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## **SUMMARY**

Nicaragua has made tremendous progress over the past year. U.S. assistance played a critical role in supporting advances in democratic, economic and social development. USAID worked closely with the Aleman Administration and the donor community to shape development strategies and priorities for the coming years. To support this process, USAID re-engineered its portfolio into six results packages. We are optimistic of continued achievements through 2000. To assure we reach our planned program impacts, we need annual funding levels in the \$30 to \$35 million range.

### **Accomplishments**

1997 witnessed the progressive institutionalization of Nicaragua's democracy. This is most evident in significantly increased public support for the system as well as in political tolerance. The judicial sector performed better and more apolitically. The National Assembly passed key legislation. Municipalities became more important in the daily lives of citizens. Civil society participated more actively and effectively in politics and service delivery. The national government became more transparent in its operations. The Electoral Council organized free and fair regional elections in the Atlantic Coast.

1997 marked the continued expansion and broadening of Nicaragua's economy. GDP grew at 5%, propelled by an 8.5% rise in the agricultural sector. Unemployment dropped. Nontraditional agricultural exports rose dramatically, producing lots of new jobs. Thousands of small farmers adopted new, sustainable production techniques that led to income increases. Thousands of micro entrepreneurs received loans, improved business and expanded jobs. The management of protected areas improved.

1997 demonstrated continued quality and efficiency improvements in Nicaragua's delivery of social services. Infant mortality rates fell dramatically as did fertility rates. The number of kids completing sixth grade rose and overall repetition rates declined. No children's deaths were reported from immuno-preventable diseases as immunization coverage rates reached 90%. Fewer kids suffered from Vitamin A deficiencies and more mothers practiced better health in the home. More couples used temporary family planning methods.

These advances came despite political conflict spilling into the streets earlier in the year, legislative delays, El Niño's drag on the economy, the economic uncertainty hovering over property and major personnel turnovers in government ministries particularly in the social sectors.

### **New Portfolio**

The Mission has re-engineered its portfolio from 14 projects to six results packages, two per sector: SO 1 Rule of Law and Good Governance; SO 2 Small Producers and Natural Resources Management; and SO 3 Healthy Families and Primary Education. This effort

coincided with the Government of Nicaragua's (GON) attempts to refocus its development strategies and priorities. The GON engaged the donor community and civil society to help delineate their strategic direction. USAID program designs helped inform this participatory process. As a result, the GON is presenting a set of coherent development plans at the upcoming Consultative Group and USAID's programs will directly support these plans.

### **Expected Progress Through 2000**

The Mission expects good progress in all three SOs. We are maintaining our democracy and social sector SOs: More Political Participation, Compromise and Transparency; and Better Educated, Healthier and Smaller Families. We have adjusted SO 2 to focus on Sustaining Growth of Small Producer Incomes and Employment.

The Mission expects our democracy indicators to stabilize as changes become more institutionalized, i.e., less chance of the dramatic swings in public opinion and actions seen over recent years. The judicial sector will modernize with updated codes, regulations and administration. Municipalities will assume a greater role in the provision of government services. The National Assembly will legislate more effectively. The government will perform more efficiently, openly and ethically. Civil society will ensure citizens have a decision-making role in governmental affairs.

The Mission anticipates continued strong economic growth, particularly in the rural areas. We believe agricultural GDP will grow at least 7% per year. Thousands more small farmers will apply better technologies, improved seeds and environmentally sound production techniques to diversify crops and produce more. Nontraditional exports will continue to rise, as small farmers exploit niche markets in the U.S. Farm-to-town linkages will grow stronger as rural micro enterprises fill the void in commercial services. Jobs will increase with the growing urban micro enterprise sector. The program will help conserve soil and water, and sequester carbon, while also stimulating eco-tourism in better managed protected areas.

The Mission expects improved quality, efficiency and equity in the social sectors. Key indicators will continue current positive trends. The Health Sector will employ an integrated approach to better serve mothers and children at lower costs. Contraceptive prevalence will increase, particularly among young adults and those susceptible to sexually transmitted diseases. Primary school children will score better on tests as these instruments measure how well students learned the improved curriculum. Underserved areas, including those on the Atlantic Coast, will enjoy the benefits of the improved curriculum and teaching practices.

### **Resource Requirements**

USAID helped achieve this progress because it had sufficient resources. We have modified our program to reflect the new budgetary realities. To be successful, the Mission requires \$30 to \$35 million per year through 2000 of combined DA, ESF and PL 480 Titles II and III. This amount also conforms to the \$100 plus million 3-year pledge made at the CG.

## **USAID/NICARAGUA PROGRAM ACCOMPLISHMENTS**

### **More Political Participation, Compromise, and Transparency**

- Public confidence in the political system and political tolerance jumped to 53% and 58% respectively.
- Cases of Human Rights violations dropped to 354, far exceeding the target of 500.
- Public confidence in the judicial system increased to 48%, far exceeding the target of 40% in 1997.
- Municipalities are providing basic services to 64% of their populations.
- The National Assembly passed 46% of the legislative agenda, surpassing the 35% target.
- The CSE implemented Atlantic Coast Elections professionally, responding promptly and effectively to any problems.
- The GON used the budget process developed through the FMRP to ensure a transparent, consistent, and rapid development of the national budget.

### **Sustainable Growth in Employment and Income**

- GDP growth was 5%, the highest in Central America, although per capita growth of 2.1% fell short of the 2.5% target.
- Growth rate of agriculture sector GDP was 8.5%, exceeding the mission target of 7.0%
- Over 34,000 micro entrepreneurs are participating in our program.
- Almost 30,000 small farmers are participating in our program, contributing to the growth of basic grains and non traditional exports.
- About 1.4 million trees were planted to provide a sustainable source of timber and firewood, while reducing the pressure on fragile and irreplaceable ecosystems
- Mapping, field demarcation, and management norms have been completed for four of five indigenous territories that make up the heart of the BOSAWAS Biosphere Reserve

### **Better Educated, Healthier, Smaller Families**

- Infant mortality rate continues to drop, meeting the target for 1997
- Vaccination coverage rates for children less than one year old continue to be exceptionally high, exceeding 90% for polio, DPT, and measles.
- 72% of births were attended by trained personnel, achieving the mission target
- PROFAMILIA, the local NGO implementing mission family planning activities, was completely reorganized to focus on methods suitable for the target group of women in their late teens and early twenties
- Although increases in achievement test scores did not meet the mission target, they were consistent with increases experienced by similar countries in the region.
- Primary school completion rates rose to 27%, meeting our target.
- Repetition rates dropped for first through sixth grade.

## **I. OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE**

USAID/Nicaragua's program continues to achieve a high level of success. The country is making steady progress in its democratic, economic and social development. The Mission's objectives and results indicators underscore this conclusion in that most are meeting or exceeding planned targets.

The first stage, and hopefully the most volatile, of Nicaragua's democratic transition has passed. In democracy (SO 1), polarization still exists, but is no longer the principal problem. What is needed now is to consolidate the rule of law, conquer the property question, and institutionalize the roles and capacities of the different branches of government. These entities can then conduct their business in an open, equitable and efficient manner, and provide the mechanisms through which conflict is resolved peacefully according to the law. Institutional checks and balances and a vibrant civil society must guide good governance.

The economy (SO 2) has stabilized, adjustments have taken place and growth has been re-activated. Now is the time to focus on extending economic progress to a majority of Nicaraguans. Specifically, this means addressing underemployment and rural poverty. The small farmer and small businessman have provided the foundations for economic growth in most successful developed countries. They can do so here by offering the job and income opportunities for the mass of rural inhabitants.

Quality social services (SO 3) are expanding and social indicators are improving in both health facilities and schools. But overall service quality and rural outreach still fall short. The costs need to be contained, without sacrificing the needs of the clients. The health sector requires a more integrated approach to preventive care, which incorporates reproductive health issues effectively, and reforms leading to further decentralizing public sector services, greater cost recovery and more participation from the private sector. The education sector requires consolidation of reforms, inclusion of underserved populations and greater emphasis on improved teacher performance and student achievement.

USAID and the other donors have worked hand-in-hand with the current administration in establishing goals, strategies and priorities to take Nicaragua to this new stage of development. This highly participatory process has included civil society representatives and produced sectoral strategies that will be presented at the upcoming Consultative Group. In response, USAID has designed a second generation portfolio over the past six months, which includes six new programs. These results-oriented programs should be operational by May 1998, and will implement our approved strategy over the next five years.

### **A. Relationship to U.S. National Interests**

Building a strong partnership with a peaceful and prosperous Nicaragua furthers U.S. national interests and strategic goals. A democratic, free market Nicaragua reduces national security threats near our borders, and offers an expanding market for U.S. products and investment.

Promoting broad-based economic growth, creating new jobs, adherence to democratic principles, and respect for human rights slows immigration to the United States. Focused efforts to stem environmental degradation protect vital habitats and helps to assure sustainable development. Our program helped Nicaragua mitigate agricultural production losses from the El Niño-produced drought and avoided a humanitarian disaster.

USAID's program contributes directly to the U.S. Mission Program Plan's (MPP) primary goals of consolidating the rule of law, strengthening democratic institutions, and stimulating continued economic recovery and sustainable growth. Under the first rubric, our program supports a series of objectives/indicators related to resolving U.S. citizen property cases, advancing judicial reform, and institutionalizing human rights monitoring.

Under the second, our program facilitates U.S. Mission objectives related to developing more effective and transparent government, responding to the public, improving the operations of the National Assembly, facilitating a transparent budget process, strengthening civil society, training democratic labor unions, furthering discussion on civil-military relations, and fostering greater citizen participation from elections to local development. Under the third, our program has helped encourage the GON to undertake an ambitious ESAF II program and comply with other IFI agreements, improve the private sector investment climate, increase small farmer productivity and micro enterprises, expand primary health care to women and children, enhance the quality of primary education, and improve environmental protection.

## **B. Factors Affecting Performance**

Despite the program's success, events occurred that have impeded more progress.

**Political Stress:** The country continues to exhibit the growing pains of a young democracy, revealing contradictions, divisions and conflicts. The Aleman Government, after a peaceful transition upon taking office in January 1997, confronted a willful opposition in April and again in June-July circumventing institutional means to resolve conflicts by taking to the streets to affect policy. The demonstrations achieved little politically, but were economically disruptive. A National Dialogue was established which made little headway on building national consensus, but it did provide a key cooling off period for the country. These tensions distracted the government and occasioned delays in certain areas like property resolutions, reform of the state, and budget approvals. The property question continues to color advances in the economic and political realms.

**Legislative Delays:** Divisions also plagued the National Assembly, which hampered consensus on several key pieces of legislation and delayed important actions like naming the Human Rights Ombudsman. Nevertheless, most legislators took their jobs seriously and worked to improve the functioning of the institution. Various factions worked together to iron out some controversial legislation, like the tax, property and budget laws, which will have long-term positive consequences.

**El Nino's Effects:** Economically, the presence of El Nino started to affect the economy in 1997, but is likely to have a more profound impact in 1998. It is estimated that El Nino cut at least 1% from the estimated 6% growth rate in 1997. The agricultural sector still replicated last year's impressive growth despite spreading drought conditions. Fortunately, the Mission led a joint donor and government effort to finance an extra growing season in the wet zones, enabling this additional production to mitigate deeper losses. Renewed investor confidence counterbalanced the effects of El Nino as a growing service industry and tremendous levels of construction and housing rehabilitation created numerous jobs.

**New Donor Relations:** The government steered a new path in dealing with the donor community and NGOs to improve coordination and harness programs and resources to its new priorities and strategies. The GON reached agreement with the IMF for an ESAF II and managed a highly participatory process with donors to fashion their Consultative Group presentation. Each process was conducted quite openly with the government encouraging the participation of the public and the NGO community. This, however, took time and raised donor concerns about continued priorities on social development.

In addition, constant and deep personnel changes in key Ministries like Health and Education disrupted project implementation, necessitating much hand holding to bring the new counterparts up to speed. The education sector still confronts a resource challenge under which the University system receives a constitutionally-mandated 6% of the budget -- the debate over this issue fueled the Spring street demonstrations. This unusual emphasis on higher education short changes the primary system resulting in less materials, fewer schools and low-paid teachers, which inhibit the quality and efficiency measures being put in place.

**Family Planning Implementation Redressed:** A USAID evaluation exposed deep problems in program implementation and the organizational structure of the key private-sector family planning entity (Profamilia). These conclusions prompted the Mission to suspend activities for close to nine months until Profamilia found new leadership, outlined a new vision, and revamped both its organizational and financial systems. Fortunately, Profamilia has responded magnificently and, with its dynamic new executive director, is well on its way to becoming a premiere provider of reproductive health services.

### **C. Global Climate Change**

In October 1997, President Clinton unveiled his Global Climate Change (GCC) Initiative, which designates Central America as one of three priority regions for USAID support. Nicaragua's recently created Commission for Sustainable Development is assembling a national inventory of greenhouse gases. It is also setting up a national office for Joint Implementation (JI). USAID/ G-CAP will track GCC indicators across Central America.

The Mission has supported the protection of one national priority JI site for several years, the Bosawas International Biosphere Reserve (just designated as such by UNESCO). Bosawas, covering over 800,000 hectares, forms the core of Nicaragua's Atlantic Biological Corridor,

and together with the forests of eastern Honduras, is estimated as the largest contiguous forest cover left in Central America. In addition, the Mission will track indicators to contribute to the regional GCC database: (1) area of natural ecosystems where carbon stocks are preserved and/or increasing, and (2) area of managed forest, range, and agricultural lands with rate of carbon loss or gain. These indicators form part of the Natural Resources Index for Strategic Objective #2, and will be tracked under the Small Producers and Natural Resource Management Results Packages.

## II. PROGRESS TOWARD OBJECTIVES

| Strategic Objective   | Performance                           | % of SO Managed By NGO/ PVOs |
|---|---------------------------------------|------------------------------|
| <b>More Political Participation, Compromise, and Transparency</b> | Exceeded Objective and Result Targets | 67%                          |
| <b>Sustainable Growth in Small Producer Employment and Income</b> | Exceeded Objective and Result Targets | 80%                          |
| <b>Better Educated, Healthier, Smaller Families</b>               | Met Objective and Result Targets      | 35%                          |

**Significant Evaluation Findings/Corrective Actions:** The Mission has undertaken a number of formal and informal evaluations, and studies over the last 18 months. Some were planned mid-term efforts while others were designed to feed into the formulation of the new results programs. In SO 1, an analysis of 1996 elections revealed that women in the Atlantic Coast registered and voted at lower rates than men. This finding precipitated a voter education effort emphasizing women. As a result, 16,000 more women registered than in 1996 accounting for 48% of all registered voters in the Atlantic Coast; gender disaggregated voter participation rates are not yet available. The Municipal Development evaluation validated the approach and success of the program, and suggested intensified efforts and expanding the number of participating municipalities; the new results package reflects the Mission's agreement with this finding.

In SO 2, informal evaluations and a series of studies confirmed the Mission's approach of focussing on small producers (farmers and micro entrepreneurs) and working through local and U.S. NGO partners to build sustainability and achieve more extensive and rapid results. The NRM evaluation pointed to concentrating on managing the protected areas and emphasis on the surrounding buffer zones, as now reflected in the NRM program amendment.

In SO 3, as noted in Section I.B, the Profamilia evaluation caused a suspension of the

program and an overhaul of that organization from leadership to financial systems. The education evaluation prompted the Mission to push for more teacher participation in curriculum and teaching methodology development.

**A. More Political Participation, Compromise and Transparency**

|  |                               |
|--|-------------------------------|
| SO #1: More Political Participation, Compromise and Transparency |                               |
|  | Consolidating the Rule of Law |
|  | Achieving Good Governance     |

**1. Performance Analysis**

The Mission made excellent progress against this objective as it met or surpassed its strategic objective indicators. In most cases it also met or exceeded intermediate result targets. In a few cases the Mission fell short, but the overall results in each sector compensated for any shortcomings. This objective is a key contributor to the MPP’s two highest ranking goals of consolidating rule of law and strengthening democratic institutions.

The Mission tracks performance under this strategic objective with three indicators: political system support, political tolerance and a democratic strength index. The first two indicators use public surveys conducted every two years. The latter is composed of five proxy elements (political risk ranking, percent of peaceful demonstrations, at least 70% of National Assembly deputies voting on major pieces of legislation, political tolerance and duration of intergovernmental crises), plus a dose of subjective judgement from U.S. Mission staff. The recently completed survey showed 53% (52% female and 55% male) of the population supporting the system. This surpassed our planned level of 45% and represents a 10% jump from the 1995 survey. The political tolerance level rose from 55% in 1995 to 58% in 1997, therefore meeting our planned level. While public surveys are subject to extreme volatility, the long term trends indicate growing stability and support for Nicaragua’s democracy.

The democratic strength index met the target of "7", at the moderately strong level of the "1-10" scale. Individually, four of the five components exceeded the standards established. The political risk ranking which offers an investment climate profile was not available. However, from conversations with local and international investors, the conclusion is that the investment environment has improved, but the risk is still relatively high. Despite the positive trends, Mission staff believe there is still an underlying fragility to the system in all branches of government and within the public mindset, which accounts for a more conservative total index score than its components suggest individually.

**a. Consolidating The Rule Of Law**

The Mission achieved significant progress under this result particularly in the areas of human

rights and support for the judicial system, as compared with previous years. However, enthusiasm must be tempered with knowledge that judicial code reform -- the key building block for long-term improvements -- slipped due to intra-governmental delays.

**Human Rights:** Human rights violation cases reported to monitoring organizations decreased substantially from 573 in 1996 to 354 in 1997. The overall number of victims dropped from 871 to 443 (each case can have more than one victim). Cases involving males outnumber those of females by a 5 to 1 margin. The police continue to be the primary culprits, but overall behavior has improved. The established peace commission network, local NGO work and Organization of American States Technical Cooperation Mission (OAS/TCM) have created more access points and awareness for reporting alleged violations.

Recent opinion surveys underscore the heightened awareness of the general public as 55% of the people believe the human rights situation has improved since 1990 and 63% believe they are more informed about human rights issues. In each case, males had higher percentages than females. USAID's program has directly influenced these positive trends. The Mission helped smooth the transition from the OAS/CIAV to the Catholic Relief Services and the smaller OAS/TCM in working with local peace commissions. The peace commission network has been strengthened. They are investigating more cases, following up on more complaints and mediating human rights disputes. They have expanded to more localities. This partnership with local groups has produced direct customer feedback, which has helped the commissions improve services.

The Mission has fostered better performance and coordination among the national human rights NGOs, and linked these entities with the peace commissions. These activities also seek to improve these groups' financial self-sustainability by diversifying funding sources and becoming more efficient. The groups now meet regularly to compare notes and are developing a uniform case reporting system.

