



Final Report

Project: "Fiscal Transparency in Nicaragua"

Acronyms

ACIJ	Civil Association for Equality and Justice
BCN	Central Bank of Nicaragua
CODENI	Nicaraguan Federation of NGOs working for Children and Adolescents
CSO	Civil Society Organization
FUNIDES	Nicaragua Foundation for Economic and Social Development
ICEFI	Central American Institute for Fiscal Studies
IDB	Inter-American Development Bank
IEEPP	Institute of Strategic Studies and Public Policy
IMF	International Monetary Fund
IPB	International Budget Partnership
MHCP	Ministry of Finance and Public Credit
PC	Citizen's Budget
PGR	General Budget of the Republic
UNDP	United Nations Development Program

Final Report
Project: “Fiscal Transparency in Nicaragua”
Contract No. CHF-081-FT-01
March 2013- July 2014

This report corresponds to the activities carried out by a team from the Institute of Strategic Studies and Public Policy (IEEPP, Spanish acronym) under the Framework of the “Fiscal Transparency in Nicaragua” Project, which took place between March 2013 and July 2014. The Project was implemented under the contract No. CHF-081-FT-01 between Global Communities, formally Cooperative Housing Foundation, with funds awarded by USAID (United States Agency for International Development).

The project’s overall objective was to strengthen citizen participation in order to increase fiscal transparency in the country. The specific objectives were to 1) improve civil society’s understanding of good governance of public resources; and 2) increase civil society participation in monitoring the administration of national public resources.

The following is a description of the principal achievements of the project:

Information about Budget and Public Contracting made publicly available in a user-friendly and interactive format through the virtual observatory “Our Budget”

Between November 2013 and July 2014 the Virtual Observatory, “Our Budget”, presented information in graphic image form about The General Budget of the Republic (PGR, Spanish acronym) approved (2010-2014), the national and municipal public contracts (2012-2014) and the municipal transfers (2014). During this time the Observatory received 2,333 visits with 1,312 users.

During the first semester of 2014 IEEPP’s predominant objective was to publicize the Virtual Observatory. A relevant target audience was the university population, especially those in careers where the data provided by the observatory could be of use in research processes. The Observatory was presented in several national universities, including UCA, UPOLI, UCC, UNAN León and UAM. Approximately 450 students attended, most of whom study fields such as human rights, economics, and social sciences. During these visits the students had the opportunity to interact with the Observatory and the IEEPP social networks in order to participate in diverse dynamics where they utilized the available information.

IEEPP also concentrated on updating the available information in the Observatory, specifically regarding 2014 budgets and public contracts (national and municipal). By the end of the first semester of the year, IEEPP had collected the 2014 data on public contracting (national and municipal) and reorganized various aspects of the pages in order to better order information and facilitate user access.

Additionally, an article was posted on the IDB blog about the steps necessary to develop a virtual observatory, recreating the experience of IEEPP¹. Furthermore, the IBP Newsletter 76 (Jan-Feb 2014)

¹[link](#)

published an article by project key personal, Claudia Garcia- “The Budget is Your Money, Understanding it is Your Responsibility”.²

The Observatory has permitted IEEPP to begin work with public information and undertake new initiatives to make information available to citizens, as well as to join together the communities in the region that are working on this issue.

Population received information in user-friendly language on Nicaragua’s 2013 and 2014 General Budgets

For years IEEPP has been circulating budget information in citizen- friendly language through their publication of the Citizens Budget (PC, Spanish acronym). As a part of this project IEEPP generated information pamphlets for 2013 and 2014, which are available in hard copy, on the Virtual Observatory and on the Institute’s web page. The Institute also distributed them during the various presentations given during the project implementation, including workshops with journalists and CSO members, virtual observatory presentations in universities, and partner organizations whom IEEPP trains. Based on their popularity, IEEPP printed an additional 500 copies of the 2014 version.

IEEPP used two types of communication (informational posters and a budget clock) to facilitate understanding of basic budgetary cycle concepts. These were distributed to IEEPP partner CSOs, which train different groups, National Assembly deputies, journalists and other key actors.

Through a process of participative construction IEEPP facilitated certain aspects of the construction of the Citizens Budgets for 2013 and 2014. Both budgets were subject to validation by individuals representing the target groups.

Production of these materials permits IEEPP to bring complicated, technical information about the budget to the citizens in a simple and friendly language, using visuals to make it even easier to understand. Additionally, it fulfills one of the eight documents on fiscal transparency that Nicaragua is required to produce by international standards.

