

**A.I.D. EVALUATION SUMMARY - PART I**

DD-ABD-413  
ISN 94347

**IDENTIFICATION DATA**

<b>A. Reporting A.I.D. Unit:</b> USAID/NICARAGUA  Evaluation Number: 91/1	<b>B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan?</b> Yes <input checked="" type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY: 91 Q: 3	<b>C. Evaluation Timing</b> Interim <input checked="" type="checkbox"/> Final <input type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/>
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**D. Activity or Activities Evaluated** (List the following information for project(s) or program(s); if not applicable list title and date of the evaluation report.)

Project No.	Project/Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (mo/yr)	Planned LOP Cost (000)	Amount Obligated to date (000)
524-0103.03	Employment Generation	1990	7/31/93	20,000	14,400

**ACTIONS**

E. Action Decisions Approved by Mission Director - Actions Required:	Name of Officer Responsible for Action	Date to be Completed
1. Draft a project amendment to increase total LOP funding by \$15 million and obligate an additional \$6.5 million in FY-1991.	John Cloutier	8/30/91
2. Transfer the primary counterpart relationship to FISE.	John Cloutier	9/30/91
3. Continue the current level of consultant work through the end of the project through appropriate contracting and project amendment.	John Cloutier	8/30/91
4. Propose streamlined and simplified project procedures for inclusion in the project amendment.	Richard Layton Azza El Abd	8/15/91
5. Determine means for greater consistency in project reporting and improve reporting on project impact beyond employment through changes in contracting and the project amendment.	John Cloutier	9/30/91

**APPROVALS**

**F. Date of Mission Review of Evaluation:** July 25, 1991

**G. Approvals of Evaluation Summary and Action Decisions:**

	Project Officer or Program Officer	Evaluation Officer	Representative of Borrower/Grantee	Mission Director
Name (Typed)	John Cloutier	Todd Amari		Janet Ballantyne
Signature	<i>John Cloutier</i>	<i>Todd Amari</i>		<i>Janet Ballantyne</i>
Date	11/2/91	10/28/91		11/6/91

POL/CWLE

## ABSTRACT

### H. Evaluation Abstract:

The Employment Generation project was designed to assist the Government of Nicaragua in renewing economic growth and meeting development needs by utilizing a portion of Nicaragua's unemployed to work on the repair of basic urban infrastructure. The project provided an initial \$10,000,000 for the rehabilitation and repair of infrastructure in the various regions of Nicaragua utilizing private contractors and local skilled and unskilled labor. The major findings, conclusions, and recommendations are:

- Though project implementation was moving more slowly than expected, a project design which generated significant employment more quickly would probably have meant a significant departure from the infrastructure and private sector improvement objectives of the project. With project procedures and controls in place and functioning, implementation is expected to proceed without major delays.
- An infusion of additional financing in FY-1991 would be needed to continue its project activities at any level; other donors expected to take over financing would not be able to until sometime in 1992. An FY-91 obligation of at least \$5 million was recommended along with consideration of additional funding in FY-92.
- A transfer of the primary counterpart relationship to FISE, thus formalizing a de-facto relationship was recommended. The evaluation also examined FISE's capacity and capabilities and recommended adjustments in the work of consultants to complement FISE staff as well as assistance in obtaining vehicles and essential equipment.
- The evaluation noted some potential for streamlining and simplifying processes that would help smooth and speedup implementation.
- The selection criteria for sub-projects chosen under the project seem to be an acceptable compromise between competing project objectives. The evaluation recommended that a campaign be undertaken to help municipalities understand the key aspects of the project so they are able to develop appropriate sub-projects.
- Initial project targets for employment generation were over-ambitious given the type of infrastructure work carried out under the project. Initial targets could not have been reached without a major change in the types of sub-projects being implemented given the current relative cost of labor and material in Nicaragua. Revised targets seem to accurately reflect the situation in Nicaragua and establish appropriate overall objectives for ongoing implementation of the project.
- Benefits related to other project objectives such as those accruing to the private sector construction industry and the communities that benefit from the repair and rehabilitation of infrastructure have not been highlighted; stronger efforts to document such benefits were recommended.

The evaluation concluded that the Employment Generation Project is generally meeting the objectives for which it was designed. The project would benefit from additional funding prior to the end of FY-1991 and the Mission should consider providing sufficient funds to finance a steady level of project activity through FY-92.

## COSTS

### I. Evaluation Costs

Name	1. Evaluation Team Affiliation	Contract Number OR TDY Person Days	Contract Cost OR TDY Cost (U.S. \$)	Source of Funds
Todd Amani	USAID/Nicaragua			
Azza El Abd	USAID/Nicaragua			
2. Mission/Office Professional Staff Person-Days (estimate): 10		3. Borrower/Grantee Professional Staff Person-Days (Estimate): 2		

*a*

## A.I.D. EVALUATION SUMMARY - PART II

SUMMARY				
<p><b>J. Summary of Evaluation Findings, Conclusions, and Recommendations (Try not to exceed three (3) pages)</b>                      Address the following items:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <ul style="list-style-type: none"> <li>● Purpose of Evaluation and methodology used</li> <li>● Purpose of activity(ies) evaluated</li> <li>● Findings and conclusions (relate to questions)</li> </ul> </td> <td style="width: 50%; border: none;"> <ul style="list-style-type: none"> <li>● Principal Recommendations</li> <li>● Lessons Learned</li> </ul> </td> </tr> </table>			<ul style="list-style-type: none"> <li>● Purpose of Evaluation and methodology used</li> <li>● Purpose of activity(ies) evaluated</li> <li>● Findings and conclusions (relate to questions)</li> </ul>	<ul style="list-style-type: none"> <li>● Principal Recommendations</li> <li>● Lessons Learned</li> </ul>
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<p><u>Mission or Office:</u>  <b>USAID/NICARAGUA</b></p>	<p><u>Date This Summary Prepared:</u>  <b>10/23/91</b></p>	<p><u>Title and Date of Full Evaluation Report:</u>                      Interim Evaluation--Employment Generation,                      July 1991</p>		

The Employment Generation project was designed as one component of an Immediate Impact Activities (IIA) Project, which was designed to assist the Government of Nicaragua in renewing economic growth and meeting development needs by utilizing a portion of Nicaragua's unemployed to work on the repair of basic urban infrastructure. To this end, the project executed on September 19, 1990, provided \$10,000,000 for the rehabilitation and repair of infrastructure in the various regions of Nicaragua utilizing private contractors and local skilled and unskilled labor.

As stipulated in the Project Paper outlining the original project, an interim evaluation of the project was conducted to address implementation issues and analyze the overall project prior to preparation of a planned amendment adding additional funds to the project. The evaluation focused on a series of issues developed by the project office and others raised during the course of interviews and meetings with personnel associated with the project. Conclusions and recommendations related to these issues are summarized below:

**A. Why has the project moved so slowly?**

Early project implementation can be characterized as slow only in relation to ambitious Mission plans and expectations. The time period from project obligation to actual employment of unskilled laborers is not out of line with other USAID projects dealing with infrastructure. Mission efforts to speed project implementation probably kept delays to a minimum given the level of counterpart institutional weakness. Though it may have been possible to design a project which generated significant employment more quickly, it would probably have meant a significant departure from the infrastructure and private sector improvement objectives of the project. Now that the project's procedures and controls are in place and functioning, implementation is expected to proceed as planned without any major delays.

**B. Is additional funding for the project justified at this time?**

The Employment Generation project will need an infusion of additional financing from AID before the end of FY-1991 to continue its project activities at any level. Given that additional financing from AID or other donors beyond what can be provided by AID during FY-91 is not likely before January of 1992, the level of any additional FY-91 obligation will determine the rate of activity in the project through January, 1992. From that point, decisions by AID and other donors concerning availability of additional financing will determine the rate of activity in the project up to the point where funding from the IDB becomes available.

USAID/Nicaragua should obligate additional funds for the project prior to the end of the fiscal year at the level of at least \$5 million in order to maintain the current level of activity in Managua and other municipalities through January of 1992.

USAID/Nicaragua should also determine whether additional funds will be made available for the project during FY-1992 and work to help FISE identify other donors to fill in where AID and IDB resources will not be available.

**C. Should the counterpart relationship be transferred from INIFOM to FISE?**

While the transfer of project management to FISE can be questioned on a number of grounds, and certainly was not contemplated in the Project Paper, the transfer has, in fact, taken place and is a *fait accompli*. Unless there are non-institutional reasons which argue against changing the counterpart organization, the project would benefit from a clarification of roles and recognition of FISE as the primary counterpart.

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AID should recognize that FISE is the *de facto* implementing organization and formally transfer authority for project implementation to FISE. At the same time AID may want to consider some technical assistance to INIFOM under the program for development of local sub-projects at the municipal level.

**D. Does FISE have the capacity to implement a rapidly expanding project of wide geographic spread?**

FISE is not yet ready to assume full responsibility for project implementation but is likely to have such capacity by the end of the calendar year. Until that time there will be a continuing need for short-term support to help FISE build its capacity. Technical assistance to INIFOM may be appropriate to help municipalities generate and develop new local sub-projects.

The project should continue to finance consultants to assist FISE in developing its own internal capacity and implementing the project in the short-term. The work of the consultants might be phased out over the next six months, depending on the demonstrated capacity of FISE and INIFOM (see below). AID should also endeavor to help meet FISE's needs for radio/fax equipment and additional vehicles via its Public Sector Support project or an amendment to the project adding additional funding.

**E. Should there be any changes in the role of project consultants?**

FISE does seem to be developing some expertise in areas where the bulk of the work has been handled by project consultants. Their capacity to handle this work has not yet been tested, however. FISE has identified other specific areas to be addressed by project consultants which seem appropriate; if FISE demonstrates the ability to handle ongoing implementation tasks, the consultants work would be more valuable in these areas rather than in duplicating FISE's efforts. Authority for decision-making should be clearly vested in FISE rather than project consultants who should be playing an advisory role.

As FISE demonstrates increased capacity to handle general implementation of the project the role of the project's consultants should be reoriented in line with changing project needs.

**F. Should there be any changes in project procedures?**

The procedures now in place are generally a useful means of ensuring the fairness of the competitive process and the control of funds. However, they create burdensome paperwork and the time involved for processing and completing key aspects of project implementation. Lessening some of the USAID approval requirements in line with the intent of Handbook 11, Chapter 3 and clarifying the difference (if any) between the approval of contracts under and over \$100,000 would help streamline implementation without creating additional vulnerability.

During the initial phase of project implementation, disbursements were slow due to the delay in establishing the project's procedures. Now that the project is at its peak it is of utmost importance that processing of approvals and payments are made promptly. The project should incorporate a system of advances based on the project's cash flow needs and not on amounts committed per contracts. The section dealing with AID approvals as contained in the project's approved contracting procedures particularly as it relates with the documentation and procedures required for USAID approval should be modified. These modifications are required to enhance and expedite project implementation. USAID should also consider possible ways of streamlining and shortening the time necessary for processing of approvals and payment without sacrificing the requirements of Handbook 11.

