetings with the member associations of COSEP. In 1998, for example, the Government through the Ministry of Health began a dialogue on reforming the health system with donors and citizens, particularly in the departments, municipalities and the Atlantic coast. In the same year, the Ministry of Education organized meetings with citizens and organizations across the nation to elicit opinion about a strategic plan for the education system. For the consultative group meeting of Stockholm in 1999, after Hurricane Mitch, there was wide participation by different sectors of our society in preparing a national plan for the reconstruction and transformation of Nicaragua.
2. The reform and modernization program of the health system to be implemented during 1998-2002 was widely publicized by mid-1998. Workshops were held at seventeen Local Integrated Health Care Systems (SILAIS) and country hospitals, with the participation of different sectors of Nicaraguan society; the social and economic ministries, universities, NGO's, labor unions, the business community, the National Health Council and donors.
3. The development of a proposal outlining a national education strategic plan was the result of a number of meetings at the national level that began in December 1998. Some of the participants were the Nicaragua Initiative for Education and Human Development Forum, the National Pedagogic Movement and about three thousand people, among them teachers, parents, students, university professors and churches' representatives.
4. After hurricane Mitch, in November 1998, at the conclusion of the work by the National Emergency Committee, the government organized a Presidential Commission for the Reconstruction and Transformation of Nicaragua. This commission was composed of six consultative councils with members from different sectors of our society to identify the needs of stakeholders. These six Councils were: Financing and Foreign Cooperation, coordinated by the Secretary of External Cooperation; Social, coordinated by the Technical Secretary of the Presidency; Infrastructure, coordinated by the Executive Director of the Government owned electric company-ENEL; Production, coordinated by the Minister of Agriculture and Forestry; Civil Society, coordinated by the Minister of Foreign Affairs; and Environment, coordinated by the President of the National Council for Sustainable Development (CONADES). With the participation of civil society, these councils developed proposals on different topics, and presented their recommendations to the president of Nicaragua.

II. The Process

5. The issue of poverty reduction has long been discussed with citizens and donors in the context of preparing for Consultative Group meetings, particularly in Geneva and Stockholm. At these forums, the government presented a national development program with the dual objective of achieving sustainable solid economic growth and reducing poverty. At the same time the government emphasized macroeconomic stability, growth in the rural sector, development of the economic infrastructure, decentralization, governance; and development of human capital, through investments in education, health, safe water, housing, and protection for vulnerable populations. The poverty reduction strategy has thus been an integral element of the Nicaraguan government program since January 1997.

6. Since November 1999, a review of this 1997 strategy was begun, taking as a base the findings from the 1998 Living Standards Measurement Survey (LSMS 98), the 1998 Demographic and Health Survey (DHS 98), and the experience learned from programs that have been implemented. The development of the Strengthened Poverty Reduction Strategy (SPRS) coordinated by the Technical Secretariat of the Presidency (SETEC) and the support of the social and economic cabinets, has also been supported by technical assistance from The World Bank (IBRD), The Interamerican Development Bank (IDB) and the United Nations Development Program (UNDP). The World Bank has taken the lead role in terms of poverty assessment, including a qualitative poverty and exclusion study that documents the poors' perceptions about their own problems and their priorities to overcome them. In addition, it has supported various sectoral studies and seminars. It has advised on the review and formulation of the SPRS, the participatory process and the investment portfolio. The IDB has provided technical assistance to review the strategies and the investment portfolio. The UNDP has joined, supported, with technical assistance, and helped finance the participatory process particularly through workshops and seminars. Bilateral donors are also supporting and participating in the planning of the participatory process and its corresponding methodology.

7. The preparatory process of the SPRS was initiated with discussions at three levels: a) within the government, through meetings of the Economic and Social Cabinets, deliberations with technical personnel from the ministries, autonomous agencies, representatives from municipal, regional governments and departmental secretaries of the government; b) Civil Society, mainly through the National Council for Social and Economic Planning (CONPES) and additional meetings with other sectors of Nicaraguan society; and c) discussions with representatives of bilateral donors and multilateral organizations.

8. Within the framework of this participatory approach, the authorities will maintain a constant flow of information, broaden the role of the public, promote open discussions among government, citizens and donors, and strengthen policy formulation, monitoring and evaluation capacities. The goal is not only to build consensus, but to ensure this strategy becomes a truly national project.

9. The various stages of developing the strategy have been, and will continue to be, discussed with citizens. Their comments and recommendations for the first phase --Poverty Assessment and Strategies-- and for the second phase --Goals and Investment Portfolio-- have been included in a matrix to facilitate their inclusion, assessment and to ensure transparency through open

record keeping. There have been meetings and working sessions with the various CONPES' Commissions and the donor community. Plans are underway to continue and to broaden public participation, among them --the poor and vulnerable populations, indigenous communities and women-- moving out of Managua to the departments and municipalities in a systematic way. This will ultimately include the monitoring and evaluation process as well.

10. The draft documents for discussions have been available prior to, and throughout our discussions, working sessions, as well as by specific requests. They are also available in the web page, [http:// www.mipres.gob.ni/setec](http://www.mipres.gob.ni/setec), and many comments have been received.

11. The Government, with the UNDP, formulated and is implementing a more formal program to facilitate the contributions, broad participation and consensus building on the strengthened poverty reduction strategy. This National Program for the Analysis and Formulation of Public Policy (PRANAFP) will systematize not only participatory mechanisms but also analyze information and decision-making processes to address the main causes that create and intensify poverty. With this preparatory assistance there have already been three consultation seminars on the SPRS and six workshops with CONPES, political parties, the private sector, NGO's, local development organizations, the Association of Nicaraguan Municipalities (AMUNIC) and the National Council for Sustainable Development (CONADES), among others.

12. CONPES will be the entity in charge of monitoring and evaluating the strategy and commitments. CONPES will develop its own organizational structure and agenda that will include procedures, workshops about poverty assessment, social, and economic indicators; national, provincial or municipal forums; research for the elaboration of proposals; and participation of the poor and vulnerable groups. At this stage, emphasis will be given to the activities related to the SPRS. CONPES through PRANAFP will count on basic technical assistance in fields such as statistics, database, research and communications.

13. The presentations, workshops and recommendations brought up during the sessions with mayors, departmental secretaries of the government and territorial representatives from the Nicaraguan Institute for Municipal Development (INIFOM) were the first steps towards the discussions in other places of the country. Some experience has been obtained with the sessions of the expanded CONPES in Jinotega and Matagalpa as well as in Chinandega and León. One of the next steps is to have sessions with government representatives in the provinces so that they will get to know the strengthened poverty reduction strategy and support its discussion with the rest of society. The networks of the institutions represented in CONPES have also been considered as a base for the discussions. These include COSEP with its affiliates, the local producers association, chambers of commerce, development foundations; the Civic Coordination Group for the Emergency and Reconstruction (CCER) with its network; churches, labor unions, universities and others.

14. Further steps are being taken to plan the methodological, technical and logistical aspects so as to ensure a more open and helpful process. A workshop with participants from outside of Managua, affiliated to members of CONPES, was carried out to get their opinions and ideas for the formulation of the local consultation process. Some members of the donor community also participated and are supporting these next steps.

15. During the process, with the implementation of PRANAFP, government institutions at the central and local level, other branches of government and civil society organizations will increase their participation and contribution. Multilateral organizations and bilateral donors are providing resources, knowledge and expertise in monitoring, evaluation and methodology for the creation and interpretation of indicators that will assist in the formulation of public policies.

16. The civil society will thus be in a position to develop mechanisms for: a) ranking national priorities and design of public policies, strengthening the budgeting and investment processes, and monitoring government institutions, through information, analysis and involvement; b) organization of the participatory process to facilitate access to information and capabilities. An example is the incorporation into CONPES of the governors of the two Atlantic regions last February; c) promotion of networks, or working groups, to respond to the information and research needs of CONPES and citizens, to spell out objectives, build consensus and strengthen the environment for change, and d) facilitating the role of donors and their experience.

17. There are many other consultation processes taking place. For instance, the Environment and Natural Resources Ministry began last March a series of consultations for the formulation of the Nicaragua Environmental Plan (PANic). The first stage consisted of about 45 workshops that included all the municipalities in Nicaragua. Ten of these workshops were with 153 indigenous communities in their own villages and their own language. A second stage of consultations was initiated in June with 17 workshops at the provincial level. Among the participants were mayors, community leaders, local NGOs, project directors, churches, cooperatives, small producers, candidates for the coming municipal elections, police, army, women, universities and government institutions. The Ministry of Agriculture and Forestry has begun a consultation process on forestry policies and strategies. The city of Managua has just begun, in July, a broad consultation process for its Municipal Development Plan. Following an internal review, it has scheduled workshops with assistance from independent facilitators which will include an array of government institutions, the private sector, community organizations, professional associations, NGO's and others.

III. Working Sessions

A. Government

18. The Government began its discussion of poverty and a strengthened strategy to reduce it by reassessing its thinking on poverty. Since November 1999, the Economic and Social Cabinet has discussed the topic with technical personnel from the various ministries, autonomous agencies and representatives from municipal and regional governments. The government then met with representatives of bilateral donors and multilateral organizations in Nicaragua to discuss ideas and receive feedback.

19. The following table reflects some of the meetings and workshops of government institutions. Those related to the review and rationalization of the public investment programs 2001-2003, counted with support from the World Bank which is providing technical assistance to the National System of Public Investments (SNIP). Many other meetings between the technical staffs complement the interaction for the consultation process.

Government: Working Sessions

Date	Institution	Topic
November 9, 1999	Economic and Social Cabinet	Agenda for the SPRS and poverty assessment
November 13 and 16	MECOVI technical commission	Methodological aspects and criteria for poverty measurement surveys
November 26	Technical staff social sector ministries	Coordination, work agenda and poverty assessment
January 11, 2000	Economic Cabinet	Presentation and discussion of poverty strategy and participatory process
February 28	Mayors, departmental secretaries of the government and INIFOM's representatives	Workshop on the poverty strategy, the SPRS process and organization of working groups with a local perspective
March 3	Central government institutions (SETEC/UNDP)	Presentation about CONPES, PRANAFP and SPRS
March 8	SETEC/SNIP general directors, directors of cooperation, projects and programs of government institutions	Presentation and discussion of the SPRS, analysis and review of the investment portfolio, participatory process, agenda and work teams and inter-institutional coordination
May 1	Economic and Social Cabinet	Presentation and discussion of the goals and investment portfolio of the SPRS and the next steps
May 8	Mayors, departmental secretaries for the government and INIFOM's representatives	Presentation and discussion of the goals and investment portfolio of the SPRS and next steps
May 17	SETEC/SNIP Directors and technicians from the units of cooperation, projects and programs of central government institutions	Workshop and seminar for the formulation of the public investment program 2001-2005
May 18	SETEC/SNIP directors and technicians from the units of cooperation, projects and programs of the economic and social infrastructure sectors	Methodology, objectives and strategy for the public investment policy for social infrastructure
May 18	Mayors and departmental secretaries	Workshop on the recommendations about the SPRS- goals and investment portfolio
May 19	SETEC/SNIP directors and technical staff from the units of cooperation, projects and programs of the production sector	Methodology, objectives and strategy for the public investment policy for the production sector
July 11	SETEC-SNIP / MINSA,	Investment portfolio, annual budget 2001

Date	Institution	Topic
	MECD	
July 12	SETEC-SNIP / ENACAL, INIFOM, MINGOB, IDR	Investment portfolio, annual budget 2001
July 13	MIFAMILIA, MAGFOR, INVUR, INTA, INAFOR, MTI, MARENA, INETER	Investment portfolio, annual budget 2001
July 17	ENEL, CNE	Investment portfolio, annual budget 2001
July 20	Regional Governments RAAN and RAAS	Investment portfolio, annual budget 2001

Government: Sectors' Working Sessions

Pillar	Date	Institution	Topic
ECONOMIC GROWTH	March 21 and 22 , 2000	MAGFOR, INTA, IDR.	Strategy, goals, investment and financing portfolio
	March 28	MAGFOR, INTA, IDR.	Investment portfolio
	March 28	MIFIC/INPYME	PYMES investment proposals
	April 8 and 25	MIFIC	Investment and financing portfolio
	June 9	IDR- SNIP	Review investment program 2001-2005, targets and indicators
	June 13 and 15	MAGFOR-SNIP	Review investment programs 2001-2005, targets, indicators, on time information and implementation
	June 15	OTR (MHCP)-SNIP	Review investment program, new ones for rural land titling and Indian communities land demarcation
HUMAN CAPITAL	November 10, 1999	MECD	Discussion of sector's strategy
	November 12	MINSA	Discussion of sector's strategy
	December 9 and 10	MINSA	Discussion of sector's strategy
	December	MINSA	Goals, indicators, investment programs and financing
	December 14	MECD/INATEC	Goals, indicators and investment programs.
	December 17	MINSA	Goals, indicators and investment programs
	December 20	INATEC	Sector's strategy and recommendations
	December 21	MECD	Goals, indicators and investment programs
	March 13 and 15 , 2000	MINSA	Review the strategy, targets, indicators and investment programs
	March 22	MECD	Review the strategy, targets, indicators and investment programs
	March 23	INATEC	Review investment and financing
	March 27 and 31	INTECNA	The strategy, investment and

Pillar	Date	Institution	Topic
			financing
	March 28	INATEC	Review investment programs
	March 28 and 29	MECD	Review investment programs
	April 5	INTECNA	Review investment programs
	April 6 and 12	INATEC	Review investment programs
	June 6, 8, 14, 16, 20, 26 and 30	MINSAs	Planning Department, analysis of programs.
	June 8	MECD-SNIP	Review investment program 2001-2005, legal issue and indicators
	June 8	MINSAs-SNIP	Review investment program 2001-2005, municipal data and indicators
	June 8, 15 and 26	MINSAs	Nutrition Department programs
	June 21, 27	MINSAs	Maternity
	June 13	INATEC-SNIP	Review investment program 2001-2005, targets and indicators
	June 15	MINSAs	Nutrition Dept.
	June 26 and 30	MECD	Statistics
	June 28	SAS	Population
	July 3 and 4	MECD	Statistics
SOCIAL INFRASTRUCTURE	March 21-23, 2000	MTI, ENACAL and INVUR	Review investment and financing programs
	March 27-29	MTI, ENACAL and INVUR	Review draft investment programs
	March 29	CNE	Review draft investment programs
	June 7	ENACAL-SNIP	Review investment program 2001-2005, targets and indicators
	June 9	MTI-SNIP	Investment program 2001-2005
	June 13	INVUR-SNIP	Review investment programs, indicators, budgeting ceiling and INVUR's role
	July 5	MECD/ASEN	Support program
PROTECTION FOR VULNERABLE POPULATION	December 10 1999	MIFAMILIA	Discussion of population and nutrition strategy
	December 13	SAS, MIFAMILIA, MINSAs, and INIM	Discussion of population and nutrition strategy
	December 16	MINSAs and SAS	Population and nutrition strategy
	March 21-24, 2000	MINSAs, MECD, MIFAMILIA and INIM.	Review of strategy, goals and investment programs
	March 30	MINSAs, MIFAMILIA, SAS and INIM	Discussion of investment programs
	March 31	MIFAMILIA	Review of investment portfolio
	April 4 and 6	MINSAs, MIFAMILIA and INIM.	Investment portfolio
	April 6 and 10	INATEC	Review of investment portfolio and financing
	April 10	MIFAMILIA	Review of investment portfolio

Pillar	Date	Institution	Topic
	June 7	MIFAMILIA	School's nutrition program and social protection network
	June 12	SAS-SNIP	Review the investment program 2001-2005 targets and indicators
	June 14	MIFAMILIA-SNIP	Review investment programs and coordination with INIM
	June 15	MIFAMILIA	Presentation of pillars, policy actions and investment programs
	July 10	MIFAMILIA, INIM	Investment programs
ENVIRONMENT AND VULNERABILITY	March 16 and 20, 2000	CONADES	Recommendations on the strategy and investment programs
	March 21 and 24	MARENA	Review of the strategy and investment portfolio
	March 28 and 31	MARENA- SNIP	Develop draft programs and financing
	April 4	MARENA	Environmental component of PROTIERRA.
	April 25	CONADES	Review investment programs and financing
	June 14	MARENA	Review investment program 2001-2005, targets and indicators
DECENTRALIZATION	March 3 , 2000	INIFOM / CSD / PROTIERRA	Workshop on decentralization
	March 15	INIFOM-CSD	Coordination of workshop with mayors and departmental secretaries
	March 20 and 22-24	INIFOM-CSD	Review strategy and investment programs.
	March 27-28	INIFOM-SNIP	Development of draft programs
	March 30-31	INIFOM-SNIP	Development of draft programs
	April 1, 4 and 5	INIFOM	Information and new study on decentralization. Programs and PROTIERRA's new phase
	June 7	INIFOM-SNIP	Review of investment program 2001-2005, goals and indicators.

B. Civil Society

THE NATIONAL COUNCIL FOR SOCIAL AND ECONOMIC PLANNING (CONPES)

20. The National Council for Social and Economic Planning (CONPES) has met 26 times in plenary sessions since its installation in August 1999. In its earlier meetings it dealt with topics such as objectives, organizational structure, and conformation of working groups or commissions. Later sessions discussed the social and economic policy of the Government, the national budget, the Consultative Group Meeting in Washington, the SPRS, the reform of the

Social Security System and the national dialogue 2000. Many members of the IDB Board of Directors attended a presentation by CONPES on its 24th session, held on July 22, 2000.

Background and purpose of CONPES

21. CONPES' legal base is article 150, clause 13, of the National Constitution, which gives the President of Nicaragua a mandate to create it as a counseling entity to assist in the development of social and economic plans. Decree No.15-99 created CONPES on February 1999. The Decree takes into account the participation of the many sectors of society involved in the social and economic development of the country.

22. CONPES has the following functions:

- Advise the president in policy formulation, and monitor and evaluate social and economic programs.
- Be informed about structural adjustment programs, and oversee the investment portfolio (projects and programs).
- Make recommendations on the annual budget law.
- Advise the president on any issue of national interest.

Installation and members

23. Presidential Decree No. 295-99, established the membership of CONPES on August 25,1999. On February 18, 2000, the governors of the North and South Autonomous Regions of the Atlantic, RAAN and RAAS, were also included.

CONPES Members

Private Sector	
Superior Council for Private Enterprise (COSEP)	Roberto Terán Willy Rivas Icaza
Nicaraguan Private Banks Association (ASOBANP)	Julio Cárdenas Robleto Teresa Montealegre
American Nicaraguan Chamber of Commerce (AMCHAM)	Armando Castillo Agustín Fuentes
National Union of Agriculture and Cattle Breeders (UNAG)	Daniel Nuñez Rodríguez Lidia S. Darce
Nicaragua Farmers Association (UPANIC)	Oscar Alemán Cruz Gerardo Blandón
Labor Unions	
Permanent Workers Congress (CPT)	Carlos Martínez Saavedra Nilo Salazar Aguilar
National Workers Front (FNT)	José Antonio Zepeda
Community-Based Organizations	
Boards for Community Development (JCOP)	Carlos Valle Guerrero

	Martha Guillén de Lizano
Nicaraguan Community-Based Movement (MCN)	Ramón Gámez Rodríguez Mario Ordóñez Herrera
NGO's	
Civic Coordinating Group for the Emergency and Reconstruction (CCER)	Violeta Granera Padilla Amado Ordóñez Mejía
Universities	
National Universities Council (CNU)	Ernesto Medina Sandino Francisco Telémaco Talavera
Political Parties	
National Conservative Action (ANC)	Frank Duarte Tapia Luisa López
Sandinista National Liberation Front (FSLN)	Emmet Lang Dionisio Marengo
Nicaraguan Christian Way Party (CCN)	Frank Sarria García Delia Arellano Sandoval
Neo-Liberal Party (PALI)	Juan López Zeledón Alexis Fernández Fernández
Constitutionalist Liberal Party (PLC)	Leopoldo Navarro José Rizo Castellón
Nationalist Liberal Party (PLN)	Adán Bermúdez Urcuyo María Mercedes Roa
Liberal Party for National Unity (PLIUN)	Nicolás Leytón Augusto López
Social Christian Party of Nicaragua (PSC)	Abel Reyes Téllez Francisco Campos
National Project (PRONAL)	Iván Salvador Madriz María Elena Palacios
Government	
Minister of Foreign Affairs	Minister of Finance
Minister of Development, Industry and Trade	Minister of Agriculture and Forestry
President of the Central Bank of Nicaragua	Secretary of the Presidency
Technical Secretary of the Presidency	Secretary for Social Action
Governor of RAAN	Governor of RAAS

Operational mechanism

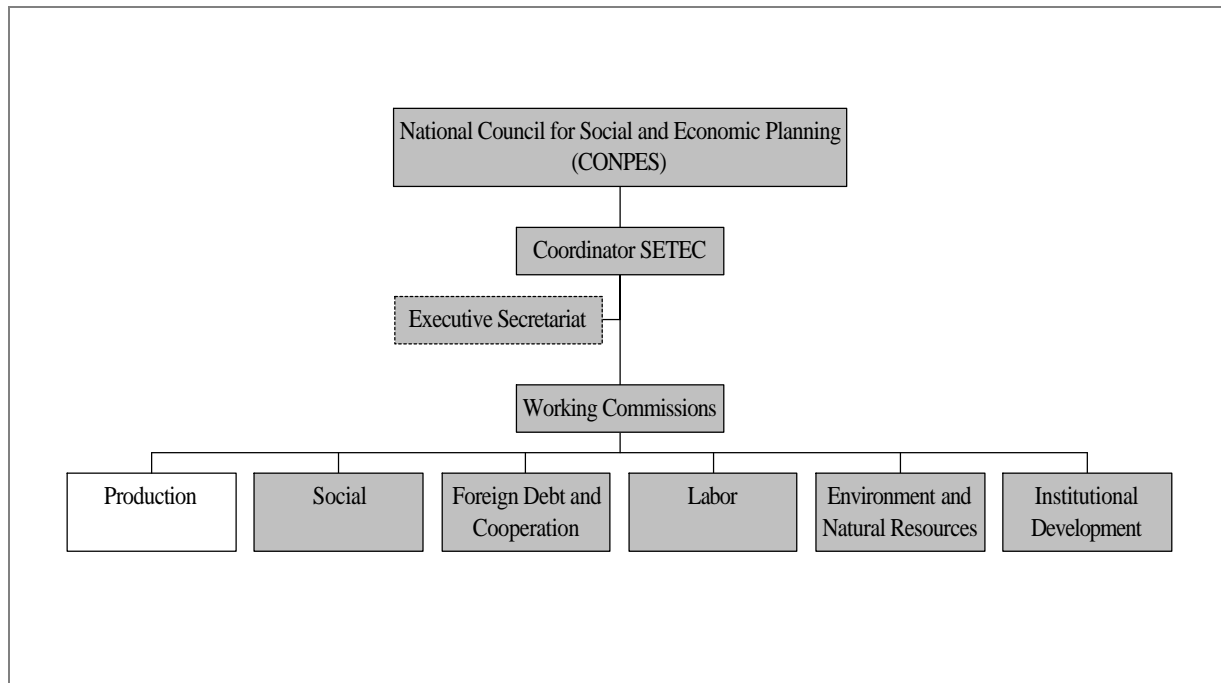
24. On September 2, 1999, by Presidential Decree No. 310-99 the Technical Secretary of the Presidency was appointed the coordinator of CONPES. During the month of October 1999, a number of meetings took place between members of government and members of the

organizations represented in CONPES to discuss the legal context of CONPES and explore ideas that members of the CONPES had on national issues and about the structure of CONPES itself.