Members of CSOs, journalists, decision makers and general population can use Budget Analysis and Public Contracting

The IEEPP team completed five studies – four on the theme of the budget and one on public contracting.

The first analysis, named “PGR 2013 Reform” and published in 2013, and covered the recently approved reform of the 2013 PGR. It demonstrated the analysis used for the first semester budget execution, noted the problems of obscurity in the use of tax revenues and the reductions that ministries experienced when executing projects of social interest.

The second study was completed with funding from USAID and Hivos. The study, titled “Fiscal Compromise with Children and Youth Rights in Nicaragua Between 2007-2012”, presented an analysis of the policies, actions, and public expenditure allocations of major government programs aimed at ensuring the rights of Nicaraguan children and adolescents.

²[link](#)

The third study, “General Budget of the Republic (PGR) 2014: Between the Tax Setbacks and Eminent Reform”, presented an analysis on the approval of the 2014 PGR and budget cuts due to the Tax Act Coalition not yielding as high returns as expected and challenged the government to cut spending by adjusting the budget so it would not affect spending on poverty reduction.

The fourth analysis, “Challenges and Opportunities of Social Accountability in Nicaraguan Public Procurement”, focused on public contracts. This study, completed in July, sought to offer opportunities to access information and exercise social accountability in the Nicaraguan Public Procurement System based on public information generated on the topic.

The fifth study, published in August and titled “Fiscal Space and Expenditure in Poverty: A Review from Budget Settlement Reports” analyzed the evolution of poverty reduction spending in the context of fiscal space available for the period 2005 – 2013. The study revealed the need to expand spending on redistributive policies to reduce poverty.

The studies described above generated key information that can be useful for decision-makers and members of international organizations and CSOs, in particular for these advocacy processes. It also allows journalists a better approach to news that is transmitted through various means.

Provided technical assistance to CSOs on budget analysis and social accountability

In March 2014 the IEEPP team initiated an open application process for CSO participants of fiscal transparency workshops to apply to receive technical assistance from IEEPP for budget analysis, recruitment and advocacy. The team receive six applications and selected the following five: *Movimiento Puente, Ajoma, Aldema, Asotrasol* and the *ILLS*.

In previous meetings with CSOs, the Institute had established a work plan that involved two group sessions (group one: Ajoma, Aldema and Puente Movement, and group two: Asotrasol, UNAN- Leon and Ajoma) on budget analysis. The first session, held the week of June 23rd (two days per session and group), focused on issues of interest to CSOs such as secondary education, sexual and reproductive health and other related prevention (i.e. teen pregnancy). During the second session, held July 10th and 11th, CSO participants worked on communication and advocacy for budget analysis.

IEEPP’s technical assistance provided CSOs with tools to analyze public budgets focused on topics of interest in the sectors of health and education. Additionally, it enabled an exchange of experiences on the work of CSOs in their territories and how to improve and create a space to discuss future collaborations with IEEPP and each other. It also allowed IEEPP to approach CSOs working in the territories and to transfer tools that had only been used by the team and apply them to various topics.

Generation of open forums for discussion and analysis with relevant actors on the topic of budget transparency

On the “International Right to Know Day” in August 2013, IEEPP held an event covering issues related to fiscal transparency, including the results of the Open Budget Survey 2012. IEEPP invited the Central American Network of Centers of Thought (of which it is a member) and FUNIDES (a local think tank).

The event was attended by cooperative members, CSOs and journalists who cover the topics discussed.

Between September and November 2013 three meetings were held with representatives of the National Assembly of the bench of PLI to discuss various budget issues, especially related to the reform of 2013 PGR and PGR Bill of 2014 with emphasis on two key sectors and those IEEPP tracks such as education and health. Additionally, one of the sessions included a presentation of the findings of a study titled “Fiscal Commitment to Youth and Adolescent Rights”. It is worth noting that the budget reform also held a press conference attended by journalists from various media such as: Nuevo Diario; La Prensa; Confidencia; Canal 2, 12, 63, 23; Café con Vos, etc.

For the Project closing on July 9, 2014 a conference was held to discuss “Possible Initiatives that Contribute to the Budget Transparency in Latin America”. Participating parties included national speakers, representatives of the Nicaraguan Foundation for Economic and Social Development (FUNIDES), the Nicaraguan Federation of NGOs working for Children and Adolescents (CODENI) and international parties such as the Founding Research Center (Mexico), the International Budget Partnership (IBP), the Central American Institute for Fiscal Studies (ICEFI) of Guatemala and Civil Association for Equality and Justice (ACIJ) of Argentina, all with extensive experience in analysis and advocacy on public budgets in social sectors. The conference was attended by government technicians from the Ministry of Finance and Public Credit (MHCP) and the Central Bank of Nicaragua (BCN), representatives of international cooperation, members of CSOs and journalists covering the subject. Additionally, the event was attended by government officials, key technical institutions related to fiscal transparency.