**G. Should there be any changes in selection criteria for sub-projects?**

The major selection criteria established by AID seem to chart an appropriate middle ground for addressing the various objectives cited in the project paper. While the emphasis remains on employment generation through a labor cost threshold, the criteria allows sub-projects to address critical infrastructure needs, thus finding an acceptable compromise between sometimes conflicting project objectives. The geographic allocation seems to generally meet a range of political and project imperatives. To bring greater management efficiency to the project, an informational campaign targeted to outlying municipalities might help generate larger sub-projects outside Managua.

The project should maintain its current employment criteria and geographic allocation. A campaign to help municipalities understand the key aspects of the project and develop appropriate sub-projects should be considered; INIFOM is probably the most appropriate vehicle for such an effort.

C

**H. Is the project meeting its employment objectives?**

Initial project targets for employment generation were over-ambitious given the type of infrastructure work carried out under the project. These targets could not have been reached without a major change in the types of sub-projects being implemented given the current relative cost of labor and material in Nicaragua. Current targets seem to accurately reflect the situation in Nicaragua and establish appropriate overall objectives for ongoing implementation of the project. Benefits related to other project objectives such as those accruing to the private sector construction industry and the communities that benefit from the repair and rehabilitation of infrastructure have not been highlighted.

The project should maintain its employment emphasis through the targets now specified in the Project as amended. Informational campaigns targeting outlying and smaller municipalities should include information regarding the acceptability of projects of larger scope and cost which might allow development of projects with greater overall societal benefit (such as water systems).

**I. Are there benefits beyond direct employment that could/should be measured?**

The project creates both upstream and downstream impact that, while, significant, is difficult to quantify. Nonetheless, efforts to document these effects will help provide a fuller picture of overall project impact. Reporting on these other societal benefits may be included in a section in the CISCONCO monthly report or in other FISE reports. CISCONCO and FISE/INIFOM engineers make weekly field trips to the project sites and could collect such information and data. USAID, CISCONCO and FISE should jointly develop the type of information on societal benefits to be provided in project reports.

In conclusion, the Employment Generation Project is generally meeting the objectives for which it was designed. The project would benefit from additional funding prior to the end of FY-1991 and the Mission should consider providing sufficient funds to finance a steady level of project activity through FY-92.

**ATTACHMENTS**

**K. Attachments (List attachments submitted with this Evaluation Summary; always attach a copy of the full report.)**

The full evaluation report - Interim Evaluation - Employment Generation, July 1991 - is attached.

**COMMENTS**

**L. Comments by Mission and Borrower/Grantee on Full Report**

This evaluation proved to be very useful in addressing key issues to be considered in making important decisions about ongoing USAID support for this project and laying the groundwork for a project amendment. The use of internal AID staff familiar with the situation in Nicaragua and the history and workings of the project was particularly effective for this interim evaluation.

XD-ABD-413-A  
15N 74348

## **Interim Evaluation**

**Employment Generation  
524-0301.03**

**July, 1991**

**Todd Amani  
Azza El Abd**

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## **I. Executive Summary**

The Employment Generation project was designed as one component of an Immediate Impact Activities (IIA) Project, which was designed to assist the Government of Nicaragua in renewing economic growth and meeting development needs by utilizing a portion of Nicaragua's unemployed to work on the repair of basic urban infrastructure. To this end, the project executed on September 19, 1990, provides \$10,000,000 for the rehabilitation and repair of infrastructure in the various regions of Nicaragua utilizing private contractors and local skilled and unskilled labor.

As stipulated in the Project Paper outlining the original project, an interim evaluation of the project was conducted to address implementation issues and analyze the overall project prior to preparation of a planned amendment adding additional funds to the project. The evaluation focused on a series of issues developed by the project office and others raised during the course of interviews and meetings with personnel associated with the project. Conclusions and recommendations related to these issues are summarized below:

### **A. Why has the project moved so slowly?**

Early project implementation can be characterized as slow only in relation to ambitious Mission plans and expectations. The time period from project obligation to actual employment of unskilled laborers is not out of line with other USAID projects dealing with infrastructure. Mission efforts to speed project implementation probably kept delays to a minimum given the level of counterpart institutional weakness. Though it may have been possible to design a project which generated significant employment more quickly, it would probably have meant a significant departure from the infrastructure and private sector improvement objectives of the project. Now that the project's procedures and controls are in place and functioning, implementation is expected to proceed as planned without any major delays.

### **B. Is additional funding for the project justified at this time?**

The Employment Generation project will need an infusion of additional financing from AID before the end of FY-1991 to continue its project activities at any level. Given that additional financing from AID or other donors beyond what can be provided by AID during FY-91 is not likely before January of 1992, the level of any additional FY-91 obligation will determine the rate of activity in the project through January, 1992. From that point, decisions by AID and other donors concerning availability of additional financing will determine the rate of activity in the project up to the point where funding from the IDB becomes available.

USAID/Nicaragua should obligate additional funds for the project prior to the end of the fiscal year at the level of at least \$5 million in order to maintain the current level of activity in Managua and other municipalities through January of 1992.

## ***Interim Evaluation - Employment Generation***

USAID/Nicaragua should also determine whether additional funds will be made available for the project during FY-1992 and work to help FISE identify other donors to fill in where AID and IDB resources will not be available.

### **C. Should the counterpart relationship be transferred from INIFOM to FISE?**

While the transfer of project management to FISE can be questioned on a number of grounds, and certainly was not contemplated in the Project Paper, the transfer has, in fact, taken place and is a *fait accompli*. Unless there are non-institutional reasons which argue against changing the counterpart organization, the project would benefit from a clarification of roles and recognition of FISE as the primary counterpart.

AID should recognize that FISE is the *de facto* implementing organization and formally transfer authority for project implementation to FISE. At the same time AID may want to consider some technical assistance to INIFOM under the program for development of local sub-projects at the municipal level.

### **D. Does FISE have the capacity to implement a rapidly expanding project of wide geographic spread?**

FISE is not yet ready to assume full responsibility for project implementation but is likely to have such capacity by the end of the calendar year. Until that time there will be a continuing need for short-term support to help FISE build its capacity. Technical assistance to INIFOM may be appropriate to help municipalities generate and develop new local sub-projects.

The project should continue to finance consultants to assist FISE in developing its own internal capacity and implementing the project in the short-term. The work of the consultants might be phased out over the next six months, depending on the demonstrated capacity of FISE and INIFOM (see below). AID should also endeavor to help meet FISE's needs for radio/fax equipment and additional vehicles via its Public Sector Support project or an amendment to the project adding additional funding.

### **E. Should there be any changes in the role of project consultants?**

FISE does seem to be developing some expertise in areas where the bulk of the work has been handled by project consultants. Their capacity to handle this work has not yet been tested, however. FISE has identified other specific areas to be addressed by project consultants which seem appropriate; if FISE demonstrates the ability to handle ongoing implementation tasks, the consultants work would be more valuable in these areas rather than in duplicating FISE's efforts. Authority for decision-making should be clearly vested in FISE rather than project consultants who should be playing an advisory role.

As FISE demonstrates increased capacity to handle general implementation of the project the role of the project's consultants should be reoriented in line with changing project needs.

**F. Should there be any changes in project procedures?**

The procedures now in place are generally a useful means of ensuring the fairness of the competitive process and the control of funds. However, they create burdensome paperwork and the time involved for processing and completing key aspects of project implementation. Lessening some of the USAID approval requirements in line with the intent of Handbook 11, Chapter 3 and clarifying the difference (if any) between the approval of contracts under and over \$100,000 would help streamline implementation without creating additional vulnerability.

During the initial phase of project implementation, disbursements were slow due to the delay in establishing the project's procedures. Now that the project is at its peak it is of utmost importance that processing of approvals and payments are made promptly. The project should incorporate a system of advances based on the project's cash flow needs and not on amounts committed per contracts. The section dealing with AID approvals as contained in the project's approved contracting procedures particularly as it relates with the documentation and procedures required for USAID approval should be modified. These modifications are required to enhance and expedite project implementation. USAID should also consider possible ways of streamlining and shortening the time necessary for processing of approvals and payment without sacrificing the requirements of Handbook 11.

**G. Should there be any changes in selection criteria for sub-projects?**

The major selection criteria established by AID seem to chart an appropriate middle ground for addressing the various objectives cited in the project paper. While the emphasis remains on employment generation through a labor cost threshold, the criteria allows sub-projects to address critical infrastructure needs, thus finding an acceptable compromise between sometimes conflicting project objectives. The geographic allocation seems to generally meet a range of political and project imperatives. To bring greater management efficiency to the project, an informational campaign targeted to outlying municipalities might help generate larger sub-projects outside Managua.

The project should maintain its current employment criteria and geographic allocation. A campaign to help municipalities understand the key aspects of the project and develop appropriate sub-projects should be considered; INIFOM is probably the most appropriate vehicle for such an effort.

**H. Is the project meeting its employment objectives?**

Initial project targets for employment generation were over-ambitious given the type of infrastructure work carried out under the project. These targets could not have been reached without a major change in the types of sub-projects being implemented given the current relative cost of labor and material in Nicaragua. Current targets seem to accurately reflect the situation in Nicaragua and establish appropriate overall objectives for ongoing implementation of the project. Benefits related to other project objectives such as those

## ***Interim Evaluation - Employment Generation***

accruing to the private sector construction industry and the communities that benefit from the repair and rehabilitation of infrastructure have not been highlighted.

The project should maintain its employment emphasis through the targets now specified in the Project as amended. Informational campaigns targeting outlying and smaller municipalities should include information regarding the acceptability of projects of larger scope and cost which might allow development of projects with greater overall societal benefit (such as water systems).

### **I. Are there benefits beyond direct employment that could/should be measured?**

The project is creates both upstream and downstream impact that, while, significant, is difficult to quantify. Nonetheless, efforts to document these effects will help provide a fuller picture of overall project impact. Reporting on these other societal benefits may be included in a section in the CISCONCO monthly report or in other FISE reports. CISCONCO and FISE/INIFOM engineers make weekly field trips to the project sites and could collect such information and data. USAID, CISCONCO and FISE should jointly develop the type of information on societal benefits to be provided in project reports.

In conclusion, the Employment Generation Project is generally meeting the objectives for which it was designed. The project would benefit from additional funding prior to the end of FY-1991 and the Mission should consider providing sufficient funds to finance a steady level of project activity through FY-92.

## **II. Background**

### ***A. Brief project description and history***

With the initiation of renewed AID activity in Nicaragua following the election victory of Violeta Barrios de Chamorro, the Government of Nicaragua requested assistance from AID for a program of employment generation designed to address high levels of unemployment throughout the country.

The Employment Generation project was designed as one component of an Immediate Impact Activities (IIA) Project, which was designed to assist the Government of Nicaragua in renewing economic growth and meeting development needs by utilizing a portion of Nicaragua's unemployed to work on the repair of basic urban infrastructure. To this end, the project executed on September 19, 1991, provides \$10,000,000 for the rehabilitation and repair of infrastructure in the various regions of Nicaragua utilizing private contractors and local skilled and unskilled labor.