25. CONPES, in its 26 plenary sessions, has discussed the Government's social and economic policy and exchanged views and made recommendations, particularly on the SPRS, the follow-up of the commitments of the Consultative Group meeting of Stockholm, and the preparations for the meeting in Washington.

26. CONPES has organized itself around five working groups or commissions: Production, Social, Foreign Debt and Cooperation, Labor and Environment and Natural Resources. On June 2, 2000, a Commission for Institutional Development was formed by the coordinators and secretaries of the five commissions to make proposals to improve and broaden participation.

27. The organizational chart of the CONPES is the following:



28. Rules were established, during spirited debates, for the functioning of CONPES, its coordinator, the executive secretariat and the various commissions (Presidential Decree No. 434-99)

29. CONPES through the Tripartite Committee --a coordinating body of representatives from government, civil society and donors-- has contracted a technical team to advise on specific topics of the SPRS. This approach has improved the capacity of CONPES affiliates to better analyze and provide recommendations on the poverty goals and investment portfolio. The World Bank, the IDB, the UNDP and bilateral donors have all provided support and technical assistance for this participatory process.

Activities and Meetings of the CONPES

30. The CONPES started functioning on October 13, 1999, just before the first plenary session; that and others took place on the following dates:

CONPES' Plenary Sessions

Session	Date	Topic
1 st	November 8, 1999	Purpose, composition and structure of CONPES. Government's social and economic policy Draft, annual budget law for year 2000.
2 nd	November 11	1998 Living Standards Measurement Survey Agenda for the year 2000
3 rd	November 16	Rules, regulations and structural organization of CONPES' objectives
4 th	November 23	Analysis and recommendations to the poverty assessment document. Structural organization and objectives of CONPES
5 th	November 30	Objectives and goals of the ESAF, financial and fiscal programs. Review and approval of CONPES' regulations
6 th	December 3	Proposed reforms to the INSS's Pension Law and organization of working groups by government, private sector and labor unions
7 th	December 10	Agenda and objectives of the government for its SPRS, issues of production, infrastructure, social and population policy, labor market, foreign debt and cooperation and costs of basic services. Other topics: property rights, public safety, disaster's prevention and the environment
8 th	December 15	Operation mechanisms, agenda, and creation of five commissions: Production, Social, Labor, Environment and Natural Resources, Foreign Debt and Cooperation with their respective Coordinator and Secretary
9 th	January 11, 2000	Monitoring of the commitments of the Consultative Group of Stockholm Report on the elaboration of the SPRS
10 th	January 28	First draft of recommendations by the commissions to the SPRS
11 th	January 31	Postponement of the Consultative Group meeting in Managua and proposal for new members of the Electoral Council, Supreme Court and Comptroller's Office
12 th	February 2	Draft of recommendations by the commissions for the SPRS
13 th	March 9	Approval of recommendations for the SPRS
14 th	March 10	Presentation of the recommendations for the SPRS before the donor's community

Session	Date	Topic
15 th	March 17	Presented to the expanded CONPES, the second draft of the document, "One Nation, Many Voices: Society, Government and Economy in the New Millennium".
16 th	March 31	Recommendations to the document "One Nation, Many Voices: Society, Government and Economy in the New Millennium".
17 th	April 5	Expanded CONPES, civil society from Matagalpa and Jinotega, to discuss the document, "One Nation, Many Voices: Society, Government and Economy in the New Millennium".
18 th	April 7	Expanded CONPES, civil society from León and Chinandega to discuss the document, "One Nation, Many Voices: Society, Government and Economy in the New Millennium".
19 th	May 2	Presentation of the second part of the SPRS: Goals and Investment portfolio and organization of commissions to draft recommendations
20 th	May 5	Expanded CONPES, branches of government and donors; presentation of the document, "One Nation, Many Voices: Society, Government and Economy in the New Millennium".
21 st	June 2	The Consultative Group meeting in Washington Functioning of CONPES. Problems and methodology for the participatory process, and recommendations to the SPRS- Goals and Investment portfolio. National Dialogue.
22 nd	June 9	Technical staff that will work with the two commissions on the recommendations to the SPRS, 1-) Production, environment and foreign cooperation, and 2-) Social, infrastructure and decentralization. CONPES participation in the national dialogue 2000
23 rd	July 10	Commissions' recommendations to the SPRS-Targets and Programs Tripartite Commission report about the dialogue CONPES administrative issues
24 th	July 22	Report on the exploratory stage of the national dialogue Presentation to visiting directors of the IDB
25 th	July 27	The HIPC, training program for budget analysis
26 th	August 3	CONPES and the HIPC initiative, verification commission for the national dialogue 2000 and its regulations, PRANAFP

31. Since their installation, the commissions have had approximately 80 meetings of which 67 were in 2000, as detailed in the following table. These commissions have worked on the issues raised at CONPES, like strategic policies for the productive and social sectors, debt relief and the HIPC initiative, public investment and foreign cooperation, the recommendations for the SPRS and to the Consultative Group document, “One Nation, Many Voices”. CONPES is free to decide how to organize its commissions and approach their analysis. For instance, for the preparation of the document “One Nation Many Voices” it set up four working groups: 1) ecological vulnerability, 2) macroeconomic issues, 3) governance and human rights, and 4) decentralization. For the recommendations on the Goals and Investment portfolio, they set up two expanded commissions, 1) **Production**, environment and foreign cooperation, and 2) **Social**, infrastructure and decentralization. These groups counted with the incorporation of new participants, such as representatives from human settlements, and support from SETEC’s technical staff in addition to the technical team that is facilitating the analysis and recommendations to be made by CONPES.

CONPES Commission Meetings

Date	Commission	Topic
January 4, 6, 7, 11, 12 and 27, 2000	Foreign Debt and Cooperation	SPRS- Assessment and Strategy
January 5, 12, 25, 26 and 28 February 9 March 1	Production	” ”
January 6, 13 and 25 February 17 March 14 and 29	Labor	” ”
January 6, 24 and 28 February 7 and 15 March 22	Environment and Natural Resources	” ”
January 12, 26 and 31 February 9 and 16 March 1	Social	” ”
March 20, 22 and 28	Ecological Vulnerability	* One Nation, Many Voices: Society, Government and Economy in the New Millennium
March 20, 22 and 28	Macroeconomic issues	” ”
March 21, 23 and 30	Governance and Human Rights	” ”
March 21, 23 and 30	Decentralization	” ”
May 4, 10 and 12 June 15, 21 and 28 July 5, 6, 7	Social	** SPRS- Goals and Investment Portfolio
May 4, 8, 9, 10, 11 and 17 June 14, 20, 22, 27 and 29 July 3, 4, 6, 7	Production	” ” (Presentation by the Central Bank)
June 12, 13, 19, 27 and	Institutional Development	The functioning of CONPES, to improve

Date	Commission	Topic
28 July 3, 6, 10, 17, 24, 31	Commission	and broaden participation, and the SPRS. The local consultation project

* The CONPES on this issue, decided to set up four Commissions: ecological vulnerability, macroeconomic issues, governance and human rights, and decentralization.

** The CONPES decided after the CG meeting in Washington to set up two commissions, One: Production, environment and foreign cooperation, and Two: Social, infrastructure and decentralization

OTHER SECTORS OF SOCIETY (Expanded CONPES)

32. As part of the broadening of the participatory process, there have been meetings with other sectors of society, also known as “Expanded CONPES”. As the process moves ahead, more citizens and sectors are being included. With the preparatory technical assistance for policy formulation provided by donors, workshops and seminars have been held with the private sector, labor unions, NGO’s, universities, local development organizations and mass media. During the workshops, independent facilitators helped organize working groups for analysis and recommendations on specific issues of the SPRS, as well as others participants considered appropriate.

Other Sessions with Civil Society

Date	Organization	Topic
November 19, 1999	Economists from Nicaragua and the region	Foreign debt and the process for the HIPC initiative.
November 22	Civic Coordinating Group for the Emergency and Reconstruction (CCER)	Methodologies for the 1998 living standards measurement survey, poverty line based on expenditures and use of the poverty map
January 17, 2000	COSEP, UNAG, NGO’s and Universities	Proposal for the creation of a staffed technical unit for civil society
February 24	Political parties (SETEC/UNDP)	Workshop about CONPES, PRANAFP, SPRS and the participatory process
February 25	Local development organizations, Government, AMUNIC, CONADES, (SETEC/UNDP)	Workshop about CONPES, PRANAFP, SPRS and the participatory process
February 29	NGO’s, universities and research centers (SETEC/UNDP)	Workshop about CONPES, FRANAFP, SPRS and the participatory process
March 2	Mass media	Workshop about the SPRS and the role of the media
March 6	Private sector and labor unions (SETEC/UNDP)	Workshop about CONPES, PRANAFP, SPRS and the participatory process
March 16	Agricultural frontier projects and indigenous communities (CONADES/UNDP)	Presentation of the SPRS and the participatory process
June 15	Government, CSOs, private sector, NGOs, local projects, universities and others from out of Managua	Workshop for the formulation of the consultation process in the territory

The National dialogue 2000

33. Last June, the government called for a broad national dialogue. This effort is coordinated by CONPES and counts with the support of the United Nations Development Program (UNDP) and the Organization of American States (OAS) who participate through what is called a Tripartite Commission. For this commission, CONPES selected its representation among its members. An exploratory stage of a few weeks was used to discuss openly, with as many agents as possible, their willingness to participate and the framework within which the dialogue would take place. Among those consulted are former Presidents Violeta Chamorro and Daniel Ortega; Archbishop of Managua Cardinal Obando; the private sector with UNAG, UPANIC, COSEP, INDE and the Agrarian Coordinating Group; political parties like PLC, FSLN, CCN, PCN, PRONAL, PLI, CAN, PSC, PRN, PLN, PLIUN, PALI, MRS; civil society organizations and NGOs such as the Civic Coordinating Group for the Emergency and Reconstruction (CCER), FUNDEMOS and CIVITAS; the private universities' association and the public universities' council; community organizations, JCOPS and community movement; organizations from the Atlantic regions like the Council of Elders and the Atlantic Coast Committee; labor unions like the FNT, CPT, CAUS and CTN; the media owners and journalist's associations; other branches of government like the National Assembly, Supreme Court of Justice and the Electoral Council; and other well respected citizens and organizations like Ethics and Transparency Group who coordinated and oversaw the dialogue in 1997.

C. Bilateral Donors and International Organizations

34. The World Bank, the Interamerican Development Bank, the UNDP, and bilateral donors, by way of their representative offices and missions, have been supporting the preparatory and drafting processes for the strategy with technical assistance, logistics, research and support documentation, workshops and seminars. Presentations and draft documentation were provided in advance. For the workshops, working groups were formed with the assistance of independent facilitators and other experts provided by the UNDP; this experience was most useful and appreciated. A separate session was held with international NGOs at the Ministry of Foreign Affairs. The International Monetary Fund also provided comments and assistance on some elements of the proposed strategy.

Working Sessions: Donors and International Organizations

DATE	INSTITUTION	TOPIC
November 10, 17, and 19, 1999.	UNFPA	Population strategy and recommendations
November 17	Donors, UNDP	Poverty assessment and SPRS
December 21	UNDP and multi-sectoral technical staff.	Causes of poverty
January 13, 2000	Donors	First draft SPRS
January 24	UNFPA	Population policy, the SPRS and their possible support
February 17-23	World Bank	Analysis and rationalization of the investment

	specialists	portfolio
March 1	Donors	Workshop about the SPRS process and recommendations
March 10	World Bank	Participatory process and mechanisms to improve it
March 13-15	IDB Mission	MINSA, the strategy, goals, indicators and investments programs
March 21-22	IDB Mission	Agricultural Sector MAGFOR, IDR and INTA; the strategy and investment programs
March 21-23	World Bank and IDB specialists	Social Protection for Vulnerable Population, goals, indicators and investment programs
March 23	IDB Mission	Municipal development
March 28, 29	IDB Mission	Education, to review strategy, goals, indicators and investment programs
March 28-30	IDB Mission	Municipal development and decentralization, INIFOM/ CSD, FISE
March 30-31	World Bank, IPEA, UNDP	Presentation of findings of the causes of poverty
April 4, 5	World Bank	Review of projections, goals and possible indicators
April 6	World Bank specialist	Analysis of the investment portfolio, work to do to adjust it to the strategy, the goals and indicators
April 6, 7	World Bank	Seminar on the SPRS
April 12	International NGO's	Presentation of the SPRS and recommendations
April 13,14	IDB Mission and the Netherlands Embassy	Review strategy for nutrition, goals, indicators and investment programs
April 13-14	World Bank	Goals and indicators for the SPRS
April 15	IDB Mission	Safe water and health protection
May 3	Donors	Second section of the SPRS: Goals and investment portfolio
May 10-19	World Bank specialist	Rationalization of the total investment portfolio
June 5	IDB	University education reform
June 5-16	DFID/British Embassy	Support for the formulation of the local consultation process
June 8	UNFPA	Support for population investment programs
June 12	World Bank	Poverty assessment- education
June 13	WFP	School's nutrition program and others
June 21	BCIE	Social Transfers Fund
June 19-23	IDB	Special mission to support SPRS implementation
June 19	IDB Mission	Urban projects
June 23, 26	World Bank Mission	FISE, INIFOM
June 30	Donors	Workshop about the SPRS- Goals and investment portfolio
July 3	UNFPA	Population (education)
July 28	IPEA-PNUD	Presentation by IPEA on poverty determinants (for CONPES members)

IV. Summary of Comments and Recommendations made during the Consultation Process

35. Below is a summary of some of the comments and recommendations made during the consultation process. Some are general and have been easy to incorporate. Others are more detailed and require further discussion and development. Most of these are still being reviewed and will be incorporated as the process advances and adjustments made. These comments reflect the learning process for all concerned; government, civil society, and donors. Building on existing structures like CONPES, has been helpful in the development of a more permanent dialogue.

36. For the record, an exhaustive account of all the comments and recommendations made by the different sectors are reflected in matrices organized by pillar, policies, and program component in a report in May 18, 2000, to the nation, "Estrategia Reforzada de Reducción de la Pobreza." In general terms, all participants were interested in sharing information and as well as improving the participatory process and its results.

37. **Macroeconomic issues.** There was a widely held, unsatisfied demand for information on the economic environment in general, the ongoing structural adjustment program, the economy's vulnerability to external shocks, the obstacles that hinder economic growth, and the impact of macroeconomic policies on the poor. Some members of civil society criticized the high social costs they believed were exacted from Nicaragua by structural adjustment programs supported by international financial organizations. The need to articulate social and economic policies was highlighted. So too, were the limits to Government interventions, and the need for the latter to create an environment propitious to growth of the private sector.

38. **Poverty assessment.** Lively discussions were held on the different methods available for measuring living standards and poverty, and the reasons for choosing the relative level of consumption method. Questions on the impact of hurricane Mitch, and the need to compare poverty levels with the rest of Central America also arose. The need to incorporate the gender dimension in studies on poverty, and to take into account differences in poverty lines across geographical regions was stressed. There was a widely-shared consensus that--although poverty is the main issue--a deeper analysis of the causes of poverty is needed. The very important need to generate employment, particularly productive employment, was a recurrent theme. Targets and indicators were amply discussed, not only in relation to international commitments made by the Government of Nicaragua, but also in connection with the intermediate and final goals set in strategic pillar number one and cross-cutting themes. Also stressed was the need to focus programs on the alleviation of the structural causes of poverty, rather than the attainment of internationally agreed-upon goals. Recommendations were made to the effect that specific goals must be set not only in terms of percentages, but also in terms of absolute numbers of poor people reached. Needless to say, the necessity of including the poor's and vulnerable group's perspectives into the design and implementation of the SPRS was highlighted throughout the consultations.

39. **Strengthened Poverty Reduction Strategy.** There was an understanding that the SPRS is a multistage, dynamic process in which civil society should be involved at every point. Questions pointed to the seriousness and commitment by the government on the consultation process. The comments reiterated the complexity of the poverty issue, the need for programs, projects, targets,

indicators and timetables to be more closely-linked with the causes of poverty, and the requirement that available data bases, and the analyses they support, be improved. Governance, transparency, accountability and the legal components fulfillment were also mentioned as essential. The need to evaluate public policies and performance, to better document and showcase successful projects, to further clarify project funds committed and not committed, as well as their financial balances, were all underscored. Pointed comments were made to the effect that although poverty reduction targets are new and ambitious, the programs to pursue these goals are the same old ones. Serious doubts were expressed concerning implementation capabilities, the earmarking of resources stemming from HIPC relief to poverty reduction goals, the fiscal sustainability of the expenditures entailed by the SPRS, and the optimum blend of future government current and capital expenditures. The donors requested annual working plans from the government in order to assure the continuity of, and better donor financing coordination, with SPRS goals, needs, and implementation schedule. Also underlined, was the lack of projects aimed at the alleviation of urban poverty. Last, but not least, the need to establish local participatory processes, to enhance the analytical capabilities of CONPES, and to strengthen coordination mechanism for all stakeholders was emphasized.

40. Broad-based economic growth. The donors and members of civil society discussed at length the relevance of the rural economy, non-agricultural activities, redistribution patterns, the framework of economic incentives, low agricultural yields, and poor international competitiveness to the alleviation of poverty. Also addressed was the need to support the development of rural and urban small and medium-size enterprises, particularly in eco-tourism activities. The still unsettled state of property rights and land tenure were a permanent source of complaints. The credit and financing bottlenecks faced by the rural sector, and the role of the Rural Credit Fund (FCR) were brought forth. The desirability of changes in banking regulations, the strengthening of the financial system, and the development of capital markets were also discussed. The titling and demarcation of indigenous communities' lands, their social, economic, environmental and natural resource problems, and their participation and inclusion in nation-building processes were brought to the fore. Comments were made in reference to issues relating to agricultural technology development and transfer, technical assistance and training, particularly for small producers, with environmentally safe packages. Policies to promote value-added export processing, services, and the sustainable management of natural resources in addition to rural sector issues, like forest resources, protected areas and potential land use were discussed. So were marketing issues, particularly the strengthening of local and regional markets. The lack of information on internal and external migration, and their impact on poverty, employment, and remittances was emphasized. The impact that deteriorated infrastructure had on the productivity of the public and private sectors was a matter of discussion.

41. Social infrastructure. The comments made centered around the sustainability of water services and sanitation, the need to support municipalities and the poorest communities in the use of simple and low-cost water delivery systems, adapted to local conditions, and the need to buttress institutional capacities, particularly the setting of water charges. Also discussed was the advisability of strengthening coordination mechanisms to enhance civil society and private sector participation in the provision of different services, and supporting municipalities in areas such as education, health and environmental management. The promotion of rural electrification, the improvement and expansion of the rural roads network, the construction of adequate housing,

and the expansion of services to the poorest were stressed. The need for impact indicators for water, sanitation and housing was emphasized. So too, was the need to clarify INVUR's role.

42. **Education.** The donors and civil society's representatives, underlined the following: Provide quality education linked to the specific environment of targeted children group, and the job market. Ensure that curriculum alignment is carried out to include cross-cutting themes in the areas of environment, population, nutrition and health. Make education more efficient and equitable, targeting the most needy groups. Encourage the development of new habits and attitudes in health, hygiene, nutrition, and education through non-formal education, and the participation of parents and students in the schools' administration. Train teachers and school directors in the implementation of educational reform, and school management. Evaluate the school autonomy model, and establish an information system to properly monitor it. Harmonize vocational, and academic education. Prioritize technical education in agriculture, adapted to rural development needs. Pay attention to ethnic groups, reinforce bilingual education with trained teachers, and increase the availability of textbooks. The same recommendations were made for special education.

43. **Health.** The chronic underexecution of projects and programs in this sector was raised. Although more resources are needed by the sector, there was recognition that existing resources need to be more efficiently and equitably deployed throughout the national territory, particularly in poverty-stricken areas. The improvement of health conditions in households, the participation of the communities and NGO's in support actions like epidemiological prevention, and the decentralization process were considered important, as were the role of the private sector in the provision of services and the design and standardization of basic health packages. A better coordination of cross-cutting activities among the sectors was recommended, particularly with the MECD. The need for better targeting was unanimously recommended. The human resource allocation problem that afflicts MINSAs, reflected in extremely high ratios of doctors versus nurses, and a high concentration of doctors in urban areas was a matter of utmost concern. Another recommendation was to reactivate the National Health Council.

44. **Food security and nutrition.** The following points and recommendations were made. Families should receive assistance to better manage their incomes and improve their food consumption and nutrition habits. Short-term interventions in food security and nutrition should be differentiated from long-term ones. Topics on nutrition should be included in education programs, and the latter reoriented towards the most needy groups. One important recommendation made was for the food security and nutrition sector to work more closely with MECD and ENACAL.

45. **Population.** To link demographic dynamics with economic development, such as migrations and land use, should be assigned top priority. The concept of reproductive health should be broadened to include the perspective of investment in human capital. Some participants believed that sexual health and reproduction is an important aspect of familial practices and a basic human right of vulnerable groups, so it should be included in social protection programs. While strengthening the supply of pre-natal care (FONMAT), the provision of subsidies (social protection network) should be monitored closely so that they do not create incentives to increase the number of children.

46. Better protection for the vulnerable population. The comments made encompassed the different types of interventions available to protected vulnerable groups, and the need to strengthen institutional capabilities, and citizens' participation to improve focus, reduce vulnerability and avoid dependency schemes. Also featured was the need to set an agenda for a new generation of targeted and temporary programs designed to respond to specific vulnerabilities. Basic points of concern were the incentives given to families and communities to break the inter-generational cycle that reproduces poverty, and issues relating to local participation in the identification of beneficiaries, as well as in monitoring and evaluation. Also mentioned, was the fact that interventions to protect vulnerable groups were actions that support strategies in education and health. Social security reforms were mentioned, as it was noted that they are also social protection policy actions.