The National Assembly's failure to appoint a Human Rights Ombudsman has hurt overall performance in this area. The selection has been delayed in the Assembly because of an inability to achieve consensus on a candidate for this politically sensitive job. Lukewarm Executive leadership has also been a factor. This issue has been at the forefront of U.S. Mission dialogue as well as every high level visitor from the USG over the years. The lack of this appointment has not had a major impact in the short run, but undermines human rights protection over the medium-term.

**Administering Justice:** The Judicial Sector enjoyed a steady renaissance in the eyes of the public as confidence increased to 48% (both male and female) in 1997 from 37% in 1995. This increase is significant in that the judicial sector has traditionally received among the lowest ratings of governmental institutions. The reform-minded Supreme Court President led the charge by making progress in drafting new codes, cleaning house of incompetent and corrupt personnel, improving court administration and creating a more apolitical institution. The codes and court administration benefitted directly from USAID and Swedish activities.

The Mission also supplemented these efforts by helping to fashion a new openness of the Court and its relations with the public. The program sponsored public seminars that enabled Supreme Court magistrates to share their vision and receive public feedback. These seminars received excellent press coverage and raised the Supreme Court's profile.

The Mission made some progress in modernizing the Attorney General's Office (AGO). A new AG began taking steps to reform the institution. USAID conducted a diagnostic, which clearly identified problems and outlined steps to be taken. The diagnostic was presented to major donors and key governmental institutions to mobilize support for reform. USAID-financed technical assistance helped the AGO produce a comprehensive and better justified 1998 budget, which succeeded in doubling the budget from 1997.

On the negative side of the ledger, the important reformed codes failed to become law. The Organic Code, which provides the basis for the other reforms, passed the National Assembly in 1997. The administration supported the bill, but objected to a few articles which led to a Presidential veto. While the revised language meets the needs of the major players, the Code has not yet been resubmitted to the Assembly. The Organic Code not only structures the court operations, but also establishes the legal basis for a public defender's office and a career judicial service. Enacting this Law is critical to forward progress in this sector. The Mission expects passage of another important bill, the Administrative Procedures Code, in the Spring of 1998. This provides legal redress for individuals and municipalities against administrative abuses of the central government.

**Property Settlements:** The government's progress on resolving confiscated property claims of U.S. citizens slowed in 1997. Approximately 347 cases were settled, down from 539 the previous year, bringing the total to over 1,700 resolutions. (Note that newly legalized U.S. citizens enter claims each year, thus despite progress, there remain over 1,000 unresolved cases.) The Mission attributes the lack of progress to the transfer of power in 1997, concomitant difficulties in setting the new policy and examining alternate mechanisms to resolve the situation. Prior USAID support helped establish the administrative mechanisms to expedite many settlements.

Over the past year, U.S. assistance has concentrated on property compensation bonds. The bonds' market value has slowly risen and reached about 36 cents on the dollar. The National Assembly recently approved an additional bond issue of \$200 million, which will enable more property resolutions financed through these compensation bonds. As mentioned last year, the Nicaraguan property bonds drew some international investor interest as emerging market paper. Our technical assistance has moved the government to take steps that will make these bonds more attractive, easier to redeem and simpler to administer by standardizing issue dates and face values, and making the bonds payable in dollars. This expansion and deepening of the formal investment pool should lift prices, and make them more attractive for former property owners and investors alike.

## b. Good Governance

The Mission made excellent strides in helping government become more transparent and provide better services. Our program met or surpassed almost all intermediate result targets. The key indicator under this result is access of Nicaraguan households to basic services, e.g., water and sanitation. In 41 cities surveyed, the percentage of households with water and sanitation rose to 64% from 52% in 1996, far surpassing our target of 55% and continuing a progressive trend. Better municipal management and responsiveness to constituents has also paid dividends. Public approval ratings of municipal governments rose to 53%, 57% agreed that local government is the best qualified government institution to solve community problems, 53% vs. 24% want local government to assume more responsibility, and 55% are willing to pay more taxes to their local governments as opposed to 26% in 1995. USAID coordinated with the World Bank and other bilateral donors in this area.

The Mission surpassed its target related to the National Assembly. Despite the problems confronting the deeply split body, they passed 46% of the legislative agenda, as compared with 29% in 1996. This reflects more efficiency, more information availability, and the power of a majority coalition and, when necessary, cooperation with the FSLN opposition on key bills, political rhetoric notwithstanding.

**Atlantic Coast Elections:** The Mission met the target when 57% (60% predicted) participated in the elections. Mission activities helped ensure that over 80% of the registered voters received their voting documents prior to the March 1998 elections. Domestic and international observers declared the elections free and fair. The Supreme Electoral Council (CSE)

rebounded from problems experienced in the recount phase of 1996 Presidential Elections and performed extremely well. This should go along way to rehabilitating the CSE reputation that had seen its approval rating drop below 45% after the last election.

While meeting our target, the perceptions of lower turnout, although roughly the same as 1996 on the Coast, sparked concerns among Nicaraguans. The election process exposed that the Atlantic Coast population feels underserved, and that they had little confidence in the Regional Councils improving the status quo. Since the Liberal Party won the most seats in the Northern and Southern Regional Councils (43 out of 90), it is expected that the Aleman

Matagalpa, with a population of 104,000, is the 4th largest city in Nicaragua, and capital of the Northern coffee growing region. The city was selected as a Municipal Development project site in 1996. The mayor, Dr. Jaime Castro, is a medical doctor with no formal experience in government, but a strong commitment to his community. Following one year of technical assistance and training, the municipal government, through the adoption of improved management practices, has provided water and garbage collection service to another 10,000 households, greatly improving the quality of life for those residents.

government will make good on campaign pledges to devote more attention to the development needs of the Atlantic Coast.

**Civil Society:** Our program continued to make good progress. Civil society groups played an important role in the national dialogue process, debating changes in the government budget, participating in the ESAF II dialogue, contributing to the government's Consultative Group process and helping get out the vote in the Atlantic Coast elections. These groups have emerged as important interlocutors as evidenced by the resources channeled through them by USAID and other donors. Many are taking steps to diversify their funding base.

Citizen participation in municipal meetings increased to 14.5%, falling slightly short of the 17% target. Customer feedback illustrated that the municipalities need to better advertise upcoming meetings and improve overall community relations activities. The most important restraint to expanded participation appeared to be the venue, i.e., small meeting rooms not designed to hold large audiences.

In tracking the other indicator, citizen membership in community interest groups, excluding church and schools, we ran into a definition problem. Most Nicaraguans don't join groups in the classic sense of dues paying, "card-carrying" members. However, a legacy from the Sandinista era encourages participating in groups and attending meetings. Therefore, our polling found a huge number, 53% of the public, have attended interest group meetings.

**More Accountable and Responsive Government:** The Government took bold steps to increase openness and accountability in its operations. It published the terms of the ESAF II agreement to generate public debate. The GON produced, according to the IMF, the most comprehensive and transparent budget in Nicaragua's recent history. USAID program activities were right there in supporting these more transparent measures. Our technical assistance helped produce the norms, methods and procedures for undertaking a major mid-year budget reallocation. We helped prepare the manuals the GON followed in calculating changes and train the people at the Ministry of Finance who produced the budget reallocation tables. The clarity of these tables facilitated wide debate on social sector spending. In addition, the GON adopted uniform budget tables for the 1998 budget.

The Aleman Administration took a very public stance on anti-corruption and cabinet members all had to publish personal financial disclosure statements. The Mission supported an anti-corruption conference, managed by a local NGO, which attracted almost 800 people. Our partnership with this group has proved pivotal in helping inform other civil society groups and the public about good governance practices.

The Mission met its target with the Comptroller General's Office publishing an additional three program audits taking the total to six. However, the multiple donor (USAID/IDB/World Bank) reform of the state effort, which includes integrating financial management, slowed during the year. The government appeared wary of adopting the previous administration's system. However, the activity is now back on track.

## **2. Expected Progress Through FY 2000**

Given the consistent progress in achieving both the strategic objective and intermediate results, the Mission expects to continue making steady, measurable advances through the year 2000 in institutionalizing democracy. This will be characterized by stabilization rather than dramatic changes. For example, the Nicaraguan political tolerance level of 58% in 1997 exceeds virtually all other Latin American countries. The public opinion expert who conducts these surveys believes we have neared the ceiling. Therefore, the Mission has reduced its target from 65% in 1999 to a more realistic 60%. Likewise in political system support, our expert felt it was highly unlikely to record unlimited increases, so USAID has scaled back the 1999 figure from 60% to 55%. In terms of the democratic strength index, the Mission believes that maintaining the level at 7 or a slight rise to 8 is a realistic expectation for what is still an extremely young and fragile democracy.

### **a. Consolidating Rule Of Law**

USAID/Nicaragua will focus on the pivotal building blocks for achieving this intermediate result. These refinements are expressed in a recently authorized and signed results package and target improved efficiency, more equity and better access to the judicial system. Over the next two years, the program will concentrate on modernizing the judicial codes, strengthening the key institutions and providing greater protection of human rights.

The government should enact both the Organic and Administrative Procedures Codes in 1998; much U.S. Mission management attention will be paid to this issue. This will unleash a major training program of all judicial sector personnel in the codes, which in turn will drive regulatory and organizational improvements in court administration. The Mission will work with both government and NGO partners to mount a large scale public information campaign to assure the public understands the codes, and their rights and responsibilities under them. Approval of the Organic Code will trigger efforts to create a public defender's office. We will turn our attention to drafting of the Penal and Criminal Codes in 1999, but their enactment will likely take place in 2000. We will intensify efforts to strengthen the AGO. The Mission will place more emphasis on judicial access and equity issues related to the underserved Atlantic Coast region. We will work to leverage other donor involvement, such as the World Bank, to address civil code reform to improve the commercial setting. We expect public confidence in the judicial system to reach over 50% in 1999.

The Mission will continue to expand our partnership with U.S. and local NGOs, and the Peace Commissions to improve protection of human rights. We are hopeful the number of cases will continue to fall. Given the expanding network and the increased institutional support the appointment of a Human Rights Ombudsman (HRO) would bring, we could see an actual rise in violation allegations. Solving the HRO appointment question will require major management attention. We still believe it to be the linchpin for institutionalizing human rights protection. As soon as it happens, the Mission will provide assistance to establish and strengthen the office, so that it can begin functioning as quickly as possible.

Our customer feedback shows that the information campaigns have produced better human rights awareness and understanding. This will continue to form a key part of our program.

Our property efforts will continue to focus on strengthening the compensation bonds, making them more attractive to confiscated property owners and international investors. It is hoped that the market value will rise above 50 cents to the dollar over time. We will also invest resources to improve the property case information system and central archives, so that a reliable database exists to track the transactions.

## **b. Good Governance**

The Mission is refining and deepening its efforts to strengthen key GON institutions so that they are more responsive to citizens' needs, through the development of a new results package. It will target improving transparency in public administration and providing more cost effective, better quality services. Given the success of our program with municipalities, the Mission will make it the cornerstone of our good governance effort. We will boost the target to 67% and 70% respectively of people receiving basic services in our emphasis areas. We also expect to see spread effects take place as citizens from non-participating localities witness the improvements and place demands on their local governments. Also with municipal elections looming in 2000, mayors will be more attuned to make changes in their performance and to model programs after the bigger cities. Our program will expand to additional municipalities to reinforce this trend.

The civil society elements will remain critical to bolstering government performance, and providing checks and balances. We will link civil society activities much more closely with efforts in the municipalities. USAID also plans for more NGOs to become programmatically sound and financially diversified. We will also target civil society in the Atlantic Coast. The Mission will continue to monitor citizen participation, but we will change one indicator and drop one. We will change percent of citizens participating in municipal meetings to the number of meetings held. Participating municipalities on average hold 12-15 open town meetings per year, as opposed to others holding the perfunctory two mandated by the constitution. By coupling more meetings with public relation efforts that emphasize important issues, we expect more people to participate. The indicator tracking membership will be dropped due to our inability to accurately define what it is and its implications.

The Mission expects the National Assembly to strengthen, retain its independence and develop professionalism. We have raised the percent of the legislative agenda passed to 55% in 1998. We will likely approach a threshold in this area. A truly independent legislature promoting democratic debate will stalemate on key issues from time to time. We will internally track 10 important pieces of legislation which would impact our program to help judge the relevance of laws enacted. Efforts will continue to train staff and deputies, foster better constituent relations and improve the information system for reviewing legislation.

In the financial management area, the Mission anticipates that the IDB and the World Bank

will continue to take the lead in installing an integrated financial management system government-wide, and that USAID will continue to provide more limited support to this effort. USAID will focus more of its effort in increasing public awareness on anti-corruption, ethics and transparency. USAID will continue to help the Comptroller General to improve its audit system, and we expect it to have published a total of 16 program audits by the end of 1999.

The Mission expects the CSE to have management and financial capabilities to manage future elections without significant USAID resources. Nonetheless in 1998, we will help complete the voter ID process in the remaining (ad hoc) municipalities, and be prepared to help update voter registration lists and reissue IDs for the 2000 Municipal and the 2001 National (president, assembly, etc.) elections. Given the lower planned assistance level and that the critical 1996 election is behind us, we will drop the indicator measuring percentage of population voting. We expect that voter turnout should flatten down to the 50 to 60% range as elections are accepted as the norm.

### **3. Environmental Compliance**

No issues. The Mission has completed IEEs in FY 98 for both the Rule of Law and Good Governance Results Packages, each with a negative determination.

|  |          |  |                |               |
|--|----------|--|----------------|---------------|
| <b>OBJECTIVE 1: More Political Participation, Transparency And Compromise</b>  |          |  |                |               |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>KEY INDICATOR 1:</b> Democratic Strength Index  |          |  |                |               |
| <b>UNIT OF MEASURE:</b> scale of 0-10  |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> US Mission developed index  | Baseline | 1990   | 0              | 0             |
| <b>INDICATOR DESCRIPTION:</b><br>1-2 Very Weak<br>3-4 Weak<br>5-7 Moderately Strong<br>8-9 Strong<br>10- Very Strong |          | 1993   | 2              | 2             |
|  |          | 1995   | 4              | 4             |
|  |          | 1996   |                | 6             |
|  |          | 1997   | 7              | 7             |
| <b>COMMENTS:</b> By the year 2000, Democratic Strength Index will no longer be needed.                               |          | 1998   | 7              |               |
|  | Target   | 1999   | 8              |               |

|   |          |  |                |               |      |              |
|---|----------|--|----------------|---------------|------|--------------|
| <b>OBJECTIVE 1: More Political Participation, Transparency and Compromise</b>             |          |  |                |               |      |              |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |      |              |
| <b>KEY INDICATOR 2:</b> Political tolerance   |          |  |                |               |      |              |
| <b>UNIT OF MEASURE:</b> Percentage showing higher tolerance                               |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |      | <b>Total</b> |
|   |          |  |                | Female        | Male |              |
| <b>SOURCE:</b> University of Pittsburgh biannual surveys                                  | Baseline | 1991   |                |               |      | 52%          |
|   |          | 1995   |                | 51%           | 57%  | 55%          |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1996   |                |               |      |              |
|   |          | 1997   | 60%            | 57%           | 59%  | 58%          |
| <b>COMMENTS:</b> Next Survey in 1999. There is a probable ceiling on political tolerance. |          | 1998   |                |               |      |              |
|   |          | 1999   | 60%            |               |      |              |
|   | Target   | 2000   |                |               |      |              |

|  |          |  |                |               |      |              |
|--|----------|--|----------------|---------------|------|--------------|
| <b>OBJECTIVE 1: More Political Participation, Transparency and Compromise</b>        |          |  |                |               |      |              |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |      |              |
| <b>KEY INDICATOR 3:</b> Political system support                                     |          |  |                |               |      |              |
| <b>UNIT OF MEASURE:</b> Percentage showing increased support for the system          |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |      | <b>Total</b> |
|  |          |  |                | Female        | Male |              |
| <b>SOURCE:</b> University of Pittsburgh biennial surveys                             | Baseline | 1991   |                |               |      | 59%          |
|  |          | 1995   |                | 43%           | 44%  | 43%          |
| <b>INDICATOR DESCRIPTION:</b>  |          | 1996   |                |               |      |              |
|  |          | 1997   | 45%            | 52%           | 55%  | 53%          |
| <b>COMMENTS:</b> Next Survey in 1999. There is a probable ceiling on system support. |          | 1998   |                |               |      |              |
|  |          | 1999   | 55%            |               |      |              |
|  | Target   | 2000   |                |               |      |              |

|  |          |  |                        |                         |      |                     |
|--|----------|--|------------------------|-------------------------|------|---------------------|
| <b>OBJECTIVE 1: More Political Participation, Transparency and Compromise</b>  |          |  |                        |                         |      |                     |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                        |                         |      |                     |
| <b>RESULT 1.1:</b> Greater protection of human rights  |          |  |                        |                         |      |                     |
| <b>INDICATOR 2:</b> Decrease in human rights violation cases   |          |  |                        |                         |      |                     |
| <b>UNIT OF MEASURE:</b> Number of human rights violations  |          | <b>Year</b>                                  | <b>Planned (Cases)</b> | <b>ACTUAL (Victims)</b> |      | <b>Actual Cases</b> |
|  |          |  |                        | Female                  | Male |                     |
| <b>SOURCE:</b> ANPDH in 1991-97  | Baseline | 1991   |                        |                         |      | 828                 |
|  |          | 1995   |                        | 121                     | 588  | 583                 |
| <b>INDICATOR DESCRIPTION:</b>  |          | 1996   | 450                    | 173                     | 698  | 573                 |
|  |          | 1997   | 500                    | 70                      | 373  | 354                 |
| <b>COMMENTS:</b> One case can have multiple victims. Increased access to human rights services and greater public awareness may lead to more cases filed in medium term. | Target   | 1998   | 400                    |                         |      |                     |
|  |          | 1999   | 375                    |                         |      |                     |
|  |          | 2000   | 350                    |                         |      |                     |

|   |          |  |                |               |      |     |
|---|----------|--|----------------|---------------|------|-----|
| <b>OBJECTIVE 1: More Political Participation, Transparency and Compromise</b> |          |  |                |               |      |     |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |      |     |
| <b>RESULT 1.1:</b> Greater Protection of Human Rights                         |          |  |                |               |      |     |
| <b>INDICATOR 4:</b> Public confidence in the judicial system                  |          |  |                |               |      |     |
| <b>UNIT OF MEASURE:</b> % public confidence                                   |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |      |     |
|   |          |  |                | Female        | Male |     |
| <b>SOURCE:</b> University of Pittsburgh biannual surveys                      | Baseline | 1991   |                | 52%           |      |     |
|   |          | 1995   |                | 38%           |      | 37% |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1996   |                | (No data)     |      |     |
|   |          | 1997   | 40%            | 48%           |      | 48% |
| <b>COMMENTS:</b> Next Survey in 1999.   |          | 1998   |                |               |      |     |
|   |          | 1999   | 50%            |               |      |     |
|   | Target   | 2000   |                |               |      |     |

