

**USAID/Nicaragua**  
**Operational Plan**

**FY 2006**

June 15, 2006

## **Please Note:**

The attached RESULTS INFORMATION is from the FY 2006 Operational Plan and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

The Operational Plan is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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**Program Performance Summary FY 2005:** Nicaragua's fragile democracy underwent significant stress during 2005 as a result of a power sharing "Pact" between two dominant former strongmen and their subservient political parties. Recent constitutional amendments pushed by the Pact and upheld by the Nicaraguan Supreme Court, transferred major executive powers to the National Assembly, giving the two parties control over much of the executive branch. The Central American Court later found them unconstitutional. The ratification of the DR-CAFTA free trade agreement with the United States became entangled in the political machinations of the Pact, with the two parties stalling the vote in order to wrest concessions from the president. After media reports blaming the National Assembly for investor flight and loss of jobs, the agreement was ratified. Likewise, finally bowing to heavy criticism of the Pact and pressure by international donors, the two parties approved a special law that put "on hold" the constitutional reforms that threatened the executive branch. The unstable political climate created by the Pact affects the country's ability to attract desperately needed investment to spur economic growth. Nicaragua remains the second-poorest nation in the hemisphere with a per capita GDP of \$2,300 (2004 est.) Unemployment is officially 12.2%, and roughly another 35% are underemployed. Nicaragua suffers from persistent trade and budget deficits, leaving it dependent on foreign assistance flows--as much as 42% (including donations and debt relief) of GDP in 2004. Remittances, equivalent to nearly 24% of GDP, are another large component of Nicaragua's balance of payments, making it the second most remittance-dependent country in Latin America. Given this political and economic backdrop, it is a testament to the political will of the Nicaraguan government under the current administration and the Nicaraguan people that despite the difficult situation, progress has been made in the economy and in improving health and education. The Nicaraguan government's economic policies have brought inflation under control and the economy had a modest GDP growth rate of 2.3% in 2003, a 5.1% GDP growth rate in 2004, and 3.7% projected in 2005. Health trends show a slow but steady decline in infant and maternal mortality rates, malnutrition and fertility rates.

The USAID program supports Nicaragua's efforts to address these political, social, and economic constraints and is closely aligned with the three principal Millennium Challenge Account areas of ruling justly, economic freedom and investing in people. To strengthen rule of law, USAID supports criminal justice reforms, prosecution of acts of corruption, increased government transparency, adherence to codes of ethics by both the government and private sector, and strengthening public oversight. The program also provides assistance for ensuring free and fair presidential elections in November 2006. USAID activities support trade-led economic growth and rural diversification to help increase sales of Nicaraguan products in local, regional, and international markets. Other programs address policy and regulatory constraints to investment, trade, competitiveness, and market access. For a healthier, better educated population, activities are designed to improve government capacity to plan and manage health and education investments, increase access to quality primary education, and improve health status at the household and community levels.

**Challenges:** By far the greatest challenge for economic growth in Nicaragua is to strengthen the rule of law and promote good governance and transparency to help build investor confidence. Establishing an independent judiciary and separation of powers are critical for political stability. Nicaragua's fragile democracy is threatened by having power concentrated in the National Assembly. To this end, USAID Nicaragua is providing assistance for judicial reform and laws and regulations that will help increase trade and investment. Other USAID economic activities help increase the quality and competitiveness of Nicaragua's products to take advantage of free trade agreements. Improving quality and access to health and education are also important for achieving economic prosperity.

**Key Achievements:**

**Democracy and Governance:** USAID activities in this area have had important results in FY 2005 with the drafting and preliminary passage of a Criminal Code, the passage of a Law on Arbitration and Mediation and the passage of a Judicial Career Law. The successful enactment of the Criminal Procedures Code, in effect since December 2002, was bolstered by USAID-funded training, technical assistance and planning carried out in collaboration with the Nicaraguan government. USAID made significant contributions to the successful implementation of the code nationwide this year, by providing expert training to judges, prosecutors, public defenders, private lawyers and others in both the content of the new law and the ways in which their roles have changed in the shift from an inquisitorial to an

accusatorial criminal justice system. Implementation of the new code brings Nicaragua in line with progress in criminal justice reform throughout the region. One of the most important achievements under this program in FY 2005 was the passage of an internationally acceptable Judicial Career Law by the National Assembly. While the law has weaknesses, it defines tenure for judges for the first time, and establishes ethical standards for judges, important steps in developing a non-partisan, transparent judicial branch of government. The Criminal Code has received bipartisan support, and when passed into law will criminalize money laundering, trafficking in persons and other U.S. national interests in the law enforcement area, making Nicaragua a more stable and economically desirable location for business.