47. Institutional issues and good governance. The comments made reflected the extraordinary importance attached to good governance issues. Accordingly, the need to develop and monitor a set of indicators for participation, dialogue and consensus-building was emphasized. Also brought forth was the little participation exhibited by citizens in the exercise of their rights, and in the drafting and discussion of legislation and citizens' safety. Transparency and accountability by public institutions and members of government, and the prevention and punishment of corruption were put forth as the keystones of good governance. Also underscored was the need to promote and protect the human rights of all, particularly children, women and indigenous people. Child labor, particularly in rural areas, was brought up. Constitutional reforms were also a major concern. The rule of law and the judicial system should be strengthened. The General Comptrollers' Office, real estate and taxpayer registries, and the cadastral system should be supported. The SIGFA should be expanded to the rest of the public sector.

48. Environment and vulnerability. This particular area was included as a cross-cutting theme as a result of the recommendations made during consultations on the first draft of the SPRS. It reflects a concern about vulnerability and risks, forestry protection, and the sustainable management of watersheds and river basins. Some of the comments reflect the indispensability of taking actions for both the short and long term, like the need to design policies and a national environmental plan, strengthen local-level environmental management, rationalize land use and human settlement over the territory, impart environmental education, and reform laws and implement policies to rationalize the sustainable exploitation of water, mining, fisheries and forestry resources. The status of the indigenous communities' resource base, and the role of natural resources in poverty and risk reduction (The National System for the Prevention, Mitigation and Response to Disasters) were given much attention. There was a consensus that the poor are most vulnerable during the occurrence of natural disasters. Comments were also made about the agricultural frontier and the treatment of solid and liquid wastes.

49. Equity. One of the most important themes discussed under equity were the groups facing exclusion problems due to gender, age, ethnicity and geographical regionalism. A proposal was made for their incorporation into the mainstream of Nicaragua's social and economic life. The importance of women for their reproductive role, and their contribution to the income and domestic services generated in households, was underscored. In addition, legal, political, and cultural aspects that impinge upon women's access to equal opportunities were discussed at length including, for instance, women's access to land.

50. Decentralization. The recommendations made by participants of the consultation process reveal the need to design a national policy on decentralization, to push the drafting of the municipal administrative career law, and the strengthening of municipalities' new mandates, particularly in fiscal and environmental issues, and in local capacity building. Also recommended were actions to guarantee citizen participation in the planning, execution and monitoring to be performed by local governments. Questions arose as to how to link local public investment with the national system of public investments (SNIP), the municipal cadastre, and the taxpayers' registry. Other comments had to do with the inter-institutional and inter-governmental coordination required to improve basic services in education, health, transportation, and other services that may be offered or administered locally, the advisability of learning from the experiences of PROTIERRA, FISE, the strengthening of INIFOM, and fostering a closer relation between municipalities and donors.

51. The Atlantic Coast. There is an awareness of the need to include, and give greater participation, to the indigenous communities of the Atlantic Coast; to incorporate their social, economic, environmental, land titling and demarcation, and natural resource problems in Nicaragua's national agenda. There was full knowledge of the region's poverty and vulnerability.

52. Monitoring and evaluation of programs' outcomes and the overall performance of the strategy was discussed. It should be done with citizens' participation and it requires the development of capacities to facilitate corrective actions.

53. The participatory process has brought along a whole new set of unforeseen challenges, but at the same time it has opened a new spectrum of opportunities. Through participatory processes we have been better at identifying actions, policies, and laws that are necessary to solve the many, previously intractable problems. The government will continue its plan to update and make adjustments in its Strengthened Poverty Reduction Strategy, taking into account the lessons learned from the implementation of the policies adopted, the findings of complementary studies carried out to further our knowledge of the poverty phenomenon, and the evolving resource framework, with the participation of civil society, and donors' expertise.

MAIN STRUCTURAL REFORMS – PAST MEASURES

I. PUBLIC SECTOR REFORM

- Public employment was reduced from 290,000 to 107,000 through downsizing of armed forces (from 83,000 to 15,000), privatization or closure of public enterprises (involving 74,000 employees) and an early retirement program 1990-93
- Public sector employment was reduced by 14,000 positions through a voluntary retirement program (*Programa de Movilidad Laboral*) 1994-99
- Public employment was further reduced by 3,800 positions through extension of voluntary retirement program Oct. 97-Jun. 99
- National Assembly approved Law N° 290, prepared with IDB and World Bank assistance, to restructure and reorganize the executive branch of the government Jun. 1998
- Implemented regulation on restructuring government; reduced the number of ministries and decentralized entities (by 3 each), and reduced the number of high ranking officials by 25 percent Nov. 98-May 99
- Approved law to restructure revenue and customs departments (DGI and DGA) Mar. 2000

II. PUBLIC ENTERPRISE REFORM AND PRIVATE SECTOR DEVELOPMENT

- All but five of the 351 companies incorporated in the public sector holding company, CORNAP, and accounting for almost 30% of Nicaragua's GDP were privatized, returned to former owners or liquidated. 1990-95
- National Assembly approved laws to separate the regulatory and operational activities of the following public utilities:
 - Telecommunications (TELCOR y ENITEL) 1995
 - Power (INE y ENEL) 1995
 - Water and sewerage (INAA y ENACAL) Nov. 1997
- National Assembly approved laws for hydrocarbon sector to:
 - Liberalize the exploration and commerce of hydrocarbons. Mar. 1998
 - Lease PETRONIC to private sector firm Jun. 1998
- Introduced policy of periodic tariff adjustments to bring rate structure closer to long-term marginal costs in:
 - Power sector Sep. 1999
 - Water and sewerage (including rate adjustments of 1.5 percent/month) Jan. 2000
 - Telecommunications Dec. 1998
- ENEL
- Implemented separation of ENEL into generation, transmission and distribution operations as a step towards privatization. Apr. 1999
- Issued regulations for the setting of tariffs, electricity generation, and distribution by the ENEL units to be privatized in accordance with IDB recommendations Jun. 2000

<ul style="list-style-type: none"> • Issued final bidding documents for the privatization of ENEL's generation and distribution units 	Jun. 2000
PETRONIC	
<ul style="list-style-type: none"> • Leased PETRONIC to private sector 	Jun. 1999
ENITEL	
<ul style="list-style-type: none"> • Implemented program to reduce operational costs of ENITEL by 20% 	Sep. 1999
<ul style="list-style-type: none"> • Completed pre-qualification process for ENITEL privatization 	Nov. 1999
<ul style="list-style-type: none"> • Approved tariff adjustments in accordance with World Bank recommendations 	May 2000
<ul style="list-style-type: none"> • Completed pre-qualification process 	Nov. 1999
<ul style="list-style-type: none"> • Final bids of pre-qualified investors for 40 percent of ENITEL assets were invited 	Jun. 2000
ENABAS	
<ul style="list-style-type: none"> • Leased 80% of ENABAS to private sector 	1999
ENAP	
<ul style="list-style-type: none"> • Analyzing offer of nominated enterprise to lease Puerto Cabezas 	2000

III. TAX SYSTEM AND TAX ADMINISTRATION

<ul style="list-style-type: none"> • Corporate income taxes were unified, number of tax brackets for personal income taxes were reduced, the maximum marginal income tax was reduced in line with regional standards, and the Value Added Tax was raised from 10 to 15 percent 	1990-91
<ul style="list-style-type: none"> • Updated and modernized the registry of the 10,000 largest tax contributors to improve tax collections 	1990-92
<ul style="list-style-type: none"> • Tax exemptions were reduced, public enterprises were subjected to taxation, income taxes applicable to agricultural and non-agricultural activities were unified and coffee exporters were subject to income tax withholding 	1993-95
<ul style="list-style-type: none"> • National Assembly approved a major tax and customs duties reform package (Ley de Justicia Tributaria N°257), which broadened the tax base, improve the transparency of the tax system, reduced the number of exemptions to the VAT and import duties and lowered the ceiling rate on personal and corporate income taxes to 30 percent and introduced a presumptive income tax based on the value of corporate assets or agricultural land-holdings 	1997

IV. SOCIAL SECURITY REFORM

<ul style="list-style-type: none"> • Separated social welfare system in INSS from pension and health insurance 	1995
<ul style="list-style-type: none"> • National Assembly approved the new Law of the pension system which is based on individual accounts administrated by private enterprises 	Mar. 1999
<ul style="list-style-type: none"> • Implemented new parameters in reformed pension system 	Jun. 2000

V. FINANCIAL SECTOR REFORM

- State banks were recapitalized and downsized, and one state bank, Banco Inmobiliario was closed, yielding a total reduction from 9,100 employees in 1990 to 3,500 in 1993 1990-93
- A new law permitting the establishment of private banks and creating a Superintendency of Banks was approved 1991
- A new general banking law and a new central bank law were approved 1995-96
- Interest rate controls were progressively removed and directed credit was eliminated 1991-95
- Insurance market was opened up to private sector (4 private firms were operating in 1998) 1996
- The largest state bank, BANADES, was closed and its branches were sold to the private banks, facilitating a rapid expansion of private banking services into rural areas Nov. 97-Jun. 98
- Prudential norms were revised to set higher standards for asset classification and provisioning, minimum capital and capital adequacy, credit risk concentration and lending to related parties Jun. - Nov. 98
- A majority share (51%) of second largest state bank, BANIC, was awarded to private bidder Jan. 1999
- National Assembly approved three additional financial sector laws to guarantee the autonomy of the Central Bank, strengthen the Superintendency of Banks and modernize the legal environment for banks and other financial institutions Sep.-Oct. 1999
- Superintendency of Banks is implementing prudential norms established in 1998

VI. TRADE AND PRICING POLICIES

- Eliminated state exporting and importing monopolies 1991-92
- Eliminated price controls on all products except public utility tariffs, selected petroleum products, basic medicines and milk. 1991-93
- Eliminated use of negotiable tax certificates (“CBTs”) to promote non-traditional exports Nov. 1997
- Reduced the import tariff ceiling from over 60 percent in 1990 to 10 percent. 1991- Jul. 1999
- National Assembly approved a new Law on Foreign Investment May 2000

VII. IMPROVING GOVERNANCE

- Established a National Review Commission (to review claims and recommend compensation or return of properties), an Office of Territorial Ordering (to review the legitimacy and land reform beneficiaries) and the Office of Quantification of compensation (to determine the amount of the fair compensation in cases where properties could not be returned) 1992-93
- Implemented multi-year modernization program of the judicial system, which included 1992-98

the construction of court houses in most municipal capitals (128 out of 147) and a training program that has included all judges

- Improved transparency and accountability in management of public finances through:
 - Adoption of Integrated Financial Management System (SIGFA) in core central government ministries 1996-98
 - Improved expenditure control by expanding the coverage of the fiscal budget to include all extra-budgetary revenues and expenditures made through own sources ("sinceramiento"). 1997-98
- National Assembly approved law to strengthen property rights (Ley de la Propiedad Reformada Urbana y Agraria) by clarifying rights of former owners (who can seek resource to the courts if unsatisfied with the order of indemnization), protecting small-scale landholders that received land and streamlining the property conflict resolution process by setting time limits for the completion of proceedings Nov. 1997
- Issued 6,720 urban property titles and 4,640 rural property titles 1999
- Solved 1,376 property claims, of which 960 were returned to previous owners or paid-off 1999
- National Assembly approved law for public sector procurement and contracting Dec. 1999
- Issued regulations for Law for Public Sector Procurement and Contracting Jan. 2000
- National Assembly approved in general terms the New Penal Code 2000
- Published regulation and established Center for Property Rights (arbitration tribunals) May 2000
- National Assembly approved Law on the Administrative Dispute Settlement Law May 2000
- A mechanism to transform non-conventional credit institutions into banks, supervised by the Superintendency of Banks, was designed 2000
- INIFOMs Organic Law was approved May 2000

Education sector reforms

- Major school infrastructure rehabilitation, including through FISE 1992-98
- Introduced and expanded school autonomy program for primary and secondary schools 1994-98
- Distributed textbooks and workbooks based on new primary school curriculum to all students in grades 1-4; curriculum for secondary level is under revision 1995-99
- Prepared a long term Education Plan (Plan Maestro), including a baseline study to evaluate the selection process for school directors, with the participation of all education stakeholders Jun. 1999
- Expanded school autonomy program to 87% of secondary schools and 63% of primary schools Dec. 1999

Health sector reforms

- Major infrastructure program was implemented, including through FISE, to rehabilitate health posts, health centers and hospitals 1992-98
- Initiated process to decentralize public health system to improve primary and preventive health care services, and introduced program to reform pharmaceuticals procurement and distribution 1994-98
- Shifted Primary Health Care focus from vertical to integrated, preventive PHC model 1993-95
- Implemented reform to permit INSS to contract out the provision of health services for its beneficiaries separate of MINSA 1995-98

Social safety nets, rural development and poverty monitoring

- Eliminated marketing boards for basic grains and other products 1990-91
- Established National System of Agricultural Technology and expanded assistance to small-scale farmers 1993-98
- Developed poverty maps based on 1993 Living Standards Measurement Surveys. 1993-95
- Poverty map established as main criterion for targeting social policies 1997
- Initiated a program to support small-scale basic grains producers in poor areas as identified by LSMS poverty map 1997
- Initiated the implementation of Social Safety Net pilot program Dec. 1999
- Published and consulted with civil society results on poverty from the LSMS 1998 Nov. 1999
- Prepared and consulted with civil society draft of the Strategy to Reduce Poverty Dec. 1999
- National System for Risk Reduction was approved Mar. 2000
- The Demarcation of Indigenous Lands Law presented to National Assembly 2000

IX. ENVIRONMENTAL SUSTAINABILITY

- Preparation and adoption of National Forestry Action Plan and of an Environmental Action Plan 1993-94
- Presentation to the National Assembly of the draft law to regulate the demarcation and titling of indigenous lands in the Atlantic Coast Oct. 1998

Matrix of Goals, Targets and Intermediate Indicators

Current situation	National Goals	National Targets Year 2005	Intermediate Indicators	1999	2000	2001	2002	2003	2004	2005	International Targets Year 2015
According to poverty line methodology, 47.9% of Nicaraguan's population are poor and 17.3% are extremely poor. In the rural area the incidence of poverty is higher, 68.5% of population are poor and 28.3% are extremely poor.	Poverty reduction	Reduce extreme poverty by 25%	Increase government spending on poverty related outlays to 64% from 53% of budget by year 2005	...	53	62	68	64	Reduce extreme poverty by 50% by 2015 with respect to 1995
			Projected rate of growth of real GDP	7.0	5.5	5.5	5.4	5.4	5.5	5.5	
Almost 50% of school-aged children (6-18 years) in extreme poverty do not attend school, compared with only 16% for their non-poor counterparts. Poor and extremely poor people have only 2.3 - 3.1 years of education. More than half the children who abandon school do so for economic reasons.	Raising primary education access to 90%	Increase net primary enrolment rate to 85% from 75% in 1999	Annual average increase of 1.7 percentage points in the net primary enrolment rate	75.0	76.6	78.2	79.8	81.4	84.0	85.0	Universal access to primary education
			Annual increase of 1.0 percentage point in promotion rate of third graders in rural areas during 2000-2005	76.6	77.6	78.6	79.6	80.6	81.6	82.6	
			Annual increase of 2 percentage points in number of children that finish primary school in six years during 2000-2005	32.0	34.0	36.0	38.0	40.0	42.0	44.0	
			Put into effect academic achievement measuring system, and make first evaluation in math and spanish in 2001 for 3rd and 6 th grade	...	...	Done	...	...	...	...
			Annual increase of 1.0 percentage point in the net pre-school enrolment rate during 2000-2005	26.0	27.0	28.0	29.0	30.0	31.0	32.0	
			Increase to 6 th grade all rural multigrade schools by 2005	....	....	....	....	....	....	Done
			Construct and replace 600 classrooms annually during 2001-2005	977	860	600	600	600	600	600	
			Increase the number of schools with double shifts	To be defined ^{1/}						

Matrix of Goals, Targets and Intermediate Indicators

Current situation	National Goals	National Targets Year 2005	Intermediate Indicators	1999	2000	2001	2002	2003	2004	2005	International Targets Year 2015
Nicaragua's maternal mortality (148 per 1,000 live births) is high. The high incidence of pregnancies among teenagers and short intervals between pregnancies increases the risks and contributes to higher mortality rates.	Reduction in maternal mortality rate	Reduce maternal mortality rate to 129 per one-hundred-thousand live births from 148 per one-hundred-thousand born alive in 1999	Increase to 55% the share of institutional births from 47% in 1999 (an annual average increase of 3,700 new institutional births per year during 2000-2005)	47.0	48.3	49.6	50.9	52.3	53.6	55.0	Reduce maternal mortality rate by 3/4 by 2015 with respect to 1994
			Increase to 82.6% the coverage of prenatal care from 71.6% in 1999 (an annual average increase of 5,870 prenatal controls during 2000-2005)	71.6	73.4	75.2	77.0	78.8	80.6	82.6	
			Increase to 39% the coverage on early prenatal care from 31.9% in 1999 (an annual average increase of 3,400 early prenatal care controls during 2000-2005)	31.9	33.0	34.2	35.4	36.6	37.8	39.0	
			Introduce an education program on population for students in public schools as well as a non-formal program by 2002.	...	...	...	Introduced	...	...	...
Although infant mortality has declined for the last two decades from 83 to 40 per 1,000 live birth in 1998, it still remains above the Central American average. Acute respiratory infections are the principal cause of illness and the second cause of death among children under 5 years old, while diarrhea is another important cause of child deaths.	Reduction in infant and children under 5 mortality rates	Reduce infant mortality rate to 32 per thousand live births from 40 per thousand live births in 1998	Increase immunization coverage (%) for children under 1 year								Reduce infant and under five mortality rates by 2/3 by 2015 with respect to 1994
			1 d. of BCG	70.1	73.0	78.0	83.0	87.5	92.0	95.0	
			3 d. antipolio	91.0	91.0	92.0	93.0	94.0	94.5	95.0	
		3 d. 5-in-1	7.0	90.0	91.0	92.0	93.0	94.0	95.0		
		Reduce mortality in children less than five to 37 per thousand live births from 50 per thousand live births in 1998	Increase immunization coverage (%) for children under 5 years								
3 d. antipolio	91.0		91.0	92.0	93.0	94.0	94.5	95.0			
1 d. MMR	95.1	96.0	97.0	98.0	99.0	99.5	100.0				
Reduce the incidence of diarrhea in children under 6 ^{2/} to 15% by 2002 ^{3/} from 19.6% in 1998 ^{4/}	19.6 (1998)	...	...	15.0	...	...	...	
Reduce the incidence acute respiratory infections in children under 6 ^{2/} to 23% by 2002 ^{3/} from 27.3% in 1998	27.3 (1998)	...	...	23.0	...	...	...	

Matrix of Goals, Targets and Intermediate Indicators

Current situation	National Goals	National Targets Year 2005	Intermediate Indicators	1999	2000	2001	2002	2003	2004	2005	International Targets Year 2015
Distance and economic reasons limit the access of poor people to health services. As an average, to obtain health care the extreme poor must travel three times the distance, and spend three times as much to reach health facilities, as non-poor households. One third of extremely poor women receive no prenatal care, one half deliver their babies without benefit of institutional facilities, and are only half as likely as non-poor women to be attended by doctors when giving birth.	Access to reproductive services	Reduce to 25% by 2003 ^{5/} the unsatisfied demand for family planning among women with partners in the 15-19 age group from 27.1% in 1998	Increase the share of women of childbearing age accessing reproductive services to 25% by 2005 from 21% in 1999 (an annual average increase of 14,000 women of childbearing age during 2000-2005 period) ^{6/}	21.0	21.6	22.2	22.8	23.4	24.0	25.0	Provide access to reproductive health for all individuals of appropriate age
		Reduce to 17.9% by 2003 ^{5/} the unsatisfied demand for family planning among women with partners in the 20-24 age group from 19.7% in 1998	Introduce a program on education on population for students in public schools as well as a non-formal program by 2002.	...	...	...	Done	...	...	...
Nicaragua's inappropriate use of natural resources and environmental degradation makes the population more vulnerable to ecological risks	Implement National Strategy for Sustainable Development	Have the National Strategy for Sustainable Development implemented by 2005	Published and implemented policy and environmental plan	...	Approved	...	...	...	...	...	Have a sustainable development strategy implemented by year 2005
			Approve the Forestry and Development Law	...	Approved	...	...	...	...
			Approve the Fisheries Law	...	Approved	...	...	...	...
			Approve the Biodiversity Law	...	...	...	Approved	...	...	...
27% of poor children under five years old suffer from chronic malnutrition, as well as 35.7% of extremely poor, as compared to 9.4% of the non poor children.	Reduce chronic malnutrition	Reduce chronic malnutrition in children under 5 to 13% in 2005 ^{3/} from 19.9% in 1998	Reduce chronic malnutrition in children under 5 to 17% in 2002 from 19.9% in 1998	....	....	....	17.0	....	....	....	Reduce chronic malnutrition to 7% by 2015 ^{7/}
35% of the overall population has no access to potable water and 16% have no access to safe water. The percentages among extreme poor	Increase access to water and sanitation	Increase national coverage of water to 75.5% from 66.5% in 1999	Increase national coverage of water by 1.5 percentage points per year during 2000-2005	66.5	68.1	70.5	72.2	73.7	74.8	75.5	Increase to 100% national water coverage ^{7/}

Matrix of Goals, Targets and Intermediate Indicators

Current situation	National Goals	National Targets Year 2005	Intermediate Indicators	1999	2000	2001	2002	2003	2004	2005	International Targets Year 2015
among extreme poor households in rural areas are considerably higher, 77% lack potable water and 40% lack safe water.		Increase access to safe water and sanitation in rural dispersed areas to 54.0% from 39% in 1999 ^{5/}	Annual average increase of 2.5 percentage points in access to safe water in rural dispersed areas during 2000-2005 ^{8/}	39.0	41.6	46.3	48.7	51.0	53.1	54.0	
16% of Nicaragua's population and almost one third of poor people have no access to latrines.		Increase national access to sanitation to 50.2% from 36% in 1999	Increase national access to sanitation by 2.4 percentage points per year during 2000-2005	36.0	38.4	40.4	42.3	45.0	47.9	50.2	Increase to 87% national access to sanitation ^{7/}
		Increase access to sewerage in urban areas to 47.3% from 33.6% in 1999 ^{6/}	Annual increase of 2.3 percentage point in share of urban population with access to sewerage ^{9/}	33.6	35.8	35.8	37.4	40.3	43.9	47.3	
19% of Nicaragua's population over 10 years old is illiterate and illiteracy rate among extreme poor is 41% .	Reduce illiteracy rate	Reduce illiteracy rate to 17% by 2002 from 19% from 1998 ^{1/}	Decrease illiteracy rate by 2 percentage points by 2002 as measured by LSMS ^{3/}	19 (1998)	...	...	17	...	...	...	Decrease illiteracy rates to 10% ^{7/}
			Increase mean years of schooling among the 10-19 age group to 4.9 years in 2002 ^{3/} from 4.6 years in 1998	4.6 (1998)	...	...	4.9	...	...	...