|   |          |  |                                     |                          |  |  |
|---|----------|--|-------------------------------------|--------------------------|--|--|
| <b>OBJECTIVE 1: More Political Participation, Transparency and Compromise</b>   |          |  |                                     |                          |  |  |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                                     |                          |  |  |
| <b>RESULT 1.2:</b> Efficient and Transparent Elections  |          |  |                                     |                          |  |  |
| <b>INDICATOR 1:</b> Elections declared free and fair  |          |  |                                     |                          |  |  |
| <b>UNIT OF MEASURE:</b>   |          | <b>Year</b>                                  | <b>Planned</b>                      | <b>Actual</b>            |  |  |
| <b>SOURCE:</b> Public statements of international and domestic observers for 1998; domestic observers for 2000 municipal elections. | Baseline | 1990   |                                     | 1st free elections       |  |  |
|   |          | 1994   |                                     | Atlantic Coast Elections |  |  |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1995   |                                     |                          |  |  |
|   |          | 1996   | Free, fair election                 | Free, fair               |  |  |
| <b>COMMENTS:</b>  |          | 1997   |                                     |                          |  |  |
|   |          | 1998   | Free, fair Atlantic Coast Elections | Free, fair               |  |  |
|   |          | 1999   |                                     |                          |  |  |
|   | Target   | 2000   | Municipal elections free and fair.  |                          |  |  |

|   |          |  |                |               |
|---|----------|--|----------------|---------------|
| <b>OBJECTIVE 1: More Political Participation, Transparency and Compromise</b>                                       |          |  |                |               |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 1.2:</b> Efficient and Transparent Elections  |          |  |                |               |
| <b>INDICATOR 2:</b> Nicaraguans voting in elections   |          |  |                |               |
| <b>UNIT OF MEASURE:</b> %   |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> Supreme Electoral Council voting statistics.   | Baseline | 1990   |                | 86%           |
|   |          | 1994   |                | 74%           |
| <b>INDICATOR DESCRIPTION:</b>   | Target   | 1996   | 60%            | 76%           |
|   |          | 1997   |                |               |
|   |          | 1998   | 60%            | 57%           |
| <b>COMMENTS:</b> This indicator will be dropped; USAID is not financing future activities to promote voter turnout. |          |  |                |               |

|   |          |  |                |               |               |      |
|---|----------|--|----------------|---------------|---------------|------|
| <b>OBJECTIVE 1: More Political Participation, Transparency and Compromise</b> |          |  |                |               |               |      |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |               |      |
| <b>RESULT 1.3:</b> Strengthened civil society                                 |          |  |                |               |               |      |
| <b>INDICATOR 1:</b> Citizens participating in municipal meetings              |          |  |                |               |               |      |
| <b>UNIT OF MEASURE:</b> %   |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> | <b>Actual</b> |      |
|   |          |  |                |               | Female        | Male |
| <b>SOURCE:</b> USAID democracy survey   | Baseline | 1994   |                | 10.4%         |               |      |
|   |          | 1995   |                | 13.3%         | 14%           | 12%  |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1996   |                |               |               |      |
|   |          | 1997   | 17%            | 14.5%         |               |      |
| <b>COMMENTS:</b> This indicator is being replaced. See indicator below.       |          |  |                |               |               |      |

|  |          |  |                |               |
|--|----------|--|----------------|---------------|
| <b>OBJECTIVE 1: More Political Participation, Transparency and Compromise</b>            |          |  |                |               |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 1.3:</b> Strengthened civil society  |          |  |                |               |
| <b>INDICATOR 1:</b> Number of meetings held with the public                              |          |  |                |               |
| <b>UNIT OF MEASURE:</b> Average number of meetings in project municipalities.            |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> Contractor documentation  | Baseline | 1996   |                | 5             |
|  |          | 1997   |                | 15            |
| <b>COMMENTS:</b> There is a limit (constituent fatigue) to number of municipal meetings. |          | 1998   | 20             |               |
|  |          | 1999   |                |               |
|  |          | Target                                       | 2000           | 25            |

|   |          |  |                |               |
|---|----------|--|----------------|---------------|
| <b>OBJECTIVE 1: More Political Participation, Transparency and Compromise</b> |          |  |                |               |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 1.3:</b> Strengthened civil society                                 |          |  |                |               |
| <b>INDICATOR 2:</b> Citizen membership in community interest group            |          |  |                |               |
| <b>UNIT OF MEASURE:</b> %   |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> USAID/Nicaragua democracy survey                               | Baseline | 1994   |                | 5.3%          |
|   |          | 1995   |                |               |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1996   |                |               |
|   |          | 1997   | 10%            | 52.8%         |
| <b>COMMENTS:</b> This indicator is being dropped.                             |          |  |                |               |

|  |          |  |                |               |
|--|----------|--|----------------|---------------|
| <b>OBJECTIVE 1: More Political Participation, Transparency and Compromise</b>                        |          |  |                |               |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 1.4:</b> More Accountable and Responsive Government.                                       |          |  |                |               |
| <b>INDICATOR 1:</b> Nicaraguan households have access to basic services, e.g., water and sanitation. |          |  |                |               |
| <b>UNIT OF MEASURE:</b> %  |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> Municipal Decentralization & Dev Project.   | Baseline | 1993   | 0              | 47            |
|  |          | 1996   | 50             | 52            |
| <b>INDICATOR DESCRIPTION:</b>  |          | 1997   | 55             | 64            |
|  |          | 1998   | 67             |               |
| <b>COMMENTS:</b> Data based on 41 cities, excluding Managua  |          | 1999   | 70             |               |
|  | Target   | 2000   | 75             |               |

|  |          |  |                |               |
|--|----------|--|----------------|---------------|
| <b>OBJECTIVE 1: More Political Participation, Transparency and Compromise</b>                        |          |  |                |               |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 1.4:</b> More Accountable and Responsive Government.                                       |          |  |                |               |
| <b>INDICATOR 2:</b> Independent audits accurately documenting government performance are made public |          |  |                |               |
| <b>UNIT OF MEASURE:</b> Number of public audits  |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> Comptroller General's Office.   | Baseline | 1995   |                | 0             |
|  |          | 1996   | 2              | 3             |
|  |          | 1997   | 6              | 6             |
| <b>INDICATOR DESCRIPTION:</b>  |          | 1998   | 10             |               |
| <b>COMMENTS:</b>   |          | 1999   | 16             |               |
|  | Target   | 2000   | 22             |               |

|   |          |             |                |               |
|---|----------|-------------|----------------|---------------|
| <b>OBJECTIVE 1: More Political Participation, Transparency And Compromise</b> |          |             |                |               |
| <b>RESULT 1.4: More Accountable and Responsive Government</b>                 |          |             |                |               |
| <b>INDICATOR 3: National Assembly enacts key legislation.</b>                 |          |             |                |               |
| <b>UNIT OF MEASURE:</b> % enacted of established legislative agenda           |          | <b>Year</b> | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> National Assembly Legislative records.                         | Baseline | 1996        |                | 28.5          |
|   |          | 1997        | 35             | 46            |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1998        | 50             |               |
| <b>COMMENTS:</b>  |          | 1999        | 55             |               |
|   | Target   | 2000        | 55             |               |

## B. Sustainable Growth of Income and Employment

|   |   |
|---|---|
| SO #2: Sustainable Growth of Small Producer Income and Employment |   |
|   | Small Farmers Produce More and Diverse Crops  |
|   | Small Business and Micro-enterprise Expanding |
|   | Natural Resources Being Used More Rationally  |

### 1. Performance Analysis

The economy experienced its fourth consecutive year of solid real growth (5% in 1997), led by the agricultural sector at around 8.5%. The GON reached an agreement with the IMF to implement ESAF II. Private investment jumped 44% from \$276 million to \$397 million in 1997. Trade to and from the U.S. has soared over 20% in the last year. Exports boomed reaching \$800 million in 1997. Trade prospects improved even more when Nicaragua became the first Central American country to sign an Intellectual Property Rights agreement with the U.S. Inflation dropped from 12.1% in 1996 to 7.3% in 1997. The GON enacted an historic tax reform law that establishes more equity in the system by broadening the base, and is private sector and export friendly by simplifying rates. It is also better enforced as revenue collections are up by over 30% in 1997.

The Mission program, including the legacy of its major structural adjustment reforms from earlier years, contributed significantly to this success. Given the focus of our current program on the rural sector, and the fact that agriculture has fueled the growth trend, USAID efforts are right on target. The per capita growth rate fell just short of meeting the anticipated 2.5% growth, capping at 2.1%. As noted earlier, it is estimated that El Nino effects diminished growth by about 1%, therefore we would have likely surpassed the figure under normal circumstances. Open unemployment dropped to around 14%, thus meeting our target. Due to the fact that the World Bank-sponsored Living Standards Measurement Survey was delayed until April 1998, we don't have poverty reduction figures. However, with the sustained growth in the economy and rural areas in particular, we would assume some improvement has taken place. This objective is one of two principle contributors to the U.S. Mission's third-ranked MPP goal of stimulating continued economic recovery and sustainable development.

The GON deserves credit for reaching agreement with the IMF on a bold ESAF II program. The agreement establishes austere fiscal targets, promises restructuring of the central government and reduction in staff, encourages privatization and/or restructuring of public utilities like phone, electricity and water, seeks to eliminate utility rate subsidies, contemplates the studies necessary to reform social security, emphasizes resolving property cases, virtually eliminates the public sector from financial services and reconciles the import/export regime. If successfully implemented, the GON will be able to seek relief from the smothering foreign debt burden (\$6.1 billion) and annual debt service payments, which have limited public investment in needed economic and social development. This action has energized the donor community and the GON to work more closely

to shape the development agenda to meet critical economic, social and governance needs.

### **a. Small Farmers Produce More and Diverse Crops**

This element has produced the best performance in the entire USAID portfolio over the last year. Agriculture has generated much of the growth in the economy. Small and medium farmers produce over half of the agricultural GDP. These farmers have begun to embrace new technologies improving yields, diversifying into nontraditionals, and conserving land and water resources.

**Agriculture Booming:** Agricultural GDP growth surpassed the Mission's 7% target by reaching 8.5%. This builds on a long-term growth trend despite the El Nino effects. Nontraditional export crops contributed as they jumped 28% attaining \$122 million, well surpassing our 10% growth estimate. Interestingly, not only has growth in nontraditionals derived from organic crops and seafood, but also from a re-emergence of Nicaragua as an exporter of basic grains to other Central American countries. This spurt in nontraditional exports led to an increase in related jobs to 23,000, almost doubling our target for the year; about 40% of these jobs went to women.

Coffee production met our target, but basic grains fell a bit short. Each crop category felt the drought effects; red beans was the hardest hit. The Mission, in collaboration with GON and NGO partners, provided local currency from PL 480 Title III generations to help finance a third bean crop in the country's wetter zones. This investment met around 40% of expected production goals. The fact that it permitted more area to be planted helped mitigate supply shortages during the year, and cushioned farmer crop and income losses.

The Mission surpassed the target for the number of small farmers accessing USAID-supported services by almost 5,000 thus reaching nearly 30,000. Almost 20% of the direct recipients are women. Yields increased for cocoa, coffee, soya and onions, and milk and meats. Many of the recipients received services in organic crop techniques for coffee, cocoa, neem, soybean and sesame. The program added 600 new organic producers, increasing participation to over 2,000 and encompassing about 5,300 acres certified for organic production. On average these farmers increased incomes by 68%.

The program has also enhanced the long-term viability of agriculture in several areas. The farmer service organizations supported under our activities facilitated the titling of land for almost 1,400 farmers. Governmental offices are slowly adjudicating an additional 2,500 titles. USAID made major strides incorporating better land management practices under agricultural production as farmers adopted improved conservation practices like terracing, contour planting and contour ditches on over 10,000 acres. About 1.4 million trees were planted to protect fragile watersheds serving agricultural lands.

**Sustaining Farmer Organizations:** Our customer feedback indicates that the partnerships we have constructed with local farmer service organizations and U.S. NGOs have met the needs of small farmers. It also shows that there is still room for improvement. This partnership was critical

to achieving the results mentioned above. The Mission worked with the three principal local entities, UPANIC, APENN and to a lesser extent UNAG, to streamline their organizations, focus more on results and devise means to become financially self-sufficient. The PL 480 Title III local currency generations played an important part in not only reaching more small farmers, but helping to improve the internal management and organizational systems in these groups. While progress was made, much still can be done. This prominent performance has caught the eye of other donors such as the European Union and Denmark, which have oriented their strategies more towards producer associations.

Juan Pablo, a small coffee farmer, said, "When I joined the coffee producers association, they told me about prices in New York, and I discovered the local middlemen "coyotes" were cheating me, paying me very little for my coffee. Now I demand a higher price." With USAID-financed technical and marketing assistance from the coffee association, Juan Pablo was able to increase coffee sales from \$1,500 in 1995 to \$3,500 in 1998.

The Mission's efforts to create a network of viable, secure rural credit unions began to bear fruit. Working with 18 credit unions on internal restructuring and cleansing of loan portfolios has produced a 200% jump in viable loans and an 18% rise in small farmer membership. Loan delinquency rates dropped 25% and the credit unions collected over \$350,000 in old debts. Interestingly, women provided 45% of the total deposits and received 55% of the loans. The credit unions are now ready to begin mobilizing savings.

**b. Micro Enterprise and Rural Employment Expanding**

The Mission met or surpassed its planned targets related to micro entrepreneurs employed under USAID projects and the aforementioned growth in nontraditional agricultural export jobs. We fell short of meeting the target for temporary employment generated for public works projects under the PL 480 Title III program. Falling short of the target was not a surprise given that we had already planned to reduce funding, plus the Ministry in charge had difficulty responding to audit findings and experienced significant changes in personnel.

Progress with micro enterprises reflects an excellent partnership created with a variety of U.S. and local NGOs. Many of the local partners have moved closer to attaining financial self-sufficiency. On average, our program maintains a 96% repayment rate. Many of the 34,000 recipients, 80% of whom are women, have participated several times with increasingly larger loans. Savings among participants have accumulated, now surpassing \$600,000. The local private banking system gained interest in our clients, some of whom have graduated to loans from the formal sector. In discussion with our agricultural clients, it became clear that there is a large vacuum related to credit and commercial services in the rural areas and that there is an untapped demand that could really facilitate rural development, jobs and incomes, and strengthen farm to town linkages. This feedback proved important in our design of follow-on activities.

**c. Natural Resources Used More Rationally**

The Mission met its targets under this result. The biodiversity indicator under the Parks in Peril index, which reviews the quality of protected area management hit 40. This composite index rates the performance of five protected areas and, while improving, is still below the Latin American average of 44. Under the indicator of new and/or revised laws and regulations passed, the Mission met its target of two: the Law for Toxic Substances and the national regulation to implement the Convention on Traffic in Endangered Species (CITES). Significant political commitment was gained from President Aleman when he publicly indicated his intent to give communal title to indigenous groups of the Bosawas Reserve. This will help the local population and donor community employ sustainable, environmental practices, avoid slash and burn incursions from the landless settlers and enforce restrictions on major logging and mining companies. The Mission is working closely with GTZ (Germany) on this common objective and coordinates as well with the World Bank. These steps forward came on the heels of the declaration of the Bosawas Reserve as an International Biosphere of the United Nations.

Under the Mission's model for protection of biodiversity, local communities are active participants in conservation as well as beneficiaries of opportunities to increase their economic well-being. Civil society was widely consulted as part of the methodology used in development of environmental legislation. Progress was made in implementing environmental education activities with local communities in several key protected areas. Local residents and NGOs helped design and implement materials under new environmental education programs, and also provided input through local natural resource management boards (especially in Bosawas and the Miskito Cays Reserves). The participatory management model is most evident in implementing a government/NGO partnership for the Volcano Mombacho Natural Reserve, signed in 1997. Preliminary studies for biodiversity, eco-tourism, and infrastructure are underway in Mombacho, and a USAID grantee certified three cooperatives in the buffer zone for organic coffee production. This program, a key contributor to Agency objectives, was on the chopping block last year at this time due to personnel reductions. Fortunately, Mission management with USAID/W's agreement found a way to keep the USDH officer, and continue with our NRM result.

## **2. Expected Progress Through FY 2000**

The Mission expects the Nicaraguan economy to continue growing at 5% or better, as a result of the deepening of economic reforms, a friendlier investment climate and improved political stability.

In last year's R4, the Mission alerted USAID/W that it would develop a new results package which would likely encompass most resources directed toward the SO. The Mission undertook a design effort in close consultation with NGO and governmental partners, local and foreign experts and based on a careful analysis of evaluations, studies and reports on agricultural and small business sectors. This approach helped us clearly define our target customers (small traditional and progressive farmers, and micro entrepreneurs) and identify on what types of results we could have the greatest influence. The approach primarily emphasizes rural development and poverty alleviation, and establishes farm to town linkages. The new Small Producer Program (SPP) was initiated at a signing ceremony on February 10, 1998 in which President Aleman and AA/LAC Schneider participated.

Considering these factors along with probable funding availabilities over the next several years, the Mission refined its strategic objective. The new strategic objective is sustaining growth in small producer incomes and jobs. The key indicators at the objective level are growth rate of agricultural GDP, rural underemployment and an index which measures sustaining natural resources. The Mission already tracks the first indicator. We expect agricultural GDP to grow at a sustained rate of 7% through 2000. Obviously, if El Nino continues, this growth rate is in jeopardy. USAID previously funded Ministry of Labor (MOL) studies on rural employment figures. The last data is from 1996, which reported about 51% underemployed. Funding for the survey ran out so therefore we have no figures for 1997. The Mission will work with the MOL to reconstitute the survey and formulate targets.

The natural resources conserved index will integrate two features: soil erosion prevention and areas under tree cover expanded. Our contractors will help us establish the targets over the next nine months. The second feature will contribute to our reporting on Global Climate Change efforts, therefore we will avoid an extra tracking mechanism.

#### **a. Small Farmers Produce More and Diverse Crops**

The Mission will focus on expanding small farmer services, producing better seeds, land titling and marketing, and agricultural policy through the SPP. We will intensify our partnerships with U.S. and local NGOs, while working closely with the revitalized Ministry of Agriculture. We expect slight increases of basic grain and coffee production in 1998 due to El Nino's drought effects. By 2000, we expect robust growth will resume. The number of farmers accessing USAID services should reach over 35,000 by 2000. The value of nontraditional export crops should rise to around \$150 million as Nicaraguans take advantage of the burgeoning U.S. market for organic crops and the Central American markets for basic grains and vegetables. We expect the farmers to use land conservation, integrated pest management and farm forestry techniques to a greater degree.

