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**USAID/NICARAGUA
RESULTS REVIEW AND RESOURCE REQUEST (R4)**

**Managua, Nicaragua
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SUMMARY

Nicaragua has accomplished historic changes in the last seven years. The country has transformed itself from a society at war to a society at peace; from an authoritarian socialist society to a pluralistic democratic society; and from a stagnating command economy to a growing, market-oriented economy. U.S. assistance has contributed directly to this transformation, which represents a major success of U.S. foreign policy.

A. Accomplishments and Performance Factors

USAID's program to promote political participation, compromise and transparency met with solid success over the past year. Our electoral assistance contributed directly to free, fair and inclusive elections which led to the orderly and peaceful transfer of power. The Aleman administration has made rule of law including the resolution of the divisive property issue a cornerstone of the new government's program. A reform-minded Supreme Court is now leading judicial reform with our help. The government made some progress resolving U.S. citizen property cases. The human rights situation has improved as evidenced by a decreasing number of cases and lower incidence of political violence, even with election campaigning. Civil society groups have become key participants in the democratic process.

The Mission's efforts to accelerate sustainable growth in employment and income achieved excellent results over the period, as reflected in a strong three-year economic growth trend, spurred by solid performance in the agriculture sector and small farmer income gains. The estimated unemployment rate dropped. More women are participating in economic growth. The private sector regained predominance in the financial sector and investments are starting to flow. The fiscal sector became more transparent and efficient.

USAID's focus on promoting healthier, better educated, smaller families has exceeded initial expectations. The infant and maternal mortality rates have dropped thanks to a major reform in the health system. Mothers are adopting better childhood nutrition practices. Immunizations and use of ORS therapy have jumped. More children are completing the sixth grade and less are repeating in the early primary years thanks to curriculum reform, teacher training and decentralization. More couples are using family planning services.

The progress was tempered by: the Government of Nicaragua's (GON) slowness in naming a human rights ombudsman and public defender, a wayward National Assembly in its final three months which has delayed key legislation, slow resolution of property cases in the final months of the Chamorro government, lack of compliance with ESAF economic policy conditions, bad weather, and declines in economic growth funds.

B. Challenges Ahead and U.S. Assistance Priorities

Our challenge for the coming years is to help the GON consolidate the gains made in democracy, economic growth and social sector efficiencies, so as to alleviate poverty and improve the quality of life for the average citizen. We will do so by helping Nicaraguans consolidate the rule of law through accelerated reform and modernization of the judicial system and by strengthening of key democratic institutions: the Human Rights Ombudsman's office, the Public Defender office and the legislature. The Mission will extend its efforts to develop competent, responsive municipal governments to include most departmental capitals. We will also help the government address corruption and provide transparent accounting of public resource use. We will continue to provide civic education and support civil society groups to foster an informed and active citizenry.

To sustain economic growth, USAID will provide more technical and institutional support to small producers to increase their productivity and profitability. Recognizing the agricultural sector's potential for increasing on- and off-farm employment, reducing poverty and contributing to economic growth, the Mission will concentrate on helping small farmers diversify and market their production. We will continue to assist small entrepreneurs through micro-enterprise activities, which have benefitted women significantly. The Mission will also promote the sustainable use of natural resources particularly as it relates to agricultural production in protected area

buffer zones. Funding and staff cuts are requiring us to scale back our expected results in economic growth. Thus, this year we will phase out our support to export policy, tax reform and new export product marketing. We will rely on the G-CAP regional project, PROALCA, and other donors for continued support in trade and investment.

In the social sector USAID, in partnership with the Ministry of Health, PVO's, the Pan American Health Organization and other donors, will continue to promote the delivery of high quality, decentralized maternal and child health services and the use of improved child survival and nutritional practices. The Mission will also focus attention on increasing the access of young, poorly educated rural women to family planning services. We will continue our support for more efficient and higher quality primary education.

The Mission has coordinated with other donors, such as the Europeans on elections, the IDB on the judiciary and legislature, and multi-lateral donors in reforming the state. We coordinated efforts with the IDB in agriculture, and with groups of donors in micro-enterprise, and supported the IMF and World Bank on economic reform by the GON. The Mission actively coordinates with the major IFIs and bilateral European donors in the social sectors to ensure complementarity of programs. We will increase common agenda contacts with the Japanese this year and seek to tap Chilean technical assistance to augment performance with small producers.

Throughout the portfolio, the Mission emphasizes Summit of Americas initiatives related to community participation, access to education, access to basic health services, encouraging micro-enterprises, and partnership in bio-diversity.

C. Resources Requested

USAID Nicaragua's program demonstrates substantial achievements. The strategy is relevant to country conditions and fits well with the incoming Aleman administration's development plans. The Mission's program faces deep cuts in ESF and PL480 resources, which could severely limit efforts to support small producers and democracy. To be able to generate our strategic results, the Mission needs to receive \$25 million in DA in FY98 and 99.

D. Re-engineering

The Mission will complete the major programmatic re-engineering exercise over the next two years. By the end of FY98, almost 95% of Mission activities will be run through result packages or programs, two in SO1, one in SO2 and two in SO3. We have made significant progress in adapting our operating systems to support implementation through result teams. Of eight result teams in place, seven have proposed management contracts covering performance through March 1998. Each contract contains a customer service plan. All key staff have received intensive NMS training and the Mission will fully use the system when feasible.

I. OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE

A. Performance Accomplishment Overview

The 1996 national elections helped cement the democratic transition in Nicaragua. National and international observers declared the elections free, fair and open. Claims of fraud were dealt with fairly — a sure sign of a maturing society. The peaceful and orderly transfer of power from one elected government to another set a new democratic tradition.

The human rights situation has slowly improved. Fewer abuses are perpetrated by the security forces. Local peace commissions dealing with human rights have grown, both in number and in legitimacy. Local human rights NGOs are providing better case reporting and follow up. Prospects for judicial reform have improved dramatically under the new Supreme Court leadership. This Court, in declaring unconstitutional legislation passed illegally by the outgoing Assembly, demonstrated its increased political will and independence in its interactions with the other branches of government. Both are marked changes from the previous court, which lacked political will, commitment and consensus — and was not trusted to resolve either criminal or civil disputes fairly. The court has worked with the National Assembly to reorganize the entire judicial system, a first and important step to reform and modernization.

The relationship between the executive branch and the legislature under a negotiated framework helped avoid the stalemates of preceding years and permitted the last legislature to move forward, passing laws covering the Telcor privatization, electoral reform, export promotion, police reform and environment/natural resource management. However, in the final months, the Assembly attempted to pass a series of laws favoring its outgoing members and the small parties who lost their charter.

Non-governmental organizations have emerged as spokesmen for a range of interest groups, as implementors for economic and social programs, as defenders of human rights, and as trainers in civic values. These groups have demonstrated that changes can originate from within the system through participation and have cushioned society from more extremist rhetoric.

Nicaragua continued its economic recovery with a third year of solid economic growth. The 5.5% rate, following positive rates in the two preceding years, compares favorably with other Central American countries. This was fueled by the greater-than-expected growth in basic grains and in exports, both traditional and nontraditional. The GON successfully cut its foreign debt nearly in half. More transparent and efficient tax administration is producing higher revenues. While investment increased, the slow and complicated resolution of confiscated property claims continued to hinder private investment and the Chamorro government passed the unfinished problem on to the Aleman administration.

The GON estimates that the national unemployment rate fell from 20.7% in 1994 to 16.1% in 1996. However the economy remains under capitalized, leading to low productivity. As much as 35% of the labor force, although working, is considered to be underemployed and an estimated 50% of the population live in absolute poverty.

Progress in the social sector is strong, in part, reflecting USAID's effective investments. Maternal and childhood morbidity rates have declined; immunization rates have risen from 77% in 1993 to nearly 90% in 1996; and the number of families using modern family planning methods has increased substantially in 1995-96. The percentage of children finishing primary school has increased from 23% in 1993 to 28% in 1996.

B. Factors Affecting Performance

Within the Nicaraguan context, several factors have affected performance and may continue within the R4 period. In democracy, the protection of human rights in some rural areas and the prosecution of human rights violators from previous years remain stubborn problems. The Assembly's delay in naming the Human Rights Ombudsman, despite passing the law in late 1995, complicates an orderly transfer of OAS/CIAV responsibilities and resources to the GON.

The Supreme Court ruling against the outgoing Assembly's attempt to pass several unconstitutional laws unfortunately captured good legislation as well, including the Organic Law for the judicial system. This has delayed implementing the law and introducing several follow on codes for the courts. While an institutional crisis was averted, the Assembly suffered erosion of confidence and legitimacy. The new Liberal-party dominated Assembly needs to shore up its image by good lawmaking.

As in any democratic society, the elections and transition have caused certain delays affecting passage of laws and execution of our program. While a relatively smooth transition, it was complicated by the wildcat Assembly actions and a new group of executive branch administrators, which in some cases changed personnel deep in the Ministries.

Although macroeconomic policy reform produced excellent results, economic underpinnings of the system remain fragile -- and private investors, both local and foreign, continue to receive mixed economic signals. The Chamorro government had to delay action on the privatization of TELCOR and was unable to stay in compliance with the IMF's Enhanced Structural Adjustment Facility (ESAF), which has cost the GON \$150 million in undisbursed IFI resources. The new government has not yet resumed property case resolution though it has pledged specific steps to the USG that should reinvigorate the settlement process.

Adverse weather throughout the growing season, including the passage of Hurricane Cesar which produced significant damage, human suffering and disruptions, pinched the basic grain crop. It has also negatively affected the 1996-97 coffee crop. We have to be mindful that Nicaragua is still primarily an agrarian economy.

Poverty remains widespread, and while an increasing share of average citizens are feeling the benefits of reform, there is a sense that living standards have not improved. Certain sections of the country are harder hit, which produce nutritional problems undermining USAID child survival activities.

The best way to attack poverty problems is to continue expanding the economy. However, USAID efforts are increasingly hamstrung by decreasing levels of development assistance, ESF and PL480 resources coupled with increased earmarks and lack of economic growth funds.

II. PROGRESS TOWARDS OBJECTIVES

A. Performance Analysis

More Political Participation, Compromise and Transparency

SO #1: More Political participation, transparency and compromise	
R	Greater protection of human rights
E	
S	Efficient and transparent elections
U	
L	Strengthened civil society
T	
S	More accountable and responsive government

The Mission achieved very good progress towards this objective, although key elements of human rights and judicial reform are behind schedule. We had unquestionable success in supporting the national elections. Our program helped grass roots groups address a variety of problems in society and become critical elements in establishing a more engaged civil society.

The Mission tracks performance under this strategic objective through indicators of democratic strength (read ex political stability), political tolerance and support for the political system. Political tolerance and system support will not be measured formally until later this year. For 1996, the democratic strength index would be '6' — an increase from the rating of '4' in 1995. This is based on peaceful elections, an orderly transfer of power, the lack of violent demonstrations, and the ability to overcome prolonged institutional crises without stalemate.¹ Similarly, the political tolerance level is apparently high. The electoral campaign was run without violence or significant incidents inhibiting candidate activities. The crises between various branches of government and claims regarding election fraud were resolved respecting the law and without violence. At the intermediate result level the data clearly demonstrates good progress.

The Elections: The Mission met or exceeded its goals. Turnout was high (76%), surpassing our target of 60%. It is estimated that women formed 51% of the voters, which corresponds to the registration ratio. The OAS, U.S., international and domestic observers declared the elections free, fair and inclusive. There was no violence. More importantly, the public and the political parties, even including the FSLN Directorate which questioned their political legitimacy, but not their legality, accepted the results of the election and the transfer of power occurred peacefully. USAID's timely support for civic education, local observers, voter ID production and distribution, voter registration lists, and production and delivery of voting day materials (ballots, etc.) was critical to the electoral success. So was close and effective Embassy-USAID policy and strategy coordination.

The Supreme Electoral Counsel (CSE), after a reasonable pre-electoral performance, lost a substantial amount of credibility after the election, with its poor management of the post-electoral processes, principally the collection of electoral materials and the recount. The major political parties, and the CSE, recognize the need for electoral law reform and internal management reforms prior to the Atlantic Coast Regional Elections in February 1998.

¹Note per instructions given in the 1996 R4 discussion, we have made this index more quantitative for future years.

Nicaragua's first domestic election monitoring organization called Ethics and Transparency, or "ET" played a significant role in the election. ET brought together 18 civic and academic organizations from across the political spectrum. The U.S. NGOs like Center for Democracy, IFES, IRI and NDI provided daily technical assistance and in-country training to advise ET's trainers. On election day, ET fielded 4,200 volunteer observers (about 65% women) and conducted a parallel vote tabulation- or "quick count"-- of actual election results. As the Washington Post pointed out in an October 23 editorial, the USAID-supported ET played a crucial role during the election and will be important to Nicaragua's development into a pluralistic rather than polarized society.

Justice Delayed: Despite encouraging headway in human rights and administration of justice (AOJ), overall performance in this area fell short of our targets and the AOJ program remains behind schedule. After being stalled for almost two years, USAID reactivated its efforts after the appointment of four new justices and the election of a reform-minded Supreme Court President. The Court's decisive steps in ruling unconstitutional a series of National Assembly rump session laws demonstrated a level of political will and assertiveness not seen earlier. Our principal indicator for the judicial sector, "public confidence in the judicial system", will be measured this year.

USAID worked with the new court leadership in developing a new Organic Law to modernize the organization and functions of the judiciary branch. Our program facilitated a customer-based, participatory review process for the draft law, involving National Assembly members and the public, through consultations and a series of public fora. Although consensus was reached, the law passed by the outgoing National Assembly was one of the package subsequently declared unconstitutional -- and is therefore being reconsidered by the new Assembly; it is expected to pass in April 97. The start up of the Public Defender's office has also been delayed. With passage of the Organic law, this function will move from the Attorney General's Office to the Supreme Court. Building on the success of reforming the Organic law, the Mission has formulated a plan with the Court which will spur action in drafting a new Administrative code, and revamping the Penal and Criminal Procedure codes. On the human rights front, there have been no reports of homicides of demobilized troops attributed to security forces -- and the violence feared during the election year did not occur. Nevertheless, the Mission fell short on most other human rights indicators as a result of overly ambitious targets. Government commitment was in question as the Tripartite Commission closed its doors in 1996 and the GON has not acted on its recommendations. The new Human Right Ombudsman has also not been elected by the National Assembly.

However, the number of human rights cases² continued to decline, but not to the extent predicted. The number of individual victims (male victims outnumber female victims by a ratio of four to one) increased from the prior year partially as a result of better reporting by USAID-assisted human rights groups. Through our assistance, two major human rights NGOs, CPDH and ANPDH, have grown professionally and are collaborating more closely with other local organizations. Our support of this cooperative approach was a result of a 1995 project evaluation. With USAID financing, OAS/CIAV has provided direct support to establish approximately 75 peace commissions in 35 municipalities, many of which are in exconflictive zones. These local commissions have emerged as respected dispute mediators, and have contributed to reducing polarization and encouraging reconciliation.

Governing Better: The Mission has made solid progress in supporting more authority for local governments while developing more local institutions capable of responding to citizen demands. USAID has brought anti-corruption and transparency in government to the surface through conferences, public diplomacy and programmatic efforts related to improved tax administration and increased public audits. We have met or

²A single case can include multiple victims.

exceeded our targets for our two key indicators in this area. The number of Nicaraguan households having access to water and sanitation has increased to 52%, demonstrating more efficiency on the part of the local governments and more coordination with the national government in meeting citizen demands -- a critical synthesis of USAID's financial management reform and municipal decentralization efforts.

The second key indicator was exceeded as the outgoing administration stressed transparency throughout the transition, and utilizing our assistance, published the results of three major independent Ministerial performance audits. The integrity of public officials and the rooting out of corruption have become important items on the national agenda. The media has increased its coverage of this topic. Not only did the Chamorro administration stress accountability and openness as it prepared for an orderly transition of power but the incoming Aleman administration placed the 'reform of the state' program directly under the aegis of the Vice President. For the first time in Nicaraguan history, President Aleman and most Cabinet members have made personal financial disclosures. Our effort in government-wide intergrated financial management and comprehensive audit systems has had an impact. A unified tax system is being implemented partially, increasing revenues while ensuring individuals and businesses pay their fair share. USAID has leveraged \$17 million from other donors working together in design and implementation of the integrated financial management reform program, which will help modernize government, promote transparency and produce more citizen confidence in their government.

Mission help in introducing total quality management principles in the GON has facilitated regional trade and improved customer service. Following a training seminar and technical assistance, the Customs Office in Guasaule improved service to small merchandise transporters reducing time to cross the border from four hours to a little over one hour, and reducing costs from \$10 to \$1, staff by 66% and paperwork by 75% .

The Mission has promoted the professionalization of the National Assembly. Our efforts have helped the legislature to become more transparent, accountable and efficient, despite questionable last-minute activities of the outgoing members. USAID and the IDB worked together to secure Assembly commitment to continue the modernization efforts. Its first steps were positive in that the vote for the new leadership of the incoming Assembly was taken in public, facilitated by the USAID-financed electronic voting board. Legislators and staff have used better management information tools, which has improved development and analysis of legislation. The Mission is sponsoring an orientation seminar for all Assembly members in March 97 to help create a collegial spirit and a coalition for modernization.

After USAID-sponsored training, town councils of five municipalities improved community services and revenue generation for local projects. In one example, Matagalpa City increased revenues by 30% and cut costs by 20%, and expanded garbage collection services. We have approved five new municipalities to work with under this program. With USAID assistance, the reformed Municipal Law, transferring more authority to the local level, is awaiting National Assembly approval. The Association for Nicaraguan Municipalities (AMUNIC) has become a more effective advocate for local governments and was the driving force behind reforms to the Municipal Law.

Citizen Participation Grows: The emergence of a vibrant civil society is one of the most significant results in our program and ties in nicely with Summit of the Americas and New Partnership objectives. USAID-supported local interest groups, service organizations, and peace commissions have increased both in size and in number. Throughout the country, citizen involvement is increasing reconciliation and decreasing political polarization. Local NGOs with our financing provided an extensive program of civic education, particularly for new voters (women and youth), in which approximately 90% of young people planned to vote. Professionalizing the political parties contributed to an orderly election without violence. Labor unions have moved from violence to dialogue and peaceful demonstrations to resolve differences within the system.

Other elements of our portfolio have contributed indirectly to the strengthened civil society. Membership and diversity in agricultural producer associations has increased, often including more women, ex-combatants from both sides and people with political viewpoints across the political spectrum. Rural activities of environmental boards and health organizations have encouraged civic pride and access to decision-making. The local peace commissions have broadened their mandate to cover problems beyond human rights. Taken together, all of these activities are encouraging civic participation throughout the country and bringing into the political process hitherto excluded groups.