^{1/} These indicators will be defined in the near future.

^{2/} The Government is exploring the possibility of reformulating these indicators for the appropriate age group, which is children under 5.

^{3/} Measured by Living Standard Measurement Survey (LSMS) 2002.

^{4/} Achieving these levels is partly dependent on the increase of water and sanitation services.

^{5/} Measured by Demographic and Health Survey (DHS) 2003.

^{6/} Increase the share of women of childbearing age accessing reproductive services to 25% by 2005 from 21% in 1999 (an annual average increase of 14,000 women of childbearing age during 2000-2005 period) is an intermediate indicator which crosses two national goals: (1) reduce mortality rate; and (2) increase access to reproductive services.

^{7/} National target.

^{8/} Increase access to safe water and sanitation in rural dispersed areas is an intermediate indicator which crosses three national goals: (1) reduce infant mortality rate and less than five mortality rate; (2) increase access to water; and (3) increase access to sanitation.

^{9/} Increase access to sewerage in urban population is an intermediate indicator which crosses two national goals: (1) reduce infant mortality rate and less than five mortality rate; and (2) increase access to sanitation.

THE NICARAGUAN POVERTY MAP

1. The 1998 Poverty Map is the result of a joint collaborative effort involving MECOVI (Program for the Improvement of Living Standards Measurement Surveys), SETEC (Technical Secretariat of the Presidency), INEC (National Statistics Institute), FISE (Emergency Social Investment Fund), and the technical support of the World Bank.
2. The 1998 Poverty Map classifies Nicaragua's population according to geographical zones (regions, departments, and municipalities), and by four different poverty levels: extreme, high, medium, and low. The classification criterion for the poverty map is based on the extreme poverty gap (see column 10). Municipalities with an extreme poverty gap of more than 12.0 percent are considered extremely poor, municipalities with the variable above in the range from 9.2 to 12.0 percent are considered under high poverty, municipalities in the range from 6.6 to 9.2 are considered under medium poverty and municipalities with an extreme poverty gap of less than 6.6 percent are considered under low poverty.
3. The Poverty Map constitutes an effective, and reliable tool for designing policies and programs focused on the poor, and allocating scarce, poverty-reduction resources in efficient ways. High-quality data from the 1998 Living Standards Measurement Survey and the 1995 Census were used as inputs. In addition to its reliability, the Poverty Map's greatest virtue is its clarity and ease of interpretation.
4. The table below shows the following municipality-level poverty statistics or characteristics associated with the Nicaraguan Poverty Map:
 - Poverty status: the map ranks municipalities in four categories, extreme poverty, high poverty, medium poverty and low poverty levels.
 - Municipality: there are 151 municipalities in Nicaragua. The poverty map includes them all.
 - Estimated population: it refers to the estimated population as of 1995 based on the latest population census.
 - Estimated number of poor people: this column shows the number of poor people by municipality. A household is classified as poor if household yearly consumption expenditure per capita falls below a poverty line of US\$402.05. The poverty line is the yearly amount of per capita consumption expenditure needed to buy minimum per capita calorie requirements plus other consumption items including housing, clothing and transportation.
 - Percent of estimated number of poor persons in rural areas: this column indicates the share of poor people by municipality that live in rural areas.
 - Estimated number of extremely poor people: this column shows the number of extremely poor people by municipality. A household is identified as extremely poor if household yearly consumption expenditure per capita falls below an extreme poverty line of US\$212.22. The extreme poverty line is the yearly amount of per capita consumption expenditure needed to buy

minimum per capita calorie requirements only. Percent of estimated number of extreme poor in rural areas: This column provides the share of extremely poor people that live in rural areas.

- Percent of estimated number of extreme poor in rural areas: This column provides the share of extremely poor people by municipality that live in rural areas.
- Poverty head count index that are poor: this is the share of population by municipality that are poor.
- Poverty gap: the average across households of the percent by which household per capita consumption expenditure falls short of the US\$402.05 poverty line, by municipality.
- Extreme poverty head count index: the share of population by municipality that are extremely poor.
- The extreme poverty gap: the average across households of the percent by which household per capita consumption expenditure falls short of the US\$212.22 extreme poverty line, by municipality. In the table below notice that the poverty gap is always greater than the extreme poverty gap in all municipalities.

5. The Poverty Map will be used in conjunction with other available and reliable information at the municipality level before making a decision on the delivery of a specific program benefit. For instance, if the benefit in question is to increase poor children's access to primary education, then a map showing municipalities with low primary school coverage rates should be superimposed on the Poverty Map to identify potential beneficiaries. Municipalities exhibiting both low coverage rates and high poverty levels could then be ranked according to the size of the poverty gap and/or the shortfall in coverage rates.

6. The data sources used in the elaboration of the Poverty Map were the 1995 Census, and the 1998 Living Standards Measurement Survey. The Poverty Map used the aggregate consumption estimate and the poverty line built by SETEC with the World Bank's technical assistance.

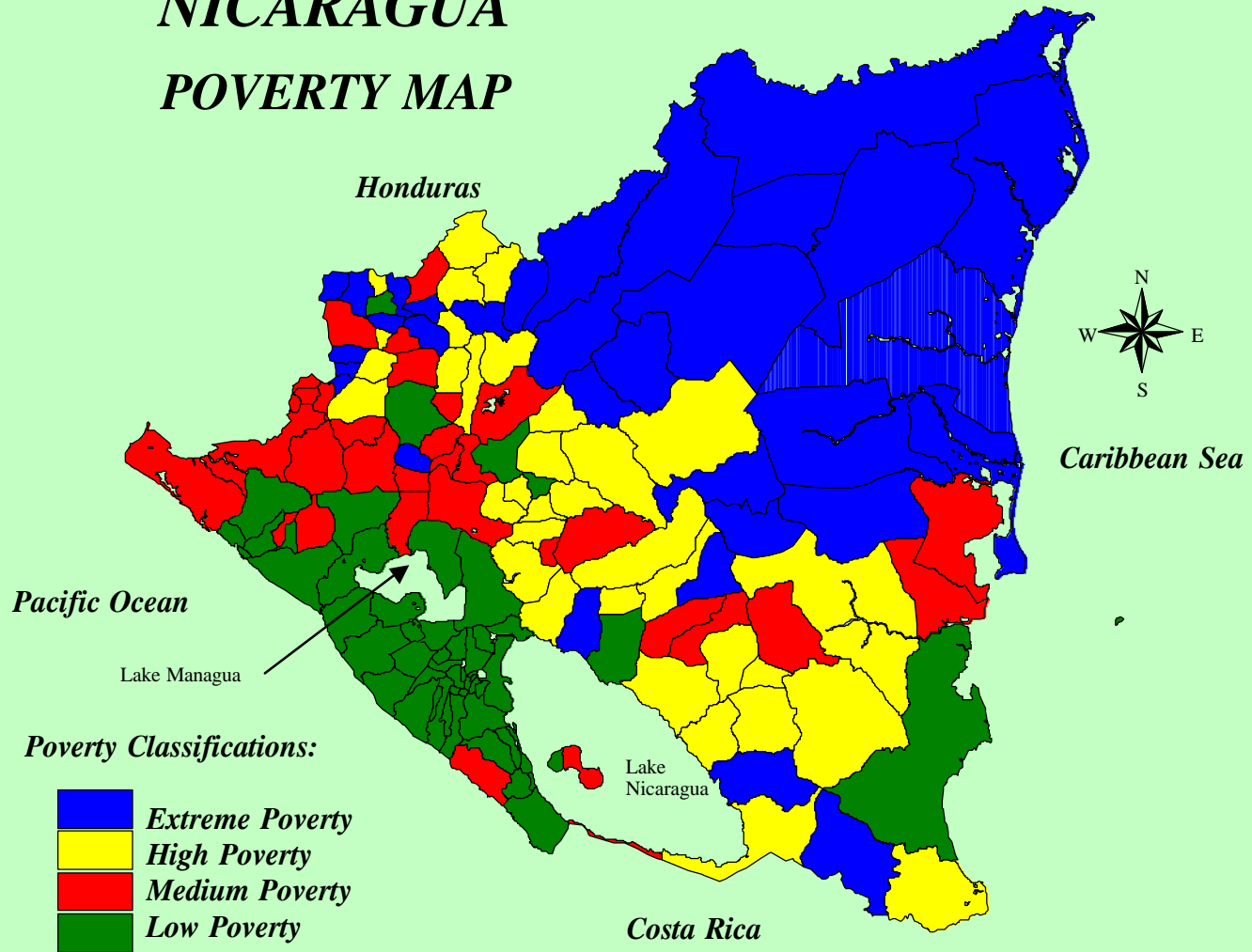
Indicators of the Nicaraguan poverty map by municipalities

0	1	2	3	4	5	6	7	8	9	10
Poverty stratus	Municipality	Estimated population 1995	Estimated number of poor persons	% of (3) in rural areas	Estimated number of extremely poor persons	% of (5) in rural areas	Poverty head count index (%)	Poverty gap (%)	Extreme poverty head count index (%)	Extreme poverty gap (%)
E x t r e m e P o v e r t y	Prinzapolka	4,312.0	3,918.3	94.0	3,291.3	96.6	90.9	65.5	76.3	48.0
	Waspan	28,972.0	24,033.5	88.3	18,561.5	95.0	83.0	56.4	64.1	40.0
	Desemb. C.R.G.	2,850.0	2,182.3	38.1	1,233.1	55.7	76.6	40.1	43.3	20.8
	Bonanza	11,014.0	6,638.4	81.9	4,178.8	94.7	60.3	34.3	37.9	20.4
	Pto. Cabezas	37,133.0	21,220.7	53.1	12,508.8	84.0	57.1	31.4	33.7	18.5
	Cua-Bocay	56,337.0	43,311.7	96.1	24,681.7	97.7	76.9	39.2	43.8	18.3
	Wiwili	37,949.0	32,396.2	94.4	18,679.1	96.0	85.4	42.7	49.2	17.5
	Totogalpa	8,796.0	7,476.0	88.3	4,340.8	92.1	85.0	42.0	49.3	16.1
	Santa Maria	3,698.0	3,149.7	92.2	1,807.6	94.8	85.2	41.8	48.9	16.0
	Ayote	8,497.0	6,981.0	71.1	3,912.1	71.1	82.2	39.9	46.0	15.4
	San Nicolas	6,200.0	5,120.1	94.3	2,824.3	95.8	82.6	39.9	45.6	15.1
	Waslala	32,785.0	25,697.5	91.7	14,097.9	94.5	78.4	37.8	43.0	14.7
	S.J. de Cusmapa	5,698.0	4,802.0	83.7	2,652.9	87.1	84.3	40.3	46.6	14.6
	C.R. Grande	13,586.0	10,866.1	93.4	5,838.4	94.9	80.0	38.1	43.0	14.5
	Comalapa	10,489.0	8,553.8	95.9	4,667.5	97.4	81.5	39.0	44.5	14.5
	El Castillo	9,698.0	7,331.9	98.1	3,984.6	98.8	75.6	36.3	41.1	14.2
	Macuelizo	4,743.0	3,969.6	96.4	2,143.3	97.2	83.7	39.6	45.2	14.0
	Siuna	52,989.0	40,517.2	90.2	21,830.8	93.6	76.5	36.4	41.2	14.0
	Paiwas	32,887.0	26,101.8	90.7	13,876.2	91.7	79.4	37.5	42.2	13.9
	San Miguelito	13,526.0	9,980.0	84.9	5,368.5	89.4	73.8	35.1	39.7	13.6
	San Lucas	10,464.0	8,689.0	95.5	4,554.8	96.4	83.0	38.7	43.5	13.4
	El Tortuguero	8,672.0	6,402.0	88.9	3,463.5	88.2	73.8	35.2	39.9	13.1
	C. Antigua	3,406.0	2,756.4	70.5	1,454.3	73.8	80.9	37.8	42.7	13.0
	Mozonte	5,176.0	4,202.7	76.7	2,170.6	78.0	81.2	37.6	41.9	12.9
	Rosita	14,167.0	9,369.6	70.6	4,704.5	81.4	66.1	31.0	33.2	12.9
	Las Sabanas	4,039.0	3,234.8	82.8	1,664.4	85.4	80.1	37.0	41.2	12.8
	Wiwili de abajo	13,880.0	11,218.0	84.2	5,745.7	87.5	80.8	37.2	41.4	12.7
	Telpaneca	15,113.0	12,164.1	91.1	6,259.5	93.2	80.5	37.1	41.4	12.6
Quilali	20,614.0	16,257.5	65.5	8,276.6	65.3	78.9	36.3	40.2	12.6	
Rancho Grande	17,050.0	13,651.4	97.2	7,028.6	97.7	80.1	36.9	41.2	12.5	
Santo Domingo	12,500.0	8,985.8	74.3	4,686.3	79.2	71.9	33.5	37.5	12.2	
H i g h P o v e r t y	Matiguas	38,460.0	29,058.4	88.1	14,906.8	91.4	75.6	34.8	38.8	12.0
	S.M. de pantasma	29,688.0	23,776.6	94.3	11,801.3	94.8	80.1	36.2	39.8	12.0
	San Juan de Limay	12,488.0	9,547.0	78.7	4,761.0	83.0	76.4	34.8	38.1	11.9
	Murra	11,002.0	8,917.1	97.1	4,369.9	98.0	81.1	36.5	39.7	11.9
	Muy Muy	13,036.0	9,741.3	86.4	4,870.9	89.9	74.7	34.0	37.4	11.6
	San Carlos	28,452.0	19,874.3	76.6	9,990.5	80.3	69.9	32.0	35.1	11.6
	Tuma-la Dalia	43,818.0	34,066.0	94.3	16,947.6	94.5	77.7	35.1	38.7	11.6
	La Libertad	9,774.0	6,942.3	87.1	3,574.4	92.3	71.0	32.8	36.6	11.6
	San Ramon	23,048.0	17,648.6	95.8	8,786.9	96.8	76.6	34.6	38.1	11.6
	San Lorenzo	22,268.0	16,782.4	81.8	8,337.5	84.7	75.4	34.1	37.4	11.5
	Teustepe	21,265.0	16,376.7	92.0	8,082.5	94.0	77.0	34.7	38.0	11.3
	San Dionisio	16,003.0	12,407.9	89.0	6,016.3	90.1	77.5	34.6	37.6	11.1
	Rio Blanco	26,099.0	19,063.1	73.1	9,357.3	77.5	73.0	32.8	35.9	11.0
	S. Juan del Norte	271.0	180.8	16.2	87.2	23.4	66.7	29.9	32.2	11.0
	Morrito	6,074.0	4,205.6	86.2	2,076.1	87.9	69.2	31.2	34.2	10.9
	Acoyapa	16,732.0	11,264.1	68.1	5,633.5	73.7	67.3	30.6	33.7	10.8
	El Coral	7,159.0	5,322.4	62.0	2,504.2	73.0	74.3	32.8	35.0	10.8
	S.F. de Cuapa	4,984.0	3,587.0	75.8	1,743.9	78.5	72.0	32.1	35.0	10.7
	Yalaguina	7,501.0	5,777.6	82.1	2,723.4	84.7	77.0	33.9	36.3	10.7
	S.S. de Yali	20,206.0	15,028.5	90.7	7,162.0	92.1	74.4	32.9	35.4	10.5
	Camoapa	32,180.0	21,285.5	77.6	10,575.7	83.3	66.1	29.9	32.9	10.5
	El Almendro	11,783.0	8,309.3	87.7	3,862.1	87.9	70.5	31.0	32.8	10.5
	S.J. Rio Coco	15,103.0	11,093.1	93.2	5,256.3	95.3	73.4	32.3	34.8	10.4
	S.J. Remates	7,640.0	5,556.7	89.1	2,676.3	92.5	72.7	32.3	35.0	10.4
	Terrabona	10,585.0	8,179.3	92.6	3,812.2	94.1	77.3	33.7	36.0	10.4
	El Jicaró	21,980.0	16,357.1	76.6	7,673.7	77.9	74.4	32.6	34.9	10.4
	N. Guinea	79,011.0	56,800.4	63.1	26,478.9	63.8	71.9	31.4	33.5	10.3
	Dipilto	3,879.0	2,926.5	94.7	1,357.4	95.2	75.4	33.0	35.0	10.3
	El Rama	45,620.0	30,818.5	78.2	14,470.7	84.6	67.6	29.7	31.7	10.1
	Esquipulas	14,733.0	10,445.8	78.4	4,923.5	82.5	70.9	31.1	33.4	9.9
	Villa Sandino	13,276.0	8,721.7	64.2	4,136.5	69.2	65.7	29.0	31.2	9.8
	S.R. del Norte	14,002.0	9,926.1	87.2	4,611.3	90.9	70.9	30.8	32.9	9.6
Jalapa	41,595.0	29,588.7	53.3	13,273.7	56.0	71.1	30.5	31.9	9.5	
Pueblo Nuevo	19,504.0	14,127.1	90.4	6,327.4	93.2	72.4	31.0	32.4	9.5	
Somoto	28,590.0	18,585.4	63.2	8,711.9	69.3	65.0	28.4	30.5	9.2	
Cardenas	4,606.0	3,419.9	90.5	1,483.6	94.6	74.2	31.4	32.2	9.1	
S. Pedro del N.	4,045.0	3,227.2	92.5	1,405.7	94.1	79.8	33.5	34.8	9.0	
C. Darío	35,780.0	24,353.6	81.6	10,964.2	85.1	68.1	29.1	30.6	8.9	
Palacaguina	11,826.0	8,143.4	74.9	3,531.4	76.4	68.9	29.0	29.9	8.8	
San Fernando	5,950.0	4,088.5	69.3	1,801.3	73.0	68.7	29.0	30.3	8.8	

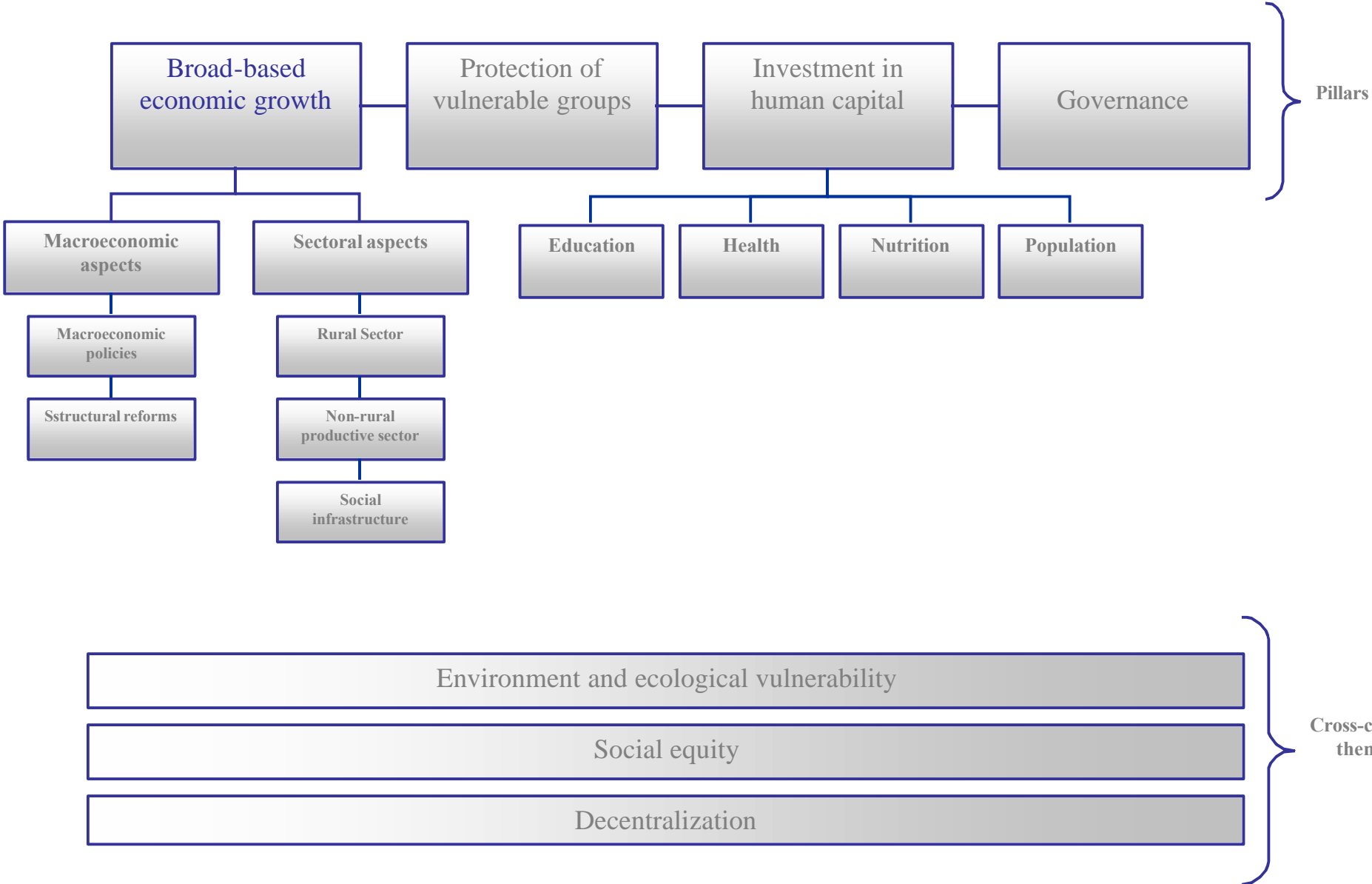
(continued) Indicators of the Nicaraguan poverty map by municipalities