A system for producing improved seeds, allowing for increased yields with lower applications of fertilizers and pesticides, should be well established by 2000. Micro-industry artisanal seeds produced by individual small farmers or groups will be available. We expect a geometric increase in land titles for small farmers given the passage of the 1997 property law and better coordination among the farmer service organizations and government entities.

Our program will continue to press the local farmer service organizations to approach financial self-sufficiency. They will generate more income by charging for services, selling inputs, and charging fees to donors for implementing activities. We expect on average that the three principal service organizations will meet at least 35% of their operating costs through income generation activities by 2000.

#### **b. Small Business and Micro Enterprise Expanding**

The Mission's SPP will also focus on rural credit unions, agricultural-related and rural micro enterprise and urban micro enterprise. It will work to improve farm to town linkages in the rural

areas by addressing the gap in the presence of service industries and taking advantage of opportunities to build small businesses on and off the farm. It will help establish effective and complete financial intermediation to stimulate broad-based rural development.

We expect to have 28 rural credit unions restructured and participating in sound savings and loan activities. With the demise of public sector banking, private banking will predominate, supplemented by government second story facilities. In the private sector, rural credit unions will play a pivotal role in fomenting investment and providing financial services. We expect the level of deposits to increase substantially over \$2.5 million, the number of loans and repayment rates to rise, and small farmer membership to expand.

The Mission program will venture into rural micro enterprise operations in areas such as consumer services, on-farm processing, tool manufacturing, equipment repair, silo production, and artisanal seeds. Serving these areas will require agile and innovative approaches. By 2000, the Mission expects 6,000 direct beneficiaries in rural areas, with an additional 1,500 jobs being created. Many of the recipients will be women.

USAID still recognizes that the urban sectors face tremendous problems with job creation and sustainable incomes. Therefore, the Mission will continue to stay engaged with micro enterprise activities. We will build upon our successful strategies of direct grants to local groups or grants to U.S. NGOs who have a local partner. The Mission will also expand to the urban areas on the Atlantic Coast, which have deep poverty problems, but tremendous potential. By 2000, we expect 45,000 direct beneficiaries (35,000 women), producing an additional 12,000 jobs.

### **c. Natural Resources Being Used More Rationally**

With the continued presence of the USDH environmental officer, the Mission believes it can adequately manage activities under this result. USAID plans to amend the current program and extend it two more years. The amendment will refine and narrow the current scope, since the new SPP adopts many natural resource management efforts related to production.

The revised program focuses on biodiversity protection and creating conditions for increased eco-tourism. We will ensure that the program links to regional efforts related to the Global Climate Change initiative. In that regard, we will continue supporting the Atlantic Coast priorities of Bosawas and the Miskito Keys. We will also be alert to the growing interest in developing geothermal power, to help lower carbon emissions. In that regard, USAID will coordinate with the G-CAP program to facilitate the process. We expect that the protected areas management index will surpass the Latin American average by 2000. USAID believes the Biodiversity Law and protected areas regulations will go into force in 1998, however we will decrease focus on legislation in the out years, thus we will drop this indicator from R4 reporting.

We are examining a potential new indicator to measure eco-tourism in selected protected areas. Additional jobs will be created in the tourist areas with improved infrastructure, better guides and more visitors. It is desired that this increase in tourism will also help parks and protected areas

cover more recurrent costs. The Mission expects full scale environmental education program in effect in 10 key protected areas by 2000, with a concomitant expansion of local natural resource management boards.

### **3. Environmental Compliance**

No issues. The Mission issued an IEE, approved in USAID/W, which provided a negative determination for all elements of the Small Producer Program, except the small farmer services and seeds components. The decision on those components was deferred until the contract team examines the specific activity options. An environmental assessment will be undertaken at that time, if necessary. The NRM amendment will be covered under the existing EA.

|  |          |  |                |               |
|--|----------|--|----------------|---------------|
| <b>OBJECTIVE 2: Sustainable Growth of Small Producers Income and Employment</b>  |          |  |                |               |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>INDICATOR 1: Growth rate agriculture (GDP)</b>  |          |  |                |               |
| <b>UNIT OF MEASURE:</b><br>Percentage annual growth  |          | <b>YEAR</b>                                  | <b>PLANNED</b> | <b>ACTUAL</b> |
| <b>SOURCE:</b> Central Bank, National Accounts Department  | Baseline | 1994   | N/A            | 3.6%          |
|  |          | 1995   | N/A            | 5.0%          |
| <b>INDICATOR DESCRIPTION:</b>  |          | 1996   | 7.0%           | 8.0%          |
|  |          | 1997   | 7.0%           | 8.5%          |
| <b>COMMENTS:</b> Important factors in this growth were steadily increasing exports of seafood, farmed shrimp and other NTAEs, as well as higher coffee prices. |          | 1998   | 7.0%           |               |
|  |          | 1999   | 7.0%           |               |
|  | Target   | 2000   | 7.0%           |               |

|   |          |  |                |               |
|---|----------|--|----------------|---------------|
| <b>OBJECTIVE 2: Sustainable Growth of Income and Employment</b> |          |  |                |               |
| <b>APPROVED:</b> April 1998                                     |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>INDICATOR 2: Rural Underemployment</b>                       |          |  |                |               |
| <b>UNIT OF MEASURE:</b>   |          | <b>YEAR</b>                                  | <b>PLANNED</b> | <b>ACTUAL</b> |
| <b>SOURCE:</b> Labor Ministry                                   | Baseline | 1995   |                |               |
|   |          | 1996   | 8.0%           | 51.5%         |
| <b>INDICATOR DESCRIPTION:</b>                                   |          | 1997   |                |               |
|   |          | 1998   | 49%            |               |
| <b>COMMENTS:</b>  |          | 1999   | 47%            |               |
|   | Target   | 2000   | 45%            |               |

|   |          |  |                |               |
|---|----------|--|----------------|---------------|
| <b>OBJECTIVE 2: Sustainable Growth of Small Producers Income and Employment</b> |          |  |                |               |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>INDICATOR 1: Real growth of GDP per capita</b>                               |          |  |                |               |
| <b>UNIT OF MEASURE:</b><br>Percentage annual growth                             |          | <b>YEAR</b>                                  | <b>PLANNED</b> | <b>ACTUAL</b> |
| <b>SOURCE:</b> Central Bank   | Baseline | 1994   | N/A            | 0.4%          |
|   |          | 1995   | 1.0%           | 1.3%          |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1996   | 2.0%           | 2.6%          |
| <b>COMMENTS:</b> Est. population growth 2.9%. Being dropped.                    | Target   | 1997   | 2.5%           | 2.1%          |

|   |          |  |                |               |
|---|----------|--|----------------|---------------|
| <b>OBJECTIVE 2:</b> Sustainable growth of income and employment |          |  |                |               |
| <b>APPROVED:</b> Feb 1997                                       |          | <b>COUNTRY/ORGANIZATION:</b> USAID NICARAGUA |                |               |
| <b>INDICATOR 2:</b> Reduction in open unemployment              |          |  |                |               |
| <b>UNIT OF MEASURE:</b> Percent unemployed                      |          | <b>YEAR</b>                                  | <b>PLANNED</b> | <b>ACTUAL</b> |
| <b>SOURCE:</b> MOL  | Baseline | 1993   |                | 21.8%         |
|   |          | 1994   |                | 20.7%         |
|   |          | 1995   |                | 18.2%         |
| <b>INDICATOR DESCRIPTION:</b>                                   |          | 1996   |                | 16.1%         |
| <b>COMMENTS:</b> National unemployment. Being dropped.          | Target   | 1997   | 15.0%          | 13.9%         |

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

|  |          |  |                |               |                     |               |
|--|----------|--|----------------|---------------|---------------------|---------------|
| <b>OBJECTIVE 2:</b> Sustainable growth of income and employment  |          |  |                |               |                     |               |
| <b>APPROVED:</b> Feb 1997  |          | <b>COUNTRY/ORGANIZATION:</b> USAID NICARAGUA |                |               |                     |               |
| <b>RESULT 2.1:</b> Small farmers produce and market more and diverse products  |          |  |                |               |                     |               |
| <b>INDICATOR 2:</b> Output of coffee and basic grains  |          |  |                |               |                     |               |
| <b>UNIT OF MEASURE:</b> Thousands of quintals (starting in 1997, average of the three years ending in the year shown)  |          | <b>YEAR</b>                                  | <b>Coffee</b>  |               | <b>Basic Grains</b> |               |
|  |          |  | <b>Planned</b> | <b>Actual</b> | <b>Planned</b>      | <b>Actual</b> |
| <b>SOURCE:</b> CONAGRO, USAID  | Baseline | 1993   |                |               |                     | 10,783        |
|  |          | 1994   |                | 800           |                     | 11,345        |
|  |          | 1995   |                | 1,000         |                     | 12,432        |
| <b>INDICATOR DESCRIPTION:</b>  |          | 1996   |                | 1,100         |                     | 13,072        |
|  |          | 1997   | 1,100          | 1,300         | 14,200              | 12,490        |
| <b>COMMENTS:</b> The total 1997 bean production is about 25% lower than last year despite a 40% increase in total area planted. Average last harvest bean yields due to the drought about 40% of normal. |          | 1998   | 1,350          |               | 13,000              |               |
|  |          | 1999   | 1,450          |               | 14,000              |               |
|  | Target   | 2000   | 1,550          |               | 15,000              |               |

|  |          |  |         |        |        |        |
|--|----------|--|---------|--------|--------|--------|
| <b>OBJECTIVE 2: Sustainable Growth of Small Producers Income and Employment</b>                                      |          |  |         |        |        |        |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |         |        |        |        |
| <b>Result 2.2:</b> Small Farmers Produce and Market More and Diverse Products  |          |  |         |        |        |        |
| <b>INDICATOR 2:</b> Farmers accessing USAID activities   |          |  |         |        |        |        |
| <b>UNIT OF MEASURE:</b> Number of farmers  |          | <b>YEAR</b>                                  | Planned |        | Actual |        |
|  |          |  | Female  | Male   | Female | Male   |
| <b>SOURCE:</b> Program progress reports by UPANIC, APENN, CLUSA, UNAG, UNICAFE, TechnoServe, World Relief 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 | 5,500  | 24,300 |
| <b>INDICATOR DESCRIPTION:</b>  |          |  | 1998    | 6,000  | 25,000 |        |
| <b>COMMENTS:</b> Farmers currently participating.  |          |  | 1999    | 6,500  | 26,000 |        |
|  |          | Target                                       | 2000    | 7,000  | 28,000 |        |

|   |          |             |  |        |         |        |         |        |         |
|---|----------|-------------|--|--------|---------|--------|---------|--------|---------|
| <b>OBJECTIVE 2: Sustainable Growth of Small Producers Income and Employment</b> |          |             |  |        |         |        |         |        |         |
| <b>APPROVED:</b> June 1995  |          |             | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |        |         |        |         |        |         |
| <b>RESULT 2.4:</b> Micro-enterprise and Rural Employment Expanded               |          |             |  |        |         |        |         |        |         |
| <b>INDICATOR 1:</b> MAS/FISE beneficiaries temporarily employed                 |          |             |  |        |         |        |         |        |         |
| <b>UNIT OF MEASURE:</b> # of beneficiaries                                      |          | <b>Year</b> | Female                                       |        | Male    |        | All     |        |         |
|   |          |             | Planned                                      | Actual | Planned | Actual | Planned | Actual |         |
| <b>SOURCE:</b> PL-480 Title III Secretariat                                     | Baseline | 1993        |  |        |         |        |         | 0      |         |
| <b>INDICATOR DESCRIPTION:</b>   |          |             | 1994   |        |         |        |         | 33,600 |         |
| <b>COMMENTS:</b> Being dropped.   |          |             | 1995   |        |         |        | 60,000  | 73,900 |         |
|   |          |             | 1996   | 35,560 | 45,952  | 53,340 | 68,928  | 88,900 | 114,880 |
|   |          |             | 1997   | 39,560 | 35,023  | 59,340 | 52,530  | 98,900 | 87,553  |

|   |          |             |  |        |         |        |         |        |
|---|----------|-------------|--|--------|---------|--------|---------|--------|
| <b>OBJECTIVE 2: Sustainable Growth of Small Producers Income and Employment</b> |          |             |  |        |         |        |         |        |
| <b>APPROVED:</b> June 1995  |          |             | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |        |         |        |         |        |
| <b>RESULT 2.4:</b> Micro-enterprise and Rural Employment Expanded               |          |             |  |        |         |        |         |        |
| <b>INDICATOR 2:</b> On/off farm NTAE employment (productive jobs)               |          |             |  |        |         |        |         |        |
| <b>UNIT OF MEASURE:</b> # of NTAE jobs  |          | <b>Year</b> | Female                                       |        | Male    |        | All     |        |
|   |          |             | Planned                                      | Actual | Planned | Actual | Planned | Actual |
| <b>SOURCE:</b> APENN, CLUSA, PRIDEX, UNAG, and other 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  | 8,950  | 8,600   | 14,200 | 12,700  | 23,100 |
| <b>INDICATOR DESCRIPTION:</b>   |          |             | 1998   | 9,500  |         | 14,500 |         | 24,000 |
| <b>COMMENTS:</b>  |          |             | 1999   | 11,000 |         | 16,000 |         | 27,000 |
|   |          | Target      | 2000   | 12,000 |         | 18,000 |         | 30,000 |

|  |          |  |         |        |         |        |         |        |
|--|----------|--|---------|--------|---------|--------|---------|--------|
| <b>OBJECTIVE 2: Sustainable Growth of Small Producers Income and Employment</b>        |          |  |         |        |         |        |         |        |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |         |        |         |        |         |        |
| <b>RESULT 2.4: Micro-enterprise and Rural Employment Expanded</b>                      |          |  |         |        |         |        |         |        |
| <b>INDICATOR 3: Number of micro-entrepreneurs receiving loans under USAID projects</b> |          |  |         |        |         |        |         |        |
| <b>UNIT OF MEASURE:</b> # of people  |          | Year   | Female  |        | Male    |        | All     |        |
|  |          |  | Planned | Actual | Planned | Actual | Planned | Actual |
| <b>SOURCE:</b> program reports.  | 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  | 28,720 | 5,000   | 5,434  | 33,000  | 34,154 |
|  |          | 1998   | 35,000  |        | 10,000  |        | 45,000  |        |
| <b>INDICATOR DESCRIPTION:</b>  |          |  | 1999    | 43,000 |         | 12,000 |         | 55,000 |
| <b>COMMENTS:</b>   |          | Target                                       | 2000    | 45,000 |         | 13,000 |         | 58,000 |

|  |  |  |             |                |               |
|--|--|--|-------------|----------------|---------------|
| <b>OBJECTIVE 2: Sustainable Growth of Small Producers Income and Employment</b>  |  |  |             |                |               |
| <b>APPROVED:</b> June 1995   |  | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |             |                |               |
| <b>RESULT 2.5: Natural Resources Being Used More Rationally</b>  |  |  |             |                |               |
| <b>INDICATOR 1: Protected areas under effective management</b>   |  |  |             |                |               |
| <b>UNIT OF MEASURE:</b> index of area management   |  |  | <b>Year</b> | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> MARENA, NRM   |  | Baseline                                     | 1993        |                | 22            |
| <b>INDICATOR DESCRIPTION:</b> New  |  |  | 1994        |                | 23            |
|  |  |  | 1995        |                | 29            |
|  |  |  | 1996        |                | 34            |
|  |  |  | 1997        | 37             | 40            |
|  |  |  | 1998        | 40             |               |
| <b>COMMENTS:</b> The current protected areas are: Bosawas Reserve, Volcano Masaya National Park, Volcano Mombacho Reserve, La Flor Wildlife Refuge, and Cayos Miskitos Reserve (1.5 million ha total). The management index is derived from Parks in Peril (PiP). The maximum is 80 points. In Latin America, the average score of nine protected areas in 1996 was 44. By 2000, NRM will work in at least ten priority protected areas. New areas might bring down average initially. |  |  | 1999        | 43             |               |
|  |  | Target                                       | 2000        | 45             |               |

|   |  |  |             |                |               |
|---|--|--|-------------|----------------|---------------|
| <b>OBJECTIVE 2: Sustainable Growth of Small Producers Income and Employment</b>   |  |  |             |                |               |
| <b>APPROVED:</b> June 1995  |  | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |             |                |               |
| <b>RESULT 2.5: Natural Resources Being Used More Rationally</b>   |  |  |             |                |               |
| <b>INDICATOR 2: New and/or revised laws passed</b>  |  |  |             |                |               |
| <b>UNIT OF MEASURE:</b> laws passed/regs impl.  |  |  | <b>Year</b> | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> MARENA, National Assembly, and NRM   |  | Baseline                                     | 1993        | 0              | 0             |
| <b>INDICATOR DESCRIPTION:</b>   |  |  | 1994        | 1 law          | 0             |
|   |  |  | 1995        | 3 laws         | 0             |
|   |  |  | 1996        | 3 laws         | 1 law         |
|   |  |  | 1997        | 2 laws & regs  | 1 law/1 reg   |
| <b>COMMENTS:</b> Target is not cumulative, and includes laws and regulations receiving full or partial support from USAID. Being dropped in 1999. |  | Target                                       | 1998        | 2 laws & regs  |               |

**C. Better Educated, Healthier and Smaller Families**

|  |   |
|--|---|
| SO #3: Better Educated, Healthier and Smaller Families |   |
|  | Better Nourished Women and Children                       |
|  | Integrated Child Survival Services and Practices          |
|  | Comprehensive Reproductive Health Services                |
|  | More Students Learning More and Completing Primary School |

**1. Performance Analysis**

The social sectors continue to make steady progress, displaying better efficiency, effectiveness and quality performance. The Mission generally surpassed strategic objective targets and met intermediate result indicators. USAID’s partnership with the Ministry of Health (MOH), U.S. and local NGOs and other donors reversed deteriorating health indicators and fashioned an improving long-term trend. Preliminary data from the Demographic Health Survey (DHS) show a remarkable decline in the infant mortality rate from 58/1000 live births in 1993 to around 45/1000 in 1997, far surpassing our target. The total fertility rate fell phenomenally to 3.8 in 1997 as compared with 4.6 in 1993, well exceeding our target. (Note final adjustments to these figures will occur in June 98). Couple years of protection (CYPs) fell short, although the public sector met its target. The private sector fell short due to the almost nine month suspension of funding to the Profamilia program, along with that institution’s change in vision and management.