OBJECTIVE 1: More Political Participation, Transparency And Compromise				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
KEY INDICATOR 1: Democratic Strength Index				
UNIT OF MEASURE: scale of 0-10		YEAR	PLANNED	ACTUAL
SOURCE: US Mission developed index	Baseline	1990	0	0
INDICATOR DESCRIPTION: 1-2 Very Weak 3-4 Weak 5-7 Moderately Strong 8-9 Strong 10- Very Strong		1993	2	2
		1995	4	4
		1996		6
		1997	7	
COMMENTS:		1998		
	Target	1999	8	

OBJECTIVE 1: More Political Participation, Transparency and Compromise						
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA				
KEY INDICATOR 2: Political tolerance						
UNIT OF MEASURE: Percentage showing higher tolerance		YEAR	PLANNED	ACTUAL		Total
				Female	Male	
SOURCE: University of Pittsburgh biannual surveys	Baseline	1991				52%
		1995		51%	57%	55%
INDICATOR DESCRIPTION:		1996				
		1997	60%			
COMMENTS: Survey to be conducted this year.		1998				
	Target	1999	65%			

OBJECTIVE 1: More Political Participation, Transparency and Compromise						
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA				
KEY INDICATOR 3: Political system support						
UNIT OF MEASURE: Percentage showing increased support for the system		YEAR	PLANNED	ACTUAL		TOTAL
				Female	Male	
SOURCE: University of Pittsburgh biannual surveys	Baseline	1991				59%
		1995		43%	44%	43%
INDICATOR DESCRIPTION:		1996				
		1997	45%			
COMMENTS: Survey to be conducted this year.		1998				
	Target	1999	48%			

OBJECTIVE 1: More Political Participation, Transparency and Compromise					
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA			
RESULT 1.1: Greater protection of human rights					
INDICATOR 1: Number of homicides of the demobilized RN by the security forces					
UNIT OF MEASURE:		YEAR	PLANNED	ACTUAL	
				Female	Male
SOURCE: USG Human Rights Report	Baseline	1990		37	
		1995		13	
INDICATOR DESCRIPTION:		1996	5	0	0
		1997			
COMMENTS: Because there were no homicides of demobilized RN by the security forces in 1996, USAID will drop this indicator and devise a new one tracking perpetrators once the Ombudsman is established.	Target	1998			
		1999			

OBJECTIVE 1: More Political Participation, Transparency and Compromise						
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA				
RESULT 1.1: Greater protection of human rights						
INDICATOR 2: Decrease in human rights violation cases						
UNIT OF MEASURE: Number of human rights violations		YEAR	PLANNED (Cases)	ACTUAL (Victims)		Actual Cases
				Female	Male	
SOURCE: ANPDH in 1991-96, human rights ombudsman from 1997 on	Baseline	1991				828
		1995		121	588	583
INDICATOR DESCRIPTION:		1996	450	173	698	573
		1997	500			
COMMENTS: We have revised future targets to reflect current conditions. Note the types of violations are not as serious (abuse of authority) as in the past (homicides). One case can have multiple victims.	Target	1998	475			
		1999	425			

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OBJECTIVE 1: More Political Participation, Transparency and Compromise				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 1.1: Greater Protection of Human Rights				
INDICATOR 3: Human rights cases reported by human rights ombudsman and human rights groups that have been complied with				
UNIT OF MEASURE: Cumulative number		YEAR	PLANNED	ACTUAL
SOURCE: Tripartite Commission Report and confirmation of compliance by US Embassy (Tripartite Commission is no longer operational).	Baseline	1994		GON took action on 3 out of 120 recommendations of the Trip. Comm.
		1995		GON took action on 14 out of 120 recs. of the Trip. Comm
INDICATOR DESCRIPTION:		1996	25 out of 120 recs. of Trip. Comm.	GON did not take complete action on any additional recommendations
	Target	1997		
COMMENTS: The Tripartite Commission was dissolved in 1996, therefore we will no longer track this indicator and human rights cases will be tracked by Result 1.1. Indicator 2.		1998		
		1999		

OBJECTIVE 1: More Political Participation, Transparency and Compromise					
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA			
RESULT 1.1: Greater Protection of Human Rights					
INDICATOR 4: Public confidence in the judicial system					
UNIT OF MEASURE: % public confidence		YEAR	PLANNED	ACTUAL	
				Female	Male
SOURCE: University of Pittsburgh biannual surveys	Baseline	1991		52%	
		1995		38%	37%
INDICATOR DESCRIPTION:		1996		(No data)	
		1997	40%		
COMMENTS: Data will be collected in mid-1997.		1998			
	Target	1999	45%		

OBJECTIVE 1: More Political Participation, Transparency and Compromise					
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA			
RESULT 1.2: Efficient and Transparent Elections					
INDICATOR 1: Elections declared free and fair					
UNIT OF MEASURE:		YEAR	PLANNED	ACTUAL	
SOURCE: Public statements of international and domestic observers 10/96.	Baseline	1990		1st free elections	
		1994		Atlantic Coast Elections	
INDICATOR DESCRIPTION:		1995	None		
	Target	1996	Free, fair election	Free, fair	
COMMENTS: Public statements of international and domestic observers 10/96.		1997			
		1998	Free, fair Atlantic Coast Elections		
		1999			

OBJECTIVE 1: More Political Participation, Transparency and Compromise				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 1.2: Efficient and Transparent Elections				
INDICATOR 2: Nicaraguans voting in elections				
UNIT OF MEASURE: %		YEAR	PLANNED	ACTUAL
SOURCE: Supreme Electoral Council voting statistics 11/22/96.	Baseline	1990		86%
		1994		74%
INDICATOR DESCRIPTION:	Target	1996	60%	76%
		1997		
COMMENTS: CSE has not yet disseminated gender disaggregated statistics.		1998	60%	
		1999		

OBJECTIVE 1: More Political Participation, Transparency and Compromise						
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA				
RESULT 1.3: Strengthened civil society						
INDICATOR 1: Citizens participating in municipal meetings						
UNIT OF MEASURE: %		YEAR	PLANNED	ACTUAL	ACTUAL	
SOURCE: USAID/Nicaragua democracy survey	Baseline	1994		10.4%		
		1995		13.3%	14%	12%
INDICATOR DESCRIPTION:		1996				
		1997	17%			
COMMENTS: Survey to be conducted again in 1997.		1998				
	Target	1999	20%			

OBJECTIVE 1: More Political Participation, Transparency and Compromise				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 1.3: Strengthened civil society				
INDICATOR 2: Citizen membership in community interest group				
UNIT OF MEASURE: %		YEAR	PLANNED	ACTUAL
SOURCE: USAID/Nicaragua democracy survey	Baseline	1994		5.3%
		1995		
INDICATOR DESCRIPTION:		1996		
		1997	10%	
COMMENTS:		1998		
		1999	19%	

OBJECTIVE 1: More Political Participation, Transparency and Compromise				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 1.4: More Accountable and Responsive Government.				
INDICATOR 1: Nicaraguan households have access to basic services, e.g., water and sanitation.				
UNIT OF MEASURE: %		YEAR	PLANNED	ACTUAL
SOURCE: Municipal Decentralization & Dev Project.	Baseline	1993	0	47
		1996	50	52
INDICATOR DESCRIPTION:		1997	55	
	COMMENTS: Data based on 41 cities, excluding Managua	Target	1998	60
			1999	

OBJECTIVE 1: More Political Participation, Transparency and Compromise				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 1.4: More Accountable and Responsive Government.				
INDICATOR 2: Independent audits accurately documenting government performance are made public				
UNIT OF MEASURE: Number of public audits		YEAR	PLANNED	ACTUAL
SOURCE: Comptroller General's Office.	Baseline	1995		0
		1996	2	3
		1997	6	
INDICATOR DESCRIPTION:		1998	12	
COMMENTS:	Target	1999	20	

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Sustainable Growth in Income and Employment

SO #2: Sustainable growth of income and employment	
R E S U L T S	Agricultural Markets Working Better
	Small Farmers produce and market more and diverse products
	Financial services responding to savers and investors needs
	Micro-enterprise and rural employment expanded
	Natural resources being used more rationally

The Mission program has contributed significantly to this objective, exceeding targets in most areas. Our portfolio of economic growth activities demonstrates the success of encouraging general policy reforms and targeting specific sectors for program interventions. Real growth of GDP per capita in 1996 exceeded our targets. The GON estimates that the national rate of open unemployment continued to fall in 1996, reaching 16.1% after having been 20.7% in 1994 and 18.2% in 1995. We expect the growth of female employment in the private sector to continue. However the GON Ministry of Labor unit tracking the 1996 figures was replaced in the government transition and the new team is unlikely to have final data soon. The Mission will measure the final key indicator, percentage of people living in absolute poverty, in the 1998 Living Standards Measurement Survey. From the time the U.S. reestablished full trade relations with Nicaragua in 1990, U.S. exports have increased four fold from around \$68 million to approximately \$270 million in 1996. Nicaraguan total exports rose 28% last year to reach \$710 million.

Agriculture on the Move: With a growth rate of 8% in 1996, following a solid 5% rate in 1995, agriculture has become the driving force behind economic growth in Nicaragua³ -- and nontraditional agricultural exports have continued to grow in importance. The Mission met its target this year, meaning that nontraditional exports have almost tripled over the last three years. Production of traditional crops (coffee and rice) and nontraditional crops (onions) have met or exceeded targets over the preceding two years. The number of farmers accessing USAID activities has exceeded estimations significantly (20% are female farmers) -- and the Mission has responded by raising out year targets. The Mission's portfolio directly contributes to these results through introducing new technologies, sustainable agricultural practices, improved storage, marketing locally and abroad, land titling and provision of financial services. Trading of basic grains in the commodity exchange market entity, BAGSA, fell short of the target. However, the BAGSA indicator by itself has not proved to be a useful measure because 90-95% of all basic grain trading now occurs in the private sector through commercial channels and is not listed on the exchange. Since the program has met its objective through other means, the Mission will drop the BAGSA measurement as not fully reflective of the market.

USAID programs use the avenue of producer associations to support a range of services increasing and diversifying production of small farmers. The professional skills of these associations have improved markedly with USAID's institutional support -- and they are providing better services to their clients. The successes of participating farmers have drawn more producers to join these associations. Small farmer members of some coffee, cattle and rice associations saw their average income increase by about \$2,000 in 1996. The rapid expansion of nontraditional crops has led to the creation of over 12,000 permanent jobs.

Marketing of nontraditional crops is one of the our program's most important services. The international market for organically produced products is strong -- and small farmers in Nicaragua working with the USAID grantee

³ Agriculture growth rate will be a new R4 indicator.

CLUSA are responding. After only two years, U.S. markets have imported over \$3.0 million in organic coffee, sesame and other crops produced by local small farmers. Moving to organically produced crops is good business as well as good for the environment. Last year, a hundredweight bag of organically produced coffee sold for \$50 more than a bag of traditionally produced coffee producing more income for the farmers. Women are increasingly participating in organic farming activities -- and therefore learning new production technologies and receiving marketing support.

Forty members of the Matagalpa Coffee Association participate in chemical free, organically grown coffee. This technologically appropriate, labor intensive process is perfect for small farmers and has benefitted from CLUSA's assistance in certification, market contacts and technical advice. This crop has found a niche market in the U.S. and the buyer is paying premium prices. The result has been that the average farmer has earned almost \$1,300 more than the year before and has produced several temporary jobs for the locally underemployed.

Producer associations are advocates for small farmers. They provide access to financial markets and technology services, press local and national governments for better roads and other supporting infrastructure, and encourage sound natural resource management. They play a key customer service role for small farmers to secure clear title to their lands, which helps the farmers become credit worthy and generally improves the investment climate in rural areas. By attracting members from across the political spectrum the associations have contributed to national reconciliation as well.

The PL480 Title III program is an integral element of our strategy to support small farmers and their families. The program has leveraged important policies to enhance food security in Nicaragua. Local currency generations have funded the strengthening of producer associations and are providing desperately needed financing for small farmers profitability programs. Local currency generations have also financed programs to transfer production technology and provide agricultural inputs. Food security in some of the poorest regions of Nicaragua is improving with the use of these resources, coupled with targeted Title II feeding assistance.

Private Sector Progress: Although the economic environment continues to be strained by the failure to comply with the IMF ESAF program, the results of Mission-funded activities have been excellent. Our program has helped establish the private financial sector, mobilize donor support to help address the property problem and increase exports and employment. With over 70% of the deposits and loans, private banks now dominate the sector without the repayment problems that still plague their public sector counterparts. Our program has exceeded targets for the number of private bank loans below \$50,000 and the number of depositor accounts under Cordoba 25,000 in private banks. The private stock exchange is beginning to operate effectively and the state insurance monopoly has been broken. The Mission believes it has achieved its objectives of re-establishing a private financial sector.

Adequate financing of compensation payments is critical to resolving property confiscation disputes. Over the past year, a USAID consultant has helped restructure the property compensation bonds, increasing their market value by 50%. International investors have begun to purchase the bonds, bringing an estimated investment of \$80 million into Nicaragua. The GON is expanding the USAID-supported information-management system facilitating the administrative resolution of property disputes to include other facets of land tenure, including rural titling for small land holders. Overall in 1996, the government resolved 539 U.S. citizen cases, taking the total to 1403; 1037 cases remain unresolved.

Job Growth: Although underemployment remains a serious problem, employment levels continue to rise. With production increases in traditional and nontraditional crops, job prospects -- on and off farm -- are improving in rural areas. Women are the particular beneficiaries, filling almost 33% of the new NTAE jobs.

In supporting Summit of the Americas targets, our micro-enterprise program has provided 40,500 loans totalling \$10.0 million to 16,600 entrepreneurs (85% women) with a recovery rate of over 95%. This significant increase in direct beneficiaries fell short of Mission targets due to overly optimistic estimates for the initial years; the Mission will maintain its out year targets. It will also look to reconfigure its data tables to adequately capture actual new employment generated. USAID continued support for the GON's temporary employment program in formerly conflictive regions I and VI, and expanded it to regions II and V to address poverty issues there. The program, financed by PL480 Title III generations, produced almost 115,000 temporary jobs (40% women). Last year the program rehabilitated and maintained almost 800km of feeder roads, critical for agricultural producers. In addition, the participants planted 3.6 million trees to restore deforested areas.

Jose Martinez Moran is one of ten brothers born to a single mother. After serving a stint in the military, he migrated to the agricultural frontier along the southern Atlantic Coast. He eventually earned enough money to buy a plot of land and then opened a vegetable stand in Managua's central market. After borrowing from loan sharks, he and his wife joined the FAMA program in November 1995 and received a micro-enterprise loan for \$100. He has since obtained and repaid seven loans, the most recent valued at \$450. Business is good and expanding, employing additional family members on a parttime basis. Profits have enabled him to build a house and buy furniture.

Natural Resources: The Mission has had difficulty in measuring and achieving expected progress in this area. It has become clear that the unit of measure for one of the principal indicators (Protected areas under effective management) was not valid for two reasons: 1) a lack of criteria to define and measure management effectiveness; and 2) official figures regarding the area protected had changed. To rectify the situation we propose using a well-defined indicator based on the Parks In Peril index as a replacement to measure this important Summit of the Americas indicator. Using this index, effective management of Nicaraguan protected areas has shown steady improvement.

The Mission fell short on the overly ambitious legislation indicator as the National Assembly passed only one environmental law. However, USAID's key support for developing the General Environmental Law did provide Nicaragua's first general framework and the GON has subsequently issued an overall implementing regulation. Both the law and development of the implementing regulation involved extensive client consultation. The new Assembly has at least six environmentally-related bills on its agenda this year.

Despite the changes in Ministers, MARENA completed its transition from an institute to an environmental Ministry; it restructured, cutting staff by 34% supported by targeted USAID institutional analysis. We helped broker a ground-breaking effort in public-private partnership for natural resources management as MARENA agreed to work with an NGO to help manage the Mombacho volcano reserve. The GON has designated new reserves and begun implementing protection plans in others, using locally organized environmental commissions enhancing client feedback to ensure that local concerns are addressed. The Mission has addressed pipeline in the project issues by consolidating the program strategy in protected areas management, environmental legislation and accelerating execution of the Bosawas reserve activity consistent with CONCAUSA, while foregoing planned obligations to this program.

OBJECTIVE 2: Sustainable Growth of Income and Employment				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
INDICATOR 1: Real growth of GDP per capita				
UNIT OF MEASURE: Percentage annual growth		YEAR	PLANNED	ACTUAL
SOURCE: Central Bank for GDP growth.	Baseline	1994		0.4%
		1995	1.0%	1.3%
INDICATOR DESCRIPTION:		1996	2.0%	2.6%
		1997	2.5%	
COMMENTS: USAID estimates population growth to be 2.9%. USAID plans assistance to the GON's Census agency to track population growth accurately.		1998	3.0%	
	Target	1999	3.5%	

OBJECTIVE 2: Sustainable Growth of Income and Employment						
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA				
INDICATOR 2: Growth in formal, private sector employment						
UNIT OF MEASURE: Percentage annual growth in formal urban employment (public-sector employment is not growing).		YEAR	PLANNED	ACTUAL		
				Male	Female	Total
SOURCE: Ministry of Labor's annual survey of urban employment.	Baseline	1993		91,480	53,303	144,783
		1994		11.4%	16.4%	13.3%
		1995	10%			19.2%
INDICATOR DESCRIPTION:		1996	10%			
		1997				
COMMENTS: Baseline is absolute level. 1995-96 data has been requested from the Ministry. Will be dropped based on reconfiguration of SO2.		1998				
	Target	1999				

OBJECTIVE 2: Sustainable Growth of Income and Employment								
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA						
INDICATOR 3: Percentage of people living in absolute poverty								
UNIT OF MEASURE: Percentage of population below poverty line		Year	Female-Headed		Male-Headed		All	
			Planned	Actual	Planned	Actual	Planned	Actual
SOURCE: Living Standards Measurement Surveys	Baseline	1993		42.0%		53.6%		50.3%
		1996					50.0%	
	Target	1997						
INDICATOR DESCRIPTION:		1998	40.0%		51.0%		46.0%	
COMMENTS: First survey performed in 1993; next scheduled for 1998.		1999						

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OBJECTIVE 2: Sustainable Growth of Income and Employment				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 2.1: Agricultural Markets Working Better				
INDICATOR 1: Value of grain traded on private markets				
UNIT OF MEASURE: \$ million		YEAR	PLANNED	ACTUAL
SOURCE: BAGSA	Baseline	1994	0.0	0.0
		1995	0.5	0.1
INDICATOR DESCRIPTION:		1996	1.5	0.6
	Target	1997		
COMMENTS: Being dropped in favor of GDP of agricultural sector. (See Section III)		1998		
		1999		

OBJECTIVE 2: Sustainable Growth of Income and Employment				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 2.1: Agricultural Markets Working Better				
INDICATOR 2: Value of Non-Traditional Agricultural Exports (NTAEs)				
UNIT OF MEASURE: Total value (\$ millions)		YEAR	PLANNED	ACTUAL
SOURCE: Performance-based. Progress reports by APENN, CLUSA, IESC, MEDE, Central Bank	Baseline	1993		\$30.4
		1994		\$54.2
INDICATOR DESCRIPTION:		1995	\$59.6 - 10%	\$75.1
	Target	1996	\$82.6 - 10%	\$85.0
COMMENTS: Target is based on growth over the previous year's actual level. Being dropped due to reconfiguration of SO2. (See Section III)				

OBJECTIVE 2: Sustainable Growth of Income and Employment								
RESULT 2.2: Small Farmers Produce and Market More and Diverse Products								
INDICATOR 1: Total production: coffee/rice/onions								
Unit: 000 quintals (qq) or hundred weights		Year (end of Season)	Planned			Actual		
			Coffee	Rice	Onions	Coffee	Rice	Onions
Source: Ag Ministry, APENN, ANAR	Baseline	1993			800	600	180	
		1994			910	615	210	
Comments: This indicator is being modified to more accurately reflect small farmer participation in the economy. (See Section III)		1995	950	1,400	275	1,100	1,700	310
	Target	1996	1,300	1,800	325	1,400	2,100	400

OBJECTIVE 2: Sustainable Growth of Income and Employment						
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA				
Result 2.2: Small Farmers Produce and Market More and Diverse Products						
INDICATOR 2: Farmers accessing USAID activities						
UNIT OF MEASURE: Number of farmers		YEAR	Planned		Actual	
			Female	Male	Female	Male
SOURCE: Program evaluation and progress reports by UPANIC, APENN, CLUSA, UNAG, UNICAFE and others	Baseline	1994	N/A	5,000	N/A	7,500
		1995	N/A	8,500	N/A	8,800
		1996	N/A	12,000	4,000	16,000
		1997	5,000	20,000		
		1998	5,600	22,400		
INDICATOR DESCRIPTION:		1999	6,400	25,600		
COMMENTS: Refers to numbers of farmers currently participating in USAID-supported programs.		Target	2000	7,000	28,000	

OBJECTIVE 2: Sustainable Growth of Income and Employment				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 2.3: Financial services responding to savers and investors needs				
INDICATOR 1: Number of private bank loans below US\$50,000				
UNIT OF MEASURE: Number of loans		YEAR	PLANNED	ACTUAL
SOURCE: Superintendency of Banks Quarterly Report	Baseline	1993		4,521
		1994		6,090
		1995	6,699	9,128
	INDICATOR DESCRIPTION:	Target	1996	10,040
COMMENTS: 1996 data as of September 30. Being dropped due to reconfiguration of SO2. (See Section III)			1997	

OBJECTIVE 2: SUSTAINABLE GROWTH OF INCOME AND EMPLOYMENT				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID NICARAGUA		
RESULT 2.3: Financial services responding to savers and investors needs				
INDICATOR 2: Number of depositor accounts under C\$25,000 in private banks				
UNIT OF MEASURE: Number of deposits		YEAR	PLANNED	ACTUAL
SOURCE: Superintendency of Banks Quarterly Reports	Baseline	1993		7,966
		1994		13,314
		1995	14,646	17,731
	INDICATOR DESCRIPTION:	Target	1996	19,500
COMMENTS: 1996 data as of September 30. Being dropped due to reconfiguration of SO2. (See Section III)			1997	

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OBJECTIVE 2: Sustainable Growth of Income and Employment								
APPROVED: June 1995			COUNTRY/ORGANIZATION: USAID/NICARAGUA					
RESULT 2.4: Micro-enterprise and Rural Employment Expanded								
INDICATOR 1: MAS/FISE beneficiaries temporarily employed								
UNIT OF MEASURE: # of beneficiaries		YEAR	Female		Male		All	
			Planned	Actual	Planned	Actual	Planned	Actual
SOURCE: PL-480 Title III Secretariat	Baseline	1993						0
		1994						33,600
		1995					60,000	73,900
		1996	35,560	45,952	53,340	68,928	88,900	114,880
		1997	39,560		59,340		98,900	
INDICATOR DESCRIPTION:	Target	1998	20,000		30,000		50,000	
COMMENTS: starts phasing out in 1998		1999						