0	1	2	3	4	5	6	7	8	9	10
Poverty stratus	Municipality	Estimated population 1995	Estimated number of poor persons	% of (3) in rural areas	Estimated number of extremely poor persons	% of (5) in rural areas	Poverty head count index (%)	Poverty gap (%)	Extreme poverty head count index (%)	Extreme poverty gap (%)
M e d i u m	San Isidro	15,331.0	9,964.4	80.1	4,501.5	85.9	65.0	27.9	29.4	8.7
	Condega	24,888.0	17,182.7	77.3	7,477.4	81.0	69.0	29.1	30.0	8.7
	San P. de Lovago	7,125.0	4,339.7	77.0	1,990.1	82.7	60.9	26.4	27.9	8.6
	Muelle de B.	23,223.0	14,589.5	91.8	6,575.2	93.6	62.8	26.9	28.3	8.6
	Sta. Rosa del p	9,129.0	6,959.7	84.0	2,952.2	89.4	76.2	31.7	32.3	8.5
	Boaco	45,130.0	27,673.1	77.8	12,851.9	84.1	61.3	26.6	28.5	8.5
	Villanueva	22,293.0	16,783.9	91.0	7,099.9	94.1	75.3	31.2	31.8	8.5
	Sto. Tomas del N.	6,782.0	5,347.4	95.8	2,220.0	96.4	78.8	32.3	32.7	8.4
	La Concordia	7,032.0	4,899.7	86.0	2,054.1	88.6	69.7	28.8	29.2	8.2
	K. Hill	7,433.0	4,977.3	65.6	2,039.5	71.8	67.0	27.5	27.4	8.1
	Posoltega	15,314.0	11,010.2	77.9	4,524.0	81.7	71.9	29.3	29.5	8.0
	S.Fco. del N.	5,967.0	4,551.4	94.4	1,858.0	96.6	76.3	31.1	31.1	8.0
	Altagracia	17,575.0	12,864.5	92.9	5,298.8	94.8	73.2	29.9	30.1	7.9
	Jinotega	76,789.0	46,752.7	76.1	20,543.2	81.4	60.9	25.7	26.8	7.8
	Sebaco	24,793.0	15,194.6	43.7	6,524.3	46.8	61.3	25.6	26.3	7.8
	Achuapa	13,180.0	9,860.4	88.7	4,018.2	91.9	74.8	30.5	30.5	7.8
	Santa Lucía	8,173.0	5,500.0	94.7	2,263.1	96.3	67.3	27.6	27.7	7.8
	Sto. Tomas	15,957.0	9,082.1	51.8	4,015.0	60.9	56.9	24.1	25.2	7.7
	Tola	19,869.0	14,535.4	93.8	5,800.2	94.5	73.2	29.5	29.2	7.7
	Pto. Morazan	11,385.0	7,987.9	78.6	3,214.4	72.9	70.2	28.4	28.2	7.7
	L. Perlas	6,154.0	3,651.6	48.9	1,447.2	58.1	59.3	24.0	23.5	7.6
	El Sauce	25,899.0	18,429.0	82.3	7,405.4	87.0	71.2	28.7	28.6	7.4
	El Jicaral	9,972.0	7,509.4	96.3	2,914.6	97.1	75.3	29.9	29.2	7.3
	Somotillo	24,696.0	17,472.9	66.6	6,858.0	70.1	70.8	28.2	27.8	7.2
	Telica	22,760.0	15,568.8	79.2	6,123.9	82.8	68.4	27.4	26.9	7.2
	El Viejo	68,974.0	44,519.0	62.7	17,898.8	72.2	64.5	26.0	26.0	7.1
	Cinco Pinos	6,209.0	4,618.1	93.9	1,757.5	95.2	74.4	29.3	28.3	7.0
	La Trinidad	18,502.0	11,326.3	75.2	4,641.2	80.6	61.2	24.9	25.1	7.0
	Larreynaga	29,768.0	20,082.0	85.2	7,443.0	86.7	67.5	26.3	25.0	6.6
	Matagalpa	103,606.0	55,812.1	60.1	23,212.0	67.7	53.9	22.1	22.4	6.5
	Quezalguaque	7,746.0	5,324.7	89.9	1,943.7	92.8	68.7	26.5	25.1	6.3
	La Conquista	3,830.0	2,619.6	88.6	960.4	95.0	68.4	26.3	25.1	6.3
	Juigalpa	45,469.0	22,797.6	30.3	9,301.7	37.9	50.1	20.4	20.5	6.2
	Belen	15,890.0	10,553.1	82.2	3,845.5	86.4	66.4	25.5	24.2	6.1
	Diriomo	20,079.0	12,731.9	72.3	4,605.7	75.4	63.4	24.3	22.9	5.8
	La Paz Centro	27,372.0	16,393.4	47.6	5,971.7	55.4	59.9	23.0	21.8	5.8
	La Paz de Carazo	4,054.0	2,488.2	64.7	908.9	70.0	61.4	23.6	22.4	5.7
	Ocotal	25,819.0	13,555.8	4.4	5,077.2	5.8	52.5	20.4	19.7	5.6
	Nandaime	32,486.0	19,276.9	69.0	6,823.2	77.8	59.3	22.5	21.0	5.3
	Sta. Teresa	17,353.0	10,043.0	86.8	3,489.3	91.8	57.9	21.7	20.1	5.0
	S.J. del Sur	13,041.0	7,442.4	75.9	2,565.9	84.7	57.1	21.3	19.7	4.9
Tisma	9,989.0	6,161.1	70.7	2,017.2	74.9	61.7	22.5	20.2	4.9	
Diria	6,062.0	3,361.5	61.1	1,170.1	70.1	55.5	20.8	19.3	4.8	
Niquinohomo	13,454.0	7,576.5	73.3	2,501.8	79.0	56.3	20.6	18.6	4.5	
El realejo	8,119.0	4,423.9	64.2	1,452.1	72.4	54.5	20.0	17.9	4.5	
Esteli	91,918.0	40,985.3	36.0	14,604.5	41.8	44.6	16.9	15.9	4.4	
Buenos Aires	4,821.0	2,893.1	78.3	904.6	81.8	60.0	21.5	18.8	4.4	
La Concepcion	27,676.0	15,826.7	73.9	4,954.5	76.3	57.2	20.4	17.9	4.3	
El Rosario	3,923.0	2,111.7	55.1	670.8	63.1	53.8	19.4	17.1	4.2	
Potosi	10,708.0	5,930.8	73.3	1,873.4	77.4	55.4	19.9	17.5	4.2	
Moyogalpa	8,665.0	4,800.3	72.5	1,492.6	76.5	55.4	19.8	17.2	4.2	
San Marcos	25,801.0	13,084.8	45.8	4,182.4	47.4	50.7	18.3	16.2	4.1	
Nandasmo	7,876.0	4,327.1	46.3	1,282.7	47.3	54.9	19.3	16.3	3.9	
Chinandega	115,916.0	55,211.6	23.4	17,394.0	27.6	47.6	17.0	15.0	3.8	
Chichigalpa	41,731.0	19,978.2	45.3	6,168.6	55.1	47.9	16.9	14.8	3.6	
Masatepe	25,503.0	13,019.2	56.7	3,933.4	61.8	51.0	17.9	15.4	3.6	
Granada	95,874.0	43,691.1	40.0	13,604.5	50.1	45.6	16.2	14.2	3.6	
S.J. de Oriente	3,101.0	1,670.3	60.9	465.1	62.6	53.9	18.4	15.0	3.6	
Jinotepe	37,293.0	16,142.8	54.2	5,128.0	65.9	43.3	15.5	13.8	3.4	
Nindirí	28,850.0	14,447.1	79.1	4,102.2	81.6	50.1	17.2	14.2	3.4	
Leon	161,087.0	67,392.8	41.3	20,891.9	53.9	41.8	14.8	13.0	3.3	
Diriamba	50,957.0	24,169.9	52.7	7,080.1	59.2	47.4	16.4	13.9	3.3	
Nagarote	29,098.0	14,393.6	42.8	4,071.1	48.7	49.5	16.9	14.0	3.3	
Catarina	7,099.0	3,501.0	76.4	989.5	75.8	49.3	16.8	13.9	3.3	
Masaya	117,437.0	50,503.9	36.4	14,236.2	42.4	43.0	14.6	12.1	2.9	
Dolores	5,418.0	2,239.9	13.7	627.2	18.5	41.3	14.1	11.6	2.8	
San Jorge	7,052.0	3,017.5	29.5	808.9	34.0	42.8	14.2	11.5	2.8	
Rivas	37,519.0	16,189.1	60.2	4,353.3	65.0	43.1	14.4	11.6	2.7	
Bluefields	37,084.0	12,835.2	19.6	3,424.8	34.0	34.6	11.5	9.2	2.4	
S.F. Libre	8,743.0	3,366.1	83.5	690.5	83.5	38.5	11.6	7.9	1.7	
Corinto	17,126.0	5,179.1	3.7	1,072.7	8.3	30.2	9.0	6.3	1.5	
C. Island	5,306.0	1,678.8	0.0	349.8	0.0	31.6	9.4	6.6	1.4	
El Crucero	12,519.0	3,795.2	4.0	780.5	4.0	30.3	9.0	6.2	1.4	
S.R. del S.	36,337.0	10,835.3	49.5	2,249.8	49.5	29.8	8.9	6.2	1.3	
Villa C.Fonseca	24,156.0	7,892.5	90.6	1,530.2	90.6	32.7	9.6	6.3	1.3	
Mateare	17,636.0	5,208.7	36.2	1,076.1	36.2	29.5	8.7	6.1	1.3	
Tipitapa	82,461.0	23,746.9	18.0	4,882.8	18.1	28.8	8.6	5.9	1.3	
Ticuantepé	19,929.0	5,223.8	61.4	1,022.3	61.4	26.2	7.6	5.1	1.1	
C. Sandino	53,909.0	12,717.5	4.1	2,037.6	4.1	23.6	6.4	3.8	0.7	
Managua	832,824.0	146,791.5	4.3	24,923.7	4.3	17.6	4.9	3.0	0.6	

NICARAGUA POVERTY MAP



STRENGTHENED POVERTY REDUCTION STRATEGY



MATRIX OF POLICY ACTIONS

PILLAR 1: Broad-based economic growth						
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing	
Macroeconomic Aspects						
Maintain economic stability and growth	Maintain a real average annual rate of growth of 5.5% during 2000-2005	MACROECONOMIC POLICIES FISCAL POLICY <ul style="list-style-type: none"> • Rationalize public investment programs • Increase government spending on poverty related outlays to 63% of budget 	Under formulation	DGIP	Under negot.	
	Reduce annual inflation rate to 5.0% by 2005		2005	MHCP		
		MONETARY POLICY AND FOREIGN INDEBTEDNESS <ul style="list-style-type: none"> • Contract foreign debt only on concessional terms. 	The whole period	MHCP	...	
Continue the transformation towards a market economy		STRUCTURAL REFORMS PUBLIC SECTOR <ul style="list-style-type: none"> • Approval of decree formalizing the National System of Public Investments (SNIP) for evaluating, clearing and monitoring investment projects • Implement SNIP decree • Approval of civil service law • Implementation of civil service law 	Dec. 2000	DGIP/Budget	WB	
			Mar. 2001	DGIP	WB	
			Dec. 2000	MHCP/ CERAP	WB	
			2001-2002	MHCP/ CERAP	WB	
			PRIVATIZATION AND PUBLIC SECTOR RATES ENITEL <ul style="list-style-type: none"> • Announce the results of the bidding of 40% of ENITEL assets • Offer for sale the remaining shares, following the sale of 40% 	Sept.2000	ENITEL/ TELCOR ENITEL/ TELCOR	WB
				2001-2002		WB
				2001-2002	ENACAL/ INAA	IDB
			<ul style="list-style-type: none"> • Offer to private investors long-term concession for regional water and sewerage sub-systems: León and Chinandega Matagalpa and Jinotega Other regional systems to be offered or measures to reform sector. 	Nov. 2000 Apr. 2001 2001-2002	ENEL ENEL ENEL	IDB IDB IDB
				Sept.2000		IDB
				Nov. 2000		IDB
Dec. 2000	IDB					
ENEL <ul style="list-style-type: none"> • Announce the results of the bidding of the distribution units • Announce the results of the bidding of the thermal generating plants • Complete privatization of hydroelectric generating plant 	Dec. 2001	ENAP	IDB			
ENAP <ul style="list-style-type: none"> • Offer to private investors long term concession for operation of major public port facilities (Corinto, Potosí, and San Juan del Sur). 						
BANIC <ul style="list-style-type: none"> • Approval of law authorizing sale of the remaining government shares in BANIC. 	Dec. 2000	Presidency	WB			

PILLAR 1: Broad-based economic growth					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		STRENGTHENING OF THE FINANCIAL SYSTEM <ul style="list-style-type: none"> Implement prudential norms of capital adequacy, credit risk assessment, provisioning, and on lending limits to related parties Implement plan to strengthen superintendency of banks and the supervision process Approval of law establishing a private bank deposit insurance Approval of revised prudential norms on asset-risk classification and provisioning, along the lines recommended by the World Bank Reform legal norms on financial guarantees to permit use of movable properties (equipment, livestock, etc.) as collateral: Submit law to National Assembly Approval of law 	According to timetable for the Law for Banks 2000-2002 Dec. 2000 July 2001 2001 Mar. 2001 Sept. 2001	SBIF SBIF SBIF, BCN, AN SBIF Presidency	IDB/WB WB WB IDB WB
		SOCIAL SECURITY <ul style="list-style-type: none"> Submit to National Assembly a law on supervision of private pension funds Award contracts to private pension fund managers Introduce the new system of funded individual accounts Restructure and streamline the Nicaraguan Social Security Institute (INSS) Approval of laws to strengthen framework for developing a domestic capital market: Capital market Law Insurance Law 	Dec. 2000 Apr. 2001 Oct. 2001 Sept. 2001 June 2001 Oct. 2001	CREPEN, SETEC CREPEN, SETEC CREPEN, SETEC CREPEN, SETEC BCN SBIF	IDB/WB WB
Sectoral Aspects					
Improve the framework for incentives and competitiveness in the rural sector	Correct distortions that still persist in the market	RURAL SECTOR <ul style="list-style-type: none"> Compliance with timetable of programmed tariff reductions on goods that compete with imports in accord with Law of Tributary Justice Keep and expedite 1.5% refund over the exported value Maintain fiscal incentives for agricultural capital goods and inputs 	Underway June 2005 Dec. 2002	MIFIC/MHCP MHCP MIFIC/MHCP	

PILLAR 1: Broad-based economic growth						
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing	
Increase efficiency by pushing ahead with the factors market, diversification, and better rural infrastructure	Increase mobility of factors of production and improve their allocative efficiency	LAND MARKET				
		<ul style="list-style-type: none"> Modernize the cadastral system and property registry: <ul style="list-style-type: none"> In the 15 departments of the Pacific and Central regions of the country plus the indigenous communities of the Atlantic Coast In the rest the national territory 	2005	MHCP	World Bank	
		<ul style="list-style-type: none"> Reduce the cost and time required for the process of legalizing, titling, and registering properties 	2009			
	Develop agro-industry and promote non-agricultural rural productive activities	Exploit internal and external market opportunities	<ul style="list-style-type: none"> Prepare project for Land Administration 	Underway	MAGFOR	USAID
			<ul style="list-style-type: none"> Continue titling of lands in the reformed sector 	Under formulation	MHCP	WB
			<ul style="list-style-type: none"> Conduct study on lands market 	Underway	MHCP	WB
			<ul style="list-style-type: none"> Complete the design of land policies based on study on lands market 	Underway	MAGFOR	WB
			<ul style="list-style-type: none"> Train property owners on methods for reducing impact of natural disasters at the farm level 	July 2001	MAGFOR	WB
			<ul style="list-style-type: none"> Approval of law for demarcating indigenous lands 	2001	MAGFOR	USAID
			<ul style="list-style-type: none"> Demarcate and title lands of the indigenous communities of the Atlantic Coast and Bosawas 	...	AN/ Presidency	WB
Increase rural productivity in the long run		FINANCIAL AND AGRICULTURAL SERVICES				
		<ul style="list-style-type: none"> Implement: <ul style="list-style-type: none"> Plan that promotes tighter linkages between the Rural Credit Fund (FCR) and other public financing funds 	Underway	IDR, FCR, MAGFOR	Budget	
		<ul style="list-style-type: none"> Plan to transform non-conventional organizations into rural banks supervised by the Superintendency of Banks 	Underway	Presidency	WB	
		<ul style="list-style-type: none"> Design credit instruments for small rural producers 	Underway	IDR	FIDA, EU	
		<ul style="list-style-type: none"> Consolidate a network of financial intermediaries that provide financial services to rural families on a sustainable basis 	Underway	IDR	FIDA, EU, Finland, The Netherlands	

PILLAR 1: Broad-based economic growth					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		<ul style="list-style-type: none"> Deliver multiple support services for agricultural production in the southern region 	Underway	IDR	IDB, FIDA, EU
		<ul style="list-style-type: none"> Guarantee sanitary and quality standards for agricultural, livestock, and forestry products bearing quality assurance 	Underway	MAGFOR	IDB
		<ul style="list-style-type: none"> Expand area free of porcine cholera and declare areas free of other diseases 	Underway	MAGFOR	Taiwan, Partly financed
		<ul style="list-style-type: none"> Develop norms, regulate and encourage marketing of seeds 	Underway	MAGFOR	IDB
		<ul style="list-style-type: none"> Implement quality assurance system in packing plants and produce collection points, and best management practices at farm level 	Underway	MAGFOR	IDB
		<ul style="list-style-type: none"> Coordinate with other institutions and civil society rational and environment-friendly uses of insecticides 	Underway	MAGFOR	IDB
		<ul style="list-style-type: none"> Continue adoption of technologies to increase pork production 	Underway	MAGFOR	Taiwan
		<ul style="list-style-type: none"> Provide quality studs for pork breeding purposes 	Underway	MAGFOR	Taiwan
		<ul style="list-style-type: none"> Extend loans for agricultural machinery, equipment, and inputs 	Underway	IDR	Japan
		<ul style="list-style-type: none"> Approve agricultural insurance 	2000-2004	MAGFOR, MHCP, Presidency	WB
		<ul style="list-style-type: none"> Promote basic grains production 	Underway	IDR	Japan
		<ul style="list-style-type: none"> Implement program to rehabilitate rice production and peasant economy 	Underway	IDR	Italy
		<ul style="list-style-type: none"> Implement program for livestock development 	Underway	IDR	Finland
		<ul style="list-style-type: none"> Food security Implement monitoring system for food security programs and projects 	Underway	MAGFOR	USDA, FAO: under negotiation
		Prepare status report on country's food situation	Underway	MAGFOR	USDA, FAO: under negotiation
		Implement program that guarantees the Atlantic Coast's food security through production, marketing, and post-harvest storage programs	2001-2002	FSS-FISE	IDB
		COMMERCIALIZATION			
		<ul style="list-style-type: none"> Strengthen commercialization firms managed by small and medium producers 	Underway	IDR	FIDA, EU
		<ul style="list-style-type: none"> Impart training on commercial negotiations, creation of agri-businesses, and market intelligence 	Underway	MAGFOR	USAID

PILLAR 1: Broad-based economic growth					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		<ul style="list-style-type: none"> Support basic grains commercialization processes Improve the quality of milk and the storage and commercialization of milk and milk products Support the transformation of primary products and their sale in domestic and export markets Implement: Actions stemming from tri-national agreement between Nicaragua, El Salvador, and Guatemala in regards to agriculture Program to promote development of new technologies for storing and processing food on farms. 	Underway	MAGFOR	EU
			Underway	IDR	Italy, WFP, Finland
			Underway	IDR	EU, The Netherlands
			Underway	MAGFOR, MIFIC	Budget
			Underway	INTA	COSUDE, Norway
		INFRASTRUCTURE			
		<ul style="list-style-type: none"> Rehabilitate and improve productive infrastructure on farms 	Underway	IDR	IDB, EU
		<ul style="list-style-type: none"> Rehabilitate and build infrastructure to support commercialization and transformation activities 	Underway	IDR	IDB, EU, Finland
		<ul style="list-style-type: none"> Implement programs for: Rural electrification Energizing of rural areas Energy efficiency Dendroenergy evaluation 	2000-2001 2000-2002 Under formulation 2000-2001	CNE CNE CNE CNE	COSUDE, WB IDB IDB Brazilian Agency for External Cooperation
		<ul style="list-style-type: none"> Master plan of rural electrification 	2001-2005	CNE	Privatization of ENEL
		<ul style="list-style-type: none"> Install electricity generating systems powered by solar energy for the cold storage and marketing of products 	2001-2002	IDR	Spain
		<ul style="list-style-type: none"> Rehabilitate rural roads and pave with paving stones 	2000-2004	MTI	WB
		<ul style="list-style-type: none"> Rehabilitate and build rural network of secondary roads 	Underway	IDR	IDB, Japan, EU, Finland
		<ul style="list-style-type: none"> Support the design and operation of fund for rural telecommunications development 	2000-2004	UCRESEP	WB

PILLAR 1: Broad-based economic growth					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		RURAL EXTENSION WORK, DIVERSIFICATION, AND INSTITUTIONAL STRENGTHENING			
		<ul style="list-style-type: none"> • Create capacity for planning in rural communities through advice, technical assistance, and training 	Underway	IDR	GTZ
		<ul style="list-style-type: none"> • Develop participatory processes for identifying problems and implementing solutions in rural communities 	Underway	IDR	GTZ
		<ul style="list-style-type: none"> • Strengthen managerial and business capabilities among small and medium-size producers 	Underway	IDR	IDB, FIDA, EU, Germany
		<ul style="list-style-type: none"> • Strengthen the institutional capabilities of MAGFOR, INATEC, INTA, and the Foundation for Technological Development 	2001-2004	MAGFOR, INATEC, INTA, FDT, IDR	BID, WB, COSUDE, FIDA, EU
		<ul style="list-style-type: none"> • Strengthen MAGFOR 	Underway	MAGFOR	IDB, EU
		<ul style="list-style-type: none"> • Improve coordination among institutions supporting development of rural sector 	2000-2004	MAGFOR, IDR	IDB
		<ul style="list-style-type: none"> • Implement project on repopulation and genetic improvement of livestock 	Underway	IDR	Taiwan, Italy
		<ul style="list-style-type: none"> • Increase farm-level yields and diversification through technology transfers, validations, and improvement of existing technologies 	Underway	IDR	IDB, Japan, EU, FIDA, The Netherlands