**Building Trade Capacity and Generating Employment:** USAID focuses its assistance on achieving increased trade and investment and the development of a competitive, market-oriented economy with particular emphasis on market-led, rural economic diversification and trade capacity building.

USAID activities provide technical assistance to Nicaraguan producers to meet local, regional, and international market demand for fresh fruits and vegetables and other, higher-value crops. USAID assistance during the last year helped Nicaraguan producers to increase their sales of basic staples, specialty coffee, tubers, roots, fruits, and vegetables in local, regional, and international markets by \$15.9 million. In this period, USAID-assisted enterprises created 24,082 full-time equivalent jobs in the agricultural sector and 9,258 temporary jobs through Food-for-Work activities. Technical support to the Nicaraguan government on economic policy contributed to the passage of the Law on Tax Equity. USAID also provided technical and legal assistance for the drafting of biotechnology legislation, and helped to harmonize custom procedures and phyto-sanitary security that are consistent with provisions in the DR-CAFTA. A key outcome of this assistance and training was a drastic reduction by more than 50% in the time needed to clear customs for fresh vegetables and fruits and other agriculture products passing through the Nicaragua-Honduras border.

Through USAID's Alliance for CAFTAction, 8,312 workers (7,144 of them women) from over 40 companies participated in DR-CAFTA briefings emphasizing the shared commitment needed by workers as well as management to be productive and efficient if the company is to be competitive and succeed. The initiative also garnered the active support of 26 Nicaraguan companies who joined the 300 Alliance partners in the region by signing the Declaration of Principles. The alliance also hosted an Active Dialogue forum entitled "Making DR-CAFTA Work for All - Preparing our Human Resources to Compete in the Global Economy." A public opinion poll carried out in September 2005 showed that two thirds of Nicaraguans support DR-CAFTA with 19% supporting the trade agreement to some degree, and 47% strongly supporting CAFTA.

**Natural Resource Management:** USAID programs led to improved environmental management on some 40,000 hectares since 2004 (check date for start of new SO activities, was it 2003 or 2004?). This total includes agricultural lands where improved methods were used to conserve water and soil and selected protected areas and their buffer zones where new techniques to prevent and control forest fires are being implemented. Through its partnership with The Nature Conservancy, USAID's Co-Management in Protected Areas project helped strengthen the financial accounting systems for four non-governmental organizations co-managing protected areas in Nicaragua. This activity builds on USAID's Co-Management of Protected Areas Project (COMAP) that brought 769,669 hectares of protected areas under more effective management during the four years of the program. USAID completed its assistance for the new Forestry Law by providing technical assistance to draft the norms and regulations for the law that will promote sustainable forestry business development and reforestation.

**Better Health:** Health interventions help improve reproductive, maternal, and child health services, and support better nutrition and hygiene practices. USAID assistance in approving the quality of health care led to a 32% decrease in the number of children dying from pneumonia over the last year in five major regional hospitals. Nearly all public health facilities provide family planning services, and USAID continued to supply 75% of contraceptives used in Nicaragua in FY 2005, thereby contributing significantly to the country's 69% contraceptive prevalence rate. In 2005, the use of Ministry of Health family planning services increased by 25%. USAID supported the consolidation of a Private Voluntary Organization/Non-governmental Organization (PVO/NGO) federation, NicaSalud. The Nicaraguan

government has engaged this federation of 29 leading local and international NGOs as a major partner to extend health activities at the community and household level to improve maternal and child health. Twelve of the NicaSalud federation members receive USAID funding for health and nutrition programs that serve 19,900 families. USAID is also supporting NicaSalud's Solar Water Disinfection program. This program uses simple technology to improve water quality in over 300 high-risk communities. In addition, access to hygiene education was increased through the use of the innovative rolling health fair known as the "Blue Bus." The Blue Bus has visited 193 communities over the last year. USAID's Quality Assurance Project is providing technical assistance to 14 out of 17 Local Systems of Integrated Health Care centers nationwide in developing quality standards and improving customer service. The assistance includes the improvement of antenatal care, family planning and obstetric emergency care. Working with the Ministry of Health, USAID assistance is helping to improve service delivery in HIV/AIDS. An anti-stigma publicity campaign, designed by USAID, will be launched in 2006. USAID recently became a member of the Country Coordinating Mechanism for the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria which will help ensure sound programming and fiscal accountability of these funds.

**Access to Quality Education:** USAID's model school initiative and focus on quality primary education contributes to increased student access to education. School completion in USAID-supported model schools exceeds that of non-model schools by over 20%, and academic achievement increased 8% in Spanish and 12% in math since the program began. Parent participation in USAID model schools reached 96% last year in urban schools and 93% in rural schools. The success of USAID's school program led to a decision by the Nicaraguan government last year to extend the model nationwide to all primary schools. USAID responded to this challenge through its BASE project by developing and testing during FY 2005 a successful strategy toward rapid expansion consisting of a network of schools implementing the model under the guidance of a lead model school. As a result, 530 new schools adopted the active teaching and learning and community participation model for a final total of 641 model schools nationwide. USAID is also participating in a Global Development Alliance (GDA) with the American-Nicaraguan Chamber of Commerce, the American-Nicaraguan Foundation and the Academy for Educational Development that has leveraged over \$6.2 million from the private sector since February 2003, to improve basic education and nutrition in Nicaragua. Currently, 50 private Nicaraguan businesses are participating in the alliance as school sponsors, providing computers and school supplies and improving facilities in 161 schools serving 46,500 students.

**Gender:** USAID has integrated recommendations from a 2004 gender mainstreaming assessment into its activities. Under the democracy program, USAID provided training to women leaders at the municipal level to increase their involvement in decision-making. The program also promotes increased access to justice for women by providing information on laws that address domestic violence and other issues and what rights women have under the law. USAID's supported a Judicial Career Law and a Prosecutor Career Law which promote selection and promotion of judges and prosecutors based on merit. In ongoing economic programs, USAID addresses gender concerns by helping women-owned businesses or farms to take advantage of free-trade opportunities by improving product quality and market links. USAID health activities focus on improving maternal and child health through activities that involve men and women. USAID's reproductive health and family planning programs promote increased male roles and responsibilities.

**Integrated Programming and Cross-Cutting Issues:** Anti-corruption and increasing trade capacity are key cross-cutting issues for USAID Nicaragua programs. In the health and education sector, anti-corruption activities focus on improving procurement systems, management, and use of resources with the aim of improving the quality of services. Surveys on customer satisfaction, completed by public health facility users, help to monitor service quality and therefore provide an indication of the impact of USAID anti-corruption activities. In education, parents and the community are actively involved in school activities and in oversight of administration. Student council elections in USAID's school programs promote fair, transparent voting. Transparency is also important for creating a business climate that promotes investment and trade. USAID's democracy and trade capacity building programs supported efforts by civil society groups and the Nicaraguan Chamber of Commerce to lobby for an Arbitration and Mediation Law. As a result of this joint effort, the law was passed sooner than expected.

Global Development Alliances and Partnerships: USAID's education program includes a Global Development Alliance (GDA) between the Academy for Educational Development, the American-Nicaraguan Foundation and the American-Nicaraguan Chamber of Commerce (AMCHAM) that leveraged \$666,340 in 2005 and more than \$6.2 million since February 2003, from the private sector. In 2005, the alliance benefited 11 additional schools and 2,214 students. This brings the total number of private business sponsors to 50, the number of schools to 161, and the number of students covered by the program to 46,500. Through the alliance, these schools received courses and training from AMCHAM in successful business practices. Many of these schools have used these skills to set up small businesses to fund school activities and improvements.

Presidential Initiatives: The Centers of Excellence for Teacher Training (CETT), a Presidential Initiative, provided training to teachers, advisors and principals in 360 schools to improve reading, writing and comprehension in the first three grades of primary school.

USAID provided support to Nicaragua's Ministry of Development, Industry and Trade to help Nicaragua prepare for the implementation of DR-CAFTA. Activities included the establishment of a library on trade topics, the creation of a virtual network for exports, the purchase of a system for preparing trade projections for DR-CAFTA and the production of informational materials. USAID provided technical assistance to harmonize customs procedures that are consistent with provisions in DR-CAFTA, and trained customs agents in sanitary and phyto-sanitary procedures and regulations. Through USAID's Alliance for CAFTAction, 40 companies participated in DR-CAFTA briefings emphasizing the shared commitment needed by workers as well as management to be productive and efficient if the company is to be competitive and succeed.

USAID's Quality Coffee Program is supporting the activities of three faith-based organizations: World Relief, Catholic Relief Services, and Lutheran World Relief -that assist farmers to improve coffee quality, and promote marketing campaigns with their faith-based communities in the United States. These farmers have increased their sales of specialty coffee with new markets and buyers including the U.S. company Starbucks that bought approximately \$2 million of specialty coffee from the 2004-2005 harvest from a group of farmers participating in the World Relief program.

**FY 2006 Program****SO: 524-021 Ruling Justly: More Responsive, Transparent Governance****Promote And Support Anti-Corruption Reforms**

Promote and Support Anti-Corruption Reforms (\$2,398,000 DA). USAID is funding targeted assistance to professional associations to improve their capacity to advocate for transparency related reform on behalf of their members. Technical assistance and training for public oversight groups are raising public awareness and increasing civil society participation in government decision making and oversight. Provided that progress in promoting judicial independence continues, USAID will fund technical assistance for judges, prosecutors, public defenders, police, and other officials to strengthen prosecution of corruption cases. Principal contractors: Casals and Associates, Checchi and Company.

**Promote and Support Credible Elections Processes**

Promote and Support Credible Elections Processes (\$2,000,000 DA; \$4,368,000 ESF). With Atlantic Coast regional elections set for March 2006, and national elections scheduled for November 2006, USAID is supporting activities to increase citizen and civil society participation, encourage democratic processes within political parties, and organize Nicaraguan advocacy groups for electoral observation and voter education. Activities include updating civil registries and files for voter registration, mobilizing public oversight coalitions and media involvement for electoral monitoring, increasing voter participation and public awareness, and providing training and technical assistance to political parties. USAID is funding technical assistance to the Supreme Electoral Council to resolve electoral management issues and to ensure the integrity of the transmission of electoral results. Principal grantees: International Foundation for Electoral Support, International Republican Institute, National Democratic Institute, Organization of American States (OAS).

**Strengthen the Justice Sector**

Strengthen the Justice Sector (\$2,750,000 DA). USAID is funding training and technical assistance to advance implementation of the Criminal Procedures Code and the Criminal Code, reforms that were developed with USAID assistance. With the passage of the Judicial Career Law, which establishes ethical standards and defines tenure for judges, USAID will fund training for implementation of the merit-based system for selection, promotion, and discipline of judges and other judicial personnel, as well as judicial ethics. USAID funded technical assistance is helping consolidate public prosecution and defense functions by improving the public defenders office's capacity to provide pro bono defense services to the indigent and expanding use of alternative dispute resolution. Technical assistance and training for public oversight groups is helping mobilize support for judicial reforms and human rights protection. Principal contractor: Checchi and Company.

**FY 2007 Program****SO: 524-021 Ruling Justly: More Responsive, Transparent Governance****Mitigate Conflict and Support Peace**

Mitigate Conflict and Support Peace (\$1,500,000 ESF). USAID will address the expanding threat of gangs in Nicaragua by advancing community based approaches to policing, and involving non-governmental organizations, business chambers, churches, schools, medical facilities, police, firemen, women's groups and others local level actors in targeted, high-priority municipalities. Municipal governments, especially key mayors, will be the focal point for the program, and private sector participation will be critical. USAID will also support programs to provide youth-at-risk with alternatives in the form of education and job training opportunities linked with the private sector (through a potential Global Development Alliance), again in selected, high profile, high priority locations.

## **Promote And Support Anti-Corruption Reforms**

Promote and Support Anti-Corruption Reforms (\$2,116,000 DA). USAID support will assist the Government of Nicaragua (GON) to complete and implement Nicaragua's Anticorruption and Governance Strategy and Plan, as well as the GON's commitments under the Inter-American Convention against Corruption. USAID plans to support initiatives to improve budget transparency and management, with particular attention to the defense budget, education, health, and the justice sector. USAID may provide targeted support for governance and institutional reform efforts to increase the accountability of elected representatives to their constituents. USAID plans to continue to train local officials on transparent governance and help build local non-governmental oversight. Planned activities, that will help implement the Access to Information Law, include training and technical assistance to key government agencies regarding responsibilities to provide public information, as well as media training in investigative reporting. Principal contractor: Casals and Associates.

## **Strengthen Democratic Political Parties**

Strengthen Democratic Political Parties (\$1,500,000 ESF). In the wake of national elections in November 2006, and an inauguration of a new administration in January 2007, USAID will provide assistance to strengthen the Supreme Electoral Council (CSE) and to carry out democratic reforms within Nicaraguan political parties. USAID assistance will promote reforms in existing electoral laws to depoliticize the CSE; will provide technical assistance to the CSE to include streamlining the processes of issuing new voter ID cards to all eligible voters and keeping the voter registry up-to-date, and instituting systems for registering voters living overseas. As a follow-up to electoral assistance for the 2006 elections, USAID will foster political party reforms to establish democratic procedures to include transparency and citizen participation in the selection of candidates to ensure free and fair democratic elections. Implementers to be determined through a competitive process.

## **Strengthen the Justice Sector**

Strengthen the Justice Sector (\$2,116,000 DA). USAID plans to fund training courses for prosecutors and defense lawyers and establish training units within the Public Ministry, the public defenders office, and law schools to continue advancing implementation of new, key laws such as the Judicial Career Law, the Prosecutor Career Law, and the Arbitration and Mediation Law. USAID plans to strengthen justice services by extending alternative dispute mechanisms and identifying reforms that will make the justice system more accessible to ordinary citizens. USAID expects to support public oversight activities to advocate for justice and human rights reforms. Principal contractor: Checchi and Company.

## **FY 2006 Program**

**SO: 524-022 Economic Freedom: Open, Diversified, Expanding Economies**

## **Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$1,500,000 DA). USAID is continuing activities to improve the business climate through better customs and sanitary and phytosanitary systems, more transparent procedures, and fee-based management systems. USAID is building a coalition of private and civil society groups to work in partnership with the government to advocate for legal, regulatory, and policy reforms that will reduce trade barriers. USAID is promoting management and labor relations whereby companies become more competitive while complying with environmental and labor laws and regulations. The U.S. Department of Treasury and USAID are partnering to provide advisory services to the Ministry of Finance to develop mechanisms and policies to reduce the GON's internal debt. This partnership will also provide expert advice to the GON Tax Administration Office that improves tax collection procedures that offset spending restrictions imposed by the International Monetary Fund's (IMF) Heavily Indebted Poor Country (HIPC) agreement. Principal contractors, grantees, and agencies: U.S.



Department of Agriculture (USDA), U.S. Treasury Department, and a contractor to be determined through a competitive process.

### **Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$4,235,000 DA). USAID is working with small and medium scale enterprises and emerging competitive agricultural sectors in Nicaragua such as fresh produce, plantains, and specialty coffee with the intent of improving market competitiveness and establish market linkages. Market information is being widely disseminated through workshops, trade shows, and study tours. Such venues are helping Nicaraguan firms take advantage of new market opportunities resulting from the CAFTA-DR and other free trade agreements. USAID is beginning to expand its technical assistance to other clusters such as light industry, tourism, and certified forestry. USAID is also launching new activities to promote cleaner production technologies among micro, small, and medium firms and in priority economic clusters. Through the Development Credit Authority, USAID continues to provide capital to entrepreneurs to expand services. USAID also is continuing to promote market-led diversification and improved agricultural technologies through the P.L. 480 Title II Program. Principal contractors and grantees: Adventist Development Relief Agency, Catholic Relief Services, Michigan State University, Project Concern International, Save the Children, two commercial banks in Nicaragua - Bank of Production and Central American Leasing Financial Company, other implementers to be determined through a competitive process.

### **Improve Sustainable Management Of Natural Resources & Biodiversity**

Improve Sustainable Management of Natural Resources and Biodiversity (\$1,020,000 DA). USAID will help Nicaraguan firms begin the process of forest certification and other environmental certification in agriculture, aquaculture, light manufacturing, and tourism. By the end of 2006, USAID expects that some companies will receive environmental certifications and initiate trade under these certification systems. USAID will also develop new environmental models for protected areas and private nature reserves to bring more hectares under improved environmental management. Principal contractors, grantees, and agencies: U.S. Department of Agriculture Forest Service and other implementers to be determined through a competitive process.

### **Increase Trade and Investment**

Increase Trade and Investment (\$1,000,000 DA). USAID is helping establish a private foundation called the Nicaraguan Foundation for Social and Economic Development (FUNIDES). This Foundation will develop a portfolio of projects aimed at implementing the CAFTA-DR. USAID will support the high priority activities in the CAFTA-DR Environmental Cooperation Agreement Work Plan. Implementers to be determined through a competitive process.

### **FY 2007 Program**

#### **SO: 524-022 Economic Freedom: Open, Diversified, Expanding Economies**

### **Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$1,000,000 DA). USAID will continue to assist the GON in developing its sanitary and phyto sanitary systems. Through FUNIDES, USAID will continue to implement activities that will lead to improvements in the business environment and the development of public/private coalitions. Principal contractors and grantees: FUNIDES and other implementers to be determined through a competitive process.

### **Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$1,800,000 DA). USAID expects to train Nicaraguan businesses to provide certification and business development services through fee based arrangements. USAID assisted firms which have adopted cleaner production technologies will serve as models for a total of 50 new firms that will be utilizing these technologies by the end of 2009. USAID will continue to increase the competitiveness of micro, small, and medium firms and expand their exports within regional and international markets with the goal of increasing sales by \$60 million between FY2006 and FY2009. Implementers to be determined through a competitive process.

### **Improve Sustainable Management Of Natural Resources & Biodiversity**

Improve Sustainable Management Of Natural Resources and Biodiversity (\$1,030,000 DA). Through the application of environmental management models, USAID will work towards the target of bringing 300,000 hectares under improved environmental management by 2009. Implementers to be determined through a competitive process.

### **Increase Trade and Investment**

Increase Trade and Investment (\$200,000 DA). USAID will provide targeted technical assistance to help the GON implement commitments under the CAFTA-DR. Implementers to be determined through a competitive process.

### **FY 2006 Program**

#### **SO: 524-023 Investing in People: Healthier, Better-Educated People**

### **Achieve Equitable Access to Quality Basic Education**

Achieve Equitable Access to Quality Basic Education: (\$5,940,000 DA). USAID technical assistance to the Ministry of Education is helping improve teacher effectiveness, increase access to quality education, and promote community participation in education. USAID is funding 110 new municipal resource and mentoring centers for teacher excellence. USAID programs are expanding active teaching approaches to include learning-groups, integration of civic education and greater community parental participation and involvement in approximately 1,040 new schools. In addition, USAID is funding training in literacy, numeracy, and other basic skills for adults and out of school youth, including those likely to be drawn to gang membership. Principal contractors or grantees: Academy for Educational Development, American Institutes for Research, and Save the Children.

### **Improve Child Survival, Health & Nutrition**

Improve Child Survival, Health and Nutrition: (\$2,210,000 CSH). USAID continues to provide assistance for community based health promotion and to strengthen the ability of the Ministry of Health to support and extend service delivery coverage in 1,000 additional vulnerable communities. USAID is strengthening the clearinghouse and coordination mechanism for nongovernmental organizations that are collaborating with the Ministry of Health. With P.L. 480 Title II resources, USAID is providing technical assistance to increase breastfeeding, immunization, infant feeding, and growth monitoring in the poorest areas. The Pediatric Hospital Improvement project is being extended to two more hospitals to cover 15 of the country's 20 hospitals that serve children. USAID is funding a demographic and health survey to assess improvements in maternal and child health status and service delivery coverage since 2001. Principal contractors and grantees: Adventist Development Relief Agency, Catholic Relief Services, Center for Disease Control, NICASALUD Federation, Project Concern International, Quality Assurance Project, and Save the Children.

### **Strengthen Public Sector Executive Function**

Strengthen Public Sector Executive Function: (\$1,000,000 CSH). USAID is providing technical assistance, training, and targeted investments to the GON social service ministries and entities, and to selected local governments. Activities are improving planning, financial management, and procurement systems. This program promotes government policies that broaden participation of private entities to ensure availability of quality health, education, and other social services. USAID continues working with the Nicaraguan Social Security Institute (INSS) and a group of 50 private sector health service providers, to expand access to quality health care. Under the Development Credit Authority, USAID is extending loans to private health care providers to improve and expand services. USAID is promoting public-private partnerships for corporate social responsibility to strengthen social sector programs. Principal grantee: Management Sciences for Health.

### **Support Family Planning**

Support Family Planning: (\$4,489,000 CSH). USAID continues support for maternal and child health and reproductive health care provided through local health care systems, a national network of 1,000 public health clinics, and 15 key hospitals and emergency rooms. USAID funds are helping the Ministry of Health to develop quality standards and integrate voluntary counseling and testing for HIV within its family planning program. Assistance continues to nine private medical clinics and to the NGO ProMujer for gynecological services and family planning for some 14,000 clients. To reduce the incidence of sexually transmitted infections and HIV/AIDS, USAID is funding outreach and behavioral change information campaigns targeted at groups with higher risk behaviors in more than 1,000 communities, and ensuring the availability of condoms. USAID continues to procure public sector contraceptives and will promote a national contraceptive security plan to increase Nicaraguan government resources for contraceptives. Principal contractors and grantees: John Snow Inc., NICASALUD, and other implementers to be determined through a competitive process.

### **FY 2007 Program**

**SO: 524-023 Investing in People: Healthier, Better-Educated People**

### **Achieve Equitable Access to Quality Basic Education**

Achieve Equitable Access to Quality Basic Education: (\$4,734,000 DA). USAID will continue support to the Education Ministry to expand quality education to more public primary schools through 200 new mentor resource centers of excellence in 120 municipalities. At least another 650 schools will be reorganized to apply the active teaching method, civic education, and community participation. USAID expects to help the Education Ministry devise a plan for sustainability of the Centers of Excellence for Teacher Training presidential initiative. USAID training in literacy, numeracy, and other basic skills for adults and out of school youth will result in learners able to function effectively in a democratic society and free market economy. Principal contractors or grantees: Academy for Educational Development, American Institute for Research, and Save the Children.

### **Improve Child Survival, Health & Nutrition**

Improve Child Survival, Health and Nutrition: (\$1,000,000 CSH). Activities in support of community and household health interventions are expected to continue, focusing on maternal and child services. Activities that support increased breastfeeding, immunization, infant feeding, and growth monitoring in the poorest municipalities are expected to continue under the P.L. 480 Title II program. Principal contractors and grantees: Adventist Development Relief Agency, Catholic Relief Services, Project Concern International, Save the Children, and other implementers to be determined through a competitive process.

### **Strengthen Public Sector Executive Function**

Strengthen Public Sector Executive Function: (\$2,000,000 CSH). Technical assistance to the social sector government ministries in the areas of accountability, governance, management and leadership and to the INSS and private sector health providers is expected to continue. USAID anticipates that at least half of the loans under the Development Credit Authority will have been made, providing credit to private health investors to help shift the burden of service delivery away from the Ministry of Health. Principal grantee: Management Sciences for Health.

### **Support Family Planning**

Support Family Planning: (\$3,661,000 CSH). USAID plans to continue programs to improve and expand maternal and reproductive health care and reduce transmission of HIV/AIDS and other sexually transmitted infections. Procurement of public sector contraceptives is expected to continue slowly. Principal contractors or grantees: John Snow Inc., NICASALUD Federation.

## **Results Framework**

### **524-021 Ruling Justly: More Responsive, Transparent Governance**

#### **Program Title: Ruling Justly**

- 1: Strengthened Rule of Law
- 2: Greater Transparency and Accountability of Governments.

### **524-022 Economic Freedom: Open, Diversified, Expanding Economies**

#### **Program Title: Economic Freedom**

- 1: Laws, policies and regulations that promote trade and investment
- 2: More competitive, market oriented private enterprises
- 3: Improved Management of critical watersheds.

### **524-023 Investing in People: Healthier, Better-Educated People**

#### **Program Title: Investing in People**

- 1: Increased and improved social sector investments and transparency
- 2: Increased and improved basic education opportunities
- 3: Improved integrated management of child and reproductive health