OBJECTIVE 2: Sustainable Growth of Income and Employment								
APPROVED: June 1995			COUNTRY/ORGANIZATION: USAID/NICARAGUA					
RESULT 2.4: Micro-enterprise and Rural Employment Expanded								
INDICATOR 2: On/off farm NTAE employment (productive jobs)								
UNIT OF MEASURE: # of NTAE jobs		YEAR	Female		Male		All	
			Planned	Actual	Planned	Actual	Planned	Actual
SOURCE: APENN, CLUSA, PRIDEX, UNAG, and other program progress reports.	Baseline	1993						5,000
		1994						6,200
		1995					8,100	9,700
		1996		3,950		8,050	10,200	12,000
		1997	4,100		8,600		12,700	
INDICATOR DESCRIPTION:		1998	4,400		9,000		13,400	
COMMENTS: Target growth 6% per year.		1999	4,700		9,500		14,200	
	Target	2000	4,900		10,200		15,100	

OBJECTIVE 2: Sustainable Growth of Income and Employment								
APPROVED: June 1995			COUNTRY/ORGANIZATION: USAID/NICARAGUA					
RESULT 2.4: Micro-enterprise and Rural Employment Expanded								
INDICATOR 3: Number of micro-entrepreneurs receiving loans under USAID projects								
UNIT OF MEASURE: # of people		YEA R	Female		Male		All	
			Planned	Actual	Planned	Actual	Planned	Actual
SOURCE: USAID program data.	Baseline	1994		0		0		0
		1995	4,900	7,100	2,300	600	7,200	7,700
		1996	15,000	14,000	8,553	2,642	23,553	16,642
		1997	28,000		5,000		33,000	
INDICATOR DESCRIPTION:		1998	35,000		10,000		45,000	
COMMENTS: Projects started in 1995.	Target	1999	43,000		12,000		55,000	

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OBJECTIVE 2: Sustainable Growth of Income and Employment				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 2.5: Natural Resources Being Used More Rationally				
INDICATOR 1: Protected areas under effective management				
UNIT OF MEASURE: index of area management		YEAR	PLANNED	ACTUAL
SOURCE: MARENA, NRM	Baseline	1993		22
INDICATOR DESCRIPTION: New		1994		23
		1995		29
		1996		34
		1997	37	
COMMENTS: The five priority protected areas are: Bosawas Reserve, Volcan Masaya National Park, Volcan Mombacho Reserve, La Flor Wildlife Refuge, and Cayos Miskitos Reserve (787,000 ha total). The management index, based on 16 criteria, is derived from Parks in Peril (PiP), a Latin American protected areas program. The maximum total/area is 80 points. In Latin America, the average score of nine protected areas in 1996 was 44.		1998	42	
	Target	1999	45	

OBJECTIVE 2: Sustainable Growth of Income and Employment				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 2.5: Natural Resources Being Used More Rationally				
INDICATOR 2: New and/or revised laws passed				
UNIT OF MEASURE: laws passed and signed		YEAR	PLANNED	ACTUAL
SOURCE: MARENA, National Assembly, and NRM	Baseline	1993	0	0
INDICATOR DESCRIPTION: 1996 result is the General Environmental Law (GEL). The General Regulation to the GEL was also passed in 1996, thus enacting Nicaragua's first environmental legislation.		1994	1 law	0
		1995	3 laws	0
		1996	3 laws	1 law
		1997	2 laws & regs	
COMMENTS: Original indicator does not reflect regulations. Target is not cumulative.	Target	1998	2 laws & regs	
		1999		

Better Educated, Healthier, Smaller Families

SO# 3: Better educated, healthier, smaller families	
R	Better nourished women and children
E	
S	Increased use of child survival services and practices
U	
L	Increased use of reproductive health services and practices, including HIV/STDs
T	
S	Increased quality and efficiency of primary education

USAID assistance has contributed to excellent results in the social sectors. The infant mortality rate has dropped more quickly than expected to 50 per 1000 live births. Although fertility was not surveyed in 1996, its proxy indicator, couple years of protection (CYPs), has exceeded all targets. The key education indicator, percentage of children completing the sixth grade, has met the target level.

Nutrition: Our program has made significant progress in promoting exclusive breast-feeding in its area of concentration. A USAID financed media campaign combined with a grassroots community organization in PVO target areas has yielded exclusive breast-feeding rates as high as 30 or 40%. This compares favorably with the 1993 national rate of only 11% and proves that this practice can be increased through information-education-communication campaigns. Two USAID Title II supplemental feeding programs in northern Nicaragua received their first food shipments by the end of last year. The campaign to reduce micro-nutrient deficiencies progressed well during the first six months, but was set back subsequently when UNICEF curtailed donations of Vitamin A and the Ministry of Health (MINSA) could not find other sources of financing.

Healthier Children: Immunization rates have surpassed our targets, prompting the GON, PAHO and USAID to establish a new target of 90% coverage for both infant boys and girls. Immunization rates have increased for all antigens since 1990: polio from 87% to 98%, DPT from 66% to 89%; and measles from 82% to 89%. Consequently, these USAID supported efforts have resulted in immuno-preventable diseases being no longer among the major causes of infant mortality: only one death (due to neonatal tetanus) was registered in 1996. Recognition of symptoms of severe dehydration and acute respiratory infection has risen sharply in areas where PVOs are working with our assistance. GON clinics have instituted programs of appropriate treatment with ORS and antibiotics. More people are accessing preventive care facilities, thus contributing to the Summit of Americas target. The 1997 Family Health Survey should provide solid evidence of this progress.

Brayan Ortiz Blandon, three years old, was taken by his mother early one morning to the municipal health center in Boaco with a suspected case of pneumonia. Untreated pneumonias are the second leading cause of death for children under five years old in Nicaragua. Fortunately for Brayan, the doctors in the Boaco Health Center had recently received training from the Decentralized Health Services Project in the appropriate use of antibiotics for acute respiratory illness (ARI). As a result of that training, overall use of antibiotics for ARI dropped from 60% of all cases to 26% in six short months. By eliminating the indiscriminate use of antibiotics for colds and flu, the project ensured that these life-saving drugs would be in stock when children who really needed them, like Brayan, arrived at the health center. He is now fully recovered.

Reproductive Health: Our bilateral and private sector projects have begun to generate results. Couple years of protection provided by MINSA in the four project SILAIS where our program resources are concentrated have far outstripped expectations, leading to a readjustment of the target. Both the percentage of mothers

receiving prenatal care in the first trimester of pregnancy and the percentage giving birth in institutions aided by trained personnel have risen. Figures from the Family Health Survey should be even higher because they will capture births attended by trained lay midwives. In the private sector, CYPs provided by Profamilia have dropped slightly since last year, but still exceed current targets.

AIDS: Progress in AIDS prevention has been hampered by a lack of resources. AIDSCAP technical assistance has supported the outreach work of several local NGOs. MINSA has distributed donated condoms to high risk groups, which should lower transmission rates.

Overall, donor coordination has played an important role at the central health level but could be better with a more aggressive approach by the Ministry. It is better in the health districts (SILAIS), with USAID-funded organizations signing memoranda of understanding and agreements regarding joint work. As for assistance to the SILAIS, the MINSA has done an excellent job of establishing common donor policies and operating procedures for maternal-child health care activities and an acceptable job of avoiding geographic overlap in project implementation. Coordination of implementation efforts, sharing of lessons learned and best practices is left to donors who exchange information only sporadically.

Primary Education Improvements: The USAID supported program of teacher training and curriculum development has been instrumental in improving the quality and efficiency of basic education in Nicaragua. The program has exceeded expectations in reducing repetition rates, particularly in the first (from about 41% to 23%) and second grades (from about 17% to 14%); the rate is slightly lower for girls. Recently administered achievement tests established student baseline data, which revealed nearly equal scores for boys and girls in language and math. This program has provided over 15,000 primary school teachers, supervisors, and directors with in-service training in active methodologies and the use of curriculum materials; these improvements are benefitting almost 750,000 children; and over 4,000 MED personnel have been trained in the areas of decentralization, budgeting, accounting, and the Management Information System (MIS). Our shared advocacy and support for decentralization has enabled the Ministry of Education (MED) to grant autonomy to more than 9% of schools which cover more than 32% of the student population. The Mission's support for local level involvement in schools is encouraging parental participation, which should lead to better student performance.

Five million primary school textbooks have been delivered to the MED since the program's inception. Our program has produced approximately 90,000 study programs and methodology guides have been developed and distributed to 1st, 2nd, and 3rd grade teachers and directors in the 68 model schools. Around 20,000 didactic manuals were also provided to all primary school teachers, as well as learning kits for 1st and 2nd grades delivered to 800 schools. The program has installed the MIS in Central MED and 20 departmental offices, and trained Central MED and departmental offices in software use.

The program has established better coordination with other donors contributing to the overall impact. A UNESCO project works alongside the BASE team at the primary level, with an emphasis on grades 5 and 6; a World bank project provides textbooks and school improvements; the Japanese have built more schools and a planned BID activity will focus on secondary education. The efficiency and quality components complemented by physical expansion and improvements by other donors contributes to expanding access for all Nicaraguans, a key Summit of the Americas principle.

OBJECTIVE 3: Better Educated, Healthier, Smaller Families						
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA				
INDICATOR 1: Primary school completion rate						
UNIT OF MEASURE: % of children		YEAR	PLANNED	ACTUAL	ACTUAL	
SOURCE: Ministry of Education (MED)					Male	Female
	Baseline	1993	21%	23.5%	20%	25%
		1994	22%	24.8%	22%	27%
		1995	23%	26.8%	22%	28%
INDICATOR DESCRIPTION:		1996	28%	28%	24%	31%
		1997	30%			
COMMENTS: Previous data from 1993 -- 1995 based on MED estimates. We have revised figures for all years which exclude older students enrolled in primary school. We are assessing a newer system to track this indicator.		1998	31%			
		1999	35%			
	Target	2000	40%			

OBJECTIVE 3: Better Educated, Healthier, Smaller Families						
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA				
INDICATOR 2: Infant Mortality Rate (IMR)						
UNIT OF MEASURE: Deaths per thousand		YEAR	PLANNED	ACTUAL		
SOURCE: Family Health Survey	Baseline	1993			58	
		1995			56	
INDICATOR DESCRIPTION:		1996		55	50	
		1997		49		
COMMENTS: Data for years when no FHS is performed come from CELADE projections.		1998		48		
		1999		47		
	Target	2000		46		

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OBJECTIVE 3: Better Educated, Healthier, Smaller Families				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
INDICATOR 3: Total Fertility Rate (TFR)				
UNIT OF MEASURE: number of children		YEAR	PLANNED	ACTUAL
SOURCE: Family Health Survey (FHS)	Baseline	1993		4.6
		1995	4.4	
INDICATOR DESCRIPTION: Average number of children born to a woman over her life-time		1996	4.2	
		1997	4.1	
COMMENTS: Data available every five years. See proxy indicator (CYP) below for intervening years.		1998	4.0	
		1999	3.9	
	Target	2000	3.8	

OBJECTIVE 3: Better Educated, Healthier, Smaller Families				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
INDICATOR 4: Couple years of protection (CYP)- public sector				
UNIT OF MEASURE: years of protection		YEAR	PLANNED	ACTUAL
SOURCE: DHS Project	Baseline	1992		34,700
		1995	35,200	54,396
INDICATOR DESCRIPTION:		1996	36,000	85,793
		1997	95,000	
COMMENTS: CYPs provided by public sector clinics in four health districts covered by DHS project.	Target	1998	110,000	
		1999	130,000	

OBJECTIVE 3: Better Educated, Healthier, Smaller Families				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
INDICATOR 5: Couple years of protection (CYP) - Profamilia				
UNIT OF MEASURE: years of protection		YEAR	PLANNED	ACTUAL
SOURCE: Profamilia	Baseline	1992		52,000
		1995	100,000	139,000
INDICATOR DESCRIPTION: CYPs provided by nationwide system of clinics and CBD posts.		1996	118,000	138,000
		1997	150,000	
COMMENTS:	Target	1998	155,000	
		1999	165,000	

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OBJECTIVE 3: Better Educated, Healthier, Smaller Families				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 3.1: Better Nourished Women and Children				
INDICATOR 1: % of children under 5 years with Vitamin A deficiency				
UNIT OF MEASURE: % of children under 5 years with Vitamin A deficiency		YEAR	PLANNED	ACTUAL
SOURCE: National Nutrition Survey	Baseline	1993		67%
		1996	40%	
INDICATOR DESCRIPTION:		1997	35%	
	COMMENTS: Between surveys, proxy indicator is the percent of children receiving two doses of Vitamin A from the Ministry of Health. See below.	1998	30%	
1999		30%		
Target		2000	28%	

OBJECTIVE 3: Better Educated, Healthier, Smaller Families				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 3.1: Better Nourished Women and Children				
INDICATOR 2: % of children under five receiving Vitamin A supplements				
UNIT OF MEASURE: % of children		YEAR	PLANNED	ACTUAL
SOURCE: PAHO, MINSA data.	Baseline	1993		0
		1995	70%	> 80%
INDICATOR DESCRIPTION:		1996	75%	70% (1 dose)
		1997	75%	
COMMENTS:		1998	80%	
	Target	1999	80%	

OBJECTIVE 3: Better Educated, Healthier, Smaller Families				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 3.1: Better Nourished Women and Children				
INDICATOR 3: Prevalence of exclusive breast-feeding				
UNIT OF MEASURE: % women		YEAR	PLANNED	ACTUAL
SOURCE: Family Health Survey	Baseline	1993		12%
		1995	13%	
INDICATOR DESCRIPTION:		1996	14%	
		1997	16%	
COMMENTS: National data only available thru repeat FHS. Data from PVO target areas will be used in intervening years.		1998	17%	
		1999	18%	
	Target	2000	20%	

Data for PVO target areas	BASELINE	EVALUATION
PCI (Managua)	10%	38%
ADRA (Nueva Segovia, Estelí)	10%	40%
CRS (Managua, Masaya)	2%	5%
World Vision (Granada)	0%	22%
Project HOPE (Carazo)	N/A	18%
Save the Children (León, Chinandega)	N/A	N/A
Partners of America (Rivas)	6%	15%
CARE (Matagalpa)	16%	21%
MIHV (Jinotega)	24%	
World Relief (Tipitapa, Managua, Río San Juan)	2%, 2%, 12%	15%, 0%, 23%

OBJECTIVE 3: Better Educated, Healthier, Smaller Families				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 3.1: Better Nourished Women and Children				
INDICATOR 4: % of Children under 3 Stunted (Regions I, II and VI)				
UNIT OF MEASURE: % of children stunted		YEAR	PLANNED	ACTUAL
SOURCE: Title II operations research & repeat LSMS in 1998	Baseline	1993		17, 8, 18
INDICATOR DESCRIPTION: 1993 Baseline data for children from LSMS used as an indicator of severity. Now that we have completed program surveys, we are establishing a new baseline in 1996, combining data from the Title II target areas in all three regions.				boys girls
	New Baseline	1996		29% 39%
	Target	1997	TBD	
COMMENTS: During program week, we will consult with technical experts in LAC, GLOBAL and BHR to establish out year targets.		1998	TBD	
		1999		

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OBJECTIVE 3: Better Educated, Healthier, Smaller Families					
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA			
RESULT 3.1: Better Nourished Women and Children					
INDICATOR 5: % of children under 3 underweight (Regions I, II and VI)					
UNIT OF MEASURE: % of children underweight		YEAR	PLANNED	ACTUAL	
SOURCE: Title II operation research & 1998 LSMS	Baseline	1993		23, 23, 26	
INDICATOR DESCRIPTION: 1993 Baseline data for children from LSMS used as an indicator of severity. Now that we have completed program surveys, we are establishing a new baseline in 1996, combining data from the Title II target areas in all three regions.				boys	girls
	New Baseline	1996		6%	24%
	Target	1997	TBD		
COMMENTS:		1998	TBD		
		1999			

OBJECTIVE 3: Better Educated, Healthier, Smaller Families					
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA			
RESULT 3.2: Increased Use of Child Survival Services and Practices					
INDICATOR 1: Vaccination coverage rates - polio3, DTP3, measles					
UNIT OF MEASURE: % target population		YEAR	PLANNED	ACTUAL	
SOURCE: MINSA/PAHO statistics	Baseline	1993		94, 78, 93	
		1994		84, 74, 73	
		1995	> 80, > 80, > 80	96, 85, 81	
INDICATOR DESCRIPTION: 1996 data preliminary		1996	> 80, > 80, > 80	98, 89, 89	
		1997	> 90, > 90, > 90		
COMMENTS: MINSA/PAHO Data considered high due to double counting.	Target	1998	> 90, > 90, > 90		
		1999			

OBJECTIVE 3: BETTER EDUCATED, HEALTHIER, SMALLER FAMILIES				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 3.2: Increased Use of Child Survival Services and Practices				
INDICATOR 2: % of children with diarrhea treated with ORS				
UNIT OF MEASURE: % of children		YEAR	PLANNED	ACTUAL
SOURCE: Family Health Survey In intervening years, data from PVO Co-Financing projects will be used. See below.	Baseline	1992		54%
		1993		54%
		1995	55%	N/A
INDICATOR DESCRIPTION:		1996	56%	N/A
		1997	57%	
COMMENTS:		1998	58%	
		1999	59%	
	Target	2000	60%	

PVO target areas	BASELINE	EVALUATION
PCI (Managua)	53	54
ADRA (Nueva Segovia, Estelí)	42	62
CRS (Managua, Masaya)	40	47
World Vision (Granada)	26	64
Project HOPE (Carazo)	22	46
Save the Children (León, Chinandega)	36	52
Partners of America (Rivas)	53	60
CARE (Matagalpa)	59	59
MIHV (Jinotega)	46	
World Relief (Managua, Río San Juan)	N/A	35, 47, 60

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OBJECTIVE 3: Better Educated, Healthier, Smaller Families				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 3.3: Increased Use of Reproductive Health Services and Practices Including STDs/HIV				
INDICATOR 1: Condom use among high risk groups (STDs/HIV)				
UNIT OF MEASURE: % condom use		YEAR	PLANNED	ACTUAL
SOURCE: Family Health Survey	Baseline	1993		2%
		1995	3%	N/A
INDICATOR DESCRIPTION: % of high-risk women consistently using condoms.		1996	4%	N/A
		1997	5%	
COMMENTS: 1997 Survey will refine this indicator.		1998	7%	
		1999	9%	

OBJECTIVE 3: Better Educated, Healthier, Smaller Families				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 3.3: Increased Use of Reproductive Health Services and Practices Including STDs/HIV				
INDICATOR 4: Births attended by trained personnel				
UNIT OF MEASURE: %		YEAR	PLANNED	ACTUAL
SOURCE: Family Health Survey	Baseline	1993		60.0%
		1995		53.6%
INDICATOR DESCRIPTION:		1996	68%	61.7%
		1997	70%	
COMMENTS: Next survey 1997-1998. In intervening years will use MINSA's statistics from 4 SILAIS (hospitals and Health Centers). Actual figures do not include births attended by trained midwives.		1998	72%	
		1999	74%	
	Target	2000	75%	

OBJECTIVE 3: Better Educated, Healthier, Smaller Families				
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 3.4: Increased Quality and Efficiency of Primary Education				
INDICATOR 1: Primary school repetition rates (grades 1-4)				
UNIT OF MEASURE: % of students		YEAR	PLANNED	ACTUAL
SOURCE: Baseline: RTI Repetition Study, Ministry of Education data	Baseline	1993		41/17/11/11
		1995	41/17/11/11	26/15/12/8
INDICATOR DESCRIPTION:		1996	24/13/10/7	23/14/11/8
		1997	22/13/11/7	
		1998	21/12/10/7	
COMMENTS: Repetition rates slightly lower for girls, but difference not statistically significant.		1999	20/11/9/6	
	Target	2000	19/10/8/5	

OBJECTIVE 3: Better Educated, Healthier, Smaller Families									
APPROVED: June 1995		COUNTRY/ORGANIZATION: USAID/NICARAGUA							
RESULT 3.4: Increased Quality and Efficiency of Primary Education									
INDICATOR 2: Achievement test scores									
UNIT OF MEASURE: % test scores increase				YEAR	PLANNED	ACTUAL			
						Spanish		Math	
SOURCE: MED						Female	Male	Female	Male
	Baseline	1995	0%	59%	58%	33%	34%		
INDICATOR Baseline testing was done by the project in 1995 for 4th grade in Spanish and Math.		1996	3%						
		1997	8%						
COMMENTS: Nationwide testing administered for 4th grade in Spanish and Math. Results for 1996 will be reported during program week in April 1997. Nationwide testing in 2nd grade in Dec. 19'97.	Target	1998	14%						
		1999	20%						
		2000	25%						

B. Expected Progress Through FY 1999

The Mission has made good progress towards achieving its strategic objectives. Reaching these objectives is a long-term process requiring a stable donor, and particularly a U.S. assistance presence. In the Congressional Presentation, the Mission posited that 1997 to 2002 was critical for attaining a solid sustainable development foundation in Nicaragua; it still is.

More Political Participation, Compromise and Transparency

The Mission expects to achieve its targets for higher levels of political tolerance, political system support and democratic strength despite lingering obstacles by continuing to implement its program largely as planned, but with some increased emphases on support of the Aleman administration's efforts in consolidating the rule of law. Our confidence is based on the willingness to dialogue by opposing parties, the more professional discussion of controversial issues, and the growth of civil society, though we are mindful of ever tightening budget resources.