PILLAR 1: Broad-based economic growth					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
Increase rate of technological progress in agriculture	Increase rural productivity in the long run	<ul style="list-style-type: none"> Implement national irrigation program 	2000-2001	MAGFOR/ private banks	Taiwan
		<ul style="list-style-type: none"> Create foundation to administer competitive funds for technological innovation and dissemination, with participation of private sector 	2000-2004	MAGFOR	WB, FIDA, COSUDE
		<ul style="list-style-type: none"> Establish a system for agricultural education and training 	2000-2004	MAGFOR	WB, FIDA, COSUDE
		<ul style="list-style-type: none"> Establish a system for dissemination of agricultural information 	2000-2004	MAGFOR	WB, FIDA, COSUDE
		<ul style="list-style-type: none"> Rehabilitate 11 regional centers for agricultural training of INATEC. 	2000-2004	MAGFOR, INATEC	WB, FIDA, COSUDE
		<ul style="list-style-type: none"> Implement program for dissemination of new technologies Research and develop technologies adapted to Nicaragua. Transfer technologies that meet demands of producers. Evaluate the demand, production, and decentralized supply of seed and plant material. Analyze the demand for simple post-harvest management technologies, identify available technologies, and design and implement adaptation programs for these technologies on a trial basis Evaluate professional staff's capacity-building needs Design a strategy and curriculum for capacity-building at farm level Gather and process technology demands from local committees and prepare projects for technological improvement. 	2000-2004	MAGFOR, INTA	WB, COSUDE, NORAD, FIDA
		<ul style="list-style-type: none"> Implement a comprehensive approach to farm development (PRODES) 	2000-2002	IDR	The Netherlands
		<ul style="list-style-type: none"> Provide financial resources for implementing the Participatory Micro-Planning (MPP) methodology and executing priority local projects identified by this methodology in the Atlantic Coast 	2000-2001	FSS-FISE	IDB
Develop small and medium enterprises in accord with their potential, strengthening their institutional framework	Promote employment in the urban sector	NON-RURAL PRODUCTIVE SECTOR			
		<ul style="list-style-type: none"> Implement projects for technology, fishing, seafood farming, tanneries, dairy processing, handicrafts, and mining 	2001-2004	MIFIC	No financing
	Strengthen institutional framework and improve inter-institutional coordination in the sector	<ul style="list-style-type: none"> Modernize the regulatory framework 	4 years		
		<ul style="list-style-type: none"> Improve coordination of NGOs, local governments, and the central Government to further enhance assistance to small and medium enterprises 	2 years		
	<ul style="list-style-type: none"> Implement projects that: Support and promote small and medium enterprises Strengthen guild associations Strengthen coordinating mechanisms Extend credit to small and medium enterprises Extend technical assistance to small and medium enterprises 	Underway 2001-2004 2001-2002 Underway Underway	MIFIC MIFIC MIFIC MIFIC MIFIC	IDB No financing No financing Taiwan Taiwan	

PILLAR 1: Broad-based economic growth					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
Develop clusters in tourism, coffee, textiles and clothing manufacture, milk derivatives and economic infrastructure	Increase productivity in other sectors	GENERAL			
		<ul style="list-style-type: none"> Develop framework and medium and long term action plans for each strategic cluster 	Dec. 2000	MIFIC/PNC	WB
		<ul style="list-style-type: none"> Prepare operations plan for 2001 	Dec. 2000	MIFIC/PNC	WB
		ATTRACTION OF INVESTMENT AND EXPORT PROMOTION			
		<ul style="list-style-type: none"> Perform expeditious processing of investment proposals at single location 	Once modernized Commercial registry	MIFIC/PNC	No financing
		<ul style="list-style-type: none"> Collaborate with CEI in implementation of projects that foster exports and attract new investment 	To be defined according to WB program	CEI	Partly financed, WB
		PORTS			
		<ul style="list-style-type: none"> Elaborate port regulations that simplify and streamline procedures 	Underway	PNC	CONATRAM
		<ul style="list-style-type: none"> Make assessment of information processing needs, and design a pilot project for electronic data transmission at the ports 	Dec. 2000	PNC	No financing
		<ul style="list-style-type: none"> Implement pilot project for electronic data transmission at the ports 	2001	PNC	No financing
TOURISM					
<ul style="list-style-type: none"> Update macro analysis of tourism sector 	Underway	INCAE	INCAE		
<ul style="list-style-type: none"> Prepare study on tourism at the departmental level 	Underway	PNC, MIFIC, INTUR, CANTUR, SwissContact	Partly financed INTUR, CANTUR, SwissContact		
<ul style="list-style-type: none"> Design strategy for tourism development in southeastern Nicaragua 	Sept. 2000	PNC	Under negot.		
<ul style="list-style-type: none"> Design program for certification of sustainable tourism 	To be defined, according to World Bank loan	INTUR/PNC	SwissContact		
<ul style="list-style-type: none"> Design program for certification of quality processes in tourism 		INTUR/PNC	Under negot.		
<ul style="list-style-type: none"> Strengthen hostelry 		INTUR/PNC	Under negot.		
COFFEE					
<ul style="list-style-type: none"> Support development of the coffee sector National and international promotion efforts Provide technical assistance to the sector 	Jul.2000-Jul.2001	PNC	ARAP, WB, Quemonix		
<ul style="list-style-type: none"> Analyze situation of small coffee firms 	To be defined according to WB project	PNC	WB		
TEXTILE-CLOTHING					
<ul style="list-style-type: none"> Encourage the creation of an association that represents its members 	June 2000	PNC, ANITEC	Private Sector		
<ul style="list-style-type: none"> Prepare proposal for development of the sector 	Jan. 2001	PNC	WB		
<ul style="list-style-type: none"> Promote the WRAP certification program (Worldwide Responsible Apparel Production Program) 	May 2001	PNC	WB		
<ul style="list-style-type: none"> Publicize expanded benefits of CBI 	July 2000	CEI	CEI		

PILLAR 1: Broad-based economic growth					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
Expand provision of safe water and sanitation in rural areas	Increase coverage of safe water and sanitation in rural areas.	<p>SOCIAL INFRASTRUCTURE</p> <p>WATER AND SANITATION</p> <ul style="list-style-type: none"> Increase coverage of: <ul style="list-style-type: none"> Potable water in urban areas from 89% in 2000 to 91% by 2004 Safe water in rural areas from 42% in 2000 to 53% by 2004 Sewerage from 38% in 2000 to 48% by 2004 Improve systems for gathering, transporting, and treating solid wastes in 40 municipalities across the country Build 2,000 septic tanks to treat liquid waste dumped directly into surface waters, including the provision of the equipment and machinery necessary for the transport and final disposal of garbage, and 2,200 additional tanks in marginal urban zones of 25 municipalities 	<p>2000-2005</p> <p>2000-2005</p> <p>2000-2005</p> <p>2001-2004</p> <p>2001-2004</p>	<p>ENACAL</p> <p>ENACAL</p> <p>ENACAL</p> <p>INIFOM</p> <p>INIFOM</p>	<p>WB, IDB, EU, OPEC, KFW, USAID, Japan, Swiss, Spain, Sweden, Austria, Canada, The Netherlands, Luxemburg, COSUDE, UNICEF, Save the Children, ENACAL</p> <p>No financing</p> <p>No financing</p>
Solve water basin management problems, reorganize institutions, and strengthen rural water supply systems.	Ensure the financial and institutional sustainability of the local water systems.	<ul style="list-style-type: none"> Provide a comprehensive solution to problems associated with the provision of water, sanitation, and water basin management Implement programs: <ul style="list-style-type: none"> To help rural communities ensure the sustainability of their water supply systems To make organizational changes that bring decision-making closer to the clients 	<p>Underway</p> <p>Being formulated</p> <p>Underway</p>	<p>ENACAL</p> <p>ENACAL</p> <p>ENACAL</p>	<p>Budget</p> <p>Budget</p> <p>Budget</p>
Encourage sustainable water usage at home.	Conservation of water sources.	<ul style="list-style-type: none"> Implement program to provide information about sustainable water usage and associated costs: "Nicaraguan Initiative for Care and Rehabilitation of the Environment." 	Underway	ENACAL	Budget
Have INVUR function as a formulator of policies, supervisor, and promoter of housing development	Transform role of the State in housing sector from executor to facilitator and norm setter.	<p>HOUSING</p> <ul style="list-style-type: none"> Deliver draft of Law for the Housing Social Fund (FOSOVI) to the IDB Prepare Law for Organization of INVUR Deliver to IDB plan to close BAVINIC, including: <ul style="list-style-type: none"> Draft of law declaring legal dissolution of BAVINIC Timetable of action plan to liquidate BAVINIC List of programs administered by BAVINIC and a proposal for their divestment 	<p>June 2000</p> <p>June 2000</p> <p>June 2000</p>	<p>INVUR</p> <p>INVUR</p> <p>INVUR</p>	<p>Budget</p> <p>Budget</p> <p>Budget</p>

PILLAR 1: Broad-based economic growth					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
Administer efficient and effective housing subsidies	Facilitate the construction of housing for low-income families	<ul style="list-style-type: none"> Provide 5,000 annual targeted subsidies to fill unsatisfied housing needs from low-income sectors 	2000-2004	INVUR	No financing
		<ul style="list-style-type: none"> Improve homes in marginal neighborhoods of Managua and Granada 	2000-2004	INVUR	No financing
		<ul style="list-style-type: none"> Provide subsidized construction materials and assistance to 2,000 land-owning families 	2000-2004	INVUR	Budget
		<ul style="list-style-type: none"> Build: <ul style="list-style-type: none"> 18,000 new homes for low income groups 125 self sustaining homes in areas with tourism potential 750 self-sustaining rural settlements 	2000-2004 2000-2004 2000-2004	INVUR INVUR INVUR	No financing No financing Partly financed Spain
		<ul style="list-style-type: none"> Buy and transfer lands to NGOs to encourage investment in low-cost housing 	2001	INVUR	Budget
Develop and regulate the private financing of housing	Increase the supply of financial resources for housing projects	<ul style="list-style-type: none"> Consolidate legal framework for development of a private mortgage market 	Under formulation	...	...
		<ul style="list-style-type: none"> Promote the development of private mortgage market 	Under formulation	...	...
		<ul style="list-style-type: none"> Encourage further professionalization of real estate brokers 	Under formulation	...	...
		<ul style="list-style-type: none"> Create a private fund for housing that enables active participation by the government in financing schemes through commercial banks and other authorized institutions 	Under formulation	...	...

PILLAR 2: Investment in human capital					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
Education					
Increase coverage	Increase net rate of schooling to 81.2% from 75% in 1999 Reduce illiteracy rate to 17% in 2002 from 19% in 1998	<ul style="list-style-type: none"> Implement pilot project for preschool education during vacations 	2000	MECD	IDB
		<ul style="list-style-type: none"> Design plans to: <ul style="list-style-type: none"> Increase double shifts Expand multigrade schools in rural areas Incorporate classrooms with community support (community primary) 	Being formulated	...	...
		<ul style="list-style-type: none"> Rehabilitate, replace, and/or build 10,000 classrooms 	2004	MECD, FISE, PRRAC	Sweden, Germany-KFW, USAID, CATIE, World Bank, IDB, OPEC, Japan, EU, Budget
		<ul style="list-style-type: none"> Expand program for functional illiteracy 	2001	MECD, PAEBANIC	Spain, Partly financed
		<ul style="list-style-type: none"> Make a situation analysis of coverage at the municipal level and define strategies and financial requirements 	2004	MECD	No financing
		<ul style="list-style-type: none"> Implement pilot project on tele-education for secondary schools in rural areas 	2001	MECD	IDB
		<ul style="list-style-type: none"> Implement project to teach math and spanish by radio 	2000-2003	MECD	IDB
		<ul style="list-style-type: none"> Build home-schools for teachers in rural zones 	Underway	MECD, ASEN, BASE	WB
Improve the quality of education	Improve the quality of education by improving relevance and pertinence of teaching	<ul style="list-style-type: none"> Give primary teachers incentives linked to performance <ul style="list-style-type: none"> 12,500 teachers 14,000 teachers 18,000 teachers 	2000 2001 2002	MECD FSS-MECD	WB
		<ul style="list-style-type: none"> Improve initial and ongoing training of teachers (including the Atlantic Coast) 	2000	SIMEN, FOREBICA, ASEN, BASE	UNESCO, Finland, USAID, EU, UNICEF Norway
		<ul style="list-style-type: none"> Expand access to textbooks and educational materials by 2% a year 	2000-2003	MECD, FOREBICA	WB Finland
		<ul style="list-style-type: none"> Provide school materials to 330,000 primary school children in rural areas 	2000	ASEN	UE
		<ul style="list-style-type: none"> Validate primary school standards 	2000	MECD	USAID, Budget
		<ul style="list-style-type: none"> Design secondary reform 	2001	MECD	IDB
		<ul style="list-style-type: none"> Reform bilingual education 	2001	FOREBICA	Finland, USAID IDB

PILLAR 2: Investment in human capital					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		<ul style="list-style-type: none"> • Modernize tertiary education • Train youth in technical fields 	2001	CNU	No financing
			Ends 2004	MECD, INATEC, INTECNA	No financing
		<ul style="list-style-type: none"> • Reform physical education and promote school sports 	2004	MECD	EU
		<ul style="list-style-type: none"> • Provide sports equipment to 4,000 rural schools 	2000	ASEN	UNESCO
		<ul style="list-style-type: none"> • Strengthen plan for flagship schools 	Underway	MECD, SIMEN	Luxemburg
		<ul style="list-style-type: none"> • Provide scholarships in teacher training schools 	Underway	MECD	UNICEF
		<ul style="list-style-type: none"> • Reinforce multi-grade schools 	Underway	MECD	IDB
		<ul style="list-style-type: none"> • Provide education programs in the Atlantic Coast with comprehensive supervision 	2000-2001	FSS-MECD	Sweden, Germany-KFW, USAID, World Bank, OPEC
		<ul style="list-style-type: none"> • Provide furniture, school vegetable gardens, mini-libraries, and science labs to education centers 	2004	FISE	
School decentralization	Improve participation of families and communities	<ul style="list-style-type: none"> • Implement training plan for the School Directive Councils, parents, and school principals • Continue formulating and training student governments 	2000	MECD	World Bank
	Improve financial efficiency and transparency	<ul style="list-style-type: none"> • Expand school autonomy by 100% • Pass Law for Participation in Education 	Underway	CED	USAID
			2001	MECD	WB
			Entered National Assembly in May 2000	MECD/AN	...
Modernize the sector	Implement model for provision of education, in which the central level fulfils the role of setting norms and supervising	<ul style="list-style-type: none"> • Design and implement: National System for Institutional and Academic Evaluation • System for Fiscal-Financial Managerial Follow Up • Finalize design of National Education Plan 	2002	MECD	WB
			2000	MECD	USAID, Budget
			2000	MECD	IDB, Spain
Health					
Improve coverage and quality of reproductive health services for women of childbearing age and integral attention for children and adolescents	Reduce maternal mortality rate to 129/100,000 l.b.; infant mortality rate to 32/1,000 l.b.; under five mortality rate to 37/1,000 l.b.; as well as the rate of occurrence of transmissible diseases	<ul style="list-style-type: none"> • Support the 10 SILAIS to improve the quality of healthcare by providing medical equipment, inputs, rehabilitation of infrastructure, and training of staff and community volunteers • Rehabilitate the primary network, equipment, furnishings, health centers and posts (9 on the Atlantic Coast) 	2000-2002	MINSA	Sweden, USAID, EU The Netherlands, Italy
	Reduce to 25% from 27% the unsatisfied demand for family		2000-2004	FISE	SIDA; KWF, AID, World Bank, IDB, OPEC, COSUDE, Canada, GTZ, Spain, Mexico Budget
			2000-2002	MINSA	

PILLAR 2: Investment in human capital					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
	planning methods among women with partners in the 15-19 age group, and to 18% from 20% among women with partners in the 20-24 age group	<ul style="list-style-type: none"> Rehabilitate hospitals in RAAN, RAAS, and Rfo San Juan Adopt alternative modalities for delivering services in faraway areas: FONMAT and Social Protection Network Get a functional community reference and counter-reference system underway in order to improve follow-up to patient care in 12 municipalities of 6 SILAIS Design and implement a package of services for attention to pregnancy and infants under one year of age (FONMAT) 	2000-2001 Dec. 2000 2000-2003	FISE MINSa MINSa	USAID, IDB UNICEF, PAHO, Sweden IDB, Sweden
		<ul style="list-style-type: none"> Strengthen comprehensive healthcare system for children (Strategic Plan for Comprehensive Attention to Diseases Prevalent during Infancy – AIEPI): <ul style="list-style-type: none"> Provide vaccines, medicines, and inputs for immunization program and for comprehensive attention to women and children Implement model of comprehensive services in sexual and reproductive health <ul style="list-style-type: none"> Strengthen programs to improve reproductive counseling and services, with qualified attention Develop and publicize communication plans for family planning Conduct study to expand benefits coverage in INSS health services Implement pilot project to introduce tele-medicine in the Atlantic Coast Implement drug prevention plan for the Atlantic Coast 	2001 2002 2001 2001-2004 2000-2001 2000-2001 2000-2001	MINSa MINSa MINSa MINSa INSS FSS-MINSa FSS-MINSa	PAHO Luxemburg, Japan, Norway Finland, Germany, UNFPA No financing WB IDB IDB
Improve capacity of households to care for their own health	Change family sanitary behavior and habits in order to improve the health and nutrition of families	<ul style="list-style-type: none"> Develop plan for strengthening sanitary and nutritional education of communities and the households Support investments in epidemiological vigilance systems for decision-making by communities and authorities Prevent and control epidemics through vigilance, control, basic sanitation and epidemiological investigation Design and disseminate educational, informational, and communications campaigns to promote healthy lifestyles 	Being formulated 2001 2000-2003 Under formulation	MINSa MINSa MINSa MINSa	Budget USAID, Spain USAID, SIDA, KFW, COSUDE, World Bank, IDB, OPEC, Partly financed No financing

PILLAR 2: Investment in human capital					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
Modernize the sector	Strengthen MINSA in its role of setting norms and financing and promoting a pluralistic offer of services	<ul style="list-style-type: none"> Approval of General Law for Health 	2002	MINSA	WB, IDB
		<ul style="list-style-type: none"> Design: National Health Plan 	2001	MINSA	Budget
		<ul style="list-style-type: none"> Basic package of health services 	2001	MINSA	Budget
		<ul style="list-style-type: none"> Implement pilot package of basic services in eight SILAIS 	2001	FSS-MINSA	No financing
		<ul style="list-style-type: none"> Implement package of basic services at national level 	2003	FSS-MINSA	No financing
		<ul style="list-style-type: none"> Develop human resource policy for the sector, allocating staff according to need 	2002	MINSA	Budget
		<ul style="list-style-type: none"> Further hospital autonomy program 	2000-2003	MINSA	WB, IDB
Nutrition					
Foster preventive approaches to malnutrition	Reduce under five chronic malnutrition to 17% in 2002 from 19.9% in 1998 Promote prevention of malnutrition by means of measures in the household and the community	<ul style="list-style-type: none"> Promote actions to change feeding, hygiene, preventative health, and care of children practices among pregnant women and breastfeeding mothers 	Jan. 2001	MINSA	WB
		<ul style="list-style-type: none"> Foster educational approaches based on behavior-promoting changes in families and communities 	June 2001	MINSA	WB
		<ul style="list-style-type: none"> Implement community plans to promote the healthy growth of children under 24 months of age 	June 2001	MINSA	WB
		<ul style="list-style-type: none"> Take community actions to promote the healthy growth of children, weight-watching during pregnancy, and support during period of breastfeeding 	Under formulation	MINSA	...
		<ul style="list-style-type: none"> Design a plan to assist pregnant women and review the experience of breastfeeding mothers, fostering educational approaches based on the behavior-promotion changes 	Under formulation	MINSA	...
		<ul style="list-style-type: none"> Develop social communication programs to promote breastfeeding 	Dec. 2000	MINSA	USAID
		<ul style="list-style-type: none"> Include in primary school health education curricula, and adult literacy programs topics on malnutrition prevention 	2000	MECD	Budget
		<ul style="list-style-type: none"> Guarantee quality standards for fortifying sugar with vitamin A, wheat flour with iron, and salt with iodine, and increase coverage in the most needy sectors 	2002	MINSA	USAID, P
		<ul style="list-style-type: none"> Analyze the pilot project "Comprehensive Attention to Community Children" and draw applicable lessons for other projects 	June 2002	MINSA	WB
		<ul style="list-style-type: none"> Evaluate the pilot project, "Directed Nutrition". 	2001	MINSA	WB
Improve inter-institutional coordination	Integrate actions that have an impact on the nutritional levels of the population in the medium term	<ul style="list-style-type: none"> Design scheme for coordinating actions that impact nutrition levels of the population. 	Under formulation	MINSA	...
Population					

PILLAR 2: Investment in human capital

Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
Incorporate sexual and reproductive health as a basic component of human capital investments in the poor	Increase access to reproductive services to individuals of all ages	<ul style="list-style-type: none"> Provide basic package of social services including preventive, basic, emergency, and sexual health services with emphasis on women and adolescents 	Dec. 2001	MINSA	Partly financed, USAID, UNPF, Norway, Finland
	Foster responsible patterns of conduct in vulnerable groups' families	<ul style="list-style-type: none"> Finish work plan for the implementation of the National Population Policy 	Dec. 2000	National Commission on Population	UNFPA
		<ul style="list-style-type: none"> Design a comprehensive, formal sex education program 	Under formulation	MECD	No financing
		<ul style="list-style-type: none"> Stimulate formal educational approaches based on promotion of behavioral changes in families and communities with emphasis on women and adolescents 	2001	National Commission on Population	No financing
		<ul style="list-style-type: none"> Implement non-formal educational plan to foster self/esteem and responsible fatherhood and motherhood, family harmony and planning with emphasis on women and adolescents 	2000-2001	MIFAMILIA, INIM	Under negot.: EU
		<ul style="list-style-type: none"> National Plan to Fight Violence 			
		Design and implement campaign to prevent family violence	2000	INIM	No financing
		Implement program to condemn family violence and assist its victims	2001		
	<ul style="list-style-type: none"> Improve families' capacity to take care of their own in crisis situations 	2001	MINSA	No financing	