The event described above permitted a space to learn, analyze, and discuss fiscal transparency on a regional as well as national level, a subject which was previously not discussed for many actors. The event also elevated the issue on the agenda of media outlets, which was enhanced by the participation of journalists in the workshops who had a better knowledge base on the subject.

Increase awareness about IEEPP’s action on budget transparency matters

IEEPP developed an institutional video which reflects its trajectory during its ten years of existence, especially in the areas of Budget transparency in which it has worked on making technical information on creating spaces for discussion available to the public and analyzing the issue with stakeholders, especially members of the National Assembly. Work has also been done to transfer to other CSOs and journalists analysis tools through training processes. The institute has created a video to share the work organization.³

Creation of public interest in PGR

IEEPP’s first step in creating public citizen interest in the PGR was the campaign “The Budget is your Money, understanding it is your responsibility”, which began in November 2013 in conjunction with the launch of the virtual observatory “Our Budget”.

The campaign used radio and TV spots transmitted over two months (November-December and January-February) on the main channels, including: Channel 10, 12, 100% News, radio Now, radio Co

³ [first link](#) and [second link](#)

and others with presence in different departments. Additionally, the campaign published the campaign message and the observatory site in the Digital Confidence Seminary, in the Pastran, The Prensa, and the New Daily Digitals. The message was also circulated in Managua on the backs of buses.

To continue the campaign after the initial two months, the team created additional products such as 2014 planners, bookmarks and water bottles with the campaign message directed towards different target groups. Some were distributed to decision makers and others during university visits for virtual observatory presentations. During visits to the universities, participants were invited to be part of the message by taking pictures for the campaign and slogan. The photos were posted on IEEPP's Facebook in order to involve the community as transmitting agents and Spreads knowledge of the Institutes work through social media. The five Facebook albums in their entirety were seen by 5,601 people.

Journalists and CSO members increase their understanding of Budget transparency and public contracting

As part of the project, seven workshops were conducted, three with journalists and four with CSO members from different parts of the country. The workshops were attended by 84 journalists and 68 members of CSOs, of which 99 were women. In total participants received 17 days of training (2 ½ days per workshop, with the exception of those completed by members of FEMUPROCAN that lasted two days).

Three manuals on the various topics discussed were developed for the workshops: fiscal transparency, public budgets and procurement. The manuals were distributed to the participants, and given their demand among CSOs, a reprint of 500 additional copies to be used in IEEPP and partner organization training processes were ordered.

Table 1: Details of Workshops Completed under “Fiscal Transparency” Project

Workshop	Location-Date	Number of Participants	CSOs/ Media	Municipalities
Journalist Workshops				
1	Vista Mar- August 29-31	22 (10men, 12 women)	La Prensa, El Nuevo Diario, Onda Local, La Trinchera, Nicaragua en línea, La Esteliana, Hoy, Correo para Ciegos, Radio Maranatha	Managua, León, Estelí, Rivas, Carazo, Chinandega, Matagalpa and Masaya.
2	Montelimar- October 9-11	30 (15 men, 15 women)	Radio Maranatha, Radio Monumental, Radio La Costeñísima, Radio Stereo Monumental, Canal 17, Radio Bluefields Stereo, Bolsa de Noticias, Nuevo Diario, Stereo Kiss, Canal 5, Radio Siuna, etc.	Managua, Chinandega, Jinotepe, Juigalpa, Bluefields, León, Granada, Camoapa, Bilwi, Somotillo, Siuna, Nagarote.
3	Montelimar- October 30 - November 1	32 (18 men, 14 women)	La Prensa, Radio Dinámica, Canal 3, Radio Voz Cristiana, Cinco, Radio La Morenita, Radio Bluefields Stereo, Radio La Primerísima, Agencia EFE, Diario Hoy, Stereo Azul, Canal 28, etc.	Managua, Jinotega, Boaco, Granada, Rivas, Comalapa, Villa Sandino, Blufields, Siuna, León, Chinandega, Somoto, Carazo and Nueva Segovia.