Support for the political system remains fragile -- and will rely heavily on the success of the current administration to produce economic opportunities and improve living conditions for the average Nicaraguan. Combatting corruption will also lead to greater systems support. Politicians must also learn to resolve differences with less rancor. USAID expects support for the judicial system and for local governments to increase as they provide better services for their clients.

Closing the Electoral Loop: Political tolerance and support can rise by increasing the inclusiveness of the electoral system. The Mission and other donors will continue to work with the CSE to ensure success of the 1998 Atlantic Coast regional elections. Specifically we shall continue supporting the voter ID process in that region and in the ad hoc communities. Equally importantly, we will support the emerging local NGO observer group (ET). We shall also, in conjunction with other donors and our clients, use the lessons learned in the recent national election to help the CSE develop an improved electoral law and improved administrative procedures. Our target is to have 90% of the eligible Atlantic Coast population registered to vote, with at least 60% participating in the elections. We are also taking aim to have 50% of the citizens in the ad hoc regions who apply for their voter IDs, receive them by the end of 1997.

Key Year for Consolidating the Rule of Law: Our program supports consolidating the rule of law through improved administration of justice and the strengthening of local human rights groups and through a greater respect for human rights by the military and police. Given the centrality of resolving the property issue to U.S.- Nicaragua relations, we plan to fold in our targeted assistance under this rubric. This will enable us to continue technical assistance to address compensation mechanisms. USAID will continue to work with local organizations to improve their coordination and human rights reporting and follow-up. USAID will support the human rights ombudsman when elected and seek to assure the successful transfer of CIAV functions, and the sustainability of the peace commissions.

Accomplishing our targets for rule of law and human rights activities is extremely sensitive to events beyond the control of the Mission, depending on actions by the Supreme Court and the Assembly and the new government carrying out its commitment. USAID will continue to work closely with the Court and Assembly in acting on the agenda to reform the administrative code, criminal procedure and penal codes. We will help launch efforts to establish the public defenders office and restructure the role of the prosecutor's office. Overall, the next 12-18 months are critical to building momentum for reform.

Accessible and Accountable Government: The Mission expects all levels of government, including municipalities, to become more responsive and accountable. Our program will strengthen systems at the municipal level and assist in developing more efficient mechanisms to generate and transfer resources. As a

result, Nicaraguan households will have enhanced access to better basic services. The program will stimulate citizen participation in local decision making, thereby increasing confidence in municipal government. Continued expansion and availability of public audits will document GON executive branch performance at the national level. Key elements will be improved integrated financial management of public resources and adoption of a fully unified tax system. We plan a stepped up initiative to support the Vice President in the government's anti-corruption efforts, involving public awareness campaigns, training and possible establishment of a Transparency International Branch in Nicaragua. Continued management of close donor coordination in this area will augment results.

The program will continue to support professionalization of the National Assembly in conjunction with an IDB program. Legislators will be able to consider bills from a more informed standpoint through USAID-financed training of deputies and committee staff supplemented by a modern management information system. The sharp divisions in the Assembly will continue to present difficulties in passing laws -- but we expect the major parties to participate in the discussion of significant legislation and to vote.

Our program will help local groups and NGOs to become more sustainable and to act as advocates for their members, thus becoming important bulwarks of the civil society. In particular, the program will teach women, labor and youth about their political rights and responsibilities in a democratic society, strengthen political parties and build linkages between citizens and their elected local and national government representatives. Formal civic education will expand to include both primary and secondary levels, reaching more than one million students.

In FY 1998 the Mission will consolidate its activities under this strategic objective into two results package agreements, one geared primarily to Consolidating the Rule of Law and the other to Good Governance.

Sustainable Growth in Employment and Income

We expect that Nicaragua's economic performance will continue to improve, led by small producers on and off farm. Expanding and transforming the rural economy is key to addressing poverty and bringing the majority of small farmers and rural entrepreneurs into the mainstream. By focussing on this priority, our programs will help increase the number of permanent jobs in rural and urban areas -- decreasing unemployment and underemployment levels. Increased employment will lead to increased income; and the percentage of people living in absolute poverty should drop below 50%. Due to declining funding for economic growth, we will narrow our focus to helping small farmers and micro-entrepreneurs increase their productivity and incomes.

Small Producer Profits: Thus, the Mission will focus its scarce economic growth funds on helping small farmers increase and diversify their production and hence their profitability. We will build on our successful activities to expand small farmer access to productive, marketing and financial services through local farmer associations. We expect our rural credit union program to come on stream with the reactivation of 12 credit unions in FY 98, which will mobilize rural savings and begin extending credit to small farmers and other small rural entrepreneurs. The program will continue to emphasize sustainable agriculture practices and soil conservation, reaching more farmers who live in buffer zones and on marginal lands. The new Aleman Administration plans to develop a small farmer/rural development strategy by November 1997. We will explore with the Minister of Agriculture possible assistance in accelerating land titling, small farmer access to improved seed, post harvest grain storage and marketing by using our limited DA and Title III resources and leveraging other donors.

As the USAID program stimulates growth in the agricultural sector, there will be more post-harvest jobs processing production, many of which will be filled by women. By using lower levels of technology and more labor the boom in organic crops also creates more jobs. Our expanding microenterprise program also supports

small producers off farm, particularly in small towns and cities. We expect a consistent increase of jobs created by micro-entrepreneurs. We expect females to be the primary beneficiaries of the loans.

We will continue our activities in natural resources. We will improve the management of protected areas, by assisting in developing a national system of protected areas and formulating sustainable management plans for five areas. We will help MARENA and the National Assembly draft four new sets of environmentally related laws and regulations expected to go into effect during the R4 period. USAID will continue to support the efforts of NGOs and local community boards to improve local management of natural resources in four protected areas.

The Mission will combine most of these elements (with the exception of some in the Natural Resources Management Project) into one results package for small producer profits. The results package will encompass the entire strategic objective within two years, narrowing the objective down to only two intermediate results: small farmers and microenterprise. Consequently, we will phase out the NRM activity. We will also forego plans for bilateral efforts in trade promotion, fiscal policy and private financial sector development. Rather, we will rely on G-CAP's PROALCA program and possibly a Caribbean Basin Initiative for promoting trade and investment and preparing Nicaragua for entry into the free trade zone of the Americas.

Better Educated, Healthier, Smaller Families

The Mission is particularly optimistic about achieving our targets for this objective. The Mission's efforts have a direct, significant role in all the major indicators. Completion rates in primary school have already begun to rise. Greater gains will occur when the first cohort to receive six full years of improved education reaches graduation. Infant mortality rates will decline steadily. Preventive health care, including inoculations against childhood diseases, has been very successful. Fertility rates will continue to decline as more men and women use modern methods of family planning.

Improved Family Health: The Mission expects steady improvement in all sectors of this program through effective implementation of our bilateral and global supported activities. Our program of food targeting (Title II) and vitamin assistance coupled with the teaching of better feeding techniques will lead to better nutrition for women and children: more children will receive Vitamin A supplements; more women will use exclusive breast-feeding. In the poorest regions of the country, the numbers of stunted and underweight children, both boys and girls, will decline. USAID's efforts to emphasize primary health care by creating a more efficient and integrated maternal/child health care system through governmental efforts supplemented by NGO training and outreach will result in child survival services becoming more accessible and better practices being adopted by mothers. Our efforts in conjunction with the other donors to provide inoculations for childhood diseases should remain at about 90%, while the percentage of children with diarrhea treated with ORS should rise steadily.

USAID's promotion of efficiency measures in MINSA and of targeting rural, poor women will lead to increased use of reproductive health services, a critical element in improved health practices and addressing the growing concern of AIDS. Given the training of formal and non-formal health workers, the program will lead to a lower level of maternal mortality and to a higher level of the number of births attended by trained staff. We expect the contraceptive prevalence rate to rise, particularly those methods not requiring surgery. As a result of a recent evaluation, we are working to emphasize that programming and management improvements need to become integral to the private sector institution implementing the program. Finally, through a comprehensive IEC campaign, we expect a rise in the use of condoms by high-risk groups. The child survival and reproductive health programs will be combined into a single results package in FY 1998.

Primary Education: Primary education is expected to remain one of the Mission's top performers during the R4 period. Our support for curriculum reform complemented by training of teachers and access to better teaching materials for the primary grades will help reduce primary school repetition rates for both sexes through

the first four grades, while raising achievement test scores in Spanish and math for boys and girls. A key element of our portfolio under which we have structured several activities is to encourage local control of more schools and greater participation of parents. In larger schools, this can be accomplished by giving the schools more authority in resource control and teacher evaluation. By the end of the reporting period, the Mission expects over 40% of the student population to be attending autonomous schools. In both the large and small schools, increased parental participation in school activities, and school boards will increase family interest in student progress, and therefore overall student performance.

III. STATUS OF THE MANAGEMENT CONTRACT

The Mission does not expect to change any strategic objectives over the period of this R4. In SO2, we will undertake a development exercise which will result in a refined strategy and a new result package agreement. Certain SO indicators might change, but at a minimum, achievement of the objective will rely more heavily on the contribution of other donors, given the reduction in economic growth funding. Within all three SOs, we have decided to modify some intermediate results and indicators to reflect our experience and progress to date.

More Political Participation, Compromise and Transparency

The Mission has revised and expanded the variables used to measure democratic strength to make it more objective, recognizing subjectivity still plays a part. These include: accessing financial service risk analysis; evaluating the conduct of public demonstrations; tracking the percentage of legislators voting on key bills; incorporating results from the biannual political tolerance survey; determining the length and characteristics of intergovernmental crises (do government functions halt or are the problems resolved through legitimate means); and reviewing the conduct of elections.

Under greater protection for human rights and AOJ, the Mission is making several adjustments. First, we are renaming this intermediate result to Consolidating Rule of Law. Second, we have revised the "decrease in human rights violations" indicator to correspond to the current trends and to reflect the types of violations, which are generally less serious than the "prevalence of homicides," used in the past; we have disaggregated this indicator by gender. Due to better reporting, the rate of reduction will be more moderate. Third, since the Tripartite Commission has been closed, we cannot track performance in complying with case recommendations. Upon election of the Ombudsman, we will devise an indicator tracking which groups perpetrate these violations. Finally, to add balance, the Mission will begin tracking new judicial codes adopted by the National Assembly. This will give us a progress indicator in judicial reform where USAID is directly providing assistance.

Under elections, the Mission will track the indicators under the intermediate result of "efficient and transparent elections" through the 1998 regional Atlantic Coast elections. Under good governance, we have added an indicator tracking the passage of the National Assembly's legislative agenda, i.e., the percentage enacted of bills presented, to track the institution's performance. Under "strengthening civil society," we have had difficulty collecting data on the indicators in the interim years between national surveys. In 1997, we will carry out the biannual survey which will supply data to report accurately on participation in municipal meetings and membership in community interest groups.

OBJECTIVE 1: More Political Participation, Transparency and Compromise				
APPROVED: Feb 1997		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 1.1: Consolidating the Rule of Law				
INDICATOR 1: New judicial codes adopted by National Assembly				
UNIT OF MEASURE: Laws		YEAR	PLANNED	ACTUAL
SOURCE: Publishing Law in La Gaceta	Baseline	1994		
		1995		
INDICATOR DESCRIPTION:	Target	1996	New organic law passed by NA	Organic Law presented to NA but not legally passed
		1997	New Administrative Code passed by NA	
COMMENTS: The Supreme Court has identified the Administrative Code as their highest priority for 1997, followed by the Penal Code and the Criminal Procedures Code.		1998	New Penal and Criminal Procedures Code passed by NA	
		1999		

OBJECTIVE 1: More Political Participation, Transparency And Compromise				
APPROVED: Feb 1997		COUNTRY/ORGANIZATION: USAID/NICARAGUA		
RESULT 1.4: More Accountable and Responsive Government				
INDICATOR 3: National Assembly enacts key legislation.				
UNIT OF MEASURE: % enacted of bills presented		YEAR	PLANNED	ACTUAL
SOURCE: National Assembly Legislative records.	Baseline	1996		28.5
		1997	35	
INDICATOR DESCRIPTION:	Target	1998	40	
COMMENTS:		1999		

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Sustainable Growth in Employment and Income

The following represents a revised SO2 framework, reflecting a narrower focus to accomplish our income and employment objective. The framework is reduced from five to three intermediate results, emphasizing small producers and natural resource management. Achievement of the fourth intermediate result is required in order to make substantive progress against SO2. However, given the lack of resources, we will monitor the efforts of the private sector, GON and other donors in creating the best economic environment.

SO #2: Sustainable growth of income and employment	
Growth of real GDP per capita	
* Reduction in open unemployment	
Percentage of people living in absolute poverty	
R E S U L T S	1. Small farmers produce and market more and diverse products
	* Growth rate of agricultural GDP
	* Output of coffee and basic grains
	Farmers accessing USAID services
2. Micro-enterprise and rural employment expanding	
MAS/FISE beneficiaries temporarily employed	
On/off farm NTAE employment	
Number of micro-entrepreneurs receiving loans under USAID projects	
3. Natural resources being used more rationally	
Protected areas under effective management	
New laws passed and regulations implemented	
4. Environment for growth of the formal private economy improving(other donors)	
Growth rate of exports	
Increase of private investment	
Growth in formal private-sector employment	

* New Indicators

Two of the three principal indicators tracking progress towards this objective will remain the same, unless modified in the result package development process. We will replace the more narrow urban private sector employment figure with a broader reduction in open unemployment indicator. Also, the Mission will make adjustments under some of the intermediate results.

Under efforts to help "small producers diversify and increase production," the Mission will modify and raise all targets in the agriculture sector, reflecting our successes and our optimism for future performance. Therefore, instead of following the value of nontraditional agricultural exports, we are going to track the output of coffee and basic grains; we will raise the targets for farmers accessing producer association services; and we will raise on/off farm NTAE employment figures. As mentioned above, the Mission will replace the BAGSA indicator, which has become irrelevant, with tracking the growth of the agriculture sector. Tracking sectoral growth is appropriate because the Mission has a significant portfolio in the agricultural sector, and coordinates closely with other donors. The specific features of each measurement will be elaborated in the coming year during our result package design. Indicator targets in micro-enterprise and emergency employment programs will remain the same. However, should PL480 Title III not be available to Nicaragua in FY 97, the Mission would revise the temporary employment indicators that rely totally on local currency generations.

As noted, the measure for the principal natural resources management indicator will change from an area

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measure to a carefully defined qualitative index of effective management developed by the Parks in Peril Program. The index contains sixteen criteria and can compare performance across countries. Using this index, we have established a baseline figure and can systematically measure our performance in the protected areas. For tracking new legislation, the Mission has lowered the target for 1997 and added a quality dimension. The new target encompasses not only promulgating the law, but also adopting implementing regulations. Implementing regulations are what give teeth to policy changes.

Finally, the Mission's success in encouraging structural adjustment in the financial sector, surpassing or almost reaching our 1999 targets in 1996, and leveraging other donor presence has been impressive. For this reason -- as well as a lack of economic growth funding -- the Mission will no longer provide assistance in this area nor track financial sector indicators regarding private banks loans and private bank depositors.

OBJECTIVE 2: Sustainable growth of income and employment				
APPROVED: Feb 1997		COUNTRY/ORGANIZATION: USAID NICARAGUA		
INDICATOR 2: Reduction in open unemployment				
UNIT OF MEASURE: Percent unemployed		YEAR	PLANNED	ACTUAL
SOURCE: Central Bank	Baseline	1993		21.8%
		1994		20.7%
		1995		18.2%
INDICATOR DESCRIPTION:		1996		16.1%
		1997	15.0%	
COMMENTS: Includes both urban and rural unemployment.		1998	14.0%	
		1999	13.0%	
	Target	2000	12.0%	

OBJECTIVE 2: Sustainable growth of income and employment						
APPROVED: Feb 1997		COUNTRY/ORGANIZATION: USAID NICARAGUA				
RESULT 2.1: Small farmers produce and market more and diverse products						
INDICATOR 2: Output of coffee and basic grains						
UNIT OF MEASURE: Thousands of quintals (starting in 1997, average of the three years ending in the year shown)		YEAR	Coffee		Basic Grains	
			Planned	Actual	Planned	Actual
SOURCE: CONAGRO, USAID	Baseline	1993				10,783
		1994		800		11,345
		1995		1,000		12,432
INDICATOR DESCRIPTION:		1996		1,100		13,072
		1997	1,100		14,200	
COMMENTS: "Basic grains" include: beans, white corn, rice, and sorghum. About 30% of rice and 60% of sorghum is grown by small and medium farmers. A three-year average smooths annual fluctuations due to weather. The large increase in 1995 was due to improved crop reporting.		1998	1,200		15,000	
		1999	1,300		15,900	
	Target	2000	1,400		16,900	

Better Educated, Healthier, Smaller Families

The three principal indicators tracking progress in this strategic objective remain the same. There are no changes in the education sector intermediate result targets, where we have now established baseline data. Under "improved family health," the Mission is reviewing the use of CYPs as a proxy indicator for fertility rates as the recent evaluation has concluded that it appears to lead to more emphasis on sterilization than other, temporary methods. Much of the indicator data in this SO relies on the family health survey, which will be conducted this year. The Mission has developed proxy indicators to address the lack of annual reporting. For example, we are tracking data from our PVO sites related to exclusive breast-feeding and percentage of children treated with ORS. The Mission is still developing data for calculating the number of underweight children, and the number exhibiting stunted growth, in the under-three group. We have also assigned measures of the use of condoms by high risk groups. Given the success of the immunization programs we have raised our future targets.

Special Concerns and Issues

A. Gender aggregation: The Mission has taken major steps to build gender issues into design, implementation and reporting. This year across all three strategic objectives, the Mission has better data on how our program incorporates and affects women; 21 indicators have been gender disaggregated and another 12 will be in 1997. In particular, we have better data at both the strategic objective and intermediate result levels for SO1 and SO2. The improved family health results program under SO3 is already gender sensitive. We have been able to desegregate education program data more. The Mission continues to stress the importance of gender disaggregated data, where feasible, in all elements of our portfolio.

B. Issues:

1. Sustaining SO2 Results: The Mission is proceeding with this objective as an integral component of its strategic plan. Economic growth is essential if democracy is to deliver prosperity to Nicaraguans and address poverty. In order to accomplish planned results, the Mission will have to use creatively all funding at its disposal, including economic growth funds and environmental and micro-enterprise directives. For example, the environmental directive funds will be used to support small producer output in protected areas buffer zones and in fragile watersheds, however, it is doubtful the Mission can directly support protected areas management beyond the end of the NRM project in 1999. Micro-enterprise funds will specifically support small entrepreneurs in rural and urban areas engaged in agricultural implement manufacturing, the trades and services, and agro-processing. Although it is clear these funds can not be used for crop production, we assume they can support post harvest activities like grain storage.

2. Property and Possible Aid Freeze: Section 527 of the FY95 FAA would require the USG to freeze assistance to the GON due to past confiscation of U.S. citizen properties, unless otherwise waived by the President. In the past three years, an annual waiver has been granted on the basis of progress in resolving these claims. The GON again made credible progress during 1996, resolving almost 540 cases. However, since the election and through the transition, resolutions have slowed considerably as the new government organized itself. The recent visit of a U.S. Expropriated Property Delegation held fruitful discussions with President Aleman and his economic cabinet. During the talks, the GON agreed to take concrete steps to resolve U.S. citizen cases. However, if insufficient progress is made and no waiver is granted, the impact would be to cut off a significant portion of our assistance and force the U.S. to vote against IBRD, IMF and IDB loan programs to Nicaragua. This would undercut ability to achieve a range of foreign policy objectives, through the effective halt of ongoing and new activities, and the disruption of other donors' programs.

3. Human Rights and CIAV: The primary avenue for human rights investigation and follow-up has been CIAV. Due to the Assembly's delay in appointing a human rights ombudsman, CIAV continues to play an

important role in human rights. Its mandate was extended through June 1997. The new government is hinting it may request another six-month extension. Nicaragua's civil society is becoming increasingly capable of promoting, defending and monitoring human rights through groups like ANPDH and CPDH, and local peace commissions. With the election of the Human Rights Ombudsman, CIAV could transfer its mandate and resources to that office and the peace commissions network, thus institutionalizing HR monitoring. Extending CIAV beyond June poses a serious resource challenge and might in fact be a disincentive for government action in assuming its responsibilities. It is clear given the current budget limits, that the Mission does not have the resources to support CIAV beyond June 1997.

4. Adequate PL480 Resources: USAID/N and BHR have continued implementing an innovative pairing of Title II and PVO child survival activities in two of the three most nutritionally deficient regions of the country. This was supplemented by directing Title III resources at stimulating agricultural growth and food security in the same impoverished regions. Unfortunately, the likely phase out of Title III funding and deeper cuts in Title II have called into question whether the program can survive as currently designed.

Elimination of Title III would also undermine our ability to prioritize small farmer productivity and incorporate these rural inhabitants into the economy. The lack of local currency generations would inhibit the emergency employment programs targeted to the impoverished regions, which have also facilitated important infrastructure for the agrarian economy.