The project was designed to address various effects of massive economic deterioration in Nicaragua over the previous ten years - among which was the serious problem of extremely high levels of unemployment (estimates range from 25% to 40% for 1990). Employment problems were exacerbated by reductions in the size of the armed forces (and thus the removal of the military as an absorber of unemployment) and by the return and repatriation of resistance forces and refugees. Short-term economic stabilization measures were also expected to have negative effects on employment. The degraded state of much of basic infrastructure also represented a serious constraint to general economic recovery efforts. Most preventive and regular maintenance of roads, communication, storm drainage, sewer systems, and social service infrastructure (health clinics, schools, etc.) had been deferred for years. Private sector firms had generally suffered from a negative bias on the part of the previous government and suffered from the effects of preferential treatment for state enterprise. The project was designed to provide new opportunities to allow them to regain their former vigor and play a key role in economic recovery. In addition, the project addressed the need for the new government to demonstrate the responsiveness and effectiveness of democratic society and a free market economy in dealing with employment, infrastructure, and private sector revitalization in order to prevent erosion of support for a democratic, free market system.

The project was designed to simultaneously address employment, infrastructure, and private sector needs. Private sector firms were to be contracted by the National Institute for Promotion of Municipalities (INIFOM) to undertake rehabilitation work identified by local municipal governments. INIFOM would then receive grants from USAID for these contracts, carry out competitive procedures to identify contractors, and signs the contracts. An architecture and engineering firm and other short-term consultants would provide important technical and management assistance to INIFOM. Workshops in various regions would provide information to municipalities and guidelines for preparation of project proposals. Preference would be given to sub-projects which maximize employment and require minimum design and pre-construction preparation. Typical sub-projects were

## *Interim Evaluation - Employment Generation*

expected to be rehabilitation of urban roads and related drainage improvements, local water and sewerage systems, and rehabilitation of public markets, health clinics, and schools.

On May 22, 1991, the Employment Generation project was amended to include employment generation activities in the Atlantic Coast region. This amendment outlined a series of activities for employment generation in the region with a distinct implementation mechanism though INIFOM remained the primary counterpart organization. While focused primarily on the new Atlantic Coast component, the amendment also made some minor modifications to the existing project.

### *B. Evaluation*

As stipulated in the Project Paper outlining the original project, an interim evaluation of the project was conducted to address implementation issues and analyze the overall project prior to preparation of a planned amendment adding additional funds to the project. Given that the project had been operating for only nine months, the fact that it had only recently reached a level of full implementation, and the nature of the issues, it was determined that allocating in-house staff to the evaluation was preferable to bringing in an outside team. The evaluation was conducted during the period June 19 - July 18 by the Mission Evaluation officer and a Personal Services Contractor assigned to manage the project. The evaluation addresses only the original project component and does not deal with the new Atlantic Coast component.

The evaluation focused on a series of issues developed by the project office (attached as Annex I) and others raised during the course of interviews and meetings with personnel associated with the project. The evaluators met with those involved in managing and overseeing the project\*, conducted site visits to sub-projects in two regions, met with contractors, suppliers, and other beneficiaries of the project, and reviewed project documentation. Findings, conclusions, and recommendations are outlined below.

## **III. FINDINGS, ANALYSIS, AND CONCLUSIONS**

Based on the Project Paper and Authorization, issues presented to the evaluators by the project office, and other issues raised during the course of the evaluation, the evaluation focused on the following major questions. Evaluation findings, analysis, and recommendations are included with each question.

### *A. Why has the project moved so slowly?*

**Findings** - The intent of the Employment Generation project was to meet immediate employment needs facing the country and the project was justified primarily on that basis. Accordingly, the Mission moved to undertake implementation very rapidly and expected to

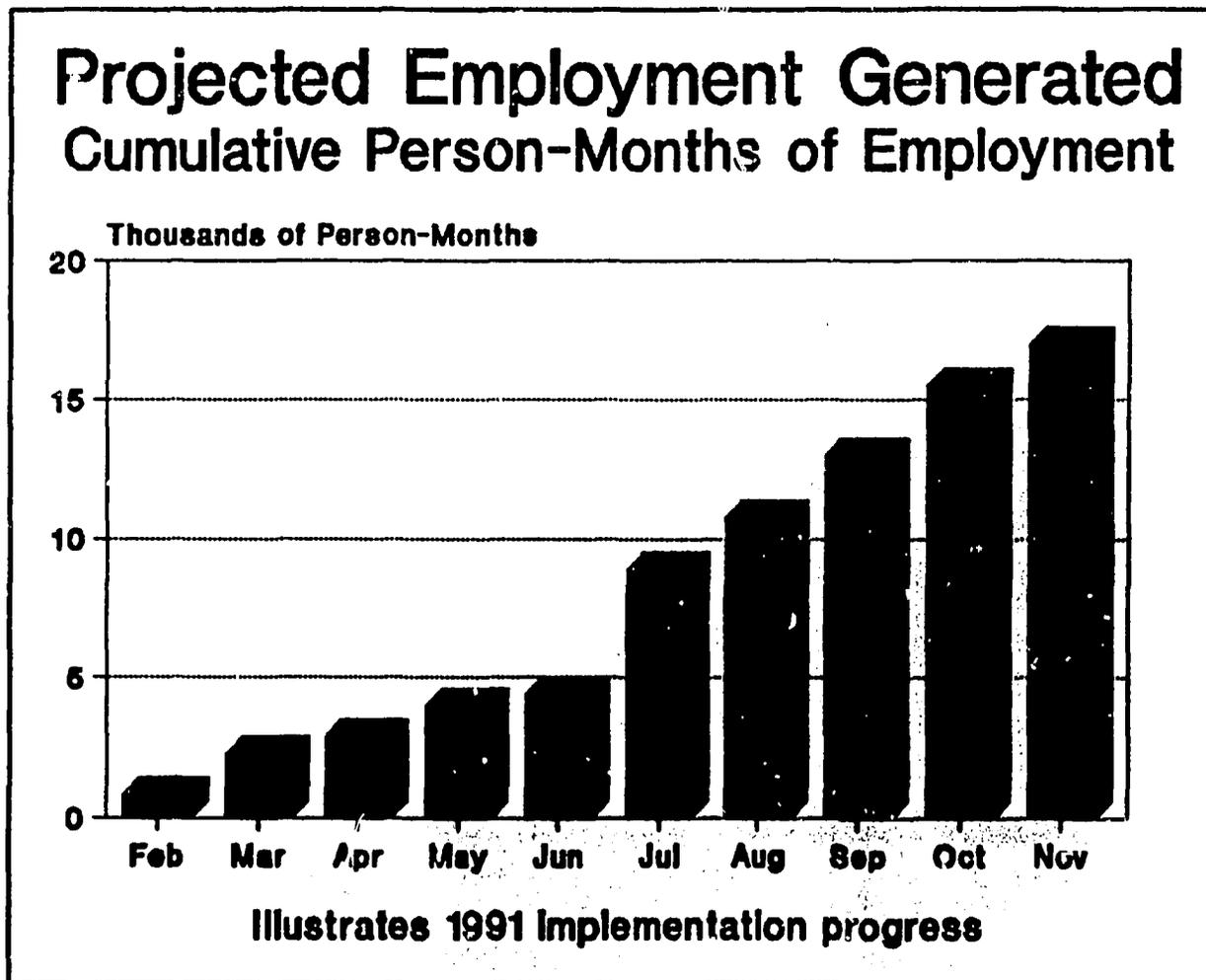
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\* Due to sensitivities involving the changed role of INIFOM in the project, the evaluators were not encouraged to meet directly with INIFOM. A meeting was held between the head of INIFOM and the Mission Director during the period of the evaluation.

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have people working under the project within the first few months following the September 1990 obligation of the project. The Mission's own expectations fueled expectations in Washington and within Nicaragua of rapid employment generation through the project.

The pace of project implementation did not meet these early expectations. The first sub-projects actually employing workers did not get underway until the end of January 1991 and the level of employment increased slowly from an initial level of 200 jobs to close to 420 through March. During April and May, additional sub-projects were approved which more than doubled the level of employment under the project and by June project implementation was in full bloom with 36 sub-projects underway or completed providing an estimated 2,220 short-term jobs.



Project implementation also appeared to lag relative to expectations as measured by disbursement of funds. An initial advance provided in January was not liquidated until May 1991. Until only recently, project disbursement has generally represented payments to institutional contractors - primarily because construction contractors are paid based on actual work completed.

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**Analysis** - The pace of project implementation can only be perceived in relative terms. Criticism of the project for moving slowly is based primarily on expectations created by the Mission which were probably unrealistic. While the project may have begun slowly relative to the Mission's plans, the pace of implementation does not appear to be out of line given the design of the project and the constraints on implementation. The factors which limited the pace of implementation during the initial phase of the project include:

- **Lack of capacity within the counterpart organization** - The project needed to undertake extensive technical assistance to INIFOM to establish the basic systems and controls necessary to carry out the project and supplemented INIFOM staff with local contractors. The process of establishing financial, accounting and contracting procedures for the control and monitoring of the project and familiarizing INIFOM with these procedures delayed the initiation of actual infrastructure sub-projects beyond what was envisioned during the project design. INIFOM also did not have the budgetary resources or staff necessary to carry out its role in an expedited manner.
- **Transition to FISE** - Shortly after the signing of the project agreement, the GON created a new institution, the Social Emergency Investment Fund (FISE), to handle emergency short-term social projects such as the Employment Generation project. FISE was created largely in response to the Inter-American Development Bank's plans to provide major funding for employment generation activities. USAID's Employment Generation project essentially served as the pilot for this effort and the GON decided to transfer responsibility for the project to FISE. The primary project counterpart at INIFOM was named executive director of FISE and the project has been implemented, *de facto*, by FISE since March, 1991. This transition, however, also served to delay implementation because of the time required to recruit and employ new staff in key positions related to the project. As of late June, key staff members had only just begun to undertake their responsibilities and they had yet to hire important auxiliary staff. FISE was still involved in settling into its building and did not yet have equipment, vehicles, and supplies necessary to complete its tasks.
- **Generation of sub-projects** - The development of sub-projects by the municipalities took longer than expected due to the need for technical help in preparing documentation for the selection process and for bidding by potential contractors. In addition, inadequate communication between the INIFOM central office in Managua, the INIFOM regional offices, and the various municipalities also served to exacerbate the problem. An initial bank of sub-projects was finalized at the end of April.

Basically, the pace of implementation was constrained by the project's secondary goals of rehabilitation of the country's deteriorated infrastructure and reactivation of the moribund construction and associated industries. Infrastructure sub-projects require a certain level of design expertise and the use of private sector entities in Nicaragua necessitated a lengthy and complicated pre-qualification process. These project features also required the development of an implementing agency without experience in managing such sub-projects; the relatively low level of general administrative capacity in INIFOM created further difficulties. The transfer to FISE created additional complications for initial project implementation.