Workshop	Location-Date	Number of Participants	CSOs/ Media	Municipalities
CSO Member Workshops				
4	Vista Mar- November 27-29	25 (15 men, 10 women)	Asotrasol, Ajoma, ILLS, Aldema, Asodel, Jóvenes Ambientalistas, CIPEI, Plataforma Nacional Juvenil, Instituto de Derechos Humanos de la UNAN- León, FVBCH, Ajudec, UNA, SIM, UTN, Andis, GTA and Alcaldía de Juigalpa.	León, Mateare, Ocotal, Mozonte, Chinandega, Managua, Rivas, Juigalpa, Bluefields and Jinotega.
5	San Ramón- December 11-12	25 female Readers of FEMUPROCAN	FEMUPROCAN Leaders	San Fco Libre, Yalaguina, Nandaime, Río Blanco, Sébaco, Terrabona, El Cúa, Nueva Guinea, Rancho Grande, Tuma La Dalia
6	Cantera, Managua January 29-31	18 (4 men, 12 women)	Plataforma Nacional Juvenil, Movimiento Puente, Ademnic, Universidad Católica, Cipei (UNAN-León), Cesesma, Casa de la Mujer and Casa de los colores.	Juigalpa, León, Ocotal, Managua, Chinandega, Matagalpa and Nueva Guinea.
7	Hotel Granada, Granada March 26-28	24 (13 men, 11 women)	Aldema, OEM, Asotrasol, Coordinadora Civil, Cesesma, Andisex, Red de Mujeres de Chontalales, Onajim, Fenacoop, Uraccan	Somoto, León, Juigalpa, Tola-Rivas, Managua, San Ramón-Matagalpa, Jinotepe, Zona Régimen Alto Wanki y Bosawas, Nueva Guinea, Siuna and Acoyapa.

As a result of journalist workshops, journalists more frequently attend press conferences organized by IEEPP and request interviews for best practices on the issue of budget transparency and contracting. Examples of notes made on the issues described above are found in Annex 1.

IEEPP team met with members of international aid agencies to address the issue of fiscal transparency

In August 2013, the IEEPP team coordinated with representatives of international organizations such as the International Monetary Fund (IMF), the Inter-American Development Bank (IDB), USAID, the US Embassy, Christian Aid and United Nations Development Program (UNDP). They discussed the progress and challenges of fiscal transparency in Nicaragua and each agencies' position and how would address the issue. The group proposed that these activities take place as part of IEEPP Fiscal Transparency project.

Members of the IEEPP team participate in events and International Networks on Budget and Public Contract themes.

In the second half of 2013, IEEPP team members attended two international forums where issues of fiscal transparency were discussed with focus on budget and public procurement. In July, the project coordinator and a researcher attended the International Seminar on Budget Transparency in Latin America and the Caribbean in Santo Domingo, Dominican Republic where the OBI 2012 results and

other topics were discussed: the budget transparency and open government agenda, public budgets, the use of ICTs to improve transparency, among others.

In September that same researcher participated in the IX Inter-American Conference on Public Procurement in Montevideo, Uruguay. This conference covered themes such as public procurement, progress and challenges in the region of the Latin American Network of Public Procurement. Current information and coordination with other regional partners proved useful in the implementation of project activities.

Major constraints and lessons learned during project implementation

1. Delays in the execution of some activities. Some activities took longer than planned or were dependent on timelines of IEEPP partners (CSOs, universities, Members). IEEPP's strategy to address this limitation was to modify the initial planning and adjust other advance activities not dependent on strategic partners. Constant communication with partners also lessened drawbacks in activity development.
2. There were problems with some of the contracted businesses in terms of campaign conceptualization. The businesses did not understand the theme of the campaign, and therefore could not facilitate the process. Additionally, the IEEPP team had little experience in campaign management. This drawback was solved through joint work between staff communications with the company engaged in the production of the campaign and the IEEPP team working harder to define the concept and campaign messages.
3. During the workshops the participants had very different knowledge levels, which led to a slow progress in covering the expected themes. This was solved by providing assistance and technical support on the part of the IEEPP team facilitator as required by participants.
4. Delays in investigations which depended on governmental information. The timing of investigations was changed to be consistent with the generation of public information and times were adapted for the researchers that received assistance from other members of the technical team.
5. Citizens Budget interpreters (contractors hired translate the budgetary language into layman's terms) did not have a good enough understanding budget concepts, which led to delays in the completion of the user-friendly versions. In order to overcome this issue, IEEPP worked closely with mediators to topics such as approach, scope, language, target audiences, etc.
6. There were some delays in creating the final version of the virtual observatory www.nuestropresupuesto.org. This was a result of poor knowledge about the platforms and open data logic on the part of the IEEPP's technical team. The technical assistance of the OFK was not required; instead the problem was solved using a national contractor for site development. This experience led to various learning points, which resulted in IEEPP's work in the following aspects: 1) staff training on open data (opening and analysis); 2) establishment of strategic alliances with partner organizations in Latin America that can provide process training, technical assistance and exchange of experiences; 3) virtual observatory improvement plan that will be implemented gradually.