5. Budget and Staffing Resources: The expansion of earmarks and directives and decreases in economic growth funds limit opportunities to address poverty questions. Our portfolio is increasingly dominated by social sector programs, which has caused us to scale back our SO2 program. At the same time, our staffing levels are decreasing rapidly, making it difficult to devote the staff intensive efforts to reach the poor. The Agency risks undermining our foreign policy goals, because without continued economic growth and widespread benefits for the majority, Nicaragua could return to political instability which would negatively effect the region.

6. Pipeline: The Mission pipeline stood at nearly \$65 million at the end of FY95. Last year, the Mission reduced it to around \$51 million. Current projections call for a reduction to approximately \$35 million by the end of this fiscal year and to around \$26 million by the end of FY 98. The rate of decline shows a steady commitment of the Mission to effectively reduce its pipeline. The projected FY 98 figure barely exceeds the likely FY 99 obligation figure, i.e., it is well within Agency guidance relating to 18 to 24 month pipelines.

IV. RESOURCE REQUEST

Financial Plan

Strategic Objective	FY 1997	FY 1998	FY 1999
More Political participation, transparency and compromise	6,750	4,800	5,000
Sustainable growth of income and employment	6,001	7,200	10,000
Better educated, healthier, smaller families	11,735	10,340	10,000
Total	24,486	22,340	25,000

In FY 93 the USAID/Nicaragua budget totalled about \$150 million. The level has subsequently dropped steadily and sharply, to \$31 million in FY 95, to \$27 million in FY 96, and to an estimated \$25 million in FY 97. Our budget control total for FY 98 is only slightly more than \$22 million. Over this period, the ESF program is being cut to only \$1 million -- and the PL 480 program is being zeroed out in FY 98 or sooner. In DA, cuts have been taken disproportionately in unrestricted economic growth funds. Taken together, these cuts will affect our ability to implement programs in the first and second Strategic Objectives, with the activities to support small producers and civil society particularly jeopardized. It is incumbent that given cuts in ESF and PL 480 Title III that our DA resources rise to \$25 million per year over the R4 period. This will enable us to meet directives and earmarks, but also place sufficient resources to facilitate small producer activities -- a key priority of the new government.

Such an investment is justified. Our strategy is relevant to the current economic and political situation in Nicaragua -- and fits well with the development plans of the Aleman administration. Further, as shown above, our program has achieved substantial results.

Prioritization of Objectives

The Mission views all three strategic objectives of equal importance in its integrated strategy and, given prospective budgets, will keep all operational. We have continually made adjustments to adapt to deeper cuts received than expected. As noted in Sections II and III, we are consolidating efforts across all SOs under result packages. In addition, we have had to eliminate intermediate results in SO2 to accommodate the significant cuts in economic growth funding.

In SO1, consolidating rule of law and more accountable/responsive government intermediate results (IR) remain our highest priorities. The elections IR result has diminished in importance and will dissolve after the 1998 regional elections. The Mission has trimmed its efforts under the civil society IR through reducing redundancies, using more local groups and phasing out non performers. In a case of further reductions, the Mission would continue to scale back, but not eliminate civil society elements, and stretch out certain targets in accountable and responsive government. Continued ESF or more DA remains critical to our ability to achieve these results.

In SO2, the Mission plans to design one results package to achieve this strategic objective which will be aimed at small producers and poverty alleviation. The small farmers produce more diverse products and micro-enterprise/rural employment IRs are our highest priorities. We are eliminating our financial services IR and recasting to integrate our marketing IR to focus on small producers. In case of further funding reductions, the Mission would have to scale back targets under the new program.

In SO3, the Mission is not expecting significant resource reductions in this sector. Primary education efficiency/quality and use of child survival services/practices remain our highest priority IRs. Reproductive health and HIV IR is a mid-level priority. If budget cuts do occur, the better nourished women and children IR

would likely be eliminated. Continued drops in PL480 Title II and III could also produce the demise of the same IR.

Re-engineering Our Portfolio

The Mission has moved forward on organizing the portfolio within result packages. For FY98, we will have designed the new package for SO2. We will recast the individual activities within SO1 to create two result packages, one which focuses on rule of law (administration of justice and human rights), including property issues and the other on good governance which will incorporate the financial management reform, municipal development, residual election actions and civil society strengthening. In SO3 during FY98, the Mission will link child survival and reproductive health elements in an improved family health result package and maintain a separate primary education result package.

Transition to a Re-Engineered Portfolio		
	Current Portfolio	Re-Engineered Portfolio
SO	Projects	Results Packages
#1	Strengthening Democratic Institutions	Consolidating the Rule of Law
	Development Training	
	EPAI/Property	
	Financial Management Reform	Good Governance
	Municipal Decentralization and Development	
#2:	Rural Credit Unions	Small Producer Profits
	Private Agriculture Services	
	PVO CoFinancing	
	Natural Resources Management	
	Development Training	
#3	Decentralized Health	Improved Family Health
	Family Planning & Extension	
	PVO CoFinancing	
	Development Training	
	Basic Education	Primary Education

The Mission is basically organized into result teams, which have become the primary implementing, monitoring and reporting mechanisms. Currently, we have eight teams. By the end of FY98, we will have five teams directly supporting the five result packages. We have established a series of Mission Directives which have gone into effect to support result team functions and define relationships. The result teams provided all portfolio review reporting this year. Each team has proposed a management contract with the Mission's

leadership team, which outlines planned achievements, major actions and policy issues, customer service plans, and provides the basis for delegations of authority to each result team leader.

We have also moved forward to implement the NMS system. All key staff have received familiarization and intensive training course. We have used the system where possible to take and record actions. The Mission is prepared for full adoption of the system when it becomes operational.

Linkage of Field Support, Non-emergency Title II and Title III

A. Field Support:

The Mission has used Global Bureau service primarily to achieve results under the SO3. We plan to use some global programs for SO1 and SO2 buy-ins. In FY97, the Mission is programming over \$2.0 million of OYB transfers in SO 3 as follows:

Population funds --\$1.0 million to Johns Hopkins PCS (936-3052) for continued funding of the outreach/media/communication campaign and training program to increase demand for family planning services. Note that this activity will benefit both the public and private sector components of the bilateral programs;

\$400,000 to Measure (936-3083.1) to carry out the second family health survey, conducted every four/five years. This study provides critical performance data related to results achievements encompassed in our R4s. We will finance an additional amount for this study from CS funds (see below).

\$75,000 to AIDS Control and Prevention (936-5972.31) to implement a behavior change strategy through support to NGOs.

\$24,000 to the Census Bureau (936-3046) to design a program, with the IDB's support, will help the GON develop better demographic statistics.

CS Funds --- \$400,000 to Measure to conduct the aforementioned Family Health Survey.

\$150,000 to Breast-feeding and Maternal/Neonatal health (936-5966) to complete funding of the Wellstart activity.

In SO1, the Mission also plans to buy into global contracts for \$275,000 to help reform the electoral law and provide TA to the CSE regarding voter IDs. We will also tap global programs to assist in developing the administrative code and public defenders office. In SO2, we will buy into global BSP and ELP programs for approximately \$240,000 each to support our natural resource management activities. Both SO1 and SO2 buyins use prior year funds.

In FY98, the Mission plans to place approximately \$1.2 million of population funds in global programs aimed at contraceptive procurement programs, quality and efficiency of family planning programs and contraceptive logistics management. We would likely continue support under the AIDS project. Other elements are as yet undefined.

B. Regional Funds

The Mission retains its interest in coordinating with LAC and G-CAP efforts, particularly in accessing funds to complement our bilateral efforts and to cover the gaps in areas which we no longer address. We are especially interested in the Economic Growth Initiative to deal with trade and investment issues, in conjunction with our ever closer coordination with G-GAP's PROALCA program. In addition, the Mission will continue our active

cooperation with G-CAP's PROARCA program on cross border environmental and natural resource management issues.

C. Non-Emergency P.L. 480 Title II and Title III Requirements for FY98/99

P.L. 480 Title II and III have played pivotal roles in the Mission's portfolio. The P.L.480 Title III program has made a large difference in supporting economic growth objectives, as well as linking with programs such as the Title II and maternal/child health activities to focus on the poorest regions of the country. The GON's compliance with the policy reform agenda laid the groundwork for the revival of the agricultural sector and enhanced food security demonstrated in the performance indicators. It also contributed to changes which supported the expansion of preventive health services in the rural areas. The local currency generations have assisted thousands of farmers in receiving technical assistance and marketing support. It has directly helped facilitate the export of nontraditional crops. The program helped to train rural health workers and women in exclusive breast feeding. It has provided school children with nutritional cookies to improve their health status and increase attentiveness in school. It has financed almost 200,000 temporary jobs repairing infrastructure in the poorest regions, which will have long term benefits for agriculture production and transportation.

The Mission expected \$4.0 million each year for FY97 and FY98. However, current projections indicate no resources in this area. The lack of this funding will have a detrimental impact on our ability to spark small producer production both on and off farm to alleviate poverty. It will impede our ability to address child health and nutrition in the poorer regions.

Title II is contributing to progress under our IR of better nourished women and children, which focuses on the poorest regions (I, II, and VI) of Nicaragua. The Mission has designed the five-year program hand in glove with its maternal and child health activities to amplify the attainable results. That is, it provides nutritional supplements to pregnant and lactating women and children under 3, who are beneficiaries of the child survival program in these regions. In contemplating the needs of the program for the five year period, the Mission estimated an average of \$2.3 million in P.L. 480 Title II resources each year. The Mission was recently informed that its level for FY97 will be \$1.2 million and in FY98 less than \$800,000. If these levels hold, the Mission will need to reevaluate the structure of the program and whether it can reach its targets.

Operating Expenses (OE) and Work Force

The Mission has succeeded in significantly reducing OE expenses over the past few years. Our OE budget went from \$4.133 million in 1995 to \$3.124 million in 1997 (excluding FAAS/ ICASS). We have reduced our USDH personnel from 21 in 1995 to 15 in 1997 and reduced FSN personnel from 125 to 108, mainly through attrition. We have achieved these savings without compromising the quality of our management and internal controls and in spite of the effects of inflation, increased FSN wages and benefits. By FY 1999 our OE budget will be down to \$2.9 million (excluding ICASS), our USDH staff will be at 14 and FSNs at 94. By FY 1999, program funded staff levels will be at seven, two positions below the authorized level.

To achieve these further reductions, we have reduced our data processing equipment projected expenses by about \$71,000 and \$14,000 respectively from our 1997 and 1998 budgets. Through spot bid sales of nonexpendable personal property, we have been able to return to the Agency almost \$60,000 over the last year. Another sale is scheduled in May 1997 which is expected to yield another \$40,000. Our renegotiation of leases resulted in savings of \$22,000 in FY 1996 and will result in additional savings of about \$12,000 this FY. We continue to closely monitor training and conference attendance costs. As part of that effort, rather than send staff to USAID/Washington for training in the NMS, USAID arranged to bring two trainers from Washington to Nicaragua, who trained almost 60 staff. In addition, we put our TDY contracting officer in a vacant mission-leased house saving about \$4,000 in per diem expenses.

USAID/Nicaragua will continue to implement USDH and local staff reductions. On September 30, 1995 the Mission had an authorized OE-funded strength of 151 staff. At the end of FY99, we project a total OE-funded staff of 112. Thus, over the period from 1995 to 1999, USAID will have reduced USDH staff by 7 (33%) and total OE funded staff by 39 people (26%). In an effort to further reduce personnel costs, the mission has reduced one authorized OE-funded offshore USPSC position in exchange for a local hire FSNPSC position. This decision saved over \$100,000 in 1997 alone. Further staff reductions, particularly in program implementation staff, would undermine our ability to achieve our 3 strategic objectives and revised results. With the cuts in USDHs, we are relying more heavily on our FSN, USPSC and TCN staff. Thus, reductions in this and subsequent fiscal years will be directed almost exclusively to support staff. This approach, while necessary, will limit our controller and executive office functions, which will reduce financial management services and support services to Mission staff.

Unfortunately, several factors beyond our control will make further reductions in our OE requirements extremely difficult to absorb. First, the US Embassy is requiring additional security service coverage on USDH residences under the local guard program, in which we must participate. Second, Nicaragua just passed a new labor code (Law No. 185) which implies a further increase to our OE costs for the local security guard program. Together we estimate that the LGP could increase by \$90,000 a year, representing a 50% increase in security costs. Finally, the Nicaraguan economy has begun to expand at an increasingly rapid pace, skilled labor is very scarce and as demand increases so will costs. In this environment, the Embassy projects that our unit labor costs will rise approximately 15% in FY 1998 and again in FY 1999.

The chart below depicts the results of our past efforts to reduce staff and OE expenses and our projections through FY1999.

**USAID/NICARAGUA
OE COSTS AND STAFFING LEVELS**

	FY95	FY96	FY97	FY98	FY99
	Actual	Actual	Actual	Est.	Est.
Budget Amounts (US\$) *	4,133	3,648	3,124	3,039	2,903
Staff:					
USDH	21	17	15	15	14
USPSC locally recruited	2	2	2	2	2
USPSC international	1	1	0	0	0
FSN local	125	114	108	98	94
FSN/TCN international	2	2	2	2	2
Total OE Funded Staff	151	136	127	117	112
Program Funded Staff:					
USPSC/PASA internat.	6	5	5	5	5
FSN local	2	2	2	2	2
FSN/TCN international	1	1	0	0	0
Total Program funded staff	9	8	7	7	7
Total Staff	160	144	134	124	119

*Amounts do not include FAAS or projected ICASS costs.

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NOTE: Please refer to Workforce Table for information on assignment of staff by strategic objective and support category.

Environmental Compliance

The Mission Environmental Officer (MEO) reviewed our entire portfolio in 1996. All IEEs and EAs for the Mission have been updated and are now current. The only issue for the environment is the lack of a DH slot for MEO. This means that compliance after 1998 must be handled by the Regional Environmental Officer. Future project needs for IEEs, EAs: Plans for sub-projects funded under the Municipal Development project must be reviewed by LAC/E or their designee. The MEO is reviewing plans as they are developed, and has provided environmental guidelines approved by LAC. A programmatic EA will be developed and proposed to LAC/E for the strategic objective (SO2) package developed for 1998.

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ANNEX 1: BUDGET TABLES

USAID FY 1997 Budget Request by Program/Country
(\$000)

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Country/Program: Nicaragua -- DA

S.O. #, Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 96	FY 1997 Request									Est Expend. FY 97	Est Total cost life of SO	Mortgage at end of 1997	
				FY 1997 Total Request	Basic Education for Childrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G				
SO 1: More Political Participation, Compromise, and Transparency																
	DA	Bilateral	12,796	1,000	0	0	0	0	0	0	0	0	1,000	8,236	96,500	24,566
	DA	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	12,796	1,000	0	0	0	0	0	0	0	0	1,000	8,236	96,500	24,566
SO 2: Sustainable Growth in Employment and Income																
	DA	Bilateral	9,800	4,628	0	4,628	0	0	0	0	0	0	0	9,779	84,900	21,728
	DA	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	9,800	4,628	0	4,628	0	0	0	0	0	0	0	9,779	84,900	21,728
SO 3: Better Educated, Healthier, and Smaller Families																
	DA	Bilateral	17,173	9,686	1,500	0	4,582	3,604	0	0	0	0	0	12,311	115,700	56,771
	DA	Field Spt	0	2,049	0	0	1,499	550	0	0	0	0	0	2,024	0	0
		Total	17,173	11,735	1,500	0	6,081	4,154	0	0	0	0	14,335	115,700	56,771	
SO 4: (Type in approved full title of SO here)																
		Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO 1 (Type in approved full title of SO here)																
		Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO 2 (Type in approved full title of SO here)																
		Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 1 (Type in approved full title of SPO here)																
		Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 2 (Type in approved full title of SPO here)																
		Bilateral		0	0	0	0	0	0	0	0	0	0	0	0	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0	0
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral				15,314	1,500	4,628	4,582	3,604	0	0	0	0	1,000			
Total Field Support				2,049	0	0	1,499	550	0	0	0	0	0			
TOTAL PROGRAM				39,769	17,363	1,500	6,081	4,154	0	0	0	0	1,000	32,350	297,100	103,065

FY 97 Budget Request by Appropriation - (\$000's)

Development Assistance	17,363
Development Fund for Africa	0
Economic Support Funds	7,123
SEED	0
FSA	0
PL 480 Title II	1,215
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

Notes:

- Annual figures include only DA; ESF levels are shown on the following page.
- Total cost to achieve the SOs includes both DA and ESF.

USAID FY 1998 Budget Request by Program/Country
(\$000)

17-Mar-97
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Country/Program: Nicaragua -- DA

S.O. #, Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 97	FY 1998 Request								Est Expend. FY 98	Est Total cost life of SO	Mortgage at end of 1998	
				FY 1998 Total Request	Basic Education for Childrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ				D/G
SO 1: More Political Participation, Compromise, and Transparency															
DA	Bilateral		5,560	4,800	0	0	0	0	0	0	0	4,800	5,416	96,500	19,766
DA	Field Spt			0	0	0	0	0	0	0	0	0			
Total			5,560	4,800	0	0	0	0	0	0	0	4,800	5,416	96,500	19,766
SO 2: Sustainable Growth in Employment and Income															
DA	Bilateral		4,649	6,200	0	4,000	0	0	0	0	2,200	0	4,793	84,900	15,528
DA	Field Spt		0	0	0	0	0	0	0	0	0	100			
Total			4,649	6,200	0	4,000	0	0	0	0	2,200	100	4,893	84,900	15,528
SO 3: Better Educated, Healthier, and Smaller Families															
DA	Bilateral		14,573	9,140	3,340	0	2,900	2,900	0	0	0	0	10,557	115,700	46,431
DA	Field Spt		0	1,200	0	0	700	300	200	0	0	0	650		
Total			14,573	10,340	3,340	0	3,600	3,200	200	0	0	0	11,207	115,700	46,431
SO 4: (Type in approved full title of SO here)															
	Bilateral			0	0	0	0	0	0	0	0	0			
	Field Spt			0	0	0	0	0	0	0	0	0			
Total				0	0	0	0	0	0	0	0	0	0	0	0
SSO 1 (Type in approved full title of SO here)															
	Bilateral			0	0	0	0	0	0	0	0	0			
	Field Spt			0	0	0	0	0	0	0	0	0			
Total				0	0	0	0	0	0	0	0	0	0	0	0
SSO 2 (Type in approved full title of SO here)															
	Bilateral			0	0	0	0	0	0	0	0	0			
	Field Spt			0	0	0	0	0	0	0	0	0			
Total				0	0	0	0	0	0	0	0	0	0	0	0
SPO 1 (Type in approved full title of SPO here)															
	Bilateral			0	0	0	0	0	0	0	0	0			
	Field Spt			0	0	0	0	0	0	0	0	0			
Total				0	0	0	0	0	0	0	0	0	0	0	0
SPO 2 (Type in approved full title of SPO here)															
	Bilateral			0	0	0	0	0	0	0	0	0			
	Field Spt			0	0	0	0	0	0	0	0	0			
Total				0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral				20,140	3,340	4,000	2,900	2,900	0	0	2,200	4,800			
Total Field Support				1,200	0	0	700	300	200	0	0	0			
TOTAL PROGRAM				24,782	21,340	3,340	3,600	3,200	200	0	2,200	4,800	21,516	297,100	81,725

FY 98 Budget Request by Appropriation - (\$000's)	
Development Assistance	21,340
Development Fund for Africa	0
Economic Support Funds	1,000
SEED	0
FSA	0
PL 480 Title II	764
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

Notes:
 1) Annual figures include only DA; ESF levels are shown on the following page.
 2) Total cost to achieve the SOs includes both DA and ESF.

USAID FY 1999 Budget Request by Program/Country
(\$000)

17-Mar-97
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Country/Program: Nicaragua -- DA

S.O. #	Title		Est. SO Pipeline at end of FY 98	FY 1999 Request									Est. Expend. FY 99	Est. Total cost life of SO	Mortgage at end of 1999
	Approp Acct	Bilateral/Field Spt		FY 1999 Total Request	Basic Education for Childrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G			
SO 1: More Political Participation, Compromise, and Transparency															
	DA	Bilateral	4,944	5,000	0	0	0	0	0	0	0	5,000	7,394	96,500	14,766
	DA	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0
	Total		4,944	5,000	0	0	0	0	0	0	0	5,000	7,394	96,500	14,766
SO 2: Sustainable Growth in Employment and Income															
	DA	Bilateral	5,956	10,000	0	8,000	0	0	0	0	2,000	0	7,156	84,900	5,528
	DA	Field Spt		0	0	0	0	0	0	0	0	100	100	100	100
	Total		5,956	10,000	0	8,000	0	0	0	0	2,000	100	7,256	84,900	5,528
SO 3: Better Educated, Healthier, and Smaller Families															
	DA	Bilateral	13,706	9,300	3,500	0	2,600	2,900	300	0	0	0	14,566	115,700	36,431
	DA	Field Spt		0	0	0	400	100	200	0	0	400	400	400	400
	Total		13,706	10,000	3,500	0	3,000	3,000	500	0	0	400	14,966	115,700	36,431
SO 4: (Type in approved full title of SO here)															
		Bilateral		0	0	0	0	0	0	0	0	0	0	0	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0
	Total			0	0	0	0	0	0	0	0	0	0	0	0
SSO 1 (Type in approved full title of SO here)															
		Bilateral		0	0	0	0	0	0	0	0	0	0	0	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0
	Total			0	0	0	0	0	0	0	0	0	0	0	0
SSO 2 (Type in approved full title of SO here)															
		Bilateral		0	0	0	0	0	0	0	0	0	0	0	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0
	Total			0	0	0	0	0	0	0	0	0	0	0	0
SPO 1 (Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0	0	0	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0
	Total			0	0	0	0	0	0	0	0	0	0	0	0
SPO 2 (Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0	0	0	0
		Field Spt		0	0	0	0	0	0	0	0	0	0	0	0
	Total			0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral				24,300	3,500	8,000	2,600	2,900	300	0	2,000	5,000			56,725
Total Field Support				700	0	0	400	100	200	0	0	0			0
TOTAL PROGRAM				24,606	25,000	3,500	3,000	3,000	500	0	2,000	5,000	29,616	297,100	56,725

FY 99 Budget Request by Appropriation - (\$000's)	
Development Assistance	25,000
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

Notes:

- 1) Annual figures include only DA; ESF levels are shown on the following page.
- 2) Total cost to achieve the SOs includes both DA and ESF.