PILLAR 3: Protection of vulnerable groups					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
Modernize the institutional framework Improve quality, targeting, and coverage	Strengthen institutional capacity to formulate, coordinate, and evaluate policies and programs	RESTRUCTURING OF PROGRAMS AND PROJECTS PORTFOLIO			
		<ul style="list-style-type: none"> Make an inventory of plans, programs, and projects directed at vulnerable groups, their delivery mechanisms, and cost/effectiveness evaluation 	2001	SETEC-Municipalities	IDB
		<ul style="list-style-type: none"> Implement Action Plan for the Rationalization of Social Investment directed at extremely poor and vulnerable groups 	2000-2001	SETEC/FISE	IDB
		<ul style="list-style-type: none"> Identify vulnerable groups' profile by region and analyze critical social risks to improve the effectiveness of programs aimed at children, the elderly, the handicapped, and adolescent women 	2001	SETEC	Under negot.
		<ul style="list-style-type: none"> Design effective service delivery mechanisms 	2001-2002	SETEC/FISE	IDB
		<ul style="list-style-type: none"> Steer social safety net programs towards the promotion of behavioral changes to increase their effectiveness 	2000-2002	MIFAMILIA, FISE, MECD, MINSA	IDB, WFP
		<ul style="list-style-type: none"> Design strategic plan to increase preventive health coverage among informal sector workers 	Underway	INSS	WB
		INSTITUTIONAL STRENGTHENING			
<ul style="list-style-type: none"> Reconcile the legal frameworks of MIFAMILIA, INIM, and the National Council for Children, and other organizations created to assist vulnerable groups (National Commission for Adolescent Women, National Commission to Fight Against Violence) 	2000-2002	MIFAMILIA	Under negot.		
<ul style="list-style-type: none"> Implement programs to strengthen organizations that formulate, coordinate, follow up, and evaluate social and economic policies directed at extremely poor and vulnerable groups 	2000-2002	MIFAMILIA, SETEC, FISE, SAS	Partially finance, IDB, WB		
Improve quality, targeting and coverage	Design and implement interventions for social protection based on specific characteristics of vulnerability and risks	IMPROVEMENT OF PRODUCTIVE CAPACITY OF THE EXTREMELY POOR			
		<ul style="list-style-type: none"> Implement food security programs among rural families facing adverse environmental conditions: Special Program for Food Security (PESA) Support food security of poor rural families affected by drought or flooding Assistance to rehabilitate families affected by hurricane Mitch 	Underway Underway Underway	INTA MAGFOR MAGFOR	FAO, Spain WFP WFP
		<ul style="list-style-type: none"> Implement program of agricultural support to non-priority areas through composite transfers of services (technical assistance and training) and partial transfers of productive assets 	2000-2002	INTA	WB, FIDA, USAID, CATIE
		<ul style="list-style-type: none"> Implement community jobs program 	Underway	SAS	
		<ul style="list-style-type: none"> Programs to fight women's poverty: Formulate and negotiate program to fight women's poverty Assist women's garden economy with technology and credit in kind (PROCATEPA) 	2000-2001 2000-New phase under negot.	INIM INTA	No financing Norway: to be defined
IMPROVEMENT OF SOCIAL INFRASTRUCTURE					
<ul style="list-style-type: none"> Implement National Program to Fight Urban Poverty 	2000	SETEC-Municipalities	IDB: Under negot.		
<ul style="list-style-type: none"> Implement electrification project in extremely poor rural areas 	2001	FES-ENEL	Korea		

PILLAR 3: Protection of vulnerable groups

Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		<p>WATER AND SANITATION</p> <ul style="list-style-type: none"> Establish targeted subsidies for extremely poor families as new water and sewerage rates are set Implement water and sanitation project for marginal sectors of Managua Implement comprehensive water and sanitation programs plus training: Potable water in rural high density areas <p>Matagalpa and Jinotega Nueva Guinea Partial transfers and training programs (latrines, training in preventive health, water chlorination)</p> <ul style="list-style-type: none"> Implement potable water and latrines projects 	<p>2000</p> <p>2000-2006</p> <p>Underway</p> <p>2000-2005 2000-2001 2000-2004</p> <p>Underway</p>	<p>ENACAL</p> <p>ENACAL</p> <p>ENACAL/ FISE ENACAL MINSAL/FISE</p> <p>FES- ENACAL, INFOM</p>	<p>IDB</p> <p>EU: Under negot.</p> <p>Austria The Netherlands</p> <p>Taiwan</p>
		<p>HOUSING</p> <ul style="list-style-type: none"> Implement community-assisted housing reconstruction programs Construction of floor and roof for 100,000 houses Reconstruct damaged houses and build emergency shelters for those affected by hurricane Mitch. 	<p>2001-2003</p> <p>2000-2004</p> <p>2000-2005</p>	<p>FES-OES</p> <p>INVUR</p> <p>INVUR</p>	<p>Taiwan, WFP: under negot.</p> <p>Budget, partially financed Budget</p>
		<p>HUMAN CAPITAL PROTECTION</p> <ul style="list-style-type: none"> Implement programs to fight extreme rural poverty (Social Safety Network) Implement programs to improve health in extremely poor rural areas (medical resources and nursing) Put together doctors' teams to assist vulnerable and extremely poor groups Identify and give assistance to groups under nutritional and educational risk: School knapsacks <p>Women, lactating mothers and children 6 months –2 years</p> <p>Children 2 – 6 years (School Lunch Program) and community preschoolers</p> <p>Expand Comprehensive Attention Program to Children and Families (PAININ)</p> <p>Give nutritional assistance to 250,000 children attending formal pre-schools, 1st, 2nd grades and multigrade schools located in extremely poor areas (PINE)</p> <p>Healthy Schools Program</p>	<p>2000-2002</p> <p>Underway</p> <p>Underway</p> <p>2000</p> <p>2000-2005</p> <p>2000-2005</p> <p>2000-2005</p> <p>2000-2004</p> <p>Under formulation</p>	<p>FSS-FISE, MECD, MINSAL</p> <p>MINSAL-FSS</p> <p>INSS</p> <p>MECD-FSS</p> <p>MINSAL</p> <p>MIFAMILIA</p> <p>MIFAMILIA</p> <p>MECD</p> <p>MECD</p>	<p>IDB</p> <p>IDB</p> <p>INSS</p> <p>WB, Sweden</p> <p>WFP</p> <p>WFP</p> <p>WFP, IDB, NORAD</p> <p>WFP, partially financed</p> <p>No financing</p>

PILLAR 3: Protection of vulnerable groups

Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		Health and nutrition programs aimed at women and children through participatory schemes, and support for the delivery of health services	Underway	MINSA	UNICEF
		Preventive nutritional health programs aimed at children to facilitate early detection of nutritional deficiencies and opportune interventions	2000	MINSA	Under negot.
		Joint health and education programs	2000	MINSA-MECD	Under formulation
		<ul style="list-style-type: none"> Implement program to assist handicapped children: Special education program to assist 3,900 children (teachers' training, promoting handicapped children's participation, promotion of diversity) 	Underway	MECD	EU, Save the Children, Sweden, UNESCO, VVOP
		Rehabilitate and provide treatment to handicapped persons	2000-2002	MINSA	Finland
		<ul style="list-style-type: none"> Protection of working children: Alternative ways of receiving educational services and on-the-job-training 	2000-2001	MIFAMILIA	EU, UNPF, UNICEF
		Decrease work performed by children in Managua	2000	MIFAMILIA, MITRAB	IDB, NORAD
		<ul style="list-style-type: none"> Protection of children under high risk conditions (drugs, gangs, and prostitution): Protection of children and adolescents under conditions of high risk 	2000-2001	MIFAMILIA	EU, UNPF, UNICEF
		Comprehensive development plan for the prevention of juvenile delinquency	Under formulation	SAS, INATEC	No financing
		Protection to spotlight children	New phase under design	MIFAMILIA	
		Protection to children under risk due to drug use and sexual abuse	2000: new phase under design	MIFAMILIA	Budget
		Attention to street kids	2000-2002	MIFAMILIA, Casa Alianza	IDB, Casa Alianza, Budget
		Centers for Protection of Children	2000-2001	MIFAMILIA	Budget
		<ul style="list-style-type: none"> Fight Against Drugs Elaborate Plan to Fight Drugs 	Sept. 2000	CNLD	OAS, UNDP
		Implement antidrugs campaigns in primary and secondary schools	Underway	MECD, CNLD, PN	Budget

PILLAR 3: Protection of vulnerable groups					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		Prevent the use of drugs in communities	Underway	PN, MIFAMILIA, MINSA, MECD, ONGs	Funds from each institution
		Conduct survey on extent of drugs problem in the Atlantic Coast	Underway	Regional Autonomous Councils for Fight Against Drugs	UNDP
Strengthen community participation and social solidarity	Foster the sustainability of the interventions	<ul style="list-style-type: none"> Implement comprehensive attention programs aimed at sick and handicapped persons: Comprehensive attention programs for handicapped people Attention program for neurosurgery patients Special attention program for patients with cancer Implement programs for the elderly Attention program for senior adults Feasibility study on increasing coverage for the elderly Community social promotion Development of community capacities Foster homes program Training of local community promoters (Centers for Social and Educational Formation) Design programs for the comprehensive development of families (Community Family Centers) 	<p>2000-2005</p> <p>Underway</p> <p>Underway</p> <p>2000: new program phase under design</p> <p>December 2000</p> <p>New phase under design</p> <p>2000: new program phase under design</p> <p>2000: new program phase under design</p> <p>2002-2004</p>	<p>MIFAMILIA</p> <p>Presidency</p> <p>Presidency</p> <p>MIFAMILIA</p> <p>INSS</p> <p>MIFAMILIA</p> <p>MIFAMILIA</p> <p>MIFAMILIA</p> <p>MIFAMILIA</p>	<p>Save the Children, Norway</p> <p>Budget</p> <p>WB</p> <p>Save the Children, Norway</p> <p>Budget</p> <p>Save the Children, Norway</p> <p>No financing</p>

PILLAR 4: Governance					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
Strengthen governance, legal framework, and processes	Strengthen the rule of law, transparency, and accountability	TRANSPARENCY <ul style="list-style-type: none"> Establish and implement a system for public sector procurement and contracting with assistance from IDB: <ul style="list-style-type: none"> Sign contract for private inspection Sign contract for administrative support Submit to National Assembly legislation to centralize implementation of a new system for public procurement/contracting Law on access to information: <ul style="list-style-type: none"> Approve law Implement law Ensure that all domestic receipts (revenue and transfers) of the public sector entities are recorded at the treasury (cuenta única) Increase share of treasury revenues and transfers registered in the SIGFA integrated system for financial management and auditing; <ul style="list-style-type: none"> In the Ministries of Treasury and Public Credit, Transport, Agriculture, Education, and Health In all other entities of the Central Government General Comptroller's Office: <ul style="list-style-type: none"> Approve reforms to General Comptroller's Office Law Approve institutional strengthening plan 	<ul style="list-style-type: none"> June 2001 Sept. 2001 June 2002 Dec. 2000 2001 2001-2002 June 2001 June 2002 Sept. 2000 Sept. 2000 	<ul style="list-style-type: none"> MHCP CNI/AN CNI/sectors MHCP MHCP Presidency General Controller's Office 	<ul style="list-style-type: none"> IDB IDB No financing WB WB WB, Spain, Germany, Denmark, Finland, Norway, Sweden, The Netherlands
		JUDICIAL REFORM <ul style="list-style-type: none"> Approve the laws to reform the judicial process: <ul style="list-style-type: none"> New Penal Code New law on penal procedures New law on public prosecutors Implement a technical strengthening program to put these laws into practice Implement the recently approved Law on the Administrative Dispute Settlement law Implement program for institutional strengthening (technical and professional) in judicial matters supported by IDB Submit a revised commercial code to the National Assembly 	<ul style="list-style-type: none"> July 2000 Dec. 2000 Dec. 2000 June 2001 Sep. 2001 2001-2003 Dec. 2001 	<ul style="list-style-type: none"> AN CSJ AN CSJ CSJ CSJ Especial Commission 	<ul style="list-style-type: none"> IDB USAID Budget USAID USAID USAID IDB No Financing
		PROPERTY RIGHTS <ul style="list-style-type: none"> Monitor quantitative targets on property claims solved, and urban and rural property titles issued Modify property and land registries: <ul style="list-style-type: none"> Approve law on public registries Establish an independent and decentralized public registry 	<ul style="list-style-type: none"> 2001-2002 March 2001 2001-2003 	<ul style="list-style-type: none"> MHCP CSJ CSJ 	<ul style="list-style-type: none"> UNDP USAID USAID

PILLAR 4: Governance					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		ADDITIONAL ACTIONS ON GOVERNANCE <ul style="list-style-type: none"> • Implementation of National Integrity Plan • Institutional strengthening of the National Integrity Committee • Provide technical assistance to Nicaraguan Journalists Association (APN) for them to draft their professional Code of Ethics • Design a program to promote a culture of transparency and integrity • Strengthen the National Assembly with training programs for legislators and their technical support staff • Design and implement an educational campaign on human rights for the army and police • Strengthen the Attorney General's Office for Human Rights and the Special Attorney Offices for the protection of children, women, and indigenous communities. • Approval of law: <ul style="list-style-type: none"> On family patrimony On probity and moral integrity of civil officials and employees • Develop a system for voter's identification and a voter's registry at voting centers 	Underway 2001 June 2001 June 2001 2001-2003 Underway Underway 2000 2000 2000	CNI CNI APN/UPN/ CNI CNI CNI PDH PDH ... CNI CSE	IDB No financing IDB IDB No financing Budget GTZ, Finland, Sweden, Save the Children, UNICEF. Under negot. UNDP ... IDB Semi- financed: OES

PILLAR 4: Governance					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		<p>PARTICIPATION</p> <ul style="list-style-type: none"> • Consult all sectors of society on poverty reduction strategy • Design coordination mechanisms to monitor the strategy (Government, CONPES, and donor community) • Strengthen the National Council for Social and Economic Planning • Activate sectoral councils • Undertake regional consultations and dialogue, including the Atlantic Coast • Strengthen and regulate CONADES • Approval of Citizen's Participation Law • Coordinate the work by CONPES and CONADES • Guarantee the participation of the ethnic groups in national consultations • Design sustainable schemes for the execution of social protection programs involving the central and local governments, civil society, and international cooperation 	<p>June 2000</p> <p>2000</p> <p>2000-2001</p> <p>...</p> <p>...</p> <p>2000-2001</p> <p>2000</p> <p>2000</p> <p>2000</p> <p>2000-2002</p>	<p>SETEC</p> <p>SETEC</p> <p>CONPES</p> <p>CONPES</p> <p>CONPES</p> <p>CONADES</p> <p>CNI</p> <p>CONPES/ CONADES</p> <p>CONPES</p> <p>SETEC</p>	<p>UNDP, IDB, under negot.</p> <p>Budget</p> <p>UNDP</p> <p>No financing</p> <p>No financing</p> <p></p> <p>IDB</p> <p>No financing</p> <p>No financing</p> <p>IDB</p>

CROSS-CUTTING THEMES: Environment and ecological vulnerability						
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing	
Environmental restoration and sustainable production processes	Reduce environmental degradation Promote the ecological restoration of productive areas	<ul style="list-style-type: none"> • Prepare: Environmental Action Plan Strategy for Biodiversity Biodiversity Law National Strategy for Sustainable Development • Approval of laws on: Water resources Fisheries Mining • Implement water resources information system • Define technical criteria for the baseline of protected areas • Identify territories and the scope for an homogenous national baseline • Diagnosis of information in the territory 	2000	MARENA	DANIDA	
			2000	MARENA	WB, Finland	
			2001-2002	MARENA	Finland	
			2000-2005	MARENA	DANIDA	
			Dec. 2001	MIFIC/AN		
			Dec. 2000	MIFIC/AN		
				MIFIC/AN		
	2001	MIFIC/AN				
	2001	MARENA	DANIDA			
	2001	MARENA	DANIDA			
	2001	MARENA	DANIDA			
Management and conservation of forests	Promote sustainable management and biodiversity Offer environmental services	<ul style="list-style-type: none"> • Approval of the Forestry Development Law • Conservation of forest ecosystems • Prevention and control of forest fires. • Implement the Atlantic Biological Corridor Program. 	Dec. 2000	MAGFOR/AN	WB, IDB	
			Underway	MARENA	IDB, Nordic Development Fund	
			Underway	INAFOR	WB, USAID, Spain	
		Underway	MARENA	WB		
	Promote productive forest development		<ul style="list-style-type: none"> • Implement project for: Reforestation and management Reforestation and management Wood processing, by-products, and commercialization • Promote sustainable forest investment (PROFOR) • Promote technological change in the forestry industry • Support small farmers' forest activities in Nueva Segovia (PROCAFOR) • Promote sustainable production practices and adequate management of natural resource 	2001-2004	PROFOR	WB, Finland
				2001-2004	MIFIC	No financing
				2001-2004	MIFIC	No financing
Underway				MAGFOR	WB	
Underway				PROFOR	WB	
Underway	INAFOR	Finland				
Underway	IDR	IDB, EU, FIDA, Italy, Germany, The Netherlands, Finland				
	2000-2004	MAGFOR	WB			

CROSS-CUTTING THEMES: Environment and ecological vulnerability					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		<ul style="list-style-type: none"> Promote commercial plantations and eco-tourism Encourage market diversification to increase forestry biodiversity and services Establish forest fund and facilitate information relevant to investments 	Under formulation 2000-2004 Under formulation	MAGFOR MAGFOR MAGFOR	No financing WB No financing
Rehabilitation and protection of watersheds and other water sources	Conserve drainage and river basins	<ul style="list-style-type: none"> Decontaminate watersheds, particularly those damaged by hurricane Mitch Improve management of unprotected and deteriorated watersheds Manage watersheds in protected areas. 	2000-2004 2000-2004 2001	MARENA MARENA MARENA	IDB/DANIDA IDB/DANIDA IDB/DANIDA
Strengthen local and institutional environmental management	Increase local level management capacity	<ul style="list-style-type: none"> Implement: <ul style="list-style-type: none"> Program for institutional strengthening and interinstitutional coordination National prevention system on real-time Strengthening of municipal environmental commissions Strengthen local environmental management capabilities 	2001-2002 2001-2003 2000-2005 2001-2005	INETER INETER INETER MARENA	No financing No financing DANIDA WB
	Risk reduction	<ul style="list-style-type: none"> Modernize early warning systems Prepare: <ul style="list-style-type: none"> Map of geological and dangerous zones in the vicinity of the Telica, Cerro Negro, and Momotombo volcanoes National geological map at 1:50,000 scale, and cartographic mapping of risks due to natural phenomena Expand geographical information system for mapping of natural threats Install: <ul style="list-style-type: none"> 25 telemetric meteorological stations in dry productive vulnerable zones exposed to meteorological phenomena 15 telemetric hydrometry stations in flood risk areas 8 seismic stations National tsunami warning center Equipment of the accelerograph network with telemetric accessories National Program for Risk Reduction (National System for Prevention, Mitigation, and Response to Disasters) <ul style="list-style-type: none"> Approve program Implement program Institutional strengthening for MINSAs (prevention) Implement rehabilitation project in area around Casitas volcano 	2001-2003 2001 2001-2005 2001-2004 2001-2002 2001-2002 2001-2002 2001-2002 2001 2000 2001 2003 2000-2004	INETER INETER INETER INETER INETER INETER INETER INETER INETER Executive Secretary of system MINSAs MAGFOR	USAID Czech Gov't USAID-Partly financed: USAID USAID, EU USAID Under negot.: Germany Under negot. Under negot. No financing WB

CROSS-CUTTING THEMES: Environment and ecological vulnerability					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
		<ul style="list-style-type: none"> Improve volcano-monitoring system with automatic cameras, temperature measurements, and gas monitoring, and monitor areas exposed to landslides 	2001-2003	INETER	Under negot.
	Develop culture of social responsibility	<ul style="list-style-type: none"> Develop an environmental information system 	2001	MARENA	WB
		<ul style="list-style-type: none"> Design and implement education and information campaigns for the population 	2001-2003	MARENA	DANIDA
Incorporate the demographic dimension into territorial planning	Integrate demographics into strategies for land use and planning	<ul style="list-style-type: none"> Make maps showing potential land uses 	2001-2004	INETER	No financing
		<ul style="list-style-type: none"> Increase density of meteorological and hydrometry network 	2001-2004	INETER	No financing
		<ul style="list-style-type: none"> Elaborate policy and law on rationalization of land use in national territory 	2000	INETER	No financing
		<ul style="list-style-type: none"> Update and institutionalize "Strategic Guidelines for Rationalizing the National Territory" 	2001-2002	INETER	No financing
		<ul style="list-style-type: none"> Elaborate plans to rationalize land use in prioritized territories 	2001-2005	INETER	WB
		<ul style="list-style-type: none"> Prepare socio/demographic scenarios by areas of the country, considering actual and potential land uses 	Dec. 2000	To be defined	UNPF
		<ul style="list-style-type: none"> Analyze country's vulnerability to natural disasters and initiate process for rationalizing land use in areas affected by Mitch 	Underway	INETER	IDB
		<ul style="list-style-type: none"> Analyze requirements for social and productive infrastructure at points of migratory attraction and expulsion 	2001	Undefined	UNPF
		<ul style="list-style-type: none"> Promote minimal population concentration schemes for the provision of basic social services and social and productive infrastructure 	Under formulation		
		<ul style="list-style-type: none"> Initiate improvement of human settlements 	Under formulation	SETEC/ municipalities	IDB

CROSS-CUTTING THEMES: Social equity					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
Promote equal access to services and opportunities and overcome problems of social exclusion	Guarantee equal gender access to economic, social, cultural, and political areas	<ul style="list-style-type: none"> Promote and implement a program to strengthen the Nicaraguan Women's Institute 	2000-2001	INIM	No financing
		<ul style="list-style-type: none"> Promote compliance with commitments acquired in international conventions Organize and implement a National Plan for Rural Women 	2000	INIM	No financing
		<ul style="list-style-type: none"> Design National Plan of Opportunities for Men and Women 	Under formulation	INIM	No financing
	Prevent, sanction, and eradicate abuse and mistreatment of women and children	<ul style="list-style-type: none"> Implement actions to reduce the abuse and mistreatment of women and children: <ul style="list-style-type: none"> Guarantee the continued functioning of Women's Commissariats National Plan Against Domestic Violence Promote paternal responsibility: <ul style="list-style-type: none"> Revise regulations and the Law for Food Allowance Create conditions for the application of the Children and Adolescents Code <ul style="list-style-type: none"> Design regulations and institutional strengthening Revise and reform law on children adoptions Rehabilitate special center for adolescents 	2000-2003	INIM, PN, Civil Society	No financing
			2001-2002	INIM	IDB
			2001	MIFAMILIA	Under negot.
			2000 2001	MIFAMILIA, CNA	UNICEF
			2001	MIFAMILIA	Budget
	Guarantee the rights of indigenous peoples	<ul style="list-style-type: none"> Design economic development programs for ethnic groups Strengthen the regulatory framework legislation protecting the rights of indigenous peoples 	2000		
			2001		

CROSS-CUTTING THEMES: Decentralization						
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing	
Strengthen local governments and accelerate their modernization process	Increase efficiency and effectiveness in the provision of services	• Define national policy on decentralization	Dec. 2001	CSD	GTZ, WB	
		• Define a decentralization strategy	December 2001	CSD	GTZ, WB	
	Consolidate decentralization policies towards local governments	• Advance implementation of decentralization strategy	2002-2003	Sectors	WB	
		• Design a program to develop and strengthen the technical capabilities of municipal administrations	December 2000	INIFOM	WB	
	Develop local administrative and fiscal capacities	• Implement program to develop and strengthen the technical capabilities of municipal administrations	2001-2004	INIFOM	WB	
		• Implement the institutional strengthening of INIFOM	2001-2002	INIFOM	WB	
	Develop and implement municipal development plans	• Approve law on:	Municipal budgeting	2001	AN, INIFOM, AMUNIC	DANIDA
			Municipal administrative career and civil service	2001	AN, INIFOM, AMUNIC	DANIDA
			National comprehensive cadastre incorporating municipal cadastres	2001	INIFOM	DANIDA, UNDP
		• Prepare and approve amendments to Law of Municipalities	2000-2001	AN	DANIDA	
		• Strengthen municipal information systems (purchase of equipment)	2004	INIFOM	WB	
		• Harmonize municipal public investment systems with SNIP	2001	INIFOM, SETEC	WB	
		• Design and implement technical support program for departmental secretariats	2000-2001	INIFOM	WB	
		• Design and implement a National System for Municipal Capacity Building	2001	INIFOM	No financing	
		• Issue regulation of the Law for the Autonomy of the Atlantic Coast	Sept. 2000	Presidency	No financing	
		• Provide comprehensive support to governments of the Atlantic Coast	Under formulation	..	...