Note that the first phase of the project has enabled the IEEPP team to approach open data issues and make the decision to establish it as a strategy plan for the Governance and Social Inclusion Program.

It has also enabled other donors to learn about IEEPP's work both in the field of research and analysis. This resulted in attracting new funds as provided by the Hivos Transparency ICT project and the Fiscal Control IBP OBI trackers, which are complementary to the second phase of the Fiscal Transparency Project.

Another highlight from the execution of this project is the possibility that local organizations and journalists (national and local) are aware of the IEEPP's work and have benefited from training programs and technical assistance. The proximity of these actors has made it possible to make arrangements to implement activities in this and other IEEPP projects.

7. Participation in the "Civil Society Initiatives that Contribute to Budget Transparency" conference was lower than expected. Lessons learned from this experience include the following suggestions: a more thorough process of advertising the event, providing advance information about the conference and its speakers; alliances with a number of actors to help the to call to attend events, more work to expose the organization; link the activity with a key date for the Nicaraguan context that makes the subject more attractive.

Plans of Action

The following section aims to establish action plans that IEEPP can follow in order to advance the budget transparency project

1. Opening and analysis of data (open data). It is important to publish the data collected and to work so that it can be reused by others. Additionally, data analysis should be advanced to continue advocacy work with different actors. We propose to join forces with other actors for joint analysis.

It is desirable to continue to shape community initiatives on these topics. Community members who could be part of this process include: Developers, journalists, graphic designers, experts in social issues, CSO members and anyone interested in opening and analysis.

2. When using open data, it is recommended to promote knowledge on the topic in the community of national journalists and training processes that aim to convey tools that are useful. Likewise, it is important to create exchanges with experienced journalists in the region to provide them with training in these tools as well.
3. Return the two branches from which IEEPP has been working on fiscal transparency, budgetary and public procurement from local realities.
4. Continue research in various areas where tax transparency is cross-cutting such as transparency in the extractive industries; transparency of public works, money laundering and organized crime.

Annex 1: Examples of press releases issued by workshop participants

Title	Link
CSE 52 %, to Mined 22 %	http://www.laprensa.com.ni/2013/10/28/activos/167719
IEEPP: Pro Bono which should be included in wages	http://www.correoparaciegos.com/-IEEPP-bono-solidario-deber%C3%ADa-incluirse-en-sueldos-n637.html
Wage Limit	http://www.laprensa.com.ni/2013/11/05/ambito/168815-bono-limita-mejorar-salarios
A More Transparent Budget Proposal	http://www.elnuevodiario.com.ni/economia/301050-presupuesto-2014-mas-transparente
Improved Solidarity in the 2014 Budget	http://www.confidencial.com.ni/articulo/14686/bono-solidario-infla-presupuesto-2014
Adjusted Budget 2014	http://cafeconvoz.org/?p=1535
Contracts Remain Rare	http://www.laprensa.com.ni/2014/02/25/portada/184113-siguen-raros-contratos
Mined abuses purchasing process	http://m.laprensa.com.ni/portada/182647
Mined follows the Charanga	http://www.laprensa.com.ni/2014/02/19/ambito/183216-mined-sigue-charanga
Ardisa not the highest bidder	http://www.laprensa.com.ni/2014/02/13/portada/182354-ardisa-no-mejor-oferente
Mined abuses purchasing processes	http://m.laprensa.com.ni/portada/182647
Lowest wages in the Isthmus	http://www.laprensa.com.ni/2014/01/25/ambito/179754-salarios-mas-bajos-istmo
Grants sucking the Budget	http://www.laprensa.com.ni/2014/01/24/activos/179541
Grants sucking the Budget	http://www.laprensa.com.ni/2014/01/23/activos/179381
Education is far from 7% of the PIB	http://www.laprensa.com.ni/2014/01/11/ambito/177779-educacion-lejos-7-pib
Government should pay interest to INSS	http://www.laprensa.com.ni/2013/12/23/poderes/175448-gobierno-debe-pagar-intereses