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An alternative project focus (e.g. using existing public sector capabilities or different types of sub-projects) might have been able to move more quickly into project implementation but would probably have had to sacrifice either the accrued benefits of the repair of the country's infrastructure or the revitalization of the private sector.

It should be noted that disbursements under the project will always lag behind implementation because the procedures involve payment of contractors for work completed.

**Conclusions** - Early project implementation can be characterized as slow only in relation to Mission plans and expectations. The time period from project obligation to actual employment of unskilled laborers is not out of line with other USAID projects dealing with infrastructure. Mission efforts to speed project implementation probably kept delays to a minimum given the level of counterpart institutional weakness. Any further acceleration of the project would have meant implementation of the project without the establishment of sufficient project controls. Though it may have been possible to design a project which generated significant employment more quickly, it would probably have meant a significant departure from the infrastructure and private sector improvement objectives of the project.

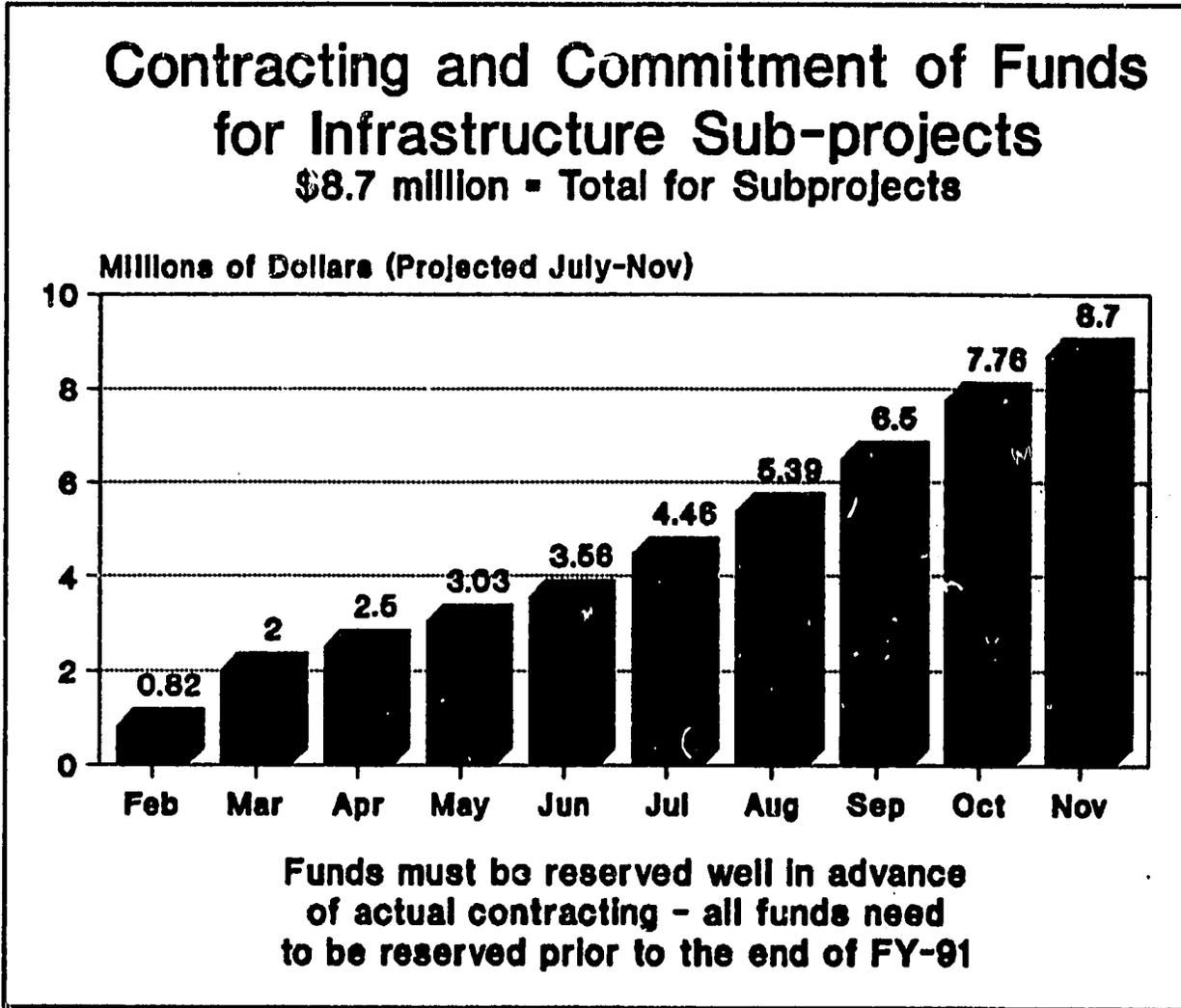
Now that the project's procedures and controls are in place and functioning, implementation is expected to proceed as planned without any major delays.

### *B. Is additional funding for the project justified at this time?*

**Findings** - As of June 30, 1991, there were 36 sub-projects completed or underway (refer to Annex II) and 49 new sub-projects had been approved (see Annex II). Contracts authorized total \$3.7 million and sub-projects approved and in the bidding stage total \$3.6 million. Total disbursement of project funds had reached \$2.4 million and disbursements were projected to remain at a level of \$0.5 to \$0.75 million per month over the next few months. The project has reached a level of activity such that project managers are concerned about the capacity of the institutions involved to maintain follow-up and controls for all on-going sub-projects.

**Analysis** - At the present rate of implementation, all currently obligated project funds (excluding the Atlantic Coast amendment) would be reserved for funding of selected and approved sub-projects by the end of the fiscal year. This would mean that no new contracts could be bid or signed until a new infusion of funds was provided via an additional obligation of funds to the project. Any delay in obtaining new funds would bring a halt to approval of new sub-projects and disrupt implementation by creating a backlog of sub-projects.

The project is a high priority for AID and the government of Nicaragua because it addresses a major social problem and is a tangible response to criticism that economic stabilization measures create additional unemployment or hurt the poor disproportionately. The government has repeatedly pointed to the program in its response to such criticism and has presented it as an integral part of its economic stabilization measures. AID has generally seen its involvement in the program as a stop-gap measure until the Inter-American



Development Bank can bring more substantial resources to address short-term employment generation needs. The high political profile of the project argues for providing necessary financing for the project to maintain it at its current level of activity (or expanding it) and avoiding any disruption that would create an opening for those who question the commitment of AID and the GON to meeting the needs of the poor and unemployed or oppose the economic stabilization measures generally supported by AID and the GON.

If it is AID's intention to maintain funding for the Employment Generation project until IDB resources can supplant AID's, a number of questions related to AID's future financing of the project are raised. FISE expects to receive initial funding shortly from the IDB for a series of pilot projects. If the arrival of major IDB funding for Employment Generation activities awaits initial feedback from these pilot activities, such funds could not be realistically expected until late in FY-1992, if not later. Such a time frame would put additional demands on AID resources and would force AID to consider the following options:

- *Add additional funds to the project sufficient to keep it operating at the current level of activity until IDB funds arrive - To maintain the current level of activity, the project*

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requires \$1 million per month or more. Thus, to fund it through FY-1992 would require additional obligation(s) totalling \$12-\$16 million. Since AID has only contemplated an additional \$7-10 million for the project, this would require an additional major commitment by the mission in its FY-1992 Operating Year Budget.

- *Slow the pace of project implementation to a level which coincides with AID funding priorities* - The current level of activity in the project corresponds to pressure by both AID and the GON to increase the number of jobs created as quickly as possible. As noted above, the ability of project managers to cope with the current pace of implementation has been a concern. The bulk of project obligations and expenditures are focused on the larger sub-projects in Managua; project managers estimate that Managua activities represent approximately \$500,000 to \$700,000 per month at the current rate. If Managua sub-projects were reduced, monthly commitments could be reduced from \$1 million per month to 0.5-0.3 million per month. Thus, altering the Managua/outside-Managua mix of sub-projects represents a potential means of slowing the rate of commitment and disbursement under the project in line with funding availability. Managua sub-projects, however, are among the most high profile sub-projects in the program and are funded in line with the proportion of Nicaragua's population located in the capital city (the evaluators had been asked by the project office to consider whether more funds should be considered for Managua given its political importance - see below). There are other means of reining in the pace of implementation but any involve some risk to the overall objectives of the project.
- *Fund current activities at a level feasible by AID and let FISE search for other donors to fill in any gap between AID and IDB funding* - FISE has indicated that it is searching for additional donor support for employment generation who might be able to fill in once all planned AID funding has been disbursed. If such funding could be developed, there may be no need to consider altering the pace of implementation.

Thus, the Employment Generation project may be able to absorb up to \$16 million in additional funds through the end of FY-1992. USAID/Nicaragua will need to determine whether it can and will make additional funds available to the project in the absence of prompt IDB financing and whether it wants to make changes in the project affecting the pace of implementation in line with those decisions on future financing.

**Conclusions** - The Employment Generation project will need an infusion of additional financing from AID before the end of FY-1991 to continue its project activities at any level. Given that additional financing from AID or other donors beyond what can be provided by AID during FY-91 is not likely before January of 1992, the level of any additional FY-91 obligation will determine the rate of activity in the project through January, 1992. From that point, decisions by AID and other donors concerning availability of additional financing will determine the rate of activity in the project up to the point where funding from the IDB becomes available.

**RECOMMENDATIONS:** USAID/Nicaragua should obligate additional funds for the project prior to the end of the fiscal year at the level of at least \$5 million in order to

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maintain the current level of activity in Managua and other municipalities through January of 1992. If this level of funding is not available, the pace of the project should be altered in line with funding availability to maintain a steady pace of implementation until other funding sources become available and to avoid unnecessary suspension of certain elements of project implementation.

USAID/Nicaragua should also determine whether additional funds will be made available for the project during FY-1992 and work to help FISE identify other donors to fill in where AID and IDB resources will not be available.

### ***C. Should the counterpart relationship be transferred from INIFOM to FISE?***

**Findings** - As noted above, management of the Employment Generation project has been effectively transferred from INIFOM to FISE. This occurred primarily through the appointment of the INIFOM project manager to the post of Executive Director of FISE. This person currently has power of attorney to sign project documents on behalf of INIFOM, which remains the legal counterpart organization; other FISE personnel cannot sign project documentation. INIFOM's role seems to be relatively limited as FISE has taken on most aspects of project implementation. As a result, nearly all AID-financed technical assistance under the project is now focused on FISE. INIFOM personnel, however, have continued to represent the project and, at times, promise sub-projects. All project documentation and signs at worksites highlight INIFOM as a participant in the project.

**Analysis** - The *de facto* transfer of project implementation to FISE raises questions about the advisability of creating a new organization for the purpose of what is meant to be a series of temporary programs. There seems to be some danger in creating an additional bureaucratic structure which duplicates many of the functions of INIFOM and will likely end up perpetuating itself beyond the present 5 year time-frame currently contemplated. Though FISE expects to move its activities to line organizations at that point, the technical assistance provided under the project will go to FISE and will not help strengthen the organization which would inherit the project or handle similar activities in the future and the experience of project personnel working on the project is not likely to be transferred.