USAID FY 1997 Budget Request by Program/Country
(\$000)

17-Mar-97
02:02 PM

Country/Program: Nicaragua -- ESF

S.O. #	Title	Approp Acct	Bilateral/Field Spt	Est. SO Pipeline at end of FY 96	FY 1997 Request								Est. Expnd. FY 97	Est. Total cost life of SO	Mortgage at end of 1997
					FY 1997 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ			
SO 1: More Political Participation, Compromise, and Transparency															
	ESF	Bilateral	3,968	5,750	0	0	0	0	0	0	0	0	3,393		15,800
	ESF	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		3,968	5,750	0	0	0	0	0	0	0	0	3,393	0	15,800
SO 2: Sustainable Growth in Employment and Income															
	ESF	Bilateral	6,511	1,373	0	0	0	0	0	0	0	0	3,963		6,178
	ESF	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		6,511	1,373	0	0	0	0	0	0	0	0	3,963	0	6,178
SO 3: Better Educated, Healthier, and Smaller Families															
	ESF	Bilateral	406	0	0	0	0	0	0	0	0	0	349		34
	ESF	Field Spt		0	0	0	0	0	0	0	0	0			
	Total		406	0	0	0	0	0	0	0	0	0	349	0	34
SO 4: (Type in approved full title of SO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0
SSO 1 (Type in approved full title of SO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0
SSO 2 (Type in approved full title of SO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 1 (Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 2 (Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral				7,123	0	0	0	0	0	0	0	0			
Total Field Support				0	0	0	0	0	0	0	0	0			
TOTAL PROGRAM				10,885	7,123	0	0	0	0	0	0	0	7,705	0	22,012

FY 97 Budget Request by Appropriation - (\$000's)	
Development Assistance	0
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

USAID FY 1998 Budget Request by Program/Country
(\$000)

17-Mar-97
02:02 PM

Country/Program: Nicaragua -- ESF

S.O. #, Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 97	FY 1998 Request								Est Expend. FY 98	Est Total cost life of SO	Mortgage at end of 1998	
				FY 1998 Total Request	Basic Education for Childrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ				D/G
SO 1: More Political Participation, Compromise, and Transparency															
	ESF	Bilateral	6,325	0	0	0	0	0	0	0	0	0	6,325		15,800
	ESF	Field Spt	0	0	0	0	0	0	0	0	0	0	0		
		Total	6,325	0	0	0	0	0	0	0	0	0	6,325	0	15,800
SO 2: Sustainable Growth in Employment and Income															
	ESF	Bilateral	3,921	1,000	0	0	0	0	0	0	0	0	3,548		5,178
	ESF	Field Spt	0	0	0	0	0	0	0	0	0	0	0		
		Total	3,921	1,000	0	0	0	0	0	0	0	0	3,548	0	5,178
SO 3: Better Educated, Healthier, and Smaller Families															
	ESF	Bilateral	57	0	0	0	0	0	0	0	0	0	57		34
	ESF	Field Spt	0	0	0	0	0	0	0	0	0	0	0		
		Total	57	0	0	0	0	0	0	0	0	0	57	0	34
SO 4: (Type in approved full title of SO here)															
		Bilateral	0	0	0	0	0	0	0	0	0	0	0		
		Field Spt	0	0	0	0	0	0	0	0	0	0	0		
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO 1 (Type in approved full title of SO here)															
		Bilateral	0	0	0	0	0	0	0	0	0	0	0		
		Field Spt	0	0	0	0	0	0	0	0	0	0	0		
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO 2 (Type in approved full title of SO here)															
		Bilateral	0	0	0	0	0	0	0	0	0	0	0		
		Field Spt	0	0	0	0	0	0	0	0	0	0	0		
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 1 (Type in approved full title of SPO here)															
		Bilateral	0	0	0	0	0	0	0	0	0	0	0		
		Field Spt	0	0	0	0	0	0	0	0	0	0	0		
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 2 (Type in approved full title of SPO here)															
		Bilateral	0	0	0	0	0	0	0	0	0	0	0		
		Field Spt	0	0	0	0	0	0	0	0	0	0	0		
		Total	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral				1,000	0	0	0	0	0	0	0	0	0		
Total Field Support				0	0	0	0	0	0	0	0	0	0		
TOTAL PROGRAM				10,303	1,000	0	0	0	0	0	0	0	9,930	0	21,012

FY 98 Budget Request by Appropriation - (\$000's)	
Development Assistance	0
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

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USAID FY 1999 Budget Request by Program/Country
(\$000)

17-Mar-97
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Country/Program: Nicaragua -- ESF

S.O. #	Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 98	FY 1999 Request								Est Expend. FY 99	Est Total cost life of SO	Mortgage at end of 1999
					FY 1999 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ			
SO 1: More Political Participation, Compromise, and Transparency															
	ESF	Bilateral	0	0	0	0	0	0	0	0	0	0	0	0	15,800
	ESF	Field Spt		0	0	0	0	0	0	0	0	0	0	0	0
	Total		0	0	0	0	0	0	0	0	0	0	0	0	15,800
SO 2: Sustainable Growth in Employment and Income															
	ESF	Bilateral	1,373	0	0	0	0	0	0	0	0	0	373		5,178
	ESF	Field Spt		0	0	0	0	0	0	0	0	0	0		
	Total		1,373	0	0	0	0	0	0	0	0	0	373	0	5,178
SO 3: Better Educated, Healthier, and Smaller Families															
	ESF	Bilateral	0	0	0	0	0	0	0	0	0	0	0		34
	ESF	Field Spt		0	0	0	0	0	0	0	0	0	0		
	Total		0	0	0	0	0	0	0	0	0	0	0	0	34
SO 4: (Type in approved full title of SO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0
SSO 1 (Type in approved full title of SO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0
SSO 2 (Type in approved full title of SO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 1 (Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0
SPO 2 (Type in approved full title of SPO here)															
		Bilateral		0	0	0	0	0	0	0	0	0			
		Field Spt		0	0	0	0	0	0	0	0	0			
	Total		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral					0	0	0	0	0	0	0	0			21,012
Total Field Support					0	0	0	0	0	0	0	0			
TOTAL PROGRAM				1,373	0	0	0	0	0	0	0	0	373	0	21,012

FY 99 Budget Request by Appropriation - (\$000's)	
Development Assistance	0
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

GLOBAL FIELD SUPPORT -- Page One

Objective Name	Field Support: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)						
				FY 1997		FY 1998		FY 1999		
				Obligated by:		Obligated by:		Obligated by:		
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	
SO #2: Sustainable Growth in Employment and Income	[to be determined]	TBD	TBD			100		100		
SO #3: Better Educated, Healthier, and Smaller Families	Johns Hopkins PCS (936-3052)	high	2 years		1,000	200				
SO #3: Better Educated, Healthier, and Smaller Families	MEASURE (936-3083.1)	high	2 years		800	200				
SO #3: Better Educated, Healthier, and Smaller Families	AIDS Control and Prevention (936-5972.31)	medium/high	2 yrs		75	200		200		
SO #3: Better Educated, Healthier, and Smaller Families	Census Bureau (936-3046)	medium/low	1 yr		24					
SO #3: Better Educated, Healthier, and Smaller Families	Linkages/BFWS (936-3082)	medium	1 yr		150					
SO #3: Better Educated, Healthier, and Smaller Families	Family Planning Logistics Management (936-3038)	medium/high	2 yrs			200		100		
SO #3: Better Educated, Healthier, and Smaller Families	Strategy for Improving Service Delivery (936-3030)	medium/high	2 yrs			300		300		
PAGE TOTAL.....				0	2,049	1,200	0	700	0	

*For Priorities use high, medium-high, medium, medium-low, low

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03/17/97

TRUST FUNDS & FSN SEPARATION FUND

FN-2XXXX.WK4

Orgno.: 524
 Org. Title: NICARAGUA

Foreign National Voluntary Separation Account

Action	FY 97			FY 98			FY 99		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	33.0		33.0	45.0		45.0	0.0		0.0
Withdrawals	0.0		0.0	0.0		0.0			0.0

Local Currency Trust Funds - Regular (\$000s)

	FY 97	FY 98	FY 99
Balance Start of Year	360.0	200.0	0.0
Obligations	200.0	200.0	0.0
Deposits	40.0	0.0	
Balance End of Year	200.0	0.0	0.0

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

Local Currency Trust Funds - Real Property (\$000s)

	FY 97	FY 98	FY 99
Balance Start of Year	0.0	0.0	0.0
Obligations	0.0	0.0	0.0
Deposits	0.0	0.0	0.0
Balance End of Year	0.0	0.0	0.0

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

OVERSEAS MISSION BUDGET REQUEST

Org. Title: _____ NICARAGUA
 Org. No: _____ 524
 OC

Org. Title: _____ NICARAGUA
 Org. No: _____ 524
 OC

FY 97			FY 98			Requested FY 99			Targeted FY 99		
Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total

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OVERSEAS MISSION BUDGET REQUEST

OE-2XXXX.wk4

Org. Title: NICARAGUA
 Org. No: 524
 OC

11.1 Personnel compensation, full-time permanent
 11.1 Base Pay & pymt. for annual leave balances - FNDH
 Subtotal OC 11.1
 11.3 Personnel comp. - other than full-time permanent
 11.3 Base Pay & pymt. for annual leave balances - FNDH
 Subtotal OC 11.3
 11.5 Other personnel compensation
 11.5 USDH
 11.5 FNDH
 Subtotal OC 11.5
 11.8 Special personal services payments
 11.8 USPSC Salaries
 11.8 FN PSC Salaries
 11.8 IPA/Details-In/PASAs RSSAs Salaries
 Subtotal OC 11.8
 12.1 Personnel benefits
 12.1 USDH benefits
 12.1 Educational Allowances
 12.1 Cost of Living Allowances
 12.1 Home Service Transfer Allowances
 12.1 Quarters Allowances
 12.1 Other Misc. USDH Benefits
 12.1 FNDH Benefits
 12.1 Payments to the FSN Separation Fund - FNDH
 12.1 Other FNDH Benefits
 12.1 US PSC Benefits
 12.1 FN PSC Benefits
 12.1 Payments to the FSN Separation Fund - FN PSC
 12.1 Other FN PSC Benefits
 12.1 IPA/Detail-In/PASA/RSSA Benefits
 Subtotal OC 12.1
 13.0 Benefits for former personnel
 13.0 FNDH
 13.0 Severance Payments for FNDH
 13.0 Other Benefits for Former Personnel - FNDH
 13.0 FN PSCs
 13.0 Severance Payments for FN PSCs
 13.0 Other Benefits for Former Personnel - FN PSCs
 Subtotal OC 13.0

	FY 97			FY 98			Requested FY 99			Targeted FY 99		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Do not enter data on this line				Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1 Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0
Subtotal OC 11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Do not enter data on this line				Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3 Base Pay & pymt. for annual leave balances - FNDH			0.0			0.0			0.0			0.0
Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Do not enter data on this line				Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5 USDH			0.0			0.0			0.0			0.0
11.5 FNDH			0.0			0.0			0.0			0.0
Subtotal OC 11.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Do not enter data on this line				Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8 USPSC Salaries	76.9		76.9	79.2		79.2	81.6		81.6			0.0
11.8 FN PSC Salaries	1,173.0		1,173.0	1,163.0		1,163.0	1,144.6		1,144.6			0.0
11.8 IPA/Details-In/PASAs RSSAs Salaries			0.0			0.0			0.0			0.0
Subtotal OC 11.8	1,249.9	0.0	1,249.9	1,242.2	0.0	1,242.2	1,226.2	0.0	1,226.2	0.0	0.0	0.0
Do not enter data on this line				Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 USDH benefits				Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Educational Allowances	33.5		33.5	43.3		43.3	47.9		47.9			0.0
12.1 Cost of Living Allowances			0.0			0.0			0.0			0.0
12.1 Home Service Transfer Allowances			0.0			0.0			0.0			0.0
12.1 Quarters Allowances			0.0			0.0			0.0			0.0
12.1 Other Misc. USDH Benefits	9.3		9.3	4.2		4.2	2.8		2.8			0.0
12.1 FNDH Benefits				Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Payments to the FSN Separation Fund - FNDH			0.0			0.0			0.0			0.0
12.1 Other FNDH Benefits			0.0			0.0			0.0			0.0
12.1 US PSC Benefits	8.6		8.6	8.6		8.6	8.6		8.6			0.0
12.1 FN PSC Benefits				Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Payments to the FSN Separation Fund - FN PSC	33.0		33.0	45.0		45.0	0.0		0.0			0.0
12.1 Other FN PSC Benefits	47.7		47.7	47.7		47.7	47.7		47.7			0.0
12.1 IPA/Detail-In/PASA/RSSA Benefits			0.0			0.0			0.0			0.0
Subtotal OC 12.1	132.1	0.0	132.1	148.8	0.0	148.8	107.0	0.0	107.0	0.0	0.0	0.0
Do not enter data on this line				Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 FNDH				Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 Severance Payments for FNDH			0.0			0.0			0.0			0.0
13.0 Other Benefits for Former Personnel - FNDH			0.0			0.0			0.0			0.0
13.0 FN PSCs				Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 Severance Payments for FN PSCs	8.0		8.0	19.8		19.8	17.5		17.5			0.0
13.0 Other Benefits for Former Personnel - FN PSCs			0.0			0.0			0.0			0.0
Subtotal OC 13.0	8.0	0.0	8.0	19.8	0.0	19.8	17.5	0.0	17.5	0.0	0.0	0.0

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OVERSEAS MISSION BUDGET REQUEST

OE-2XXXX.wk4

Org. Title: NICARAGUA
 Org. No: 524
 OC

	FY 97			FY 98			Requested FY 99			Targeted FY 99		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
21.0 Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Training Travel	35.0		35.0	30.0		30.0	25.0		25.0			0.0
21.0 Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Post Assignment Travel - to field	11.5		11.5	9.8		9.8	5.6		5.6			0.0
21.0 Assignment to Washington Travel			0.0			0.0			0.0			0.0
21.0 Home Leave Travel	13.2		13.2	16.1		16.1	10.5		10.5			0.0
21.0 R & R Travel	14.4		14.4	9.3		9.3	13.5		13.5			0.0
21.0 Education Travel	2.6		2.6	1.3		1.3			0.0			0.0
21.0 Evacuation Travel	7.5		7.5	7.5		7.5	7.5		7.5			0.0
21.0 Retirement Travel	1.4		1.4			0.0			0.0			0.0
21.0 Pre-Employment Invitational Travel			0.0			0.0			0.0			0.0
21.0 Other Mandatory/Statutory Travel			0.0			0.0			0.0			0.0
21.0 Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Site Visits - Headquarters Personnel	6.0		6.0	6.0		6.0	6.0		6.0			0.0
21.0 Site Visits - Mission Personnel	6.0	10.8	16.8	6.0	11.0	17.0	18.0		18.0			0.0
21.0 Conferences/Seminars/Meetings/Retreats	8.0		8.0	8.0		8.0	8.0		8.0			0.0
21.0 Assessment Travel			0.0			0.0			0.0			0.0
21.0 Impact Evaluation Travel			0.0			0.0			0.0			0.0
21.0 Disaster Travel (to respond to specific disasters)			0.0			0.0			0.0			0.0
21.0 Recruitment Travel			0.0			0.0			0.0			0.0
21.0 Other Operational Travel	5.0		5.0	5.0		5.0	5.0		5.0			0.0
Subtotal OC 21.0	110.6	10.8	121.4	99.0	11.0	110.0	99.1	0.0	99.1	0.0	0.0	0.0
22.0 Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0 Post assignment freight	90.0		90.0	90.0		90.0	36.0		36.0			0.0
22.0 Home Leave Freight	8.3		8.3	8.3		8.3	7.2		7.2			0.0
22.0 Retirement Freight	18.0		18.0			0.0			0.0			0.0
22.0 Transportation Freight for Office Furniture Equip.	11.3		11.3	17.7		17.7	18.2		18.2			0.0
22.0 Transportation Freight for Res. Furniture Equip.	7.2		7.2			0.0	1.0		1.0			0.0
Subtotal OC 22.0	134.8	0.0	134.8	116.0	0.0	116.0	62.4	0.0	62.4	0.0	0.0	0.0
23.2 Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2 Rental Payments to Others - Office Space			0.0			0.0			0.0			0.0
23.2 Rental Payments to Others - Warehouse Space			0.0			0.0			0.0			0.0
23.2 Rental Payments to Others - Residences	399.0		399.0	355.8		355.8	320.4		320.4			0.0
Subtotal OC 23.2	399.0	0.0	399.0	355.8	0.0	355.8	320.4	0.0	320.4	0.0	0.0	0.0
23.3 Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3 Office Utilities	47.6	22.0	69.6		72.0	72.0	74.4		74.4			0.0
23.3 Residential Utilities	63.6	72.0	135.6	120.0		120.0	120.0		120.0			0.0
23.3 Telephone Costs	72.4	20.0	92.4		93.6	93.6	96.0		96.0			0.0
23.3 ADP Software Leases			0.0			0.0			0.0			0.0
23.3 ADP Hardware Lease			0.0			0.0			0.0			0.0
23.3 Commercial Time Sharing			0.0			0.0			0.0			0.0
23.3 Postal Fees (Other than APO Mail)			0.0			0.0			0.0			0.0
23.3 Other Mail Service Costs			0.0			0.0			0.0			0.0
23.3 Courier Services	6.0		6.0	6.0		6.0	6.0		6.0			0.0
Subtotal OC 23.3	189.6	114.0	303.6	126.0	165.6	291.6	296.4	0.0	296.4	0.0	0.0	0.0

5/2

OVERSEAS MISSION BUDGET REQUEST

OE-2XXXXX.wk4

Org. Title: NICARAGUA
 Org. No: 524
 OC

24.0 Printing and Reproduction

Subtotal OC 24.0

25.1 Advisory and assistance services

- 25.1 Studies, Analyses, & Evaluations
- 25.1 Management & Professional Support Services
- 25.1 Engineering & Technical Services

Subtotal OC 25.1

25.2 Other services

- 25.2 Office Security Guards
- 25.2 Residential Security Guard Services
- 25.2 Official Residential Expenses
- 25.2 Representation Allowances
- 25.2 Non-Federal Audits
- 25.2 Grievances Investigations
- 25.2 Insurance and Vehicle Registration Fees
- 25.2 Vehicle Rental
- 25.2 Manpower Contracts
- 25.2 Records Declassification & Other Records Services
- 25.2 Recruiting activities
- 25.2 Penalty Interest Payments
- 25.2 Other Miscellaneous Services
- 25.2 Staff training contracts
- 25.2 ADP related contracts

Subtotal OC 25.2

25.3 Purchase of goods and services from Government accounts

- 25.3 ICASS
- 25.3 All Other Services from Other Gov't. accounts

Subtotal OC 25.3

25.4 Operation and maintenance of facilities

- 25.4 Office building Maintenance
- 25.4 Residential Building Maintenance

Subtotal OC 25.4

25.6 Medical Care

Subtotal OC 25.6

25.7 Operation/maintenance of equipment & storage of goods

- 25.7 ADP and telephone operation and maintenance costs
- 25.7 Storage Services
- 25.7 Office Furniture/Equip. Repair and Maintenance
- 25.7 Vehicle Repair and Maintenance
- 25.7 Residential Furniture/Equip. Repair and Maintenance