SUPPORTING ACTIONS: Targeting, monitoring, and evaluation of impact					
Guidelines	Objectives	Policy actions	Scheduled execution	Executor	Financing
Targeting					
Target vulnerable groups	Increase the efficiency of programs by directing efforts at the appropriate groups	<ul style="list-style-type: none"> Finish poverty map 	Aug. 2000	FISE	WB
		<ul style="list-style-type: none"> Establish targets by municipality, vulnerable groups and families 	2001	All sectors	
		<ul style="list-style-type: none"> Improve targeting mechanisms of social protection programs on the basis of equity and cost-effectiveness criteria: Comparative analysis of the costs of providing services, subsidies, and transfers for social protection programs in Nicaragua and other countries 	2001	SETEC	IDB
		<ul style="list-style-type: none"> Cost efficiency evaluation of targeting mechanisms of the Social Protection Network Program 	2001-2002	SETEC	IDB
Monitoring and evaluation of impact					
Program monitoring and evaluation of impacts	Availability of timely information for decision making	<ul style="list-style-type: none"> Design a monitoring and impact evaluation system for information and decision making: Indicators for monitoring 	Underway	SETEC	IDB
		<ul style="list-style-type: none"> Implement system for: Monitoring by means of existing indicators and systems (SIGFA, SNIP, SIG-SETEC) Evaluation of impact (household surveys, surveys of user satisfaction, LSMS 2002, DHS 2003) 	Annual	All sectors	IDB
		<ul style="list-style-type: none"> Publication of results (central government, local governments, civil society, donors) 	Under formulation	SETEC	
		<ul style="list-style-type: none"> Institutional strengthening for monitoring and evaluation 	Underway	All sectors	
			Being formulated	All sectors	

Summary of actions to be carried out in the Atlantic Coast				
Area	Policy actions	Scheduled execution	Executor	Financing
Broad-based economic growth	• Modernize cadastral system for indigenous communities	2005	MHCP	WB
	• Approval of a law for demarcating indigenous lands		AN/ Presidency	WB
	• Demarcate and title lands of the indigenous communities of the Atlantic Coast and Bosawas	March 2001	INETER	WB
	• Provide financial resources for implementing the Participatory Micro-Planning (MPP) methodology and executing priority local projects identified by this methodology in the Atlantic Coast	2000-2001	FSS-FISE	WB
	• Implement program that guarantees the Atlantic Coast's food security through production, marketing, and post-harvest storage programs	2001-2002	FSS-FISE	WB
	• Implement water and sanitation pilot project in RAAN	2001-2004	ENACAL	Canada, Swiss, Save the Children
	• Improve water and sanitation systems in Bluefields	2001-2004	ENACAL	Spain, Canada
Investment in human capital	• Reform bilingual education	2001	FOREBICA	Finland, USAID
	• Provide education programs in the Atlantic Coast with comprehensive supervision	2000-2001	FSS-MECD	BID
	• Implement: Pilot project to introduce tele-medicine in the Atlantic Coast	2000-2001	FSS-MINSA	BID
	Drug prevention plan for the Atlantic Coast	2000-2001	FSS-MINSA	BID
	Rehabilitate the primary network, equipment, furnishings, health centers and posts (9 in the Atlantic Coast)	2000-2004	FISE	ASDI, KWF, USAID, WB, IDB, OPEP, COSUDE, Canada, GTZ, Spain, Mexico
	Rehabilitate hospitals in RAAN and RAAS	2000-2002	MINSA	Budget
Protection to vulnerable groups	• Conduct survey on extent of drug problem in the Atlantic Coast	Underway	Regional Autonomous Councils on Fight Against Drugs	UNDP

Summary of actions to be carried out in the Atlantic Coast				
Area	Policy actions	Scheduled execution	Executor	Financing
Governance	<ul style="list-style-type: none"> Strengthen the Attorney General's Office for Human Rights and the Special Attorney Offices for the Protection of Children, Women, and Indigenous people 	Underway	PDH	GTZ, Finland, Sweden, Save the Children, UNICEF, UNDP: under negotiations
	<ul style="list-style-type: none"> Guarantee the participation of the ethnic groups in national consultations 	2000	CONPES	No financing
Environment and ecological vulnerability	<ul style="list-style-type: none"> Implement: Program to support the development of commercial forestry activities, agro-forestry with indigenous communities, and eco-tourism (PROFOR) 	Underway	MAGFOR	WB
	<ul style="list-style-type: none"> Forestry programs in indigenous areas to benefit 5 communities 	2000	MAGFOR	WB
	<ul style="list-style-type: none"> Atlantic Biological Corridor Program 	Underway	MARENA	WB, GTZ
Social equity	<ul style="list-style-type: none"> Design economic development programs for ethnic groups 	2000		
	<ul style="list-style-type: none"> Strengthen the regulatory framework of the legislation protecting the rights of indigenous people 	2001		
Decentralization	<ul style="list-style-type: none"> Issue regulation of the Law for the Autonomy of the Atlantic Coast 	Sep. 2000	Presidency	No financing
	<ul style="list-style-type: none"> Provide comprehensive support to governments of the Atlantic Coast 	Under formulation	...	...
	<ul style="list-style-type: none"> Design a program to develop and strengthen the technical capabilities of municipal administrations 	2001-2004	INIFOM	WB

Annex table 1. Nicaragua: Economic and Social Indicators

	Year								
	1960-1969 1/	1970-1979 1/	1980-1989 1/	1990-1994 1/	1995	1996	1997	1998	1999
Economy									
GDP per capita (US\$ of 1980)	950.4	1,038.3	670.4	450.3	440.9	449.6	459.8	465.7	485.0
Real GDP (millions of US\$ of 1980)	1,532.3	2,394.7	2,100.2	1,824.9	1,951.8	2,045.0	2,149.4	2,236.8	2,394.1
Real GDP growth (%)	7.6	0.7	-0.8	0.6	4.3	4.8	5.1	4.1	7.0
Inflation rate (%)	...	12.1	2,098.8	2,096.4	10.9	11.6	9.2	13.1	11.2
Current account balance (% of GDP)	...	-3.9	-25.6	-48.0	-40.9	-38.2	-41.2	-38.4	-47.3
Trade balance (millions of US\$)	3.5	4.6	-371.6	-331.6	-405.4	-455.5	-703.4	-810.4	-1,139.4
Exports F.O.B. (millions of US\$)	121.7	403.6	359.7	285.6	444.6	485.3	625.9	573.2	543.8
Imports C.I.F. (millions of US\$)	140.0	423.6	819.8	768.8	945.5	1,050.7	1,411.8	1,492.0	1,845.7
Gross international reserves (months of imports)	3.2	3.4	0.4	2.9	2.7	3.6	4.4	3.8	4.0
Fiscal balance (% of GDP)	0.2	1.4	-16.8	-11.5	-11.2	-14.2	-7.1	-2.9	-13.7
Non financial public sector expenditure (% of GDP)	20.9	28.0	43.5	37.2	42.5	45.5	40.9	40.2	48.5
Non financial public sector current expenditure (% of GDP)	14.5	16.8	35.0	28.2	24.6	25.8	26.1	27.4	27.6
Non financial public sector capital expenditure (% of GDP)	6.5	11.2	8.5	9.1	17.9	19.7	14.8	12.8	20.9
External debt (millions of US\$)	...	625.7	5,431.0	10,900.5	10,248.4	6,094.3	6,001.0	6,287.1	6,498.9
External debt (% of GDP)	...	40.3	276.1	628.4	541.8	308.5	296.4	295.7	286.6
External debt (% of exports)	...	144.3	1,782.8	3,894.5	2,305.1	1,255.8	958.8	1,096.8	1,195.1
External debt service (millions of US\$)	...	...	...	310.5	405.5	335.8	450.9	318.6	292.6
External debt service (% of exports)	...	...	...	111.3	91.2	69.2	72.0	55.6	53.8
Population									
Total population (millions of inhabitants)	1.8	2.5	3.3	4.1	4.4	4.6	4.7	4.8	4.9
Total fertility rate (births per women)	...	...	...	5.1	4.9	4.9	4.9	4.9	4.9
Life expectancy at birth (No. Of years)	...	...	...	62.2	66.1	66.1	66.1	66.1	66.1
Women of reproductive age (millions)	...	...	...	1.0	1.0	1.0	1.1	1.2	1.2
Children under one year (thousands)	...	...	...	155.1	159.2	132.5	147.6	169.9	165.6
Children under five years (thousands)	...	...	...	871.4	888.4	753.4	807.4	950.9	967.4
Poverty									
National (% of total population)	...	...	...	50.3	...	...	...	47.9	...
Urban (% of urban population)	...	...	...	31.9	...	...	...	30.5	...
Rural (% of rural population)	...	...	...	76.1	...	...	...	68.5	...
Consumption Distribution									
Gini coefficient	...	...	...	50.3	...	...	...	45.2	...
Lowest quintile	...	...	...	4.2	...	...	...	5.3	...
Highest quintile	...	...	...	55.2	...	...	...	51.3	...
Social Indicators									
Public Spending									
Health (% of GDP)	...	1.8	4.4	4.4	4.8	4.6	4.1	3.7	5.3
Education (% of GDP)	1.9	2.4	4.5	4.8	4.6	4.7	5.1	4.9	6.5
Education									
Illiteracy rate (%)	...	...	...	23.0	...	...	...	18.8	...
Mean years of schooling 10-19 years old	...	...	...	4.5	...	...	...	4.9	...
Net primary enrollment rate (%)	...	...	...	77.9	75.2	73.2	73.6	73.1	75.0
Gross primary enrollment rate (%)	...	...	...	101.9	101.0	98.3	97.8	96.1	97.8
Net preschool enrollment rate (%)	...	...	...	14.1	17.2	19.7	22.3	23.6	26.0
Women's primary school enrollment growth (%)	...	...	...	...	...	2.7	-0.4	1.2	3.7
Women graduating from primary school (%)	...	...	...	26.3	29.0	31.0	29.0	32.0	35.7
Promotion rate of third graders (%)	...	...	...	76.8	75.3	78.3	80.9	84.4	82.6
Promotion rate of third graders in rural areas (%)	...	...	...	67.6	69.3	72.2	72.3	81.1	76.6
Promotion rate of six graders (%)	...	...	...	94.7	96.3	96.9	97.4	98.3	98.4
Children who complete primary education in six years (%)	...	...	...	17.9	18.6	22.4	27.8	38.8	32.0
Number of students per teacher in primary schools	...	...	...	35.4	36.0	38.1	36.8	38.3	35.0
Rate of non certified teachers in primary schools (%)	...	...	...	35.5	22.5	15.5	4.5	13.0	16.7

Annex table 1. Nicaragua: Economic and social indicators (continued)

	Year								
	1960-1969 1/	1970-1979 1/	1980-1989 1/	1990-1994 1/	1995	1996	1997	1998	1999
Health and Nutrition									
Immunizations (% of children under 1 year)									
DPT	73.4	84.8	94.8	94.3	85.7	82.6
Measels	74.2	81.2	94.0	94.4	19.5	...
Tuberculosis	85.9	103.0	113.9	105.7	91.4	100.0
Chronic malnutrition or stunting (% of children under 5 years)	23.7	...	...	...	19.9	...
Infant mortality (per 1,000 live births)	58.0	...	...	43.0	40.0	...
Under five mortality rate (per 1,000 live births)	72.0	...	57.0	...	50.0	...
Maternal mortality (per 100,000 live births)	98.3	111.8	154.4	142.7	138.2	148.3
Institutional delivery of births (% of expected births)	45.5	43.8	48.2	52.1	42.2	47.0
Prenatal care (% of expected pregnant women)	71.8	79.9	82.1	68.7	71.6
Early prenatal care of pregnant women (% of expected pregnant women)	29.0	33.4	35.5	29.6	31.9
Access to family planning services (%)	16.0	19.0	17.0	18.0	21.0
Hospital beds (per 1,000 inhabitants)	1.19	1.2	1.2	1.2	1.1	1.0
Doctors (per 1,000 inhabitants)	0.475	0.6	0.6	0.6	0.5	0.5
Professional nurses (per 1,000)	0.225	0.3	0.3	0.3	0.3	0.4
Water and Sanitation Services									
Access to safe water									
Total (% of population)	50	56.1	59.1	61.6	62.8	66.5
Urban (% of urban population)	77.04	80.8	82.4	86.9	88.3	88.5
Dispersed rural population (% of dispersed rural population)	21.1	28.0	31.3	32.0	33.3	39.0
Sanitation access in urban populations (% of urban population)	31.14	32.6	32.6	32.3	32.3	33.6
Environment									
Annual deforestation (Km2)	1508.0	...
Deforestation rate (% change 1990 - 1995)	2.5	...	...	...	...
Protected areas (% of country's total area)	7.4	...
Energy consumption (millions of KWH)	1104.18	1,129.8	1,204.7	1,361.9	1,391.6	1,474.4
Carbon dioxide emissions (metric tons per capita)	0.6	...
Agriculture									
Land under permanent crops (% total land)	2.4	...
Land under irrigation (% cultivable land)	3.3	...
Cultivable land (per capita hectares)	0.5	...
Tractors per 1000 agricultural workers	7.0	...
Traditional exports (millions of US\$)	208.32	330.8	344.3	333.0	382.5	339.8
Non traditional exports (millions of US\$)	82.18	195.6	324.7	370.6	190.7	204.0

Sources: BCN, MINSA, MECD, MARENA, MAGFOR

1/ Average value

Annex table 2. Nicaragua: Selected Economic and Financial Indicators for 1999-2003

Concept	1999	2000	2001	2002	2003
(annual percentage change unless otherwise)					
National Income, prices and unemployment					
GDP at constant prices	7.0	5.5	5.5	5.4	5.4
Consumer prices (end of	7.2	8.0	8.0	5.0	3.0
Consumer prices (period average)	11.2	9.7	8.2	5.9	3.9
Unemployment rate (percent)	10.5	8.5	8.2	...	...
External Sector					
Export, FOB	(5.1)	10.8	9.6	9.7	9.2
Import, FOB	21.7	0.2	4.3	5.8	5.9
Money and credit					
Currency in	25.0	12.0	10.0	10.0	7.0
Financial system liabilities to private	21.9	16.0	14.2	11.6	9.5
Financial system credit to private sector	39.9	18.8	22.9	12.7	10.3
(In percent of GDP)					
Public sector					
Nonfinancial public sector	6.9	6.2	4.0	1.8	2.4
Nonfinancial public sector overall balance (before	(13.7)	(12.0)	(15.5)	(15.1)	(15.1)
Central government deficit after	(6.3)	(6.4)	(8.2)	(2.9)	(3.1)
Central bank operational results (deficit -	(1.6)	(1.3)	(0.6)	(0.6)	(0.3)
Savings and investment					
Gross domestic	42.8	37.8	38.0	37.2	37.6
Public	13.5	14.1	14.1	12.5	13.0
Private	29.4	23.8	24.0	24.7	24.6
National Savings	(3.1)	(2.3)	0.7	2.2	4.8
Public	5.2	5.0	3.4	1.2	2.2
Private	(8.3)	(7.3)	(2.7)	1.0	2.6
External savings	45.9	40.1	37.4	35.0	32.8
External sector					
External current account balance	(47.5)	(40.9)	(38.7)	(35.3)	(32.7)
External current account balance (incl. prioritized	(44.2)	(38.3)	(36.4)	(33.2)	(30.9)
(excluding interest	(40.0)	(33.8)	(31.6)	(29.0)	(27.2)
Trade balance (deficit -)	(50.2)	(44.4)	(41.8)	(40.5)	(39.0)
Outstanding external public debt (end of	286.6	273.4	261.8	251.7	238.4
(in percent of exports of goods and nonfactor					
Contractual debt service, before debt	(41.3)	(37.7)	(33.4)	(41.5)	(28.6)
Contractual interest obligations, before debt	(20.1)	(18.9)	(18.7)	(16.0)	(13.8)
Gross official reserves (in months of imports) ^{1/}	3.1	2.8	4.8	4.6	4.4

Sources: Central Bank of Nicaragua; Ministry of

^{1/}: Gross official reserves are adjusted based on the BCN's CENIs balance.

Annex table 3. SPRS Portfolio of Programs (consolidated)

	2001	2002	2003	TOTAL
	(millions of US dollars)			
TOTAL	360.7	378.1	397.9	1,136.7
Pillars	311.5	321.3	340.2	973.0
1. Broad-based economic growth	139.0	146.0	159.6	444.5
2. Better protection for vulnerable groups	50.6	57.7	61.7	170.1
3. Greater and better investment in human capital	119.8	117.1	118.7	355.6
Education	84.7	82.2	86.8	253.7
Health	32.3	32.2	28.0	92.6
Nutrition	0.8	1.2	1.5	3.5
Population	1.9	1.5	2.4	5.8
4. Governance	2.1	0.5	0.2	2.8
Cross cutting themes	49.2	56.8	57.7	163.7
1. Environment and vulnerability	22.6	39.4	35.9	98.0
2. Decentralization	26.6	17.4	21.7	65.7

Annex table 4. SPRS Portfolio of Programs

	2001	2002	2003	TOTAL
	(million of US dollars)			
TOTAL	360.7	378.1	397.9	1,136.7
A. Pillars	311.5	321.3	340.2	973.0
1. Broad based economic growth	139.0	146.0	159.6	444.5
Maintain stability and economic growth	4.3	4.8	1.4	10.6
Rationalize public investment projects	0.3	1.3	1.4	3.0
Structural reforms	4.0	3.5	0.1	7.6
Improve efficiency through factor markets	83.2	64.8	69.4	217.4
Land market	1.1	9.0	8.8	18.9
Financial and agricultural services	19.1	8.5	11.0	38.6
Commercialization	1.6	3.6	0.9	6.1
Infrastructure	37.9	18.7	18.2	74.9
Rural extension and institutional strengthening	23.5	24.9	30.5	78.9
Increase the rate of technological progress	4.5	3.8	8.4	16.7
Agricultural technology	4.5	3.8	8.4	16.7
Expand the provision of safe water and sanitation	38.5	41.3	45.8	125.6
Urban and high density populated Rural areas	28.1	32.2	33.8	94.1
Dispersedly populated rural areas	10.5	9.1	7.6	27.1
Environmental management	0.0	0.0	4.4	4.4
Develop the housing sector	8.1	13.4	19.1	40.6
Self-sustaining housing	1.7	5.3	5.8	12.7
Improve rural housing and urban marginal neighborhoods	0.0	0.3	0.3	0.6
Promote housing for low income and social interest groups	6.4	7.8	13.0	27.3
Strengthen strategic activities	0.4	17.9	15.4	33.6
Promote investments and exports	0.4	0.0	0.0	0.4
Develop small and medium businesses	0.0	12.2	9.8	22.1
Coffee	0.0	5.6	5.6	11.2
2. Better protection for vulnerable groups	50.6	57.7	61.7	170.1
Modernize the institutional framework	1.2	1.5	8.3	11.0
Modernize the institutional framework	1.2	1.5	8.3	11.0
Improve the quality of targeting and coverage	49.2	53.8	51.0	154.0
Improve the productive capacity for vulnerable groups	8.7	2.9	2.9	14.5
Improve the social infrastructure for vulnerable groups	22.4	21.2	18.3	61.9
Improve investment in human capital for children and adolescents	15.8	27.6	27.8	71.1
Supplementary Social Fund	2.2	2.1	2.1	6.4
Strengthen community participation and social solidarity	0.2	2.5	2.4	5.1
Attention to the handicapped	0.0	0.6	0.6	1.3
Development of communities capacities	0.0	1.3	1.2	2.5
Assistance to the third aged and the sick	0.2	0.5	0.5	1.3

Annex table 4. SPRS Portfolio of Programs (continued)

Guidelines	2001	2002	2003	TOTAL
	(million of US dollars)			
3. Investment in human capital	119.8	117.1	118.7	355.6
EDUCATION	84.7	82.2	86.8	253.7
Increase coverage	66.6	63.8	37.9	168.2
Rehabilitation and replacement of school's infrastructure	41.5	41.9	32.9	116.3
Expand coverage of education	24.4	20.9	3.9	49.2
Professional training	0.7	1.0	1.1	2.8
Improve the quality of education	8.3	11.8	31.7	51.8
Modernize the sector	5.4	3.9	15.0	24.3
School autonomy	4.5	2.8	2.2	9.4
HEALTH	32.3	32.2	28.0	92.6
Improve coverage and quality	24.8	17.1	27.0	68.9
Rehabilitation of the primary network	12.2	8.6	16.0	36.7
Strengthening of the SILAIS	6.3	6.3	3.8	16.3
Strengthening of the immunizations program	0.0	0.0	5.0	5.0
Prevention and control of epidemics	5.1	1.0	1.0	7.0
Technical assistance	1.3	1.2	1.2	3.8
Improve the capacity of households to take care of their own health	0.0	0.4	1.0	1.5
Prevention and control of epidemics	0.0	0.4	1.0	1.5
Modernize the sector	7.5	14.7	0.0	22.2
Modernize the sector	7.5	14.7	0.0	22.2
NUTRITION	0.8	1.2	1.5	3.5
Foster preventive approaches to malnutrition	0.8	1.2	1.5	3.5
POPULATION	1.9	1.5	2.4	5.8
Incorporate sexual and reproductive health	1.8	1.5	2.4	5.7
Responsible family behavior	0.1	0.0	0.0	0.1
4. Governance	2.1	0.5	0.2	2.8
Strengthen institutionalization	2.1	0.5	0.2	2.8
Transparency	1.3	0.0	0.0	1.3
Additional governance actions	0.8	0.5	0.2	1.5
B. Cross cutting themes	49.2	56.8	57.7	163.7
1. Environment and ecological vulnerability	22.6	39.4	35.9	98.0
Environmental restoration	1.5	2.6	1.3	5.4
Management and conservation of forests	6.4	15.0	16.3	37.7
Rehabilitation and protection of watersheds and other water sources	0.3	0.1	0.0	0.4
Strengthen local and institutional environmental management	14.3	15.0	12.4	41.6
Land ordering	0.1	6.8	5.9	12.9
2. Decentralization	26.6	17.4	21.7	65.7
Municipal infrastructure	1.9	2.3	3.7	7.9
Municipal promotion	7.5	8.2	8.6	24.3
Municipal development	17.2	6.9	9.4	33.5