On the other hand FISE may exhibit the advantages envisioned by the GON in creating a new organization in that it can be a more agile, efficient organization oriented to the private sector and attract more qualified staff because of its autonomy and external financing which allow it to pay higher salaries. While much of this has yet to be demonstrated, FISE has been able to induce highly qualified managers to join its staff. As noted above, the transfer of project responsibility to FISE did create some disruption in early project implementation and FISE is still not completely staffed or equipped.

Currently, the primary role of INIFOM in the project is to help municipalities in the identification and development of sub-projects through its regional engineers. INIFOM's regional engineers also play a role in the solicitation process and the supervision of sub-

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projects under implementation by serving as a communication link between the municipalities, the local contractors and INIFOM and or FISE offices in Managua. FISE staff indicate that they largely accept INIFOM recommendations regarding the relative priority of sub-projects in the selection process. Given that all other aspects of project implementation are handled by FISE, these tasks seem appropriate for INIFOM in that they utilize INIFOM's organizational strengths and appropriate local personnel. According to USAID project managers, INIFOM may have the capability to handle follow-up on project implementation through its engineering staff - a function that FISE, through hiring of new staff, has just started to handle.

It is not clear to what extent INIFOM accepts the transfer of primary project responsibility". While they generally seem to accept their current role, it may be useful to clarify the roles of both INIFOM and FISE in relation to AID and the project.

**Conclusions** - While the transfer of project management to FISE can be questioned on a number of grounds, and certainly was not contemplated in the Project Paper, the transfer has, in fact, taken place and is a *fait accompli*. USAID seems to have little to gain from resisting this move (and has not resisted it in the past) and it would likely create strained relationships with key counterparts to do so. Unless there are non-institutional reasons which argue against changing the counterpart organization, the project would benefit from a clarification of roles and recognition of FISE as the primary counterpart.

**RECOMMENDATION:** AID should recognize that FISE is the *de facto* implementing organization and formally transfer authority for project implementation to FISE. At the same time AID may want to consider some technical assistance to INIFOM under the program for development of local sub-projects at the municipal level.

### ***D. Does FISE have the capacity to implement a rapidly expanding project of wide geographic spread?***

**Findings** - As noted above, FISE has a new set of project managers and is still in the process of hiring auxiliary staff. FISE's autonomy and UNDP funding for salaries has allowed them to recruit staff that had left the country and were working abroad.

Project consultants hired by AID continue to play a key role in project follow-up and reporting. CISCONCO engineers visit sub-projects on a weekly basis and continue to be the primary source of project oversight. Accounting is being handled by an AID funded PSC and Arthur Anderson is in the process of training the FISE accounting personnel on project finance and accounting.

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"Since the evaluators did not meet with INIFOM personnel, these comments are based on statements from AID project personnel, FISE, and project consultants.

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FISE indicates that, as it staffs up, it is poised to fully manage the project with less need for assistance from project consultants in key areas. Much of the office equipment and computer systems needed to manage the project is being financed by other donors along with technical assistance to develop proper specifications and meet FISE's specific needs. They note, however, the need for additional equipment - radio communications systems, faxes and vehicles - to adequately manage the project. They also requested additional assistance to the municipalities for the purpose of generating new sub-projects; this is currently a role filled by INIFOM.

**Analysis** - The general impression of FISE upper level staff members is that they are highly qualified and motivated but are still learning their jobs. Most have only been in their position for a short time and have not had a chance to develop their staffs or develop as a team. They are still getting acquainted with the issues involved in project management.

The equipment needs cited by FISE seem appropriate given the logistical problems faced by a project covering a wide geographical area with rapidly expanding needs for follow-up field attention. FISE requests for communications equipment and vehicles would address many problems that have lengthened the time frame for approval of local sub-projects and act as a constraint on FISE follow-up activities.

If INIFOM is performing the function of generating and developing sub-projects at the municipal level, they would be the most appropriate vehicle for technical assistance targeted to the municipalities. The evaluation did not assess the need for such assistance.

**Conclusions** - FISE is not yet ready to assume full responsibility for project implementation but is likely to have such capacity by the end of the calendar year. Until that time there will be a continuing need for short-term support to help FISE build its capacity. Technical assistance to INIFOM may be appropriate to help municipalities generate and develop new local sub-projects.

**RECOMMENDATION:** The project should continue to finance consultants to assist FISE in developing its own internal capacity and implementing the project in the short-term. As noted below, the work of the consultants might be reoriented into a more advisory role, depending on the demonstrated capacity of FISE and INIFOM. AID should also endeavor to help meet FISE's needs for radio/fax equipment and additional vehicles via its Public Sector Support project or an amendment to the project adding additional funding.

### *E. Should there be any changes in the role of project consultants?*

**Findings** - The local engineering company CISCONCO was contracted to assist INIFOM in the selection, bidding, contracting and supervision of sub-projects. The accounting firm Arthur Anderson was contracted by the project to establish the accounting and financial systems to be used for project control. CISCONCO has assigned staff to the project who are involved at all levels of the project and provide monthly reports to AID of project activity and status. Now that the project's procedures are in place, Arthur Anderson is providing

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technical assistance to the accounting section of INIFOM. By FISE's own account, CISCONCO played a key role in project implementation in the early days of the project and filled in where INIFOM and FISE staff were not available or were inexperienced. FISE now believes that, with the development of its own staff, the role of the consultants should be re-oriented to assure that all decision-making is in the hands of FISE and to use the consultants in ways that complement rather than duplicate FISE activities.

**Analysis** - As FISE develops its staff and undertakes full responsibility for all aspects of project implementation, many of the tasks currently handled by project consultants would be duplicated. As FISE notes, the consultants did fill in for INIFOM and FISE in key areas during early project implementation which left them making decisions and providing approval in important areas of project implementation. Their role, as spelled out in both the project paper and their scope of work, clearly involves providing approval of sub-projects, awards to contractors, and payments and advances.

CISCONCO's work has largely laid the groundwork for the current level of project activity and without their involvement, the project would have been delayed significantly beyond its current status. CISCONCO undertook a classification of contractors and largely established the first bank of sub-projects which is still the basis for project selection decisions. CISCONCO has also been the primary means of project follow-up and on site monitoring of project quality and progress.

FISE wants CISCONCO or any other project consulting firm to concentrate on tasks that are outside general implementation such as evaluation of sub-projects, development of manuals for key aspects of the project such as solicitation, environmental assessments, and assistance in developing greater efficiency so as to improve the timing of project tasks, including projections to improve the timing for AID disbursements to the project and prompt payment of contractors. These appear to be appropriate tasks for the consultants. FISE's primary concern is to assure that all authority in the project is vested in FISE rather than consultants.

**Conclusions** - FISE does seem to be developing some expertise in areas where the bulk of the work has been handled by project consultants. Their capacity to handle this work has not yet been tested, however. The areas identified by FISE to be addressed by project consultants seem appropriate and if FISE demonstrates the ability to handle ongoing implementation tasks, the consultants work would be more valuable in these areas rather than in duplicating FISE's efforts. Authority for decision-making should be clearly vested in FISE rather than project consultants who should be playing an advisory role.

**RECOMMENDATIONS:** There is no doubt that FISE will require the services of a qualified financial and engineering firm to assist with project management and implementation. As FISE demonstrates increased capacity to handle general implementation of the project the role of the project's consultants should be reoriented in line with changing project needs.

***F. Should there be any changes in project procedures?***

**Findings** - The project's "Procedures for Contracting of Construction Services" were established by the project consultants and approved by USAID in March, 1991. These procedures set out in detail the requirements for the selection, bidding, award and contracting of all infrastructure sub-projects. The intent of the procedures is to control the project's contracting activities in order to ensure the fairness of the contracting process. However, project personnel note that, based on their experience with the project to date, the amount of time and paperwork involved to carry out these procedures seems excessive.

In addition, during the past couple of months of implementation the project had twice been on the verge of running out of cash to pay contractors for work performed. The occurrence of this problem flagged a weakness in the project's financial management system. Recent meetings between FISE, its consultants and USAID have resulted in better coordination among FISE accounting staff and the project consultants in the area of cash flow projections. However, these meetings also indicated that the project's contracting procedures contain certain sections that require modifications and or enhancement to expedite the bidding, contracting and approval process and to better define project implementation requirements.

**Analysis** - The approved procedures contains a section entitled "AID Approvals" that requires USAID approval for:

- The complete text of each Invitation for Bid (IFB) prior to its issuance. (especially for contracts over \$100,000)
- Each contractor awarded any of the sub-projects.
- Draft contracts prior to their execution by INIFOM.
- Executed contracts prior to any disbursements.

USAID project managers and the project consultants spent an inordinate amount of time and effort in order to gather the documentation required for the approval of the 36 ongoing contracts. This task was made especially difficult due to INIFOM/FISE's lack of logistic staff and equipment. Given the importance of the expeditious implementation of this project and the high expectations of both the Nicaraguan and US Government, there may be potential for simplifying and shortening the internal approval process, especially where the documentation is primarily boiler-plate in nature. Since AID Handbook 11, Chapter 2 which governs host country contracting for construction services requires AID approval of IFBs and executed contracts when the contract amount is over \$100,000, there may be considerable potential for streamlining the approval process for contracts less than \$100,000. There is probably potential for simplifying and shortening the process for contracts over \$100,000 as well.

The project contracting procedures now contain two separate procedures and AID approval requirements for the bidding and contracting of projects over and under \$100,000. The

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procedure for projects under \$100,000 as contained in the approved contracting procedures is vague and does not appear to require USAID approval prior to INIFOM's execution of contracts. As a result, INIFOM executes contracts and the 20% mobilization payment is made prior to AID's approval and commitment of funds for these contracts. It usually takes USAID 5-7 weeks for approval, commitment and processing of the check for the mobilization payment. In other words, INIFOM uses funds available for other contracts to finance costs of contracts not yet approved and committed by USAID. Even for contracts over \$100,000, INIFOM, upon receiving USAID's approval, signs the contracts and pays the 20% mobilization payment before USAID issues a check for the mobilization amount. As a result, the project's available cash is usually less than the amounts required to cover payments to contractors. Two possible options for resolving this problem are:

- Change the contracting procedures to disallow the execution of contracts under \$100,000 by INIFOM prior to USAID's approval and commitment of funds. However, this will not solve the problem completely but will decrease the time lag between INIFOM's payment to contractors and USAID check issuance from 7 to 4 weeks.
- USAID could advance funds to INIFOM based on the project's cash needs projections and prior to the commitment of funds for the contracts.

Another problem with the approved contracting procedures is the amount of time and documentation required for USAID approval of Invitation for Bids (IFB), proposed contracts, executed contracts, and processing of advances. While Handbook 11, Chapter 3 mandatory requirements for contracting of host country construction services should be met, an effort to streamline and expedite USAID approval and processing of payments could be made.