Subtotal OC 25.7

	FY 97			FY 98			Requested FY 99			Targeted FY 99		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
24.0 Printing and Reproduction			0.0			0.0			0.0			0.0
Subtotal OC 24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.1 Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1 Studies, Analyses, & Evaluations			0.0			0.0			0.0			0.0
25.1 Management & Professional Support Services		2.5	2.5			0.0			0.0			0.0
25.1 Engineering & Technical Services			0.0			0.0			0.0			0.0
Subtotal OC 25.1	0.0	2.5	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.2 Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2 Office Security Guards	103.2		103.2	105.6		105.6	109.2		109.2			0.0
25.2 Residential Security Guard Services	264.0		264.0	250.0		250.0	250.0		250.0			0.0
25.2 Official Residential Expenses			0.0			0.0			0.0			0.0
25.2 Representation Allowances	1.4		1.4	1.4		1.4	1.4		1.4			0.0
25.2 Non-Federal Audits			0.0			0.0			0.0			0.0
25.2 Grievances Investigations			0.0			0.0			0.0			0.0
25.2 Insurance and Vehicle Registration Fees		5.0	5.0	5.0		5.0	5.0		5.0			0.0
25.2 Vehicle Rental			0.0			0.0			0.0			0.0
25.2 Manpower Contracts			0.0			0.0			0.0			0.0
25.2 Records Declassification & Other Records Services			0.0			0.0			0.0			0.0
25.2 Recruiting activities			0.0			0.0			0.0			0.0
25.2 Penalty Interest Payments			0.0			0.0			0.0			0.0
25.2 Other Miscellaneous Services	11.7	30.0	41.7	43.0		43.0	45.0		45.0			0.0
25.2 Staff training contracts		9.6	9.6	10.2		10.2	12.0		12.0			0.0
25.2 ADP related contracts			0.0			0.0			0.0			0.0
Subtotal OC 25.2	380.3	44.6	424.9	415.2	0.0	415.2	422.6	0.0	422.6	0.0	0.0	0.0
25.3 Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3 ICASS	0.0		0.0	180.0		180.0	180.0		180.0			0.0
25.3 All Other Services from Other Gov't. accounts			0.0			0.0			0.0			0.0
Subtotal OC 25.3	0.0	0.0	0.0	180.0	0.0	180.0	180.0	0.0	180.0	0.0	0.0	0.0
25.4 Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4 Office building Maintenance	0.6	9.0	9.6		10.2	10.2	12.0		12.0			0.0
25.4 Residential Building Maintenance		7.1	7.1		9.6	9.6	10.8		10.8			0.0
Subtotal OC 25.4	0.6	16.1	16.7	0.0	19.8	19.8	22.8	0.0	22.8	0.0	0.0	0.0
25.6 Medical Care			0.0			0.0			0.0			0.0
Subtotal OC 25.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7 Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7 ADP and telephone operation and maintenance costs	15.0		15.0	20.0		20.0	20.0		20.0			0.0
25.7 Storage Services			0.0			0.0			0.0			0.0
25.7 Office Furniture/Equip. Repair and Maintenance		1.0	1.0		1.0	1.0	1.0		1.0			0.0
25.7 Vehicle Repair and Maintenance	2.6		2.6	0.6	2.6	3.2	5.0		5.0			0.0
25.7 Residential Furniture/Equip. Repair and Maintenance			0.0			0.0			0.0			0.0
Subtotal OC 25.7	17.6	1.0	18.6	20.6	3.6	24.2	26.0	0.0	26.0	0.0	0.0	0.0

501

OVERSEAS MISSION BUDGET REQUEST

OE-2XXXX.wk4

Org. Title: _____ NICARAGUA

Org. No: _____ 524

OC

	FY 97			FY 98			Requested FY 99			Targeted FY 99		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.8 Subsistence and support of persons (by contract or Gov't.)			0.0			0.0			0.0			0.0
Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26.0 Supplies and materials	113.8	11.0	124.8	117.0		117.0	114.2		114.2			0.0
Subtotal OC 26.0	113.8	11.0	124.8	117.0	0.0	117.0	114.2	0.0	114.2	0.0	0.0	0.0
31.0 Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0 Purchase of Residential Furniture Equip.	76.8		76.8	2.0		2.0	6.4		6.4			0.0
31.0 Purchase of Office Furniture Equip.	30.7		30.7	50.9		50.9	52.9		52.9			0.0
31.0 Purchase of Vehicles	24.5		24.5	50.0		50.0	50.0		50.0			0.0
31.0 Purchase of Printing Graphics Equipment	3.0		3.0	0.0		0.0	3.0		3.0			0.0
31.0 ADP Hardware purchases	53.1		53.1	55.8		55.8	66.0		66.0			0.0
31.0 ADP Software purchases			0.0	20.0		20.0	10.0		10.0			0.0
Subtotal OC 31.0	188.1	0.0	188.1	178.7	0.0	178.7	188.3	0.0	188.3	0.0	0.0	0.0
32.0 Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0 Purchase of Land & Buildings (& construction of bldgs.)			0.0			0.0			0.0			0.0
32.0 Purchase of fixed equipment for buildings			0.0			0.0			0.0			0.0
32.0 Building Renovations/Alterations - Office			0.0			0.0			0.0			0.0
32.0 Building Renovations/Alterations - Residential			0.0			0.0			0.0			0.0
Subtotal OC 32.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42.0 Claims and indemnities			0.0			0.0			0.0			0.0
Subtotal OC 42.0	0.0	0.0	0.0									

**Workforce Resources
FY 1997 Position Allocation of Staff Ceilings**

Organization: USAID/NICARAGUA

Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other		
USDH	2.5	2.5	3.5				8.5	1.5	2	1	1		1		6.5	15
USPSC (OE/TF) Internationally Recruited							0								0	0
USPSC (OE/TF) Locally Recruited			1				1	1							1	2
USPSC (Program Funded)	1	1	1				3								0	3
FSN/TCN Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Internationally Recruited							0		2						2	2
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited	4.5	4.5	5.5				14.5	1	16.5	70	2		4		93.5	108
FSN/TCN Non-Direct Hire (Program Funded)	1		1				2								0	2
Other (RSSA, PASA, IPA) (OE/TF Funded)							0								0	0
Other (RSSA, PASA, IPA) (Program Funded)		1					1								0	1
Total Staff by Objective	9	9	12	0	0	0	30	3.5	20.5	71	3	0	5	0	103	133
TAACs*			1													
Fellows*																

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Totals by Staffing Category - FY 1997 Ceiling

Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other		
USDH	2.5	2.5	3.5	0	0	0	8.5	1.5	2	1	1	0	1	0	6.5	15
USPSC (OE/TF)	0	0	1	0	0	0	1	1	0	0	0	0	0	0	1	2
USPSC (Program Funded)	1	1	1	0	0	0	3	0	0	0	0	0	0	0	0	3
Total USPSCs	1	1	2	0	0	0	4	1	0	0	0	0	0	0	1	5
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	4.5	4.5	5.5	0	0	0	14.5	1	18.5	70	2	0	4	0	95.5	110
FSN/TCN Non Direct Hire (Program Funded)	1	0	1	0	0	0	2	0	0	0	0	0	0	0	0	2
Total FSN/TCN Non Direct Hire	5.5	4.5	6.5	0	0	0	16.5	1	18.5	70	2	0	4	0	95.5	112
Total FSN/TCN (OE/TF)	4.5	4.5	5.5	0	0	0	14.5	1	18.5	70	2	0	4	0	95.5	110
Total FSN/TCN (Program Funded)	1	0	1	0	0	0	2	0	0	0	0	0	0	0	0	2
Total FSN/TCN Staff	5.5	4.5	6.5	0	0	0	16.5	1	18.5	70	2	0	4	0	95.5	112
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total FSN/TCN Staff	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total OE/TF Staff (includes USDH)	7	7	10	0	0	0	24	3.5	20.5	71	3	0	5	0	103	127
Total Program Funded Staff	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total All Staff	9	9	12	0	0	0	30	3.5	20.5	71	3	0	5	0	103	133

Notes:
 • TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

**Workforce Resources
FY 1998 Position Allocation of Staff Ceilings**

Organization: USAID/NICARAGUA

Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other		
USDH	2.5	2.5	3.5				8.5	1.5	2	1	1		1		6.5	15
USPSC (OE/TF) Internationally Recruited							0								0	0
USPSC (OE/TF) Locally Recruited			1				1	1							1	2
USPSC (Program Funded)	1	1	1				3								0	3
FSN/TCN Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Internationally Recruited							0		2						2	2
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited	4	3.5	4				11.5	1	14.5	65	2		4		86.5	98
FSN/TCN Non-Direct Hire (Program Funded)	1		1				2								0	2
Other (RSSA, PASA, IPA) (OE/TF Funded)							0								0	0
Other (RSSA, PASA, IPA) (Program Funded)		1					1								0	1
Total Staff by Objective	8.5	8	10.5	0	0	0	27	3.5	18.5	66	3	0	5	0	96	123
TAACs*			1													
Fellows*																

10/2

Totals by Staffing Category - FY 1998 Ceiling

Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Controller	EXO	Contracts	Legal	Program	Other		
USDH	2.5	2.5	3.5	0	0	0	8.5	1.5	2	1	1	0	1	0	6.5	15
USPSC (OE/TF)	0	0	1	0	0	0	1	1	0	0	0	0	0	0	1	2
USPSC (Program Funded)	1	1	1	0	0	0	3	0	0	0	0	0	0	0	0	3
Total USPSCs	1	1	2	0	0	0	4	1	0	0	0	0	0	0	1	5
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	4	3.5	4	0	0	0	11.5	1	16.5	65	2	0	4	0	88.5	100
FSN/TCN Non Direct Hire (Program Funded)	1	0	1	0	0	0	2	0	0	0	0	0	0	0	0	2
Total FSN/TCN Non Direct Hire	5	3.5	5	0	0	0	13.5	1	16.5	65	2	0	4	0	88.5	102
Total FSN/TCN (OE/TF)	4	3.5	4	0	0	0	11.5	1	16.5	65	2	0	4	0	88.5	100
Total FSN/TCN (Program Funded)	1	0	1	0	0	0	2	0	0	0	0	0	0	0	0	2
Total FSN/TCN Staff	5	3.5	5	0	0	0	13.5	1	16.5	65	2	0	4	0	88.5	102
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total FSN/TCN Staff	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total OE/TF Staff (includes USDH)	6.5	6	8.5	0	0	0	21	3.5	18.5	66	3	0	5	0	96	117
Total Program Funded Staff	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total All Staff	8.5	8	10.5	0	0	0	27	3.5	18.5	66	3	0	5	0	96	123

Notes:
 • TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

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Totals by Staffing Category - FY 1999 Target

Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff	
								Mission Mgt.	Controller	EXO	Contracts	Legal	Program	Other			
USDH				0	0	0	0						0		0	0	0
USPSC (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USPSC (Program Funded)				0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total USPSCs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (Program Funded)		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Non Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN (Program Funded)		0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total FSN/TCN Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE/TF Staff (includes USDH)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Funded Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total All Staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Notes:

TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

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Workforce Resources

FY 1999 Position Allocation of Staff Target Levels vs. Request Level

Organization: USAID/NICARAGUA

Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Con- troller	EXO	Con- tracts	Legal	Program	Other		
USDH	2.5	2.5	2.5				7.5	1.5	2	1	1		1		6.5	14
USPSC (OE/TF) Internationally Recruited							0								0	0
USPSC (OE/TF) Locally Recruited			1				1	1							1	2
USPSC (Program Funded)		1	1				2								0	2
FSN/TCN Direct Hire (OE/TF) Internationally Recruited							0								0	0
FSN/TCN Direct Hire (OE/TF) Locally Recruited							0								0	0
FSN/TCN Non-Direct Hire (OE/TF) Internationally Recruited							0		2						2	2
FSN/TCN Non-Direct Hire (OE/TF) Locally Recruited	4	3.5	4				11.5	1	13.5	62	2		4		82.5	94
FSN/TCN Non-Direct Hire (Program Funded)	1		1				2								0	2
Other (RSSA, PASA, IPA) (OE/TF Funded)							0								0	0
Other (RSSA, PASA, IPA) (Program Funded)		1					1								0	1
Total Staff by Objective	7.5	8	9.5	0	0	0	25	3.5	17.5	63	3	0	5	0	92	117
TAACs*			1													
Fellows*																

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Totals by Staffing Category - FY 1999 Request

Staff	Strategic Objective 1: (title)	Strategic Objective 2: (title)	Strategic Objective 3: (title)	Special Objective 1: (title)	Special Objective 2: (title)	Special Objective 3: (title)	Subtotal S.O. Staff	Support Offices							Subtotal Support Staff	Grand Total Staff
								Mission Mgt.	Con-troller	EXO	Con-tracts	Legal	Program	Other		
USDH	2.5	2.5	2.5	0	0	0	7.5	1.5	2	1	1	0	1	0	6.5	14
USPSC (OE/TF)	0	0	1	0	0	0	1	1	0	0	0	0	0	0	1	2
USPSC (Program Funded)	0	1	1	0	0	0	2	0	0	0	0	0	0	0	0	2
Total USPSCs	0	1	2	0	0	0	3	1	0	0	0	0	0	0	1	4
FSN/TCN Direct Hire (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Non Direct Hire (OE/TF)	4	3.5	4	0	0	0	11.5	1	15.5	62	2	0	4	0	84.5	96
FSN/TCN Non Direct Hire (Program Funded)	1	0	1	0	0	0	2	0	0	0	0	0	0	0	0	2
Total FSN/TCN Non Direct Hire	5	3.5	5	0	0	0	13.5	1	15.5	62	2	0	4	0	84.5	98
Total FSN/TCN (OE/TF)	4	3.5	4	0	0	0	11.5	1	15.5	62	2	0	4	0	84.5	96
Total FSN/TCN (Program Funded)	1	0	1	0	0	0	2	0	0	0	0	0	0	0	0	2
Total FSN/TCN Staff	5	3.5	5	0	0	0	13.5	1	15.5	62	2	0	4	0	84.5	98
Total Other (RSSA, PASA, IPA) (OE/TF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other (RSSA, PASA, IPA) (Program Funded)	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total FSN/TCN Staff	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Total OE/TF Staff (includes USDH)	6.5	6	7.5	0	0	0	20	3.5	17.5	63	3	0	5	0	92	112
Total Program Funded Staff	1	2	2	0	0	0		0	0	0	0	0	0	0	0	0
Grand Total All Staff	7.5	8	9.5	0	0	0	25	3.5	17.5	63	3	0	5	0	92	117

Notes:

- TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can divide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

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U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

March 20, 1997

Memorandum

TO: See Distribution (attached)
FROM: LAC/SPM, Janice Weber
SUBJECT: Nicaragua Results Review and Resource Request
for FY 1997-1999

Issues Due	April 8, 1997	COB
SO Technical Review - Ed./Hlth./Smlr. Families	April 10, 1997	10:00
SO Technical Review - Democracy	April 10, 1997	11:00
SO Technical Review - Growth of Income & Emp.	April 11, 1997	11:00
Issues Meeting	April 15, 1997	2:00
DAEC Review	April 17, 1997	2:00

All meetings listed above will be held in Conference Room 2248 NS.

Attached for your review and comment is the Nicaragua Results Review and Resource Request (R4) for FY 1997-1999. Technical Review Team Leaders are responsible for organizing the team's submission of draft technical and related issues to SPM by the "Issues Due" date shown above. It is expected that at least one meeting of the Technical Review team for each strategic objective (SO) will be needed to finalize issues to be brought forward to the Issues Meeting, synthesize issues resolved and agree on a performance assessment. The dates and times of those SO Technical Reviews with Mission representatives are shown above.

All technical issues will be submitted to the Technical Review teams. Issues that are not specific to an SO (such as cross-cutting, resource allocation and management issues) are to be provided to Gordon Bertolin, LAC/SPM, Room 2252 NS, Extension 75252, by e-mail attachment. LAC/SPM will prepare a consolidated Issues Paper for the Issues Meeting which will be chaired by Janice Weber, Director, LAC/SPM. The DAEC Review will be chaired by Mark Schneider, AA/LAC.

Issues should be formulated following the format indicated below. Requests for additional information and clarifications should be made directly to the Mission rather than submitted as an issue.

Format for submission of issues:

1. The Issue should be stated in one or two sentences.

2. The issue statement should be followed by a Discussion of no more than one paragraph which provides sufficient, but concise background for understanding the issues. The pros and cons of options for solution should be clearly stated.

3. The issue and discussion should be framed in a way which will facilitate its resolution in the Issues Meeting without predetermining the conclusion.

Attachments:

1. Distribution List
2. R4
3. Last Year's Reporting Cable (Management Contract)

USAID/Nicaragua
 FY 1997-1999 R4
 Distribution List

<u>OFFICE</u>	<u>AMOUNT</u>	<u>ROOM NO.</u>	<u>NAME OF PERSON</u>
AA/LAC	1	4529A NS	Mark Schneider
DAA/LAC	1	4529A NS	Norma Parker
DAA/LAC	1	4529A NS	Carl Leonard
SA/LAC	1	4529A NS	Madeline Williams
GC/LAC	1	3328 NS	Annette Adams
AA/LAC-EMT	1	3908 NS	Carla Royalty
LAC/DPB	8	2246 NS	Mike Deal (Deliver all copies to SPurifoy)
LAC/RSD	12	2242 NS	Twig Johnson (Deliver all copies to VJones)
LAC/CEN	3	3253 NS	Dan Lesmez
M/B/PA	2	3843 NS	Brad Greene
M/S/SB	1	3741 NS	Richard Knowles
M/HR/PPIM	1	670 SA 36	Mary Beth Zankowski
M/MPI	1	3756 NS	Mike Rogal
M/ROR	1	200 SA 2	Richard Byess
LPA/CL	1	2895 NS	Gladys Rodriguez
ARA/CEN	1	4915 NS	Paul Trivelli
ARA/ECP	2	3248 NS	Benjamin Muskovitz
ARA/PPC	1	6913 NS	Fay Armstrong
INL/P	2	7811 NS	William McGlynn
DRL/BA	1	7802 NS	Daphne Titus
PPC/AA	1	3892 NS	Kelly Kammerer
PPC/CDIE/DI	2	209 SA 18	Margaret Pope
PPC/CDIE/PME	4	311B SA 18	Suzette Rosier
PPC/PC	7	3673 NS	Vince Cusumano
AA/G	1	4942 NS	Sally Shelton
SDAA/G	1	4942 NS	Ann Van Dusen
G/PDSP	4	313 SA 18	Peter Delp
G/DG	4	5258 NS	Erin Soto
G/PHN	8	714 SA 18	John Coury
G/EG	5	301 SA 2	Ronald Stryker
G/WID	3	915 SA 38	Virginia Lambert
G/HCD	4	215D SA 16	John Jessup
G/ENV	6	513C SA 18	Paul Crawford
BHR/PPE	4	361 SA 8	Frank Alejandro
A/AID	1	5894 NS	Mike Feldstein
LAC/SPM	5	2248 NS	JWeber, ERupprecht, NYaniz, GBertolin
RIG-San Salvador	1		Wayne Watson, Regional Inspector General RIG/A San Salvador US Embassy, El Salvador
OMB	1	395-4605 (Phone#)	Ms. Janet Piller Office of Management & Budget New Executive Office Building Room 10025 725 17th Street, N.W. Washington, D.C. 20503

Peace Corps

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606-3337

Regional Director
InterAmerica Region
Peace Corps
1990 K Street, N.W.
Washington, D.C. 20526

IDB

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Cressida McKean
Office of the USED
NE 1101
Inter-American Dev. Bank
1300 New York Ave., N.W.
Washington D.C. 20577

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ACTION OFFICE(S): !LASP
INFO OFFICE(S): AAG AALA AAM AAXA ACIS ASOM BAA BHR DAAM
DUTY FFP GAFS GENR GEO ICIS IG IGLC IRMO
ITCO LACE LACEA LADP LEHR LPHN MB MBPA
MPI OPA OPCC OPE OPOD OPPTS OPTR PAUL PDSP
POP PPCE PPDC PVC REEN SEC

INFO LOG-00 AGRE-00 TEDE-00 /000R

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SOURCE: AID.005679

DRAFTED BY: AID/LAC/SPM:JMEADOWCROFT:JM

APPROVED BY: AID/AA\LAC:MSCHNEIDER

AID5649

AID/DAA/LAC:EZALLMAN AID/LAC/SPM:JWEBER

AID/LAC/SEPSTEIN AID/LAC/DPB:DCHIRIBOGA

AID/LAC/CEN/NLEVINE

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FM SECSTATE WASHDC

TO AMEMBASSY MANAGUA PRIORITY

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AID ADM

E.O. 12958: N/A

TAGS:

SUBJECT: FY95-98 NICARAGUA R4--MANAGEMENT CONTRACT

1. SUMMARY. DURING PROGRAM WEEK FOR USAID/NICARAGUA, APRIL 22-26, 1996, FORMAL SCHEDULED MEETINGS WERE HELD ON DEVELOPMENT OBJECTIVES, INDICATORS OF PROGRESS TOWARD MEETING THOSE OBJECTIVES, RESOURCE REQUIREMENTS, EXPERIENCE WITH REENGINEERING, AND A BROAD RANGE OF PROGRAM ISSUES. AA/LAC MARK L. SCHNEIDER WAS SUPPORTIVE OF THE MISSION AND ITS PROGRAM, EXPRESSED CONCERN ABOUT
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THE IMPACTS OF DEVELOPMENT BUDGET REDUCTIONS, AND OFFERED HIS ASSISTANCE IN COORDINATING OUR SUPPORT WITH OTHER DONORS. THE TWO PRINCIPAL ISSUES DISCUSSED AT THE DAEC WERE THE PACE OF SETTLING EXPROPRIATED PROPERTY CLAIMS AND THE NEGATIVE IMPACTS ON PEOPLE'S LIVES OF REDUCTIONS IN THE BUDGET FOR DEVELOPMENT PROGRAMS. HE REQUESTED THAT THE MISSION PRESENT CONCRETE EXAMPLES OF THE EFFECTS OF BUDGET CUTS ON PEOPLE'S LIVES. MR. SCHNEIDER DEFERRED JUDGEMENT ON THE MISSION'S SUGGESTED PROGRAM PRIORITY

13.

RANKINGS AND PARAMETERS IN THE EVENT OF BUDGET REDUCTIONS BELOW THE \$20 MILLION THRESHOLD IDENTIFIED BY THE MISSION. WHEN WE KNOW SUCH DEEP CUTS WILL BE NECESSARY, HE WILL WANT TO REVIEW, WITH MISSION MANAGEMENT, OPTIONS FOR

ACTIVITIES UNDER EACH STRATEGIC OBJECTIVE (SO) TO ASSESS WHAT ACTIVITIES MIGHT BE CUT OR COMBINED WITH ACTIVITIES UNDER OTHER SO'S. THE DAEC CONCERN ABOUT OTHER DONOR

ASSISTANCE SHOULD BE DEALT WITH IN FUTURE MISSION REPORTING BY EXPANDED DISCUSSION OF THE LINKAGES OF USAID ACTIVITIES WITH THOSE OF OTHER DONORS AND BY REFERENCE TO OTHER DONORS IN THE RESULTS FRAMEWORKS (RF). IT WAS ALSO NOTED THAT THE MISSION HAD RESPONDED TO THE ISSUES IN LAST YEAR'S ACTION PLAN GUIDANCE CABLE, BUT SHOULD ALSO ENSURE THAT FUTURE REPORTS MORE CLEARLY DOCUMENT PEOPLE LEVEL IMPACTS, INCLUDING BY GENDER, IN INDICATORS. THE MISSION DOES COLLECT SOME OF THESE DATA NOW, BUT THESE DATA CORRESPOND TO LOWER LEVEL RESULTS AND WERE NOT REPORTED CLEARLY IN THE R4. WITH REGARD TO THE FINAL DAEC CONCERN, THE MISSION WAS REASSURED THAT APPROVAL OF A POSITION FOR A TECHNICAL ADVISOR IN AIDS AND CHILD SURVIVAL (TAACS) WAS UNDERWAY. ALSO, A SIDE MEETING WOULD BE HELD TO IDENTIFY UNCLASSIFIED

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A PHN OFFICER FOR THE MISSION. THE 1995-98 R4 WAS APPROVED, WITH BUDGET GUIDANCE FOR FUTURE YEARS TO FOLLOW. AA/LAC COMPLIMENTED THE MISSION ON AN EXCELLENT SUBMISSION. END SUMMARY.

2. THE DAEC REVIEW OF THE USAID/N R4 FOR FY 95-98 WAS CHAIRED BY AA/LAC MARK L. SCHNEIDER. DAA/LAC ERIC ZALLMAN ATTENDED, AS WELL AS VARIOUS OTHER REPRESENTATIVES OF LAC, G, AND M BUREAUS. MISSION DIRECTOR GEORGE CARNER, DEMOCRACY OFFICER ALEXI PANEHAL AND HUMAN INVESTMENT (HI) OFFICE CHIEF KAREN HILLIARD REPRESENTED USAID/N.

3. IN HIS OPENING STATEMENT, MISSION DIRECTOR CARNER NOTED THAT LAST YEAR'S STRATEGY FOR USAID/N WAS A STATEMENT OF PROGRESS TO DATE AND CONSENSUS WITH THE BUREAU ON FUTURE DIRECTIONS. SIGNIFICANT PROGRESS HAS BEEN MADE OVER THE LAST SIX YEARS, MUCH OF IT DIRECTLY ATTRIBUTABLE TO USAID ASSISTANCE: PROGRESS IN DEMOCRACY INCLUDES FUNCTIONING DEMOCRATIC INSTITUTIONS, RESOLVING THE CONSTITUTIONAL REFORM CRISIS, WHICH RESULTED IN INCREASED CHECKS AND BALANCES ON A STRONG EXECUTIVE BRANCH FROM AN INCREASINGLY DYNAMIC LEGISLATURE, AN EFFECTIVE ELECTORAL COUNCIL, GREATER TOLERANCE AND DEVELOPMENT OF CIVIL SOCIETY (ALTHOUGH THE JUDICIAL BRANCH REMAINS THE WEAKEST BRANCH OF GOVERNMENT). IN THE ECONOMIC ARENA, SUSTAINED GROWTH HAS BEEN ACHIEVED, EXPORTS ARE BOOMING, AND INVESTOR INTEREST IS GROWING. JOB GROWTH HAS BEEN SLUGGISH, ESPECIALLY RELATIVE TO THE NEEDS OF A YOUNG AND FAST

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GROWING POPULATION, BUT POVERTY REMAINS WIDESPREAD. THE SOCIAL SECTORS HAVE SHOWN MUCH PROGRESS IN EDUCATION AND UNCLASSIFIED

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HEALTH AS SERVICES HAVE BEEN DECENTRALIZED; ALSO, MORE COUPLES ARE ADOPTING FAMILY PLANNING METHODS. THE DEMOCRATIC TRANSITION HAS BEEN NOTABLE, BUT THE TEST WILL

BE FREE AND FAIR ELECTIONS IN OCTOBER AND A PEACEFUL

TRANSFER OF POWER TO A NEW ADMINISTRATION IN JANUARY. THE CHALLENGE FOR THE NEW GOVERNMENT WILL BE TO ADDRESS POVERTY AND THE QUALITY OF LIFE FOR THE AVERAGE NICARAGUAN, ESPECIALLY IN RURAL AREAS. THE MISSION DIRECTOR ALSO NOTED USAID'S LEADERSHIP AMONG DONORS. THE NEED TO ASSIST THE NEW GOVERNMENT IS CLEAR, A REQUIREMENT THAT WILL REQUIRE SUSTAINED BUDGET LEVELS. SHOULD THE BUDGET FALL BELOW DOLS. 30 MILLION, IT WILL BE DIFFICULT TO CARRY OUT THE STRATEGY AND ON-GOING PROGRAMS WITHIN THE PLANNED TIME FRAME. BELOW THE DOLS. 20 MILLION LEVEL, THE STRATEGY WILL HAVE TO BE REVIEWED AND HARD CHOICES MADE. MEANWHILE, PROVISION OF PL480 TITLE III ASSISTANCE IN FY96 WOULD HELP SUPPORT THE ECONOMIC GROWTH SO AND MAKE UP FOR THE DA CUTS. ON REENGINEERING, THE MISSION HAS REORGANIZED ITSELF INTO EIGHT RESULTS TEAMS, WHICH EXTEND TO INCLUDE PARTNERS. THIS TEAMWORK HAS BEEN DEMANDING OF STAFF TIME, BUT ALSO UNLEASHES STAFF TALENTS. WHILE THE NEW MANAGEMENT SYSTEMS WILL HELP TO REDUCE SOME DEMANDS ON STAFF TIME, ADDITIONAL STAFF TO LEAD AND SUPPORT RESULTS TEAMS DO NEED TO BE PROVIDED, INCLUDING AN ON-SITE CONTRACTING OFFICER. DAA ZALLMAN ASSURED THE DIRECTOR THAT THE MISSION WILL CONTINUE TO HAVE THE SERVICES OF A CONTRACTING OFFICER IN THE FIELD. DIRECTOR CARNER EXPLAINED THAT THE AMBASSADOR AND COUNTRY TEAM HAVE APPROVED THE R4 AND WERE VERY SUPPORTIVE OF THE MISSION'S PLANS.

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4. AA/LAC ASKED ABOUT THE IMPACT OF BUDGET REDUCTIONS, ESPECIALLY IN TERMS OF CONCRETE IMPACTS ON PEOPLE'S LIVES. THE MISSION DIRECTOR EXPLAINED THE MISSION'S METHODOLOGY FOR ESTABLISHING A MINIMUM BUDGET THRESHOLD AND RANK ORDERING RESULTS TO SERVE AS PARAMETERS FOR MAKING DECISIONS ON PROGRAM ADJUSTMENTS, SHOULD BUDGET CUTS BE MADE BELOW DOLS. 20 MILLION A YEAR. HE ILLUSTRATED THE LOGIC OF THE METHODOLOGY (WITHOUT OVERLAYING DIRECTIVES) BY POINTING OUT THAT THE FIRST IMPACTS OF BUDGET AND STAFF CUTS WOULD FALL ON THE ENVIRONMENT PROGRAM. HI OFFICE CHIEF HILLIARD POINTED OUT THAT A NEW PVO ACTIVITY, WHICH FURTHERS THE NEW PARTNERSHIPS INITIATIVE, HAD TO BE

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LIMITED TO 300 OF THE 1000 SCHOOLS THE MINISTRY OF EDUCATION HAD REQUESTED. REDUCING THIS INITIATIVE, WHICH INVOLVES PARENTS AND COMMUNITIES MORE IN CHILDREN'S EDUCATION, WILL RESULT IN HIGHER REPETITION RATES, FEWER CHILDREN IN SCHOOL, AND HIGHER COSTS PER PRIMARY SCHOOL GRADUATE IN THE UNASSISTED SCHOOLS. SINCE THE PLANNED LEVEL FOR FY97 WAS WELL ABOVE THE THRESHOLD, A DAEC DECISION ON THESE PARAMETERS OR ILLUSTRATIVE CUTS WAS NOT NECESSARY. AA/LAC RESERVED HIS DECISION ON THE PROPOSED PROGRAM RANKINGS AND PARAMETERS, AND REQUESTED THAT THE

MISSION BE PREPARED TO PRESENT ITS OPTIONS AT LOWER FUNDING LEVELS, SHOULD IT BE NECESSARY, SO BUREAU MANAGEMENT COULD REVIEW AND JOINTLY DECIDE ON THEM.

6. AA/LAC ALSO INQUIRED ABOUT THE TARGET LEVELS FOR THE

PERCENT OF REGISTERED VOTERS ACTUALLY VOTING IN THE 1996 ELECTIONS. THE MISSION DIRECTOR RESPONDED THAT THE
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CONSERVATIVE LEVEL SET FOR THE R4 WAS THE MINIMUM LEVEL EXPECTED. LAC/DPB AND LAC/CEN REPRESENTATIVES ALSO POINTED OUT THAT VOTER PARTICIPATION IN EL SALVADOR AND GUATEMALA WAS LESS THAN FIFTY PERCENT. AA/LAC ACCEPTED THE MINIMUM TARGET ON THE UNDERSTANDING THAT MISSION WILL ENCOURAGE MAXIMUM VOTER REGISTRATION AND VOTING SO THESE MINIMUM TARGETS, HOPEFULLY, CAN BE EXCEEDED.

7. DISCUSSION FOLLOWED WHICH PROVIDED INFORMATION ON ISSUES FROM EARLIER MEETINGS REGARDING DEVELOPMENT OF PROGRESS INDICATORS FOR DEMOCRACY ACTIVITIES, SUPPORT FOR EDUCATION BUDGET REFORM, AND SUFFICIENT TITLE II FUNDING TO COVER THREE REGIONS FOR ACTIVITIES AIMED AT NUTRITION AND CHILD SURVIVAL:

A. JUDICIAL REFORM. THE MISSION DIRECTOR NOTED THAT SOME PROGRESS HAD BEEN MADE, THOUGH IN SMALL INCREMENTS. DEMOCRACY OFFICER PANEHAL SUMMARIZED PROGRESS ON DRAFTING THE JUDICIAL ORGANIC LAW AND JUDICIAL CODE REFORMS AND DEVELOPMENT OF CONSENSUS FOR REFORMS SO THAT WHEN THE NEW ASSEMBLY IS ON BOARD THE REFORMED CODES WILL BE READY FOR APPROVAL. AA/LAC ALSO OBSERVED THAT THE HUMAN RIGHTS OMBUDSMAN STILL HAD NOT BEEN APPOINTED AFTER A WAIT OF THREE YEARS. THE MISSION DIRECTOR POINTED TO THE RECENT PASSAGE OF THE LAW ESTABLISHING THE OFFICE AND STRESSED THE NEED TO CONTINUE TO PRESS FOR REFORMS IN THE JUDICIAL SECTOR AND TO CONTINUE TO ENGAGE WITH THE EXECUTIVE, THE LEGISLATURE AND CIVIL SOCIETY ON THE NEED FOR JUDICIAL REFORM.

B. ON ELECTIONS, THE MISSION DIRECTOR CLARIFIED THAT SOME
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ELECTORAL SUPPORT WILL CONTINUE AFTER THE OCTOBER ELECTIONS, INCLUDING COMPLETING THE CIVIL REGISTRY UPDATING AND CEDULIZATION. HOWEVER, THESE ACTIVITIES WILL BE INCORPORATED INTO THE GOOD GOVERNANCE RESULTS FRAMEWORK.

C. EDUCATION REFORM. BUDGET LEVELS FOR PRIMARY EDUCATION HAVE BEEN A FOCUS OF THE EXECUTIVE BRANCH OF THE GON. USAID AND OTHER DONORS CONTINUE TO PRESS FOR RESOLUTION ON ADEQUATE LEVELS OF FUNDING BASED ON EFFECTIVE ALLOCATION OF RESOURCES AMONG PRIMARY, SECONDARY, AND UNIVERSITY

EDUCATION. THE GON HELD DOWN UNIVERSITY BUDGET ALLOCATIONS BY BASING THE ALLOCATION OF THE CONSTITUTIONALLY-REQUIRED SIX PERCENT OF THE NATIONAL BUDGET FOR UNIVERSITY-LEVEL EDUCATION ON THE DOMESTIC BUDGET ALONE (NOT INCLUDING EXTERNAL ASSISTANCE); THUS, THE ACTUAL SUPPORT FOR THE UNIVERSITIES IS MORE LIKE THREE PERCENT. NONETHELESS, USAID AND OTHER DONORS WILL

CONTINUE TO PRESS FOR EDUCATION REFORM, PARTICULARLY THROUGH ENCOURAGING BROAD COUNTRY DEBATE ON EDUCATION AND THE NEED TO INCREASE FUNDING FOR BASIC EDUCATION. THE WORLD BANK, FOR EXAMPLE, IS SUPPORTING POLICY DIALOGUE ON ISSUES SUCH AS EDUCATION. AA/LAC SUGGESTED WIDENING THE CONSTITUENCY FOR EDUCATION REFORM TO INCLUDE PVOS AND CIVIL SOCIETY. LAC/RSD/EHR NOTED THAT THE TECHNICAL ADVICE PROVIDED THROUGH ITS EHRTS PROJECT WOULD CONTINUE THROUGH THE NEW PERA ACTIVITY MAINTAINING PRESSURE FOR POLICY DIALOGUE AND REFORM.

D. TITLE II. BHR HAS CONFIRMED ITS COMMITMENT TO
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PROVIDING SUFFICIENT TITLE II SUPPORT FOR THE INNOVATIVE OPERATIONS RESEARCH THAT PAIRS TITLE II FOOD RESOURCES WITH CHILD SURVIVAL ACTIVITIES IN THREE REGIONS OF NICARAGUA.

8. THE DAEC DISCUSSION OF ISSUES, SUGGESTIONS AND GUIDANCE ARE PROVIDED IN THE FOLLOWING PARAGRAPHS.

A. EXPROPRIATED PROPERTY CLAIMS. THE PACE OF RESOLVING EXPROPRIATED PROPERTY CLAIMS NEEDS TO BE ACCELERATED. CURRENTLY SETTLEMENTS ARE 479 CASES SHORT OF THE TARGETED LEVELS. THE MINISTRY OF FINANCE IS NOW FOCUSING ON THE PROPERTY OWNERS WITH THE MOST CASES PENDING AND HAS SENT OUT LETTERS TO A NUMBER OF THE CLAIMANTS OFFERING A SETTLEMENT OR INTERNATIONAL ARBITRATION. THREE CASES INVOLVING CLAIMS ON PROPERTY NOW IN THE HANDS OF THE GON ARE PARTICULARLY COMPLICATED AND REMAIN UNRESOLVED.

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AA/LAC SUGGESTED THAT ARBITRATION MIGHT BE USED TO HELP SETTLE THESE. IF, BY THE END OF JULY, NOTABLE PROGRESS IS MADE IN RESOLVING CASES, A WAIVER OF SECTION 527 OF THE FY1995 FOREIGN ASSISTANCE APPROPRIATION ACT COULD BE JUSTIFIED. OTHERWISE, DIRECT US AID TO THE GON AND BY THE IFIS WOULD BE AFFECTED. THE AA/LAC EXPRESSED HIS GRAVE CONCERN AT THE CONSEQUENCES FOR US ASSISTANCE IF PROPERTY RESOLUTIONS ARE NOT ACCELERATED AND MUCH GREATER PROGRESS SHOWN BY THE END OF JULY.

B. OPTIONS FOR BUDGET LEVELS AND PROGRAMS. THE MISSION HAD LAID OUT PRIORITIES FOR DIFFERENT PROGRAM RESULTS AT VARIOUS FUTURE BUDGET LEVELS, INCLUDING A POSSIBLE WORST

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CASE SCENARIO OF DOLS. 20 MILLION PER YEAR. THE GREATEST IMPORTANCE WAS PLACED ON THE DEMOCRACY PROGRAMS, INCLUDING ADMINISTRATION OF JUSTICE AND MUNICIPAL DEVELOPMENT, WITH CIVIL SOCIETY RANKED LOWER. LOWEST PRIORITY WAS PLACED ON NATURAL RESOURCES MANAGEMENT AND NUTRITION RESULTS. AA/LAC REQUESTED FURTHER CLARIFICATION ON PROGRAM PRIORITIES, PARTICULARLY IN THE AREA OF SUSTAINABLE GROWTH. FURTHER MISSION ANALYSIS OF PROGRAM PRIORITIES TO ACHIEVE PLANNED RESULTS WOULD BE NEEDED IN THE EVENT OF

DEEPER CUTS. THIS SHOULD INCLUDE THE PROBABILITY OF NON-ACHIEVEMENT/ACHIEVEMENT OF RESULTS, PARTICULARLY FOR AOJ. THE MISSION SHOULD REVIEW THE ACTIVITIES UNDER EACH SO AND ANALYZE HOW THESE MIGHT BE BUILT INTO OTHER SO'S OR RESULTS, SHOULD AN SO HAVE TO BE DROPPED. IN THE EVENT OF MAJOR CUTS, AA/LAC WILL CARRY OUT A DIALOGUE WITH THE MISSION. THE MISSION'S ANALYSIS OF ACTIVITIES, THEIR PRIORITY ASSUMPTIONS, AND INTERRELATIONSHIPS WILL BE NEEDED TO DECIDE HOW BUDGET CUTS MIGHT BE ABSORBED.

C. LEVERAGING OTHER DONOR FUNDING. FUTURE R4'S AND RESULTS FRAMEWORKS SHOULD REFERENCE OTHER DONOR PROGRAMS AND PROVIDE A RICHER DISCUSSION OF THE INTERDEPENDENCY AMONG DONOR PROGRAMS. FOR EXAMPLE, LAC/RSD/PHN EXPRESSED CONCERN ABOUT REDUCTIONS IN UNFPA FUNDING FOR CONTRACEPTIVE COMMODITIES AND LACK OF WORLD BANK FUNDING FOR THE PHN SECTOR. OTHER DAEC PARTICIPANTS EXPRESSED CONCERN AT IDB PLACEMENT OF NICARAGUA ON THE SLOW TRACK FOR FSO FUNDING. AA/LAC OFFERED HIS ASSISTANCE IN DISCUSSIONS WITH OTHER DONORS, IF THAT WOULD BE HELPFUL TO THE MISSION.

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D. MISSION STAFFING. THE MISSION REQUESTED ASSISTANCE IN

78.

SECURING APPROVAL FOR THE TAACS CHILD SURVIVAL ADVISOR AND PLACEMENT OF AN APPROPRIATE PHN OFFICER. DAA ZALLMAN NOTED THAT APPROVAL OF THE TAACS ADVISOR WAS IMMINENT. (SINCE THE DAEC THIS POSITION HAS BEEN APPROVED BY M.) A SIDE MEETING WAS HELD LATER TO DISCUSS PLACEMENT OF A PHN OFFICER.

9. CONCERNS ON INDICATORS AND REPORTING PERFORMANCE WERE RESOLVED IN SIDE MEETINGS PRIOR TO THE DAEC. SUGGESTIONS TO FURTHER IMPROVE ATTENTION TO GENDER WERE-PROVIDED IN A MEMO DATED APRIL 24, 1996 FROM SPM TO THE MISSION.

10. CLARIFICATION OF PIPELINE. THE MISSION PROVIDED M/B A PIPELINE ANALYSIS REPORT THAT DOCUMENTED THE LARGER PIPELINES WITH SIGNIFICANT UNCOMMITTED BALANCES.
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