Likewise in the education sector, the Mission has leveraged a coordinated donor program to address basic constraints in the primary education system. Coupled with strong Ministerial leadership, the estimated primary school completion rate in 1997 of 26.5% fell just short of the target of 30% (actuals will not be available until later this year). Girls continue to have higher completion rates than boys by over 7%. In the design of the new education results package, the Mission discovered that certain methodological problems had caused the Ministry to revise downward completion rate figures since 1990. The figures still show a positive trend, but from a lower base figure. The Mission will revise its out year targets to reflect this change.

**a. Better Nourished Women and Children**

The Mission helped spur a micro nutrient breakthrough. Ministry of Health campaigns provided over 90% of pregnant women with iron and folic acid supplements and 88% of children from six months to 10 years with Vitamin A supplements. The survey to determine the percentage of children vitamin A deficient was not undertaken, however, the foregoing campaigns and other measures taken below have significantly reduced the problem. Millers now fortify all flour with folic acid, B-complex and iron. The Ministry now includes Vitamin A in its basic list of medicines and will likely move to fortify sugar, oil or flour. With help from Global’s Omni program, the Ministry of Social Action designed a communication strategy to promote micro nutrient foods.

The DHS uncovered a data problem regarding exclusive breastfeeding. Our 1993 baseline level of 12% was in error, because it used a data source incompatible with national surveys. The correct level should have been 7% and the 1997 figure rose to 10%, well below our projection based on an erroneous baseline. Even with the revised baseline, the 10% level of exclusive breastfeeding remains too low, given that some of our PVO territories reached between 30% to 40%. On the bright side, six medical and nursing schools have incorporated breastfeeding into their curricula with assistance from the Global Linkages program. Our PL 480 Title II program has successfully targeted needy women and children. Collaborating with our child survival interventions, the Title II PVOs have reached the poorest families in the Northern and Central mountainous regions with nutrition education and home/community garden projects.

**b. Child Survival Services and Practices**

USAID was instrumental in the 22% decrease in infant mortality, by meeting its key indicator of maintaining immunization rates around 90% and improving service quality and access in our four target departments accounting for nearly 50% of the population. The MOH reported that no children died from immuno-preventable diseases. The Ministry now finances the vaccines it uses. The overall program is supplemented with funding through PAHO, which runs specific campaigns. High treatment levels of children suffering from diarrhea with oral rehydration salts (ORS) has reduced deaths from this malady by 31%. We targeted excessive and inappropriate use of antibiotics in the treatment of acute respiratory illness and this resulted in a 40% drop in use. Customer feedback has indicated that the more integrated approach to diagnosis and treatment has made a difference in terms of quality of care and reducing visits to the clinics.

Esperanza, a charismatic 18 year old from Barrio San Jose in Managua, is one of 80 women teaching exclusive breastfeeding to friends and neighbors. At a USAID-sponsored training program, Esperanza learned how to store her milk so her baby could have breast milk at night when she is at work. Her breastfeeding support group is one of many that have increased breastfeeding to 40% of the women versus the national average of 10%.

The Mission attributes much of its success under this component to the decentralization efforts within the MOH, its partnerships with NGOs and its coordination with donors. Without improved performance by the health units, and coordination between NGOs and them, it would have been extremely difficult to withstand the deep and pervasive personnel changes in the Ministry throughout the year. The national indicators are strong because USAID has worked closely with the Swedes, Japanese, IDB, World Bank and other donors to clearly delineate strengths and to address nationwide problems without duplicating efforts or working at cross purposes.

**c. Reproductive Health Services**

The dramatic drop in fertility rates reflects a strong performance by the public sector

complemented with expanding private sector services to widen the availability of family planning. As mentioned, the reproductive health target of CYPs fell short. This was expected as Profamilia faced a 9-month program suspension, while reorganization and a major shift toward temporary methods took place. Births attended by trained personnel rose to 72%, thus surpassing our target and contributing to gains in the broader reproductive health. We expect that a committed Health Minister and a revitalized Profamilia will extend these gains over the next year.

Some lower level targets similarly hold promise. An increase in temporary methods of family planning, 15% rise in medical consultations, a 35% gain in nurse consultations, a 19% hike in Pap tests and 1,800 ultrasounds all took place in Profamilia's clinics. For AIDS/STDs, we will have formal survey results for condom use by high risk groups in 1999.

#### **d. Primary Education Improvements**

Overall efficiency in primary education has improved. As mentioned, completion rates rose. The repetition rates continued to decline, thus meeting our target. The average number of years to produce a sixth-grade graduate has fallen from 16 in 1990 to 10 in 1996; there were no statistically significant gender differences in the previous two indicators. The movement towards greater school autonomy has gained momentum as now almost 600 of the larger schools encompassing about 230,000 or about 30% of the students participate. The program has helped encourage greater community and parental participation in schools nationally. Within a pilot effort we saw almost tripling of parental involvement, including about 25% who have increased time with the children doing homework. The Mission has facilitated a synchronized working relationship with the other donors, whereas the Dutch, World Bank and European Community work on quality and efficiency improvement in preschool, 5th and 6th grade, and secondary schools, and USAID focuses on grades 1-4. These donors along with the Japanese also construct and rehabilitate schools to address infrastructure problems.

The Mission fell well short of meeting its target for achievement test scores in math and Spanish for fourth-graders. Unfortunately, the instrument to measure achievement did not reflect the new curriculum. Even if the instrument had proved appropriate, our targets were too ambitious. In the short-run by introducing new curriculum and other measures, there is an adjustment period where sometimes scores decline. Additionally, as efficiency measures improve, leaving more kids in school, many of the lower performing students stay and take the tests; their lower scores pull the averages down. Although teachers have adopted the new curriculum, the majority have not yet put the methodology consistently into practice. So while the standards are toughening, there might not be the concomitant upgrade of teacher performance to better communicate and guide the new curriculum. The experts believe that in the short-run, if you can maintain stable scores in achievement testing, then the program demonstrates quality improvements.

The Minister of Education recently revised grade promotion policies. All first graders from 1997 received an automatic promotion, and next year all second graders will as well. While the Mission applauded the first measure given the 22% retention rates, i.e., taking kids over the first grade hump, we are less sanguine about the second. Both measures will create a tremendous burden on

an already over-taxed system. We are assessing the consequences of these policy changes on the system and our program.

## **2. Expected Performance Through 2000**

The Mission remains optimistic about achieving its targets for this objective. Our efforts will continue to have a direct, significant role in all the major indicators. We are designing two results packages, which will build on successful efforts, refine activities where problems have been exposed and evolve into more integrated approaches. The Mission also plans to reduce the number of indicators reported to USAID/W. We currently report 17, many of which are duplicative and costly. We will continue to report three at the objective level and two at each intermediate result stage. We will monitor some at the lower level, others will be dropped to reduce costs.

USAID's program will improve the use, access, quality and sustainability of health services. We will continue to forge a tripartite collaborative methodology with MOH, donors and NGOs. We plan to meet our target in 2000: infant mortality rates will continue their steady decline; maternal mortality rates will also fall; and fertility rates will decline as more men and women use modern methods of family planning and understand the linkages with overall health conditions; outyear targets will be adjusted to reflect the greater than expected advances. We plan to change the indicator of couple years of protection to the more traditional, contraceptive prevalence. This enables us to have more comparable data with other Missions, and lessens potential negative incentives inherent in the former indicator.

The Mission reproductive health activities will be pivotal over the next five years. Over half of Nicaragua's population is under 15 years old, and a large number of teenagers are sexually active. Children having children also raises the risk of infant and maternal mortality, and undermine women's chances for education and gainful employment. Further, AIDS/STDs are spreading more rapidly, and this age group tends to ignore safer sexual practices. Therefore, the Mission program will more actively link preventive health care and reproductive health practices to address this potential bombshell.

In the education results package, we will continue to pursue efficiency, quality and equity targets. These efforts retain even greater importance than before given the growing school age population, the lower dropout and repetition rates, and now the automatic promotion in the lower grades. Overall, we expect completion rates to rise, but we will adjust targets downward to take into account the time lag needed for new curriculum and teacher training to impact on the classroom. We will have to drop the repetition rate indicator from R4 reporting given the promotion policy. As mentioned, we have already discovered a problem with our achievement test instrument, which will be replaced with an objective-based test reflecting the new curriculum.

### **a. Integrated Child Survival**

The Family Health results package will emphasize the integrated model for maternal/child health

care called the Integrated Management of Childhood Illness (IMCI) approach. It will reduce costs as patient visits decline and the need for specific/vertical campaigns lessens. It helps to assure kids receive appropriate treatment for diarrheal diseases and acute respiratory infections, update vaccines and detect malnutrition problems. The program will continue to support PAHO's immunization campaign, emphasizing transition and institutionalization within the MOH. We will strengthen our partnership with PVOs as we focus their efforts on some of the more difficult geographic areas. We will work to improve the linkage between NGOs and MOH clinics to improve referrals, broaden coverage and keep supplies current.

Customer feedback indicates that even some of the poorest people are willing to pay for quality health services. We will encourage a more active private sector outreach to more remote areas and we will include cost recovery measures into our public sector activities. The Mission expects that through these efforts, vaccination coverage rates will remain around 90% and the percent of diarrheal children using ORS will surpass 60%.

### **b. Comprehensive Reproductive Health**

Our program will continue to improve services nationwide by supporting public and private sector activities. We will stimulate better linkages between private providers and the departmental and local health facilities. The program will promote the full range of methods, however, increasing emphasis will be placed on temporary methods and birth spacing for young adults and young mothers. Private sector participation remains pivotal for long-term sustainability, setting quality standards for services, creating demand and implementing information, education, counseling efforts. We will build upon our partnership with NGOs, which have the outreach capabilities to increase family planning use among the most fertile and hardest to reach rural families. The Mission will focus on expanding services into the Atlantic Coast region, where reproductive health indicators, including the prevalence of AIDS are worse than in the rest of the country.

The Mission will support contraceptive social marketing (CSM) as a means to improve sustainability and to increase education. Thoughtful and interesting advertising campaigns can better reach the young people and rural groups. It helps reform the sector by introducing a larger role for the private sector. Once established, promotion of other health and child survival activities such as ORS can piggyback these efforts. By 2000, contraceptive prevalence will reach 65% among women of reproductive age. The Mission will track births attended by trained personnel, but no longer for R4 reporting purposes.

### **c. Better Nutrition**

Our reporting shows that well nourished children survive diarrhea, respiratory infections, measles and other infectious disease better than undernourished kids. USAID has provided the leadership in the nutrition area and will continue to do so. The Mission will continue to promote exclusive breast feeding, Vitamin A and micro nutrient supplements and fortification, growth monitoring and nutritional education. The Mission's work with BHR PL 480 Title II program in partnership with PVOs remains critical to this effort, particularly in food insecure areas of the country.

We will report two indicators, percentage of children under three underweight and prevalence of exclusive breast feeding. For the former, USAID will establish targets using the baseline for 1997 at 16.4% for boys and 15.3% for girls in our Title II program areas. We expect substantial reductions in underweight percentages and mirrored by enhanced food security in the target regions. For the latter, we expect exclusive breastfeeding to reach at least 13%, given our revised baseline and targets mentioned earlier. More effort will be placed on this vital practice in the new results package to stimulate accelerated performance at the national level.

While the Vitamin A supplement is still a proxy indicator, the survey to judge overall Vitamin A deficiency will not take place for another 3-4 years; therefore we will not report these indicators in the R4. This survey will assess how well the fortification has performed. The Mission will continue internally to track stunted growth statistics where special feeding activities are managed.

#### **d. Students Learning More and Completing Primary School**

The Mission expects to see continued progress. The Mission's new results package relies heavily on evaluation findings and customer feedback from teachers and parents. It recognizes the need to leverage donor assistance because we can not address all the significant problems facing education in Nicaragua, e.g., infrastructure and teacher/student ratios. USAID will embark on a five-pronged approach within its managerial interests to have students learn more and complete primary school. We will pursue more effective teaching, improved quality through more relevant curriculum and materials, more parent/community involvement; expanded rural, multi-grade access to the innovations and strengthening education management. The linchpin to children's learning is teachers applying the new curriculum and teaching methods. The program will also focus attention on underserved populations in rural areas and the Atlantic Coast.

In addition, the Mission will finance development training under this results package. This not only provides off-shore technical training in the educational sector, but supports all of our SOs for short-term and long-term training needs. It also provides to support for our local partner NGOs to strengthen their managerial and administrative capabilities.

USAID is modifying the two indicators measuring progress. We will introduce a new instrument, developed by the Ministry with USAID and World Bank support, that ties achievement test scores to the objectives of the new curriculum and the percentage of kids meeting the basic objectives; the model and multi-grade rural schools will be the primary testing ground of this instrument. The second indicator tracks a quality index capturing teachers application of the new curriculum and methodologies, and students' active participation in the learning process. Actual targets will be established prior to next year's R4 submission.

### **3. Environmental Compliance**

No issues. The IEEs for the two new results packages should reflect negative determinations.

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| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>   |          |  |                |               |               |        |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |               |        |
| <b>INDICATOR 1: Primary school completion rate</b>   |          |  |                |               |               |        |
| <b>UNIT OF MEASURE:</b> % of children  |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> | <b>Actual</b> |        |
| <b>SOURCE:</b> Ministry of Education (MED)   |          |  |                |               | Male          | Female |
|  | Baseline | 1993   | 21%            | 23.5%         | 20%           | 25%    |
|  |          | 1994   | 22%            | 24.8%         | 22%           | 27%    |
| <b>INDICATOR DESCRIPTION:</b>  |          | 1995   | 23%            | 26.8%         | 23%           | 28%    |
|  |          | 1996   | 28%            | 28%           | 24%           | 31%    |
| <b>COMMENTS:</b> Previous data from 1993 -- 1996 based on erroneous MED estimates. Revised actuals:1993: 22.8; 1995: 25.6; and 1996: 26.2. We have revised figures for future years. *1997 estimate. |          | 1997   | 30%            | 26.5%*        |               |        |
|  |          | 1998   | 27%            |               |               |        |
|  |          | 1999   | 27.5%          |               |               |        |
|  | Target   | 2000   | 28%            |               |               |        |

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| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>  |          |  |                |               |  |  |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |  |  |
| <b>KEY INDICATOR 2: Infant Mortality Rate (IMR)</b>   |          |  |                |               |  |  |
| <b>UNIT OF MEASURE:</b> Deaths per thousand   |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |  |  |
| <b>SOURCE:</b> Preliminary data from Demographic Health Survey (DHS) with 50% of sample reported, including departments covered by USAID; Managua, Boaco, Matagalpa, and Jinotega; plus Chontales and Rio San Juan. | Baseline | 1993   |                | 58            |  |  |
|   |          | 1995   |                | 56            |  |  |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1996   | 55             | 50            |  |  |
|   |          | 1997   | 49             | *45           |  |  |
| <b>COMMENTS:</b> *This interim figure from DHS could slightly decrease; final figure available in June 1998. Planning targets will be adjusted according to final DHS figure.                                       |          | 1998   |                |               |  |  |
|   |          | 1999   |                |               |  |  |
|   | Target   | 2000   | 42             |               |  |  |

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| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>  |          |  |                |               |  |  |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |  |  |
| <b>KEY INDICATOR 3: Total Fertility Rate (TFR)</b>  |          |  |                |               |  |  |
| <b>UNIT OF MEASURE:</b> number of children  |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |  |  |
| <b>SOURCE:</b> Prelim. data from DHS with 50% sample reported, includes departments covered by USAID; Managua, Boaco, Matagalpa, and Jinotega; plus Chontales and Rio San Juan. | Baseline | 1993   |                | 4.6           |  |  |
|   |          | 1995   | 4.4            |               |  |  |
| <b>INDICATOR DESCRIPTION:</b> Average # of children born to a woman over her life-time.   |          | 1996   | 4.2            |               |  |  |
|   |          | 1997   | 4.1            | *3.8          |  |  |
| <b>COMMENTS:</b> *Preliminary data is from the DHS; final figure available in June 1998. Planned targets will be adjusted accordingly.  |          | 1998   |                |               |  |  |
|   |          | 1999   |                |               |  |  |
|   | Target   | 2000   | 3.5            |               |  |  |

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| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>   |          |  |                |               |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>KEY INDICATOR 4:</b> Couple years of protection (CYP)- public sector  |          |  |                |               |
| <b>UNIT OF MEASURE:</b> years of protection  |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> DHS Project, MINSA  | Baseline | 1992   |                | 34,700        |
|  |          | 1995   | 35,200         | 54,396        |
| <b>INDICATOR DESCRIPTION:</b>  |          | 1996   | 36,000         | 85,793        |
| <b>COMMENTS:</b> CYPs in public sector clinics in four health departments covered by USAID project. Being dropped. |          | 1997   | 95,000         | 96,468        |

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| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>   |          |  |                |               |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>KEY INDICATOR 5:</b> Couple years of protection (CYP) - Profamilia  |          |  |                |               |
| <b>UNIT OF MEASURE:</b> years of protection  |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> Profamilia Service Statistics   | Baseline | 1992   |                | 52,000        |
|  |          | 1995   | 100,000        | 139,000       |
| <b>INDICATOR DESCRIPTION:</b> CYPs provided by nationwide system of clinics and CBD posts.   |          | 1996   | 118,000        | 138,000       |
|  |          | 1997   | 150,000        | 105,219       |
| <b>COMMENTS:</b> Target was not reached and CYPs will be dropping as PROFAMILIA increases emphasis on temporary methods. Being dropped from the R-4. |          |  |                |               |

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| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>  |          |  |                |               |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 3.1:</b> Better Nourished Women and Children  |          |  |                |               |
| <b>INDICATOR 1:</b> % of children under 5 years with Vitamin A deficiency   |          |  |                |               |
| <b>UNIT OF MEASURE:</b> % of children under 5 years with Vitamin A deficiency   |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> National Nutrition Survey  | Baseline | 1993   |                | 67%           |
|   |          | 1996   | 40%            |               |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1997   | 35%            |               |
| <b>COMMENTS:</b> Between surveys, proxy indicator is the percent of children receiving two doses of Vitamin A from MINSA. This indicator can be measured only by a micronutrient survey and it would not be cost-effective at this time. It should be conducted in approximately four years once the population has consumed fortified sugar and/or oil and wheat flour over a prolonged period of time and has been receiving Vitamin A supplements through public sector health facilities. Then, the micronutrient survey will demonstrate long-term sustainable impact. Being dropped from the R-4. |          |  |                |               |