**Conclusions** - The procedures now in place are generally a useful means of ensuring the fairness of the competitive process and the control of funds. However, they create burdensome paperwork and the time involved for processing and completing key aspects of project implementation. Lessening some of the USAID approval requirements in line with the intent of Handbook 11, Chapter 3 and clarifying the difference (if any) between the approval of contracts under and over \$100,000 would help streamline implementation without creating additional vulnerability.

During the initial phase of project implementation, disbursements were slow due to the delay in establishing the project's procedures. Now that the project is at its peak it is of utmost importance that processing of approvals and payments are made promptly.

**RECOMMENDATIONS:** The project should incorporate a system of advances based on the project's cash flow needs and not on amounts committed per contracts. The section dealing with AID approvals as contained in the project's approved contracting procedures particularly as it relates with the documentation and procedures required for USAID approval should be modified. These modifications are required to enhance and expedite project implementation. USAID should also consider possible ways of streamlining and shortening the time necessary for processing of approvals and payment without sacrificing the requirements of Handbook 11.

***G. Should there be any changes in selection criteria for sub-projects?***

**Findings** - The primary criteria for project selection established by the project paper were the level of employment created and an established geographic distribution. These were operationalized by calling for a threshold of 40% for labor costs in sub-projects submitted for funding and establishing the amount of sub-projects for Managua at 30% (the Project Paper states "up to 40%") while trying to achieve broad distribution of sub-projects in municipalities throughout the country.

The 40% threshold for labor costs proved to be unworkable given the relative costs of unskilled labor and materials in Nicaragua; very few contractors were able to meet that threshold without undertaking unusual methods for completing the types of sub-projects communities desired. In practice, the sub-projects proved unable to sustain the level of employment called for in the project. At the time of the Atlantic Coast amendment, this was recognized by project managers who made a change in the project covenant calling for the project to "ensure that at least 30% of total Sub-Project resources...will be used for costs of skilled or unskilled labor". This has been interpreted to mean the average of all sub-projects providing greater flexibility in sub-project selection.

As noted above, the Managua portion of the project generates larger sub-projects which involves faster disbursement of project funds. Because the Managua sub-projects are larger they are currently driving the pace of implementation. The breakdown between Managua and outside-Managua sub-projects is listed in the following chart.

<b><u>COMPLETED, ONGOING</u></b>	<b><u>NUMBER</u></b>	<b><u>VALUE</u></b>
<b>MANAGUA PROJECTS</b>	<b>12 (33%)</b>	<b>1,700,000 (52%)</b>
<b>PROJECTS OUTSIDE MANAGUA</b>	<b>24 (67%)</b>	<b>1,567,000 (48%)</b>
<b><u>NEW PROJECTS</u></b>	<b><u>NUMBER</u></b>	<b><u>VALUE</u></b>
<b>MANAGUA PROJECTS</b>	<b>7 (28%)</b>	<b>1,100,000 (48%)</b>
<b>PROJECTS OUTSIDE MANAGUA</b>	<b>18 (72%)</b>	<b>1,200,000 (52%)</b>
<b><u>TOTAL FOR ALL PROJECTS</u></b>	<b><u>NUMBER</u></b>	<b><u>VALUE</u></b>
<b>MANAGUA PROJECTS</b>	<b>19 (31%)</b>	<b>2,800,000 (50%)</b>
<b>PROJECTS OUTSIDE MANAGUA</b>	<b>42 (69%)</b>	<b>2,767,000 (50%)</b>

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There has also been an effort to get at least one project in each municipality in order to have widespread impact. To date, there have been no municipalities that have more than one project with the exception of Managua.

At the local level, the choice of sub-projects within a municipality has largely been the prerogative of local government which has been assisted by INIFOM in developing the sub-projects technically to establish general design features and cost estimates. The selection process has generally placed emphasis on the preferences of the community in choosing sub-projects. The selection committee makes choices from competing municipalities based on a range of technical and economic criteria and specific community needs communicated to the committee. According to FISE the municipalities themselves are prioritized in a collaborative process with INIFOM based on population, social needs, local resources, visits, and other factors (e.g. significant influx of migrants). Community preferences are then considered in line with project criteria noted above.

**Analysis** - The inability of the project to meet the original employment threshold seems to be largely a function of competing project objectives. Given the relative costs of labor and materials in Nicaragua, it is difficult to design simple infrastructure sub-projects that meet the 40% labor cost criterion. CISCONCO claims that the same sub-projects in other countries would meet the criterion due to their prevailing cost structures and that the sub-projects are getting heavy labor input. There does not seem to be an alternative to percentage of labor cost for measuring the amount of labor input, however.

The evaluators asked whether there might be other types of sub-projects which would generate greater employment with available funds. Clearly, some types of make-work employment (cleaning, sweeping, etc.) which minimize material costs could maximize labor costs. The focus on infrastructure in the project, however, provides a lasting benefit to communities which address other social and economic needs which such make-work programs would not. These benefits of the project may be understated and insufficiently documented.

The evaluators also considered whether the project might emphasize the societal benefits of infrastructure to a greater degree in the selection of sub-projects. Most sub-projects have tended to be street paving because they are identified by communities as desirable sub-projects and the local custom of using *adoquines* (paving stones) for street paving places heavy emphasis on unskilled labor. It could be argued, however, that other local infrastructure sub-projects that might have less labor content because of the level of material costs would have greater social impact on the community than street paving. Water and sewer systems, for example, address critical health needs, but their level of sophistication and labor content make them unlikely candidates for project funding. While it might be possible to devise selection criteria that gives greater weight to such sub-projects, the current project design does not foreclose such sub-projects and the recent change in project documentation related to the threshold for labor costs (which uses the average of all sub-projects in determining whether the threshold is met) opens the door for sub-projects of this type. The emphasis on community involvement in development of local sub-projects should work toward identifying sub-projects with significant local impact. The primary rationale for

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this project is the need for immediate employment, however, and though the design currently promotes infrastructure which has societal benefits, a shift further in that direction would require a different sort of project rationale and background justification.

In general, the changes made through the Atlantic Coast amendment outlining a new threshold for labor costs reflect the reality of relative costs in Nicaragua and the early experience of the project. By focusing on the average labor costs for all sub-projects, it also opens up greater potential for sub-projects with more substantive social benefit. The changes do not seem to represent a diminution of emphasis on employment; there appears to be little that could be done to increase employment levels in sub-projects.

Sub-projects in Managua are much larger than those outside Managua and thus move project funds more quickly, create better showpieces for the project, and, because of proximity to the head offices of project managers, minimize overhead management costs. The sub-projects now underway or newly approved in Managua basically represent 30% share of project resources; since Managua's allotted share of project funds could be as high as 40%, new sub-projects using current funds could also be in Managua. Project managers have suggested the possibility of increasing the allocation to Managua in order to increase the political impact of the project, assure constant activity in Managua, and maintain a high overall level of project activity.

The issue of maintaining levels of project activity through larger sub-projects need not focus only on Managua, however. Project consultants note that other communities have needs that could be packaged into larger sub-projects but they have been operating with the understanding that larger sub-projects might not be funded. The consultants note that grouping of several small sub-projects in the same municipalities into one large sub-project in regions outside of Managua represent greater economies for project management. The project has begun to package small sub-projects in neighboring communities in groups for bidding purposes for these reasons. However, consultants note that a renewed campaign to explain how the project works and the parameters and preferences for local sub-projects could lay the groundwork for larger sub-projects outside Managua.

The issue of political impact of the project seems to run both ways. While Managua sub-projects are very visible for residents, political commentators, and press, outlying areas have also complained about their lack of attention from AID and the government. Given that AID is likely to receive criticism related to any allocation criteria, the general advantages of a capital city in receiving donor assistance, the presence of an additional AID-financed employment generation project in Managua managed by CARE, and the potential of maintaining activity in Managua through additional funding at the 40% level, there seems to be no compelling reason to depart from allocation criteria based on the percentage of the Nicaraguan population living in Managua.

**Conclusions** - The major selection criteria established by AID seem to chart an appropriate middle ground for addressing the various objectives cited in the project paper. While the emphasis remains on employment generation through the labor cost threshold, the criteria allows sub-projects to address critical infrastructure needs, thus finding an acceptable

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compromise between sometimes conflicting project objectives. The geographic allocation seems to generally meet a range of political and project imperatives. To bring greater management efficiency to the project, an informational campaign targeted to outlying municipalities might help generate larger sub-projects outside Managua.

**RECOMMENDATION:** The project should maintain its current employment criteria and geographic allocation. A campaign to help municipalities understand the key aspects of the project and develop appropriate sub-projects should be considered; INIFOM is probably the most appropriate vehicle for such an effort.

### ***H. Is the project meeting its employment objectives?***

**Findings -** As noted above, the project has not met the original level of 40% labor costs in sub-projects but has created more than 4,431 person-months of employment as of late June. At this rate the project is unlikely to reach the level of 20,000 jobs anticipated in the project paper for the original allocation of funds. The original \$10 million should produce a total of 15,000-18,000 person-months of employment as compared to an anticipated 40,000 person-months (20,000 jobs X average 2 months duration).

As mentioned earlier, at the time of the Atlantic Coast Amendment, the project managers reduced the labor content threshold to reflect project experience. At the same time, the amount of total employment expected under the project was clarified to bring the target to a reduced level of 20,000 person-months for the first \$10 million in project activities.

In addition, project managers recently modified the project procedures to ensure that the individual contracts under the project require contractors to meet a minimum realistic percentage of labor content which varies depending on the type of the work (i.e. street repair or drainage and water system rehabilitation).

Other objectives which are outlined in the Project Paper - stimulation of private sector construction firms and suppliers, provision of basic infrastructure with social and economic benefits to communities - have not been systematically tracked as have the employment figures.

**Analysis -** According to project designers, the original estimate of jobs to be created under the project was largely a guesstimate based on limited AID experience with similar projects in other countries. As noted above, there appears to be little that can be done to increase the level of labor intensity in sub-projects without a departure from the infrastructure emphasis of the project. The project cost per person-month of employment (\$737 per person-month) compares favorably with the cost of a road construction project to stimulate employment in Jamaica (\$1,410 per person-months) and less favorably with a similar employment generation program in the East Caribbean (\$440 per person-month) and African examples (March 1988 AID Evaluation Study).

## *Interim Evaluation - Employment Generation*

The revised targets outlined in the Atlantic Coast amendment reflect current project experience within the current economic context in Nicaragua and establish more realistic overall objectives for the project. The modification of project procedures works to ensure that contracts reflect the project's emphasis on employment generation.

There has been little effort under the project to quantify employment effects of the project other than direct employment generated by individual sub-projects. Other indirect employment may have been generated by the project in the transport, pipe, and adoquines manufacturing industries. (See Section I, below)

**Conclusions** - Initial project targets for employment generation were over-ambitious given the type of infrastructure work carried out under the project. These targets could not have been reached without a major change in the types of sub-projects being implemented given the current relative cost of labor and material in Nicaragua. Current targets seem to accurately reflect the situation in Nicaragua and establish appropriate overall objectives for ongoing implementation of the project. Other project benefits such as those accruing to the private sector construction industry and the communities that benefit from the repair and rehabilitation of the infrastructure have also not been highlighted.

**RECOMMENDATION:** The project should maintain its employment emphasis through the targets now specified in the Project as amended. Informational campaigns targeting outlying and smaller municipalities should include information regarding the acceptability of projects of larger scope and cost which might allow development of projects with greater overall societal benefit (such as water systems).

### ***I. Are there benefits beyond direct employment that could/should be measured?***

**Findings** - As mentioned above, the project is generating other benefits beyond direct employment generation that have not been measured to date. Discussions with contracted private sector construction firms indicate that the project represents the first work they have undertaken over the last year or more. A visit to an *adoquin* factory highlighted the effect of the project in stimulating additional production; factory personnel indicated that production had been re-oriented to meet the demand created by the project. Completed sub-projects have obvious economic, social, and aesthetic value in their communities. In general, these types of benefits have not been documented by the project.

**Analysis** - The project produces significant upstream and downstream benefits that go beyond direct employment generation and represent achievements in areas highlighted in project design. These include:

- ***Indirect employment generation*** - In several interviews, the evaluators were informed by suppliers and contractors working on the project of the impact the project was having on their respective companies. For example, in an interview with one of the project's

## *Interim Evaluation - Employment Generation*

largest suppliers of pipes and *adoquines* (paving stones), the evaluators were informed by the firm's staff that the company is currently operating at full capacity to meet the project's demand for pipes and *adoquines*. As a result, the firm's workers are working full time in double shifts for the first time in a number of years. In addition, the firm has discontinued its manufacturing of small building blocks and tiles in order to concentrate on the manufacturing of the project's requirements of heavy drainage pipes and *adoquines*.

Because of significant under-utilized capacity in the mostly public sector companies supplying materials, the project may not be actually creating large amounts of indirect employment. However, in this example where production was re-oriented, market demand for light building material may be being met by small private sector manufacturers who previously were unable maintain their businesses while competing with larger manufacturers. Though indirect creation of new jobs is limited by the excess capacity in Nicaraguan firms, even the selling of lunch and snacks at construction sites represents some indirect employment creation. Unfortunately, it is extremely difficult to quantify any indirect employment created by the project.

- *Stimulation of the private sector* - Several private sector construction contractors working at the project sites in Managua and in other cities stated that the project represents the first construction work opportunity for their companies in years. The work represented by the project will likely allow them to maintain their core employees and equipment and remain poised for additional work opportunities as the economy improves.
- *Infrastructure benefits* - The project's focus on infrastructure was designed to provide benefits in efficiency and effectiveness depending on the type of infrastructure in the project.

A major portion of the ongoing and or completed works of the project is for the repair of streets which consists mainly of the installation of storm drainage pipes to prevent flooding during the rainy season and the paving with *adoquines*. Most of these streets are the cities' main thoroughfares connecting the cities to markets, schools and the transportation network of the rest of the country. Benefits include time saved by vehicles, reduced wear, and improved aesthetic environment.

The project is also repairing school classrooms that have no ceilings and or walls and rehabilitating health centers that are more or less in the same condition as the schools. These schools and health centers are generally the only facilities in the cities and serve not only their population but the population of the surrounding countryside. Undoubtedly these sub-projects are benefiting the population of the communities they serve by enhancing communications, improving education and providing improved health facilities.

## *Interim Evaluation - Employment Generation*

New sub-projects that are currently in the bidding stage will, in addition to street, school and health center repair, rehabilitate sewage and potable water systems thereby diminishing some of the health hazards affecting the communities they serve.

There is currently no effort being undertaken to document even anecdotal evidence of these benefits. Though in nearly every case, it will be difficult to quantify other benefits of the project, some effort to document the project's achievement in a systematic way would probably be of value, especially given the high political profile of the project.

**Conclusions** - Unquestionably, the project is providing both upstream and downstream benefits that, while, significant, are difficult to quantify. Nonetheless, efforts to document these effects will help provide a full picture of overall project impact.

**RECOMMENDATION:** Project documentation and reports could highlight other societal benefits to a greater degree. Reporting on these other societal benefits may be included in a section in the CISCONCO monthly report or in other FISE reports. CISCONCO and FISE/INIFOM engineers make weekly field trips to the project sites and could collect such information and data. USAID, CISCONCO and FISE should jointly develop the type of information on societal benefits to be provided in project reports.

## **IV. CONCLUSION**

The Employment Generation Project is generally meeting the objectives for which it was designed. Implementation of the project has encountered a number of difficulties which kept it from moving as quickly as hoped by the Mission but the project seems to be on track and the speed of implementation has not been out of line with other projects dealing with infrastructure. There appear to be few major implementation problems at this time, though a number of procedures could be modified to improve implementation. Other actions recommended above would help to clarify the roles of project counterparts and provide a more complete accounting of project benefits. The project would benefit from additional funding prior to the end of FY-1991 and the Mission should consider providing sufficient funds to finance a steady level of project activity through FY-92.

**EMERGENCY EMPLOYMENT GENERATION  
AID SUB-PROJECT No.524-0301.03  
EVALUATION**

The USAID Mission is planning to amend the subject project in order to increase the funding level by approximately \$7,000,000. Prior to proceeding with the preparation of the PP Amendment an in-house corrective evaluation of the current project activities will be conducted. The following is the scope of work for the evaluation:

The evaluation team consisting of the Mission's Evaluation Officer Todd Amani and Azza El-Abd, PDIS, will identify specific areas that require improvement and revision based on the review of project implementation experience to date. The evaluation will include but not be limited to:

-Assessment of INIFOM's managerial capability to carry out implementation and control of the project.

-Adequacy of INIFOM staff both in Managua and regional offices to handle the selection and supervision of the works.

-Legal relationship between INIFOM and the recently formed FISE and whether or not the project Amendment should include FISE as "Grantee".

-Adequacy of established procedures for review and selection of projects by INIFOM and the different municipalities.

-Information regarding amount of direct and indirect employment generated under the project.

-Degree of success in achieving project goals and outputs included in logframe.

The evaluation team shall prepare a report containing their findings and recommendations that will need to be incorporated in the PP Amendment. The evaluation will begin on/a June 10, 1991 and should be completed by July 15, 1991.

LIST OF PROJECTS APPROVED BY AID  
AND CURRENTLY UNDER SOLICITATION

IN MANAGUA:

<u>PROJECT NO</u>	<u>NAME</u>	<u>CISCONCO ESTIMATE</u>
-446	Adoquinado Barrio "Largaespada"	\$137,562.02
-447	Adoquinado Barrio "Liberia"	\$157,352.48
-448	Adoquinado Barrio "La Praviana"	\$126,169.44
-450	Adoquinado Barrio "Cuba Libre"	\$ 81,634.74
-454	Drenaje Villa "Venezuela"	\$264,759.06
-455/466/ 467	Drenaje "Georgino Andrade", "Pedagógico", Col. "Centro América", Adoquinado Barrio "Santa Ana" y puntos críticos "El Sandy's"	\$ 82,707.81
-461	Adoquinado Barrio "San Judas"	\$199,695.84
-462	Adoquinado Barrio "Cuadra"	\$104,157.92
	TOTAL	1,134,039.31

The bids for these projects are due June 21, 1991.

OUTSIDE MANAGUA:

<u>PROJECT NO</u>	<u>NAME</u>	<u>CISCONCO ESTIMATE</u>
-297/155	Adoquinado de Calle y Reparación de Escuela Jinotega REGION VI	\$ 80,278.96
-102	Agua Potable Yali REGION VI	\$ 55,526.00
-131/392	Mejora Agua Potable Rio Blanco/Mulukuku REGION VI	\$ 92,743.00
-133/141	Ampliación Mercado Municipal Reparación Escuela Muy-Muy/Matiguas REGION VI	\$ 40,320.00
-407/398/ 390/391	Reparación del Mercado, Escuela Ciudad Darío, Tanque Agua Potable Terrabona. REGION VI	\$ 78,608.00
-387/389	Reparación Escuela Benjamín Zeledón y del Centro de Salud La Concomilla. REGION VI	\$ 51,055.00
-413	Construcción de Andenes, Sébaco REGION VI	\$ 51,974.00
-142	Alcantarillado de Aguas Negras, San Dionisio. REGION VI	\$ 93,008.00
-384	Adoquinado, San Isidro REGION VI	\$ 51,465.00
-099	Adoquinado y Encunetado, Esquipulas. REGION VI	\$ 55,213.00

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<u>PROJECT NO.</u>	<u>NAME</u>	<u>CISCOCONCO ESTIMATE</u>
-258	Construcción del Mercado Municipal La Dalia REGION VI	\$ 95,237.00
	SUBTOTAL REGION VI	745,427.96

The bids for these projects are due June 21, 1991.

-126/218	Reparación Centro de Salud Adoquinado de Calle, San Niguelito Rio San Juan, REGION IX.	<u>\$ 68,000.00</u>
	SUBTOTAL REGION IX	\$ 68,000.00

The lowest bid received for this project was too high. INIFOM is currently negotiating with the lowest bidder.

-35/49/ 56/57	Reparación y Remodelación de Escuela El Viejo/Villa Nueva. REGION II	\$ 75,777.50
-095	Reparación Puesto de Salud, Cinco Pinos, REGION II. Centro de Salud, Somotillo. REGION II. Adoquinado 3,700 m2, La Paz Centro, REGION II.	\$ 76,153.00
-52/96/ 160/161	Reparación de Centro de Salud, Posoltega, REGION II. Reparación de Escuela "Héroes y Mártires", Posoltega, REGION II. Reparación Colegio "Carlos Fonseca", REGION II. Reparación Centro Cívico, Quezalaguaque, REGION II.	\$ 71,687.98
-45/73	Construcción de Escuela Unitarias, El Jicaral, REGION II. Adoquinado de Calle Larreynaga 11,200 M2, Malpaisillo, REGION II.	\$ 75,720.20
-110	Enchape de 4,400 M2 de Cauce en Nagarote, REGION II.	\$ 45,784.34
-149	Adoquinado Calles de Telica REGION II.	<u>\$ 51,200.07</u>
	SUBTOTAL REGION II	\$396,323.09

-409/410	Encunetado Calle Principal y	\$ 75,857.18
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PROJECT NO.NAMECISCONCO ESTIMATE