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| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>             |          |  |                |               |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 3.1: Better Nourished Women and Children</b>                       |          |  |                |               |
| <b>INDICATOR 2: % of children under five receiving Vitamin A supplements</b> |          |  |                |               |
| <b>UNIT OF MEASURE:</b> % of children  |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> PAHO, MINSA data.   | Baseline | 1993   |                | 0             |
|  |          | 1995   | 70%            | >80%          |
| <b>INDICATOR DESCRIPTION:</b>  |          | 1996   | 75%            | 70% (1 dose)  |
|  |          | 1997   | 75%            | 88% (2 doses) |
| <b>COMMENTS:</b> Target was exceeded. Being dropped from the R-4.            |          |  |                |               |

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| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>  |          |  |                |               |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 3.1: Better Nourished Women and Children</b>  |          |  |                |               |
| <b>INDICATOR 3: Prevalence of exclusive breast-feeding</b>  |          |  |                |               |
| <b>UNIT OF MEASURE:</b> % women   |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> Preliminary Demographic Health Survey (DHS) with 50% of sample reported.   | Baseline | 1993   |                | 12%           |
|   |          | 1995   | 13%            |               |
| <b>INDICATOR DESCRIPTION:</b> % of women exclusively breastfeeding children at least 4 months.  |          | 1996   | 14%            |               |
|   |          | 1997   | 16%            | 10%           |
| <b>COMMENTS:</b> National data only available thru repeat DHS. Data from PVO target areas will be used in intervening years. Final data available in June 98. MOH data was used for the 12% baseline. For comparability, the 1993 FHS baseline of 7% will be substituted, as the baseline figure. |          | 1998   | 11%            |               |
|   |          | 1999   | 12%            |               |
|   | Target   | 2000   | 13%            |               |

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| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>                     |               |  |                |               |
| <b>APPROVED:</b> June 1995   |               | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 3.1: Better Nourished Women and Children</b>                               |               |  |                |               |
| <b>INDICATOR 4: % of Children under 3 Stunted (Regions I, II and VI)</b>             |               |  |                |               |
| <b>UNIT OF MEASURE:</b> Below 2 standard deviations from Z score for weight for age. |               | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> Title II Baseline Survey.   | Baseline      | 1993   |                | 17, 8, 18     |
| <b>INDICATOR DESCRIPTION:</b> The Mission began Title II feeding programs in 1997.   |               |  |                | boys girls    |
|  | *New Baseline | 1997   |                | 31.4% 29.1% % |
| <b>COMMENTS:</b> This indicator will not be reported in the R-4 after this year.     |               |  |                |               |

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| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>   |               |  |                |               |       |
| <b>APPROVED:</b> June 1995   |               | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |       |
| <b>RESULT 3.1: Better Nourished Women and Children</b>   |               |  |                |               |       |
| <b>INDICATOR 5: % of children under 3 underweight (Regions I, II and VI)</b>   |               |  |                |               |       |
| <b>UNIT OF MEASURE:</b> % of children 2 standard deviations from Z for weight/age.   |               | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |       |
| <b>SOURCE:</b> Title II PVO Surveys.   | Baseline      | 1993   |                | 23, 23, 26    |       |
| <b>INDICATOR DESCRIPTION:</b> The Mission began Title II feeding programs in 1997. Targets will be set in FY98.            |               |  |                | boys          | girls |
|  | *New Baseline | 1996-1997                                    |                | 16.4%         | 15.3% |
|  |               | 1998   | TBD            | N/A           | N/A   |
| <b>COMMENTS:</b> 1996 and 1997 baseline data were revised based on analysis of data collected by Title II baseline survey. |               | 1999   | TBD            |               |       |
|  | Target        | 2000   | TBD            |               |       |

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| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>                                      |          |  |                |               |  |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |  |
| <b>RESULT 3.2: Increased Use of Child Survival Services and Practices</b>                             |          |  |                |               |  |
| <b>INDICATOR 1: Vaccination coverage rates - polio3, DTP3, measles</b>                                |          |  |                |               |  |
| <b>UNIT OF MEASURE:</b> % target population   |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |  |
| <b>SOURCE:</b> MINSA/PAHO statistics  | Baseline | 1993   |                | 94, 78, 93    |  |
|   |          | 1994   |                | 84, 74, 73    |  |
|   |          | 1995   | >80,>80,>80    | 96, 85, 81    |  |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1996   | >80,>80,>80    | 98, 89, 89    |  |
|   |          | 1997   | >90, >90, >90  | 94, 91, 92    |  |
| <b>COMMENTS:</b> Target was exceeded in 1997. The immunization coverage rates should stay around 90%. |          | 1998   | >90, >90, >90  |               |  |
|   |          | 1999   | >90, >90, >90  |               |  |
|   | Target   | 2000   | >90, >90, >90  |               |  |

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| <b>OBJECTIVE 3: BETTER EDUCATED, HEALTHIER, SMALLER FAMILIES</b>  |          |  |                |               |  |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |  |
| <b>RESULT 3.2: Increased Use of Child Survival Services and Practices</b>   |          |  |                |               |  |
| <b>INDICATOR 2: % of children with diarrhea treated with ORS</b>  |          |  |                |               |  |
| <b>UNIT OF MEASURE:</b> % of children   |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |  |
| <b>SOURCE:</b> Preliminary data from DHS with 50% of sample reported. In interim years, data from PVO will be used. | Baseline | 1992   |                | 54%           |  |
|   |          | 1993   |                | 54%           |  |
|   |          | 1995   | 55%            | N/A           |  |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1996   | 56%            | N/A           |  |
|   |          | 1997   | 57%            | 58%           |  |
| <b>COMMENTS:</b> Final data from the DHS will be available in June 1998.  |          | 1998   | 59%            |               |  |
|   |          | 1999   | 60%            |               |  |
|   | Target   | 2000   | 61%            |               |  |

|   |          |  |                |               |
|---|----------|--|----------------|---------------|
| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>  |          |  |                |               |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 3.3:</b> Increased Use of Reproductive Health Services and Practices Including HIV/STDs   |          |  |                |               |
| <b>INDICATOR 1:</b> Condom use among high risk groups (AIDS/HIV)  |          |  |                |               |
| <b>UNIT OF MEASURE:</b> % condom use  |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> Condom Use Study.  | Baseline | 1993   |                | 2%            |
|   |          | 1995   | 3%             | N/A           |
| <b>INDICATOR DESCRIPTION:</b> % of high-risk women consistently using condoms.  |          | 1996   | 4%             | N/A           |
|   |          | 1997   | 5%             | N/A           |
| <b>COMMENTS:</b> Depends on the Regional AIDS prevention project just beginning here. Reporting on this indicator will be postponed until 1999. |          | 1998   | 7%             | N/A           |
|   |          | 1999   | 9%             |               |
|   | Target   | 2000   | 10%            |               |

|   |          |  |                |               |
|---|----------|--|----------------|---------------|
| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>                                  |          |  |                |               |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 3.3:</b> Increased Use of Reproductive Health Services and Practices Including HIV/STDs |          |  |                |               |
| <b>INDICATOR 4:</b> Births attended by trained personnel  |          |  |                |               |
| <b>UNIT OF MEASURE:</b> %   |          | <b>Year</b>                                  | <b>Planned</b> | <b>Actual</b> |
| <b>SOURCE:</b> Preliminary data from DHS with 50% of sample reported.                             | Baseline | 1993   |                | 60.0%         |
|   |          | 1995   |                | 53.6%         |
| <b>INDICATOR DESCRIPTION:</b>   |          | 1996   | 68%            | 61.7%         |
|   |          | 1997   | 70%            | 72%           |
| <b>COMMENTS:</b> Being dropped in the R-4.  |          |  |                |               |

|  |          |  |                |               |
|--|----------|--|----------------|---------------|
| <b>OBJECTIVE 3: Better Educated, Healthier, Smaller Families</b>   |          |  |                |               |
| <b>APPROVED:</b> June 1995   |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |
| <b>RESULT 3.4:</b> Increased Quality and Efficiency of Primary Education   |          |  |                |               |
| <b>INDICATOR 1:</b> Primary school repetition rates (grades 1-4)   |          |  |                |               |
| <b>UNIT OF MEASURE:</b> % of students  |          | <b>YEAR</b>                                  | <b>PLANNED</b> | <b>ACTUAL</b> |
| <b>SOURCE:</b> Baseline: RTI Repetition Study, Ministry of Education data  | Baseline | 1993   |                | 41/17/11/11   |
|  |          | 1995   | 41/17/11/11    | 26/15/12/8    |
| <b>INDICATOR DESCRIPTION:</b>  |          | 1996   | 24/13/10/7     | 23/14/11/8    |
|  |          | 1997   | 22/13/11/7     | 22/12/11/8    |
| <b>COMMENTS:</b> The MED is introducing automatic promotion in the first two grades. Being dropped from the R-4. |          |  |                |               |

|   |          |  |                |               |        |          |          |
|---|----------|--|----------------|---------------|--------|----------|----------|
| <b>OBJECTIVE 3:</b> Better Educated, Healthier, Smaller Families  |          |  |                |               |        |          |          |
| <b>APPROVED:</b> June 1995  |          | <b>COUNTRY/ORGANIZATION:</b> USAID/NICARAGUA |                |               |        |          |          |
| <b>RESULT 3.4:</b> Increased Quality and Efficiency of Primary Education  |          |  |                |               |        |          |          |
| <b>INDICATOR 2:</b> Achievement test scores   |          |  |                |               |        |          |          |
| <b>UNIT OF MEASURE:</b> % test scores increase  |          | <b>Year</b>                                  | <b>Planned</b> | <b>ACTUAL</b> |        |          |          |
| <b>SOURCE:</b> MED  |          |  |                | Spanish       |        | Math     |          |
|   |          | Female                                       | Male           | Female        | Male   |          |          |
|   | Baseline | 1995   | 0%             | 59%           | 58%    | 33%      | 34%      |
| <b>INDICATOR</b>  |          | 1996   | 3%             |               |        |          |          |
|   |          | 1997   | 8%             | 2.075%        | 1.151% | (3.322%) | (5.278%) |
| <b>COMMENTS:</b> Nationwide testing administered for 4th grade in Spanish and Math was not designed to measure student mastery of the new curriculum. 4th grade teachers are now being trained in 1998. A new criterion referenced test will be used to measure student learning. |          |  |                |               |        |          |          |

### III. STATUS OF THE MANAGEMENT CONTRACT

The Mission has proposed one significant change to the Management Contract. SO 2 has dropped one level and now seeks to accomplish sustaining growth of small producer incomes and jobs. This change much more closely aligns with the expected impacts of our two results packages under this objective and reflects the reality of our budget for the next five years. The Mission is developing two new of three indicators for the SO. The specific targets for rural underemployment and the natural resource index will be developed subsequently to the submission of the R4.

SO 1 does not change except that the Mission is streamlining the number of indicators being reported to Washington. SO 3 remains the same except for changes in some of the major indicators. We are changing the key reproductive health indicator from couple years of protection to the prevalence of contraceptive use. We are also streamlining our health indicators to report fewer, but the more important ones to USAID/W. The Mission is dropping the student repetition rate indicator, because the MOE will implement automatic promotion policies for grades 1 and 2. We will revise past year performance results for completion rates and out year projections to reflect the improved data collection and reporting ability of the MOE. The achievement test score indicator will now tie test scores to the new curriculum's objectives and be developed next year.

**Program's Geographic Focus:** The Mission's portfolio will concentrate on the poverty belt of Nicaragua. It is a crescent shaped area consisting of the higher altitude north central region, the humid agricultural frontier to the east, the Pacific plains in the northwest, and the tropical dry areas in the central southeast region. These areas correspond closely to the ex-conflictive zones, contain large portions of small progressive and traditional farmers and the landless poor, and remain relatively underserved socially. This region also has tremendous economic potential not only from farms but from small and micro enterprises.

While the portfolio concentrates in the poverty belt, it will still have national implications. Systematic changes in agriculture along with technological improvements will cascade throughout the sector. We work closely with other donors to coordinate efforts in primary health care throughout the country. Reproductive health services will have nationwide coverage. New curriculum, methodologies and management in normal and rural multi-grade schools will disperse through a nationwide teacher training network. Efficiency, quality and equity changes in the rule of law and good governance will have impact in the entire country.

**Atlantic Coast Targets:** Over recent years, the Mission has not extended program actions into the Atlantic Coast areas, except for Natural Resource Management in protected areas, and the recent autonomous regional elections. Our numerous site visits over recent months brought home the difficulties facing these historically neglected regions across the board. Courts are few and judges are overburdened, civil society groups lack strong management and basic abilities; economic opportunities are less, population and health indicators are worse and primary education lacks appropriate methods and materials for non-Spanish speaking children.

The GON has highlighted the dearth of services and opportunities available. Therefore, in each of

the new programs, the Mission is formulating an activity that will address some of the core problems. Unfortunately, we can't make a full scale commitment to the Atlantic Coast due to human and financial resource limitations. Nonetheless, we have designed several actions to help the region and will work to encourage more donor efforts as well. These activities include: improving quality and access to the court system, adapting civic education programs through civil society groups, enhancing the management of the Bosawas Reserve and improving sustainable production practices in the surrounding buffer zones, extending micro enterprise, fashioning a bilingual education activity, and extending family planning services through Profamilia. More emphasis on the Atlantic Coast also complements U.S. Mission counter narcotics efforts.

**Re-engineering Progress:** The Mission re-engineering process has successfully integrated virtually all major program actions, implementation mechanisms and personnel responsibilities and accountability in support of our approved strategy and results targets. We have organized into six results teams headed by a technical officer with participation from all staff offices. Each team monitors and implements at least one intermediate result under the Strategic Objectives. The teams prepare a portfolio review and management contract document each year. The timing and format serve as the basis for our R4 preparation, thereby reducing duplication of effort.

The planned results/targets in the team's management contract provide the core data for developing each employee's Annual Evaluation Form (AEF) work objectives. The results assembled in the portfolio reviews provide the basis for substantive discussion in the AEF and judgement of each employee reaching expected performance targets.

During the past year, we took the re-engineered structure and operations, and used them to restructure and refine our portfolio. We scheduled numerous formal and informal evaluations and studies to inform the process. The results teams in collaboration with our Strategic Management and Assessment Office began drafting the new programs during the fall and early winter. Each design process involved close consultation with government ministries, NGO partners and other donors. The program documents contained information necessary to complete the portfolio review and management contact requirements. Therefore, we created efficiencies and avoided duplication in this exercise and still produced the data for our internal reviews and this R4. At the R4 submission date, we have three results packages approved, two of which have been signed in program agreements with the government.

#### IV. RESOURCE REQUEST

##### A. Financial Plan

| Strategic Objective   | FY 1998   | FY 1999   | FY 2000   |
|---|---|---|---|
| <b>More Political Participation, Compromise, and Transparency</b> | DA 3,800<br>ESF 1,000                               | DA 4,500<br>ESF 1,500                               | DA 4,500<br>ESF 2,000                               |
| <b>Sustainable Growth in Small Producer Employment and Income</b> | DA 7,195  | DA 8,000<br>PLIII 4,000                             | DA 9,000<br>PLIII 4,000                             |
| <b>Better Educated, Healthier, Smaller Families</b>               | DA 12,600<br>PLII 1,103                             | DA 10,040<br>PLII 2,362                             | DA 11,500<br>PLII 2,400                             |
| <b>Subtotals</b>  | DA 23,595<br>ESF 1,000<br>PLII 1,103<br>PLIII _____ | DA 22,540<br>ESF 1,500<br>PLII 2,362<br>PLIII 4,000 | DA 25,000<br>ESF 2,000<br>PLII 2,400<br>PLIII 4,000 |
| <b>TOTALS</b>   | 25,698  | 30,402  | 33,400  |

The Mission has re-engineered its portfolio to conform with the budget prospects for the next five years. The USG will make commitments in Nicaragua's Consultative Group process of over \$100 million (averaging around \$35 million per year) in the 1998-2000 period. This will consist of DA, ESF and PL 480 resources. In 1998, the Mission will receive \$23.6 million DA, \$1.0 million ESF and \$1.1 PL480 Title II. The USG is able to meet its pledge level this year due to the \$10 million addition of PL480 Title I. Fortunately, USAID has worked an arrangement with USDA to use almost 65% of the local currency generations to help the GON meet funding shortfalls in their rural poverty and social sector programs. Unfortunately, the USDA program in general and particularly the use of its local currency generations is not guaranteed into the future.

It is incumbent upon USAID, at a minimum, to sustain planned levels for FY 99 and FY 2000. In order to meet its pledge, the USG will need to assure future USDA funding and/or boost resources under USAID's control. The primary SO requiring additional funding is sustaining small producer income and jobs. Funding for this objective encompasses unrestricted economic growth funds, environment and micro enterprise resources. While the Mission would obviously entertain more such funding, an additional alternative would be to reinstate PL480 Title III funding. Historically, the local currency from Title III has been pivotal to the success of our small farmer strategy. Plus, it has become integral to our food security program, linking with efforts under PL 480 Title II and rural child survival activities. Nicaragua is still the second poorest country in the hemisphere and should qualify for approximately \$4.0 million of Title III in each of FY 99 and FY 2000.

Overall, the Mission believes it can comfortably meet the myriad of earmarks and directives within the context of its new portfolio, except for infectious diseases. The Mission has taken a significant

portion of the Bureau's earmark in FY 98, \$1.5 million. We believe we can adequately attribute approximately \$300,000 per year to surveillance, anti-microbial resistance and minor level malaria activities without disrupting the focus of our Family Health portfolio. Therefore, we propose that the \$500,000 designated for infectious diseases over the next two fiscal years, be reprogrammed into non-earmarked, other health efforts.

The Mission does not face an absorptive capacity issue. Since a significant portion of our portfolio is managed by NGO partners and contractors, we have confidence the portfolio will continue to move. We have revised our FY 98-99 expenditure figures to mirror FY 97 amounts. Assuming planned obligation levels, the pipeline will be around \$27 million or 14-18 months ending in FY 98. At the end of FY 99, the pipeline will be around \$17 million or 7 to 8 months, within the LAC Bureau's framework.

## **B. Prioritization of Objectives**

The Mission views all three SOs of equal importance in its integrated, mutually reinforcing strategy. As noted, we have honed the program to achieve the highest impacts in the most consolidated manner given planned budget levels. Without each leg of this strategy, the others will suffer.

Over the past year, all three objective programs performed well with SO 2 standing above the rest. SO 2 has also demonstrated excellent long-term trends and with the emergence of an improved natural resource program, it is in excellent shape. SO 3 also performed well with the child survival, reproductive health and nutrition generally exceeding targets. The education result suffered from the problem of incorrect definition of one of the indicators and data methodology problems. In general, each result program in SO 3 has exhibited strong long-term trends. SO 1 experienced the greatest turnaround this year with improvements in the rule of law and good governance programs. It helped also to have a fuller set of data to judge indicator progress. In general, these results have responded slower, but this accurately reflects the time required to establish lasting democratic traditions and strong institutions.

As noted, the SOs are of equal rank. Within SO 1, the rule of law results has the higher priority over good governance. In SO 2, the small producers including small farmer results and micro entrepreneurs activities rank higher than the environmental one. In SO 3, the child survival, reproductive health and primary education activities rank highly, while the nutrition effort is a lower-level priority.

## **C. Linkage With Centrally Funded Mechanisms**

ESF funding, field support, Title II and Title III, and regional funding have all contributed directly to the Mission's achievements. ESF has supported SO 1 over recent years and has helped ease the funding crunch of limited unrestricted funding. The planned ESF resources go almost entirely to the rule of law program. Without it, we will likely fail to meet our human rights and administration of justice targets.

Field support has provided critical expertise primarily to our SO 3 in the areas of family planning outreach, contraceptive purchases, AIDS and breastfeeding, and underpins our survey efforts to judge progress against the targets. We will have difficulty meeting our targets in the foregoing areas without continued Global assistance. Field support has played a role in our election programs (election observers) in SO 1. It might come into play in helping us meet our rule of law targets in the future. We expect to use field support in implementing our Small Producers Program elements related to land titling and marketing, and agricultural policies. Without making progress in those areas, elements to encourage seed improvements, and small farmer productivity and marketing will be hampered.

Title II has served to address food security issues as well as boost efforts under our nutrition and child survival results. As noted, Title III has also supported food security by helping to stimulate small farmer production. There are still regions that face food shortages and severe poverty, and both programs are a must to meet these needs and our targets in both SO 2 and SO 3.

Regional funding through the G-Cap Mission has provided integral support for environmental activities. It will become increasingly important in helping the Mission produce under the GCC initiative. G-Cap funding continues to support the overall economic environment which will sharpen the performance of our activities, but where we don't have the resources to invest. We expect progress in implementing the IPR regulations, privatizing the energy sector and general policy support when necessary. The Mission hopes economic growth funds will become available to support the Presidential Trade Initiative and Summit of America priorities.

## **1. Field Support**

The Mission has applied Global Bureau field support services primarily to achieve results under SO 3. They have complemented efforts in reproductive health and child survival in particular. In addition, we have funded the Demographic Health Survey with field support instruments, which enables us to report on our SO indicators and some key IR targets. In FY 98, the Mission will also use some field support for SO 1 and SO 2.

### **-- Population Funds**

Central Contraceptives (936-3057) - \$800,000 to purchase contraceptives.

FPLM (936-3057) - \$50,000 for technical assistance (TA) in contraceptive logistics, including training central and local health personnel in projecting requirements, filling out procurement tables, improving delivery systems, and assuring proper storage.

AIDSmark (936-3090.03) - \$500,000 for TA in contraceptive social marketing.

JHU/PCS (936-3052) - \$200,000 for TA in Family Planning Communication, including mass media campaigns and community level education.

-- Child Survival and Other Diseases Funds

Linkages (936-3082) - \$200,000 for TA in breastfeeding.

BASICS Follow-on - \$100,000 for TA in Integrated Management of Childhood Illnesses (IMCI) and other child survival technologies.

Child Survival Fellow (936-6004.08) - \$200,000 to provide the Mission program management assistance in child survival.

--Development Assistance

CEPPS - \$107,000 to fund election observers from International Republican Institute.

Agricultural Policy/Land Titling - (contractor unknown) \$150,000 to assist the Mission in carrying out policy analysis studies and short-term assistance on land titling issues.

In FY 99 and FY 2000, the Mission has not established firm funding targets. However, it is safe to assume that the significant majority will fund activities in Child Survival and Population. We will likely continue funding Agricultural Policy and Land Titling assistance as well. Once implementation plans are more fully established, we will have a better feel for field support needs.

## **2. Food Security including Title II and Title III**

The Mission's food security strategy has focussed on two elements: improve the conditions for production and higher yields, particularly for small progressive and traditional farmers; and target an integrated food assistance, nutritional supplement and child survival program in the most economically deprived regions of the country. Throughout the discussion in Section II, it is clear how this strategy has produced successful results. Much of the progress has hinged on the application of Title II and Title III resources.

BHR funded grantees have become important partners in implementing efforts with local counterparts, developing sounder monitoring techniques and assuring the linkage with other Mission program elements in the poorer regions. Title II resources have amplified the benefits to pregnant and lactating women and children under three years old, helping us meet targets under SO 3. The Mission has requested \$2.36 million in FY 99 and \$2.4 million in FY 2000 to deepen the benefits and alleviate nutritional and health problems in difficult regions. Dropping below these levels would negatively affect chances to create the basic conditions for these people to attain acceptable nutritional status.

Title III resources have furthered our efforts to meet SO 2 and SO 3 targets. They have enabled thousands of small farmers to gain access to services, particularly those in some of the more remote locations. They gave us the flexibility to respond quickly to El Nino, enabling farmers to plant a third crop and mitigating some of the drought effects on production. Title III provided the policy

leverage to encourage decentralization of health services and management. It funded training of health workers, purchased and distributed nutritional supplements for school kids, and provided hundreds of thousands of temporary jobs in the poorer regions. The Mission requests \$4.0 million of Title III resources for both FY 99 and FY 2000. These resources will enable us through farmer service organizations to reach out to less accessible small farmers, it will help stimulate titling of rural lands and give a boost to artisanal seed development. These resources will help reach thousands of more farmers, increase agricultural growth, reduce rural underemployment and conserve the natural resource base.

#### **D. Operating Expenses (OE) and Work Force**

USAID/Nicaragua continues to significantly reduce OE expenses. In 1995 our OE budget was \$4.13 million. In FY 98 it is \$2.98 million (including \$134,000 for ICASS). By FY 2000 our OE budget will drop to \$2.83 million (including \$140,000 for ICASS). The Mission will be able to solve all year 2000 ADP problems within its current budget. The Mission, through spot bid sales of nonexpendable personal property, returned over \$54,000 to the Agency's procurement accounts this year and additional \$106,000 in the previous two years. Renegotiation of our leases resulted in savings of \$12,000 in FY 97 and at least \$16,000 in FY 98. Through special arrangements recently negotiated with the Directorate of Nicaraguan Customs, USAID will now directly process all imports of personal effects and official supplies. Bypassing customs brokers will save approximately \$25,000 per year on custom service charges. These and other efforts to contain costs, in the face of inflationary pressures and significant rises of 16% (FY98) and a projected 12% (FY99) in FSN wages and benefits, have allowed USAID to achieve big savings without compromising management quality nor internal controls.

The Mission has also reduced personnel considerably over the past few years. Our USDH levels have fallen from 21 in FY 95 to 15 in FY 98. Our FSN personnel staff levels have gone from 125 to 95 during the same time frame. In September 1995 the Mission had an authorized OE-funded strength of 151 staff. At the end of FY 2000, we project a total OE-funded staff of 108, including 14 USDH. Thus, over five years, USAID will have reduced USDH staff by 7 (33%) and total OE-funded staff by 43 (28%). To further reduce personnel costs, the Mission will cut one OE-funded TCN position in exchange for a local hire program funded USPSC position in FY 98 and will eliminate one OE-funded TCN position in FY 99. Also 3 OE-funded staff will convert to program funding. The Mission took steps to fund its voluntary FSN separation program and will not have an unfunded liability.

The drop in USDH coupled with the design of new results packages signaled that the Mission was facing a shortfall of program management staff. Current program staff levels would place in jeopardy our ability to meet targets under the three SOs, limiting our oversight capabilities and forcing us to over rely on institutional contractors and grantees. Therefore, while continuing to reduce overall staff levels, the Mission will reallocate 3 to 4 positions from support to program staff. The Mission will also formally request an IDI and a Fellow (program funded) for SO 3 activities. The IDI will cost the Mission about \$70,000 in FY99 and FY 2000, and will result in an OE increase as noted in the budget request table. This overall reallocation of personnel will give

the appropriate mix to manage our results packages successfully while giving the necessary support to Mission operations.

**USAID/NICARAGUA (25524)  
OE COSTS AND STAFFING LEVELS**

|                              | <b>FY97</b> | <b>FY98</b> | <b>FY99</b> | <b>FY00</b> |
|------------------------------|-------------|-------------|-------------|-------------|
|                              | Actual      | Est.        | Est.        | Est.        |
| Budget Amounts (000 US\$)    | 3,253       | *2,984      | *2,840      | *2,830      |
| Staff:                       |             |             |             |             |
| USDH                         | 15          | 15          | 14          | 14          |
| USPSC locally recruited      | 2           | 3           | 3           | 3           |
| FSN local                    | 108         | 95          | 91          | 90          |
| FSN/TCN international        | 2           | 1           | 0           | 0           |
| <b>Total OE Funded Staff</b> | <b>127</b>  | <b>114</b>  | <b>108</b>  | <b>107</b>  |
| Program Funded Staff:        |             |             |             |             |
| USPSC/PASA international     | 5           | 5           | 5           | 5           |
| FSN local                    | 2           | 2           | 6           | 6           |
| Total Program funded staff   | 7           | 7           | 11          | 11          |
| <b>TOTAL STAFF</b>           | <b>134</b>  | <b>121</b>  | <b>119</b>  | <b>118</b>  |

\* Amounts include projected ICASS costs of \$134,000 in FY 98 and \$140,000 in FY 99 and FY2000 respectively.

TRUST FUNDS & FSN SEPARATION FUND

Orgno: 25524  
 Org. Title: NICARAGUA

Foreign National Voluntary Separation Account

| Action  | FY 98 |         |       | FY 99 |         |       | FY 00 |         |       |
|---|-------|---------|-------|-------|---------|-------|-------|---------|-------|
|   | OE    | Program | Total | OE    | Program | Total | OE    | Program | Total |
| Deposits  | 45.0  | 8.0     | 53.0  | 0.0   | 0.0     | 0.0   | 15.0  | 0.0     | 15.0  |
| Withdrawals   | 0.0   | 0.0     | 0.0   | 7.0   | 8.0     | 15.0  | 0.0   | 0.0     | 0.0   |
| Unfunded Liability (if any)<br>at the end of each FY. |       |         | 0.0   |       |         | 0.0   |       |         | 0.0   |

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

|                       | FY 98 | FY 99 | FY 00 |
|-----------------------|-------|-------|-------|
| Balance Start of Year | 200.0 | 0.0   | 0.0   |
| Obligations           | 200.0 | 0.0   | 0.0   |
| Deposits              | 0.0   | 0.0   | 0.0   |
| Balance End of Year   | 0.0   | 0.0   | 0.0   |

Exchange Rate(s) Used 10.5

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

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

|                       | FY 98 | FY 99 | FY 00 |
|-----------------------|-------|-------|-------|
| 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

## GLOBAL FIELD SUPPORT

| Objective Name  | Field Support:<br>Activity Title & Number   | Priority * | Duration   | Estimated Funding (\$000) |               |                          |               |                          |               |  |
|---|---|------------|------------|---------------------------|---------------|--------------------------|---------------|--------------------------|---------------|--|
|   |   |            |            | FY 1998<br>Obligated by:  |               | FY 1999<br>Obligated by: |               | FY 2000<br>Obligated by: |               |  |
|   |   |            |            | Operating Unit            | Global Bureau | Operating Unit           | Global Bureau | Operating Unit           | Global Bureau |  |
| SO#1: More Political Participation, Compromise and Transparency | Consortium for Elections and Political Process Strengthening (AEP-5468-A-005038-00) | High       |            |                           | 107           |                          |               |                          |               |  |
| SO#2 Sustainable Growth of Income and Employment                | Agricultural Policy/Land Titling  | Low        | 1 year     | 150                       |               |                          |               |                          |               |  |
| SO#3: Better Educated, Healthier and Smaller Families           | Child Survival Fellow (936-6004.08)   | High       | 2 years    |                           | 200           |                          |               |                          |               |  |
|   | Linkages (936-3082.01)  | High       | 1 year     |                           | 200           |                          |               |                          |               |  |
|   | Basics Follow-On Project ( )  | Medium     | 1 year     |                           | 100           |                          |               |                          |               |  |
|   | Central Contraceptive Procurement (936-3057)  | High       | Continuous |                           | 800           |                          |               |                          |               |  |
|   | Family Planning Logistics Management (936-3038)                                     | High       | 1 year     |                           | 50            | 100                      |               |                          |               |  |
|   | AIDSMark (936-3090.03)  | High       | 1 year     |                           | 500           | 500                      |               |                          |               |  |
|   | Johns Hopkins PCS (936-3052)  | Medium     | 1 year     |                           | 200           |                          |               |                          |               |  |
|   |   |            |            |                           |               |                          |               |                          |               |  |
|   |   |            |            |                           |               |                          |               |                          |               |  |
|   |   |            |            |                           |               |                          |               |                          |               |  |
|   |   |            |            |                           |               |                          |               |                          |               |  |
| <b>GRAND TOTAL.....</b>   |   |            |            | 150                       | 2,157         | 600                      |               |                          |               |  |

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

Operating Expenses

| Org. Title: Nicaragua<br>Org. No: 25524<br>OC |  | Overseas Mission Budgets |    |       |                |    |       |                 |    |       |                |    |       |                 |    |       |
|---|--|--------------------------|----|-------|----------------|----|-------|-----------------|----|-------|----------------|----|-------|-----------------|----|-------|
|   |  | FY 1998                  |    |       | FY 1999 Target |    |       | FY 1999 Request |    |       | FY 2000 Target |    |       | FY 2000 Request |    |       |
|   |  | Dollars                  | TF | Total | Dollars        | TF | Total | Dollars         | TF | Total | Dollars        | TF | Total | Dollars         | TF | Total |
| Org. Title: Nicaragua                         |  | Overseas Mission Budgets |    |       |                |    |       |                 |    |       |                |    |       |                 |    |       |
| Org. No: 25524                                |  | FY 1998                  |    |       | FY 1999 Target |    |       | FY 1999 Request |    |       | FY 2000 Target |    |       | FY 2000 Request |    |       |
| OC  |  | Dollars                  | TF | Total | Dollars        | TF | Total | Dollars         | TF | Total | Dollars        | TF | Total | Dollars         | TF | Total |



Operating Expenses

| Org. Title: Nicaragua<br>Org. No: 25524<br>OC |  | Overseas Mission Budgets       |      |       |                                |    |       |                                |    |       |                                |    |       |                                |    |       |
|---|--|--------------------------------|------|-------|--------------------------------|----|-------|--------------------------------|----|-------|--------------------------------|----|-------|--------------------------------|----|-------|
|   |  | FY 1998                        |      |       | FY 1999 Target                 |    |       | FY 1999 Request                |    |       | FY 2000 Target                 |    |       | FY 2000 Request                |    |       |
|   |  | Dollars                        | TF   | Total | Dollars                        | TF | Total | Dollars                        | TF | Total | Dollars                        | TF | Total | Dollars                        | TF | Total |
| 21  | 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 |    |       | Do not enter data on this line |    |       |
| 21  | Training Travel                                      | 15.6                           |      | 15.6  | 12                             |    | 12    | 15.5                           |    | 15.5  | 10                             |    | 10    | 13.5                           |    | 13.5  |
| 21  | 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 |    |       | Do not enter data on this line |    |       |
| 21  | Post Assignment Travel - to field                    | 7.5                            |      | 7.5   | 6.5                            |    | 6.5   | 8                              |    | 8     | 1.6                            |    | 1.6   | 1.6                            |    | 1.6   |
| 21  | Assignment to Washington Travel                      |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     | 1.5                            |    | 1.5   |
| 21  | Home Leave Travel                                    | 7.5                            |      | 7.5   | 6                              |    | 6     | 6                              |    | 6     | 7.5                            |    | 7.5   | 7.5                            |    | 7.5   |
| 21  | R & R Travel   | 15                             |      | 15    | 10                             |    | 10    | 10                             |    | 10    | 10                             |    | 10    | 10                             |    | 10    |
| 21  | Education Travel                                     | 1                              |      | 1     | 1.5                            |    | 1.5   | 1.5                            |    | 1.5   | 1.5                            |    | 1.5   | 1.5                            |    | 1.5   |
| 21  | Evacuation Travel                                    |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 21  | Retirement Travel                                    |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 21  | Pre-Employment Invitational Travel                   |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 21  | Other Mandatory/Statutory Travel                     |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 21  | 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 |    |       | Do not enter data on this line |    |       |
| 21  | Site Visits - Headquarters Personnel                 | 3                              |      | 3     | 3                              |    | 3     | 3                              |    | 3     | 3                              |    | 3     | 3                              |    | 3     |
| 21  | Site Visits - Mission Personnel                      | 7.7                            | 7.3  | 15    | 15                             |    | 15    | 15                             |    | 15    | 12                             |    | 12    | 12                             |    | 12    |
| 21  | Conferences/Seminars/Meetings/Retreats               | 21                             |      | 21    | 21                             |    | 21    | 21                             |    | 21    | 21                             |    | 21    | 21                             |    | 21    |
| 21  | Assessment Travel                                    |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 21  | Impact Evaluation Travel                             |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 21  | Disaster Travel (to respond to specific disasters)   |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 21  | Recruitment Travel                                   |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 21  | Other Operational Travel                             | 12                             |      | 12    | 12                             |    | 12    | 12                             |    | 12    | 12                             |    | 12    | 12                             |    | 12    |
|   | Subtotal OC 21.0                                     | 90.3                           | 7.3  | 97.6  | 87                             | 0  | 87    | 92                             | 0  | 92    | 78.6                           | 0  | 78.6  | 83.6                           | 0  | 83.6  |
| 22  | 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 |    |       | Do not enter data on this line |    |       |
| 22  | Post assignment freight                              | 90                             |      | 90    | 72                             |    | 72    | 90                             |    | 90    | 18                             |    | 18    | 36                             |    | 36    |
| 22  | Home Leave Freight                                   | 7.5                            |      | 7.5   | 6                              |    | 6     | 6                              |    | 6     | 12.5                           |    | 12.5  | 12.5                           |    | 12.5  |
| 22  | Retirement Freight                                   |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 22  | Transportation/Freight for Office Furniture/Equip.   | 3                              |      | 3     | 3                              |    | 3     | 3                              |    | 3     | 3                              |    | 3     | 3                              |    | 3     |
| 22  | Transportation/Freight for Res. Furniture/Equip.     | 12                             |      | 12    | 11                             |    | 11    | 11                             |    | 11    | 8                              |    | 8     | 8                              |    | 8     |
|   | Subtotal OC 22.0                                     | 112.5                          | 0    | 112.5 | 92                             | 0  | 92    | 110                            | 0  | 110   | 41.5                           | 0  | 41.5  | 59.5                           | 0  | 59.5  |
| 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 |    |       | Do not enter data on this line |    |       |
| 23.2  | Rental Payments to Others - Office Space             |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 23.2  | Rental Payments to Others - Warehouse Space          |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 23.2  | Rental Payments to Others - Residences               | 301.8                          |      | 301.8 | 274.2                          |    | 274.2 | 294.2                          |    | 294.2 | 274.2                          |    | 274.2 | 294.2                          |    | 294.2 |
|   | Subtotal OC 23.2                                     | 301.8                          | 0    | 301.8 | 274.2                          | 0  | 274.2 | 294.2                          | 0  | 294.2 | 274.2                          | 0  | 274.2 | 294.2                          | 0  | 294.2 |
| 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 |    |       | Do not enter data on this line |    |       |
| 23.3  | Office Utilities                                     | 37.8                           | 24.2 | 62    | 62                             |    | 62    | 62                             |    | 62    | 65                             |    | 65    | 65                             |    | 65    |
| 23.3  | Residential Utilities                                | 71.5                           | 35.5 | 107   | 105                            |    | 105   | 112.5                          |    | 112.5 | 110                            |    | 110   | 117.5                          |    | 117.5 |
| 23.3  | Telephone Costs                                      | 49.7                           | 15.3 | 65    | 62                             |    | 62    | 62                             |    | 62    | 65                             |    | 65    | 65                             |    | 65    |
| 23.3  | ADP Software Leases                                  |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 23.3  | ADP Hardware Lease                                   |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 23.3  | Commercial Time Sharing                              |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |
| 23.3  | Postal Fees (Other than APO Mail)                    |                                |      | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |                                |    | 0     |

Operating Expenses

| Org. Title: Nicaragua<br>Org. No: 25524<br>OC |   | Overseas Mission Budgets       |     |       |                                |    |       |                                |    |       |                                |    |       |                                |    |       |
|---|---|--------------------------------|-----|-------|--------------------------------|----|-------|--------------------------------|----|-------|--------------------------------|----|-------|--------------------------------|----|-------|
|   |   | FY 1998                        |     |       | FY 1999 Target                 |    |       | FY 1999 Request                |    |       | FY 2000 Target                 |    |       | FY 2000 Request                |    |       |
|   |   | Dollars                        | TF  | Total | Dollars                        | TF | Total | Dollars                        | TF | Total | Dollars                        | TF | Total | Dollars                        | TF | Total |
| 23.3  | Other Mail Service Costs                                |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
| 23.3  | Courier Services  |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
|   | Subtotal OC 23.3  | 159                            | 75  | 234   | 229                            | 0  | 229   | 236.5                          | 0  | 236.5 | 240                            | 0  | 240   | 247.5                          | 0  | 247.5 |
| 24  | Printing and Reproduction                               |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
|   | Subtotal OC 24.0  | 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 |    |       | Do not enter data on this line |    |       |
| 25.1  | Studies, Analyses, & Evaluations                        |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
| 25.1  | Management & Professional Support Services              | 30                             |     | 30    |                                | 0  |       |                                | 0  |       | 5                              |    | 5     | 5                              |    | 5     |
| 25.1  | Engineering & Technical Services                        |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
|   | Subtotal OC 25.1  | 30                             | 0   | 30    | 0                              | 0  | 0     | 0                              | 0  | 0     | 5                              | 0  | 5     | 5                              | 0  | 5     |
| 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 |    |       | Do not enter data on this line |    |       |
| 25.2  | Office Security Guards                                  | 66                             |     | 66    | 72.6                           |    | 72.6  | 72.6                           |    | 72.6  | 79.9                           |    | 79.9  | 79.9                           |    | 79.9  |
| 25.2  | Residential Security Guard Services                     | 151                            |     | 151   | 155                            |    | 155   | 166.1                          |    | 166.1 | 170.5                          |    | 170.5 | 181.6                          |    | 181.6 |
| 25.2  | Official Residential Expenses                           |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
| 25.2  | Representation Allowances                               | 2                              |     | 2     | 1.5                            |    | 1.5   | 1.5                            |    | 1.5   | 1.5                            |    | 1.5   | 1.5                            |    | 1.5   |
| 25.2  | Non-Federal Audits                                      |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
| 25.2  | Grievances/Investigations                               |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
| 25.2  | Insurance and Vehicle Registration Fees                 |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
| 25.2  | Vehicle Rental  |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
| 25.2  | Manpower Contracts                                      |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
| 25.2  | Records Declassification & Other Records Services       |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
| 25.2  | Recruiting activities                                   |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
| 25.2  | Penalty Interest Payments                               |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
| 25.2  | Other Miscellaneous Services                            |                                | 40  | 40    | 40                             |    | 40    | 42.3                           |    | 42.3  | 38                             |    | 38    | 40.3                           |    | 40.3  |
| 25.2  | Staff training contracts                                | 32                             | 10  | 42    | 40                             |    | 40    | 40                             |    | 40    | 40                             |    | 40    | 40                             |    | 40    |
| 25.2  | ADP related contracts                                   |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
|   | Subtotal OC 25.2  | 251                            | 50  | 301   | 309.1                          | 0  | 309.1 | 322.5                          | 0  | 322.5 | 329.9                          | 0  | 329.9 | 343.3                          | 0  | 343.3 |
| 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 |    |       | Do not enter data on this line |    |       |
| 25.3  | ICASS   | 134                            |     | 134   | 140                            |    | 140   | 140                            |    | 140   | 140                            |    | 140   | 140                            |    | 140   |
| 25.3  | All Other Services from Other Gov't. accounts           |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |
|   | Subtotal OC 25.3  | 134                            | 0   | 134   | 140                            | 0  | 140   | 140                            | 0  | 140   | 140                            | 0  | 140   | 140                            | 0  | 140   |
| 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 |    |       | Do not enter data on this line |    |       |
| 25.4  | Office building Maintenance                             | 12.9                           | 9.5 | 22.4  | 20                             |    | 20    | 20                             |    | 20    | 20                             |    | 20    | 20                             |    | 20    |
| 25.4  | Residential Building Maintenance                        | 45.7                           |     | 45.7  | 40                             |    | 40    | 40                             |    | 40    | 35                             |    | 35    | 35                             |    | 35    |
|   | Subtotal OC 25.4  | 58.6                           | 9.5 | 68.1  | 60                             | 0  | 60    | 60                             | 0  | 60    | 55                             | 0  | 55    | 55                             | 0  | 55    |
| 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 |    |       | Do not enter data on this line |    |       |
| 25.7  | ADP and telephone operation and maintenance costs       | 5                              |     | 5     | 5                              |    | 5     | 5                              |    | 5     | 5                              |    | 5     | 5                              |    | 5     |
| 25.7  | Storage Services  |                                |     | 0     |                                | 0  |       |                                | 0  |       |                                | 0  |       |                                | 0  |       |

Operating Expenses

| Org. Title: Nicaragua<br>Org. No: 25524<br>OC |  | Overseas Mission Budgets       |             |               |                                |          |             |                                |          |             |                                |          |               |                                |          |               |
|---|--|--------------------------------|-------------|---------------|--------------------------------|----------|-------------|--------------------------------|----------|-------------|--------------------------------|----------|---------------|--------------------------------|----------|---------------|
|   |  | FY 1998                        |             |               | FY 1999 Target                 |          |             | FY 1999 Request                |          |             | FY 2000 Target                 |          |               | FY 2000 Request                |          |               |
|   |  | Dollars                        | TF          | Total         | Dollars                        | TF       | Total       | Dollars                        | TF       | Total       | Dollars                        | TF       | Total         | Dollars                        | TF       | Total         |
| 25.7  | Office Furniture/Equip. Repair and Maintenance             | 14                             | 1           | 15            | 15                             | 15       | 15          | 15                             | 15       | 15          | 15                             | 15       | 15            | 15                             | 15       |               |
| 25.7  | Vehicle Repair and Maintenance                             |                                |             | 0             |                                | 0        |             | 0                              |          | 0           |                                | 0        |               | 0                              | 0        |               |
| 25.7  | Residential Furniture/Equip. Repair and Maintenance        |                                |             | 0             |                                | 0        |             | 0                              |          | 0           |                                | 0        |               | 0                              | 0        |               |
|   | Subtotal OC 25.7   | 19                             | 1           | 20            | 20                             | 0        | 20          | 20                             | 0        | 20          | 20                             | 0        | 20            | 20                             | 0        | 20            |
| 25.8  | Subsistence and support of persons (by contract or Gov't.) |                                |             | 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        |               |
| 26  | Supplies and materials                                     | 69.8                           | 55.2        | 125           | 125.1                          |          | 125.1       | 125.1                          |          | 125.1       | 110                            |          | 110           | 110                            |          | 110           |
|   | Subtotal OC 26.0   | 69.8                           | 55.2        | 125           | 125.1                          | 0        | 125.1       | 125.1                          | 0        | 125.1       | 110                            | 0        | 110           | 110                            | 0        | 110           |
| 31  | 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 |          |               | Do not enter data on this line |          |               |
| 31  | Purchase of Residential Furniture/Equip.                   | 58                             | 2           | 60            | 40                             |          | 40          | 40                             |          | 40          | 40                             |          | 40            | 40                             |          | 40            |
| 31  | Purchase of Office Furniture/Equip.                        | 50                             |             | 50            | 45                             |          | 45          | 45                             |          | 45          | 30                             |          | 30            | 30                             |          | 30            |
| 31  | Purchase of Vehicles                                       |                                |             | 0             | 35                             |          | 35          | 35                             |          | 35          |                                |          | 0             |                                |          | 0             |
| 31  | Purchase of Printing/Graphics Equipment                    |                                |             | 0             |                                |          | 0           |                                |          | 0           |                                |          | 0             |                                |          | 0             |
| 31  | ADP Hardware purchases                                     | 60                             |             | 60            | 40                             |          | 40          | 40                             |          | 40          | 40                             |          | 40            | 40                             |          | 40            |
|   | Subtotal OC 31.0   | 168                            | 2           | 170           | 160                            | 0        | 160         | 160                            | 0        | 160         | 110                            | 0        | 110           | 110                            | 0        | 110           |
| 32  | 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 |          |               | Do not enter data on this line |          |               |
| 32  | Purchase of Land & Buildings (& construction of bldgs.)    |                                |             | 0             |                                |          | 0           |                                |          | 0           |                                |          | 0             |                                |          | 0             |
| 32  | Purchase of fixed equipment for buildings                  |                                |             | 0             |                                |          | 0           |                                |          | 0           |                                |          | 0             |                                |          | 0             |
| 32  | Building Renovations/Alterations - Office                  |                                |             | 0             |                                |          | 0           |                                |          | 0           |                                |          | 0             |                                |          | 0             |
| 32  | Building Renovations/Alterations - Residential             |                                |             | 0             |                                |          | 0           |                                |          | 0           |                                |          | 0             |                                |          | 0             |
|   | Subtotal OC 32.0   | 0                              | 0           | 0             | 0                              | 0        | 0           | 0                              | 0        | 0           | 0                              | 0        | 0             | 0                              | 0        | 0             |
| 42  | Claims and indemnities                                     |                                |             | 0             |                                |          | 0           |                                |          | 0           |                                |          | 0             |                                |          | 0             |
|   | Subtotal OC 42.0   | 0                              | 0           | 0             | 0                              | 0        | 0           | 0                              | 0        | 0           | 0                              | 0        | 0             | 0                              | 0        | 0             |
| <b>TOTAL BUDGET</b>                           |  | <b>2784.2</b>                  | <b>200</b>  | <b>2984.2</b> | <b>2840</b>                    | <b>0</b> | <b>2840</b> | <b>2910</b>                    | <b>0</b> | <b>2910</b> | <b>2832.5</b>                  | <b>0</b> | <b>2832.5</b> | <b>2902.5</b>                  | <b>0</b> | <b>2902.5</b> |
| Dollars Used for Local Currency Purchases     |  | <u>1161.8</u>                  |             |               | <u>1288.7</u>                  |          |             | <u>1288.7</u>                  |          |             | <u>1423.6</u>                  |          |               | <u>1423.6</u>                  |          |               |
| Exchange Rate Used in Computations            |  | <u>10.5</u>                    | <u>10.5</u> |               | <u>11.3</u>                    |          |             | <u>11.3</u>                    |          |             | <u>12.2</u>                    |          |               | <u>12.2</u>                    |          |               |

USAID FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY

15-Sep-98  
11:50 AM

Country/Program: Nicaragua  
Scenario: Base Level

| S.O. # , Title  | Approp. Acct | Bilateral/Field Support    | Est. SO Pipeline End of FY 99 | Estimated Total | FY 2000         |              |              |              |                |                     |              |              |              |              | Est. Expend. FY 00 | Est. Total Cost life of SO | Future Cost (POST 2000) | Year of Final Oblig. |       |
|---|--------------|----------------------------|-------------------------------|-----------------|-----------------|--------------|--------------|--------------|----------------|---------------------|--------------|--------------|--------------|--------------|--------------------|----------------------------|-------------------------|----------------------|-------|
|   |              |                            |                               |                 | Basic Education | Agric.       | Other Growth | Pop          | Child Survival | Infectious Diseases | HIV/AIDS     | Other Health | Environ      | D/G          |                    |                            |                         |                      |       |
| More Political Participation, Compromise and Transparency |              |                            |                               |                 |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         |                      |       |
|   |              | Bilateral                  | 5,366                         | 6,500           |                 |              |              |              |                |                     |              |              |              |              | 6,500              |                            |                         | 0                    | 2,003 |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         |                      |       |
|   |              | <b>Total</b>               | <b>5,366</b>                  | <b>6,500</b>    | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>6,500</b> |                    |                            | <b>0</b>                |                      |       |
| Sustainable Growth in Employment and Income               |              |                            |                               |                 |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         |                      |       |
|   |              | Bilateral                  | 5,679                         | 9,000           |                 |              | 7,000        |              |                |                     |              |              |              | 2,000        |                    |                            |                         | 0                    | 2,003 |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         |                      |       |
|   |              | <b>Total</b>               | <b>5,679</b>                  | <b>9,000</b>    | <b>0</b>        | <b>7,000</b> | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>2,000</b> | <b>0</b>     |                    |                            | <b>0</b>                |                      |       |
| Better Educated, Healthier Families                       |              |                            |                               |                 |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         |                      |       |
|   |              | Bilateral                  | 5,990                         | 11,100          | 3,500           |              |              | 3,800        | 3,300          |                     | 500          |              |              |              |                    |                            |                         | 0                    | 2,003 |
|   |              | Field Spt                  | 100                           | 400             |                 |              | 200          | 200          |                |                     |              |              |              |              |                    |                            |                         | 0                    |       |
|   |              | <b>Total</b>               | <b>6,090</b>                  | <b>11,500</b>   | <b>3,500</b>    | <b>0</b>     | <b>4,000</b> | <b>3,500</b> | <b>500</b>     | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>     |              |                    |                            | <b>0</b>                |                      |       |
|   |              | Bilateral                  |                               | 0               |                 |              |              |              |                |                     |              |              | 0            |              |                    |                            |                         | 0                    | XX    |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         |                      |       |
|   |              | <b>Total</b>               | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>     |              |                    |                            | <b>0</b>                |                      |       |
|   |              | Bilateral                  |                               | 0               |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         | 0                    | XX    |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         |                      |       |
|   |              | <b>Total</b>               | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>     |              |                    |                            | <b>0</b>                |                      |       |
|   |              | Bilateral                  |                               | 0               |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         | 0                    | XX    |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         |                      |       |
|   |              | <b>Total</b>               | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>     |              |                    |                            | <b>0</b>                |                      |       |
|   |              | Bilateral                  |                               | 0               |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         | 0                    |       |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              |              |              |              |                    |                            |                         |                      |       |
|   |              | <b>Total</b>               | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>     |              |                    |                            | <b>0</b>                |                      |       |
|   |              | <b>Total Bilateral</b>     | <b>17,035</b>                 | <b>26,600</b>   | <b>3,500</b>    | <b>7,000</b> | <b>3,800</b> | <b>3,300</b> | <b>500</b>     | <b>0</b>            | <b>2,000</b> | <b>6,500</b> |              |              |                    |                            |                         |                      |       |
|   |              | <b>Total Field Support</b> | <b>100</b>                    | <b>400</b>      | <b>0</b>        | <b>0</b>     | <b>200</b>   | <b>200</b>   | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     |              |              |                    |                            |                         |                      |       |
|   |              | <b>TOTAL PROGRAM</b>       | <b>17,135</b>                 | <b>27,000</b>   | <b>3,500</b>    | <b>7,000</b> | <b>4,000</b> | <b>3,500</b> | <b>500</b>     | <b>0</b>            | <b>2,000</b> | <b>6,500</b> |              |              |                    |                            | <b>0</b>                |                      |       |

| FY 2000 Request Sector Totals -- DA |  |       |
|-------------------------------------|--|-------|
| Econ Growth                         |  | 7,000 |
| [Of which Microenterpris            |  | 1,000 |
| HCD                                 |  | 3,500 |
| PHN                                 |  | 8,000 |
| Environment                         |  | 2,000 |
| [Of which Biodiversity]             |  | 1,200 |
| Democracy                           |  | 4,500 |
| Humanitarian                        |  | 0     |

| FY 2000 Request Sector Totals -- ESF |  |       |
|--------------------------------------|--|-------|
| Econ Growth                          |  | 0     |
| [Of which Microenterprise            |  | 0     |
| HCD                                  |  | 0     |
| PHN                                  |  | 0     |
| Environment                          |  | 0     |
| [Of which Biodiversity]              |  | 0     |
| Democracy                            |  | 2,000 |
| Humanitarian                         |  | 0     |

|                              |   |
|------------------------------|---|
| FY 2001 Target Program Level | 0 |
| FY 2002 Target Program Level | 0 |
| FY 2003 Target Program Level | 0 |

USAID FY 1999 Budget Request by Program/Country

15-Sep-98  
11:50 AM

Country/Program: Nicaragua  
Scenario: Base Level

| S.O. # , Title  | Approp. Acct | Bilateral/Field Support    | Est. SO Pipeline End of FY 98 | Estimated Total | FY 1999         |              |              |              |                |                     |              |              |               |               | Est. Expend. FY 99 | Est. Total Cost life of SO | Future Cost (POST 2000) | Year of Final Oblig. |
|---|--------------|----------------------------|-------------------------------|-----------------|-----------------|--------------|--------------|--------------|----------------|---------------------|--------------|--------------|---------------|---------------|--------------------|----------------------------|-------------------------|----------------------|
|   |              |                            |                               |                 | Basic Education | Agric.       | Other Growth | Pop          | Child Survival | Infectious Diseases | HIV/AIDS     