	Adoquinado Calle Principal Santo Domingo, Chontales, REGION V.	
-411	Cuneta y Adoquinado Calle Avenida S.-01, 100ML/3780M., La Libertad, Chontales, REGION V.	\$ 76,819.88
-83/178	Adoquinado y Encunetado de Calles en Comalapa, Chontales, REGION V.	\$ 76,410.72
-179	Adoquinado Calle Instituto San Sebastián, Acoyapa, Chontales REGION V.	\$ 64,268.34
-123/186	Adoquinado y encunetado Calle alrededor del Parque Central en Teustepe, Boaco, REGION V.	\$ 70,410.18
-180	Adoquinado Calle Central, Villa Sandino, REGION V.	\$ 64,723.39
-122	Adoquinado Salida a Managua, Santa Lucía, REGION V.	\$ 60,493.00
-125	Adoquinado y Encunetado, San Lorenzo, REGION V.	\$ 48,000.00
-472	Reparación Instituto Básico, San José de los Remates, REGION V.	\$ 89,716.46
-082/151	Adoquinado y Encunetado, Muelles de los Bueyes, REGION V.	\$ 66,874.00
-473	Adoquinado Cusapa, Chontales REGION V.	\$ 54,252.00
-442	Reparación Escuela, Boaco REGION V.	\$ 87,382.00
-188/189/ 190	Construcción Andenes, Cunetas y Empedrado de Calles, El Rama REGION V.	\$ 66,228.00
-445	Reparación Instituto Nacional Chontales, Juigalpa, REGION V.	<u>\$ 97,421.00</u>
	SUB-TOTAL REGION V	\$998,856.15
-235/236	Reparación 500m de Rampa y Construcción de 1,179 Letrinas dobles, Mateares REGION III.	\$ 50,266.54
-147	Construcción de Andenes en Villa el Carmen, REGION III	\$ 53,126.91
-242	Adoquinado de Calle, Tipitapa REGION III.	\$ 72,272.37
-253	Entrada a Ticuantepe, Km 19	\$ 42,237.71

**REGION III.**

**SUB-TOTAL                      \$217,903.53**  
**REGION III**

These projects were approved by USAID on 6/21/91. Bids for these projects should be distributed to prequalified contractors the week of June 24, 1991.

**TOTAL APPROVED BY AID              \$3,580,550.04**  
**& CURRENTLY IN THE**  
**BIDDING STAGE**

EMERGENCY EMPLOYMENT GENERATION PROJECT  
SUMMARY OF AUTHORIZED CONTRACTS As of 8/18/91  
AND PUBLIC WORKS PROJECTS As of 8/31/91

DATE	PIL No.	CJ No.	LOCATION	PROJECT DESCRIPTION	AMOUNT	C\$ CRO	APPROVED SITE	PUBLIC WORKS PROJECTS	\$	BUDGET BALANCE	ADVANCES TO CONTRACTORS	CUMULATIVE EXPENDITURES	UNLIQUID. ADVANCES
12/28/91	3		Managua	Ditches clearing	82,001	82,001							
12/28/91	3	C-03-JU	Jutupa	Paving of 8,112 m2 on streets	90,291	90,291	90,490	90,490	100.0%	0	90,490	90,490	0
12/28/91	3	C-04-S	Escazu	Paving of 3,000 m2 on streets	90,710	90,710	90,900	90,900	100.0%	0	90,900	90,900	0
12/28/91	3	C-01-MA	Matagalpa	Paving of 8,000 m2 on streets	90,340	90,340	82,000	90,007	71.2%	23,023	63,000	60,007	4,020
12/28/91	3	C-05-JI	Jinotega	Paving of 8,200 m2 on streets	90,900	90,900	78,000	78,000	100.0%	0	78,000	78,000	0
12/28/91	3	C-02-RI	Rivas	Paving of San Terminal	41,978	41,978	30,400	30,400	100.0%	0	30,400	30,400	0
Total PIL 3					5518,078	5518,078	6301,140	6307,330	94.2%	630,023	6307,330	6307,330	64,020
2/15/91	4	C-08-SD	Santa Teresa,	Paving of 8 streets	70,810	70,810	60,700	60,020	73.0%	10,020	53,331	50,020	2,422
2/15/91	4	C-10-SPL	San Pedro Lavago	Paving of 8 streets	60,000	60,000	40,000	40,000	100.0%	0	40,000	40,000	0
2/15/91	4	C-06-ES	Estelí	Paving of 8 streets	90,024	90,024	44,000	44,000	100.0%	0	44,000	44,000	0
2/15/91	4	C-07-LR	Leon	Paving and streets repair	54,184	54,184	63,124	42,914	68.0%	20,210	40,977	42,914	4,003
2/15/91	4	C-09-CM	Comapa	Paving of 8 streets	65,000	65,000	61,244	40,000	61.0%	11,270	51,972	40,000	1,404
Total PIL 4					6304,003	6304,003	6200,000	6220,074	94.0%	600,010	6200,003	6220,074	67,000
3/28/91	7	-	City of Managua	Pluvial Drainage at Los Balcones	112,007	553,455	112,007	74,000	66.0%	30,000	82,027	74,350	7,000
3/28/91	7	-	City of Managua	Pluvial Drainage at Monumental Ave.	348,443	1,742,218	348,443	72,718	21.0%	279,725	127,003	72,718	93,143
3/28/91	7	-	City of Managua	Paving at Colonia Nizamar	60,078	404,000	60,078	14,002	17.4%	60,020	27,437	14,002	13,300
3/28/91	7	-	City of Managua	Paving and drainage at Barrio Terrijos	210,000	1,090,018	210,000	62,000	29.5%	147,198	92,278	62,000	29,431
3/28/91	7	-	City of Managua	Pluvial Drainage at Escudo Airoa Highway	222,000	1,119,190	222,000	23,000	10.0%	190,000	43,974	23,000	30,010
3/28/91	7	-	City of Managua	Paving at Barrio Batubola Norte	83,978	278,978	83,978	4,300	7.0%	91,627	14,073	4,300	10,329
3/28/91	7	-	City of Managua	Paving at Colonia Pedro J. Chazorro	229,220	1,120,190	229,220	43,007	19.0%	181,029	60,183	43,007	60,200
Total PIL 7					81,295,000	0,279,000	1,295,000	206,700	17.0%	600,100	407,018	206,700	102,000
4/25/91	8	-	City of Managua	Paving and drainage at Colonia Morazan	90,000	434,040	90,000	30,003	33.0%	60,000	42,024	30,003	13,071
4/25/91	8	-	City of Managua	Paving at Barrio Atagracia	104,700	523,030	104,700	47,731	45.0%	57,000	90,130	47,731	11,407
4/25/91	8	-	City of Managua	Paving at Barrio Manosón Leones	90,047	432,700	90,047	34,000	37.0%	60,017	47,413	34,000	12,703
4/25/91	8	-	City of Managua	Paving at Barrio Costa Rica	90,000	432,700	90,000	62,078	68.0%	34,178	60,210	62,078	0,000
4/25/91	8	-	City of Managua	Drainage of Barrio Jorge Canales	60,200	341,400	60,200	10,071	16.0%	51,000	27,100	10,071	10,200
Total PIL 8					6400,970	2,034,000	400,970	100,000	20.0%	270,410	243,041	100,000	60,201

DATE	PIL No.	CO No.	LOCATION	PROJECT DESCRIPTION	AMOUNT	CS ORD	APPROVED BY	PUBLIC WORKS PROGRESS	B	BUDGET BALANCE	ADVANCES TO CONTRACTORS	CUMULATIVE EXPENDITURES	UNLIQ. ADVANCES
5/1/81	9	088	El Aviro	Paving of 3,491 m2 on streets	75,200	378,300	75,200	0	0.0%	75,200	15,000	0	15,000
5/1/81	9	089	San Fco Norte	Paving of 4,800 m2 on streets	85,820	284,000	50,920	10,007	20.1%	60,823	15,007	15,007	0
5/1/81	9	091	Jinatapa City	Pluvial Drainage extension	85,005	325,175	85,005	0	0.0%	85,005	0	0	0
5/1/81	9	098	Ocotla	Paving of 4,074 m2 on streets	80,830	343,100	80,830	10,007	23.4%	62,908	25,784	10,007	13,727
5/1/81	9	100	S. Rafael del Norte	School repair	33,417	187,005	33,417	0,041	10.1%	27,378	11,518	0,041	5,475
5/1/81	9	117	Diriamba City	Paving of 3,500 m2 on streets	85,230	278,150	50,230	0	0.0%	50,230	0	0	0
5/1/81	9	120	Granada City	Bridge repair	90,787	253,035	90,787	0	0.0%	90,787	10,157	0	10,157
5/1/81	9	204	S. Rafael Sur	Construction of 4,200 m2 of sidewalks	44,212	221,000	44,212	10,001	43.1%	29,181	24,001	10,001	5,030
5/1/81	9	268	Chinandega City	Paving of 4,184 m2 on streets	84,387	321,705	84,387	10,000	23.7%	47,780	20,110	10,000	0,000
5/1/81	9	279	Sanata	Paving of 4,178 m2 on streets	72,878	304,300	72,878	20,100	32.4%	54,720	40,100	20,100	0,000
TOTAL PIL 9					650,710	2,923,000	930,710	811,001	24.2%	847,020	617,022	811,001	909,041
5/21/81	12	343	Santa Teresa	Paving on streets and Health Center repair	51,705	230,825	51,700	0	0.0%		10,353	0	10,353
5/21/81	12	417	San Juan del Sur	Ditches clearing	40,071	203,305	40,071	0	0.0%			0	0
5/21/81	12	298	Nandama City	Paving on streets	55,010	278,000	55,010	0	0.0%			0	0
5/21/81	12	233	Mazaya City	Paving on streets	52,002	204,000	52,002	0	0.0%			0	0
					629,088	3,106,130	629,088	00	0.0%	00	510,353	00	510,353
8/18/81	15	127	San Carlos	Paving of streets	85,100	425,000	85,100	0	0.0%	85,100		0	0
8/18/81	15	304	Windirí	Rehabilitation of schools	40,333	201,000	40,333	0	0.0%	40,333		0	0
8/18/81	15	113	San Francisco L.	Paving of streets	98,447	477,235	98,447	0	0.0%	98,447		0	0
8/18/81	15	350	Dipilto	Paving of streets	57,000	299,000	57,000	0	0.0%	57,000		0	0
8/18/81	15	371/4	Mazante	Paving of streets	52,000	264,175	52,000	0	0.0%	52,000		0	0
8/18/81	15	308/9	Tetegalpa	Paving of streets	57,000	283,045	57,000	0	0.0%	57,000		0	0
8/18/81	15	353	Jalapa	Construction of ramps	57,000	299,100	57,000	0	0.0%	57,000		0	0
					940,000	4,732,520	940,000	00	00	940,000	00	00	00
8/18/81	15	TOTAL TO DATE			3,777,403	19,009,071	3,020,000	1,153,021	8	2,252,021	1,530,000	1,153,021	330,429

ELEMENT STATUS:

ADVANCE OF FUNDS:

Element Total:	63,700	1/7/81	\$1,000,000
Auth Contracts	63,777	5/31/81	6300,000
Element Bal.	64,923	Total	62,000,000

EMERGENCY EMPLOYMENT GENERATION PROJECT  
SUMMARY OF AUTHORIZED CONTRACTS As of 8/18/81  
AND PUBLIC WORKS PROGRESS As of 5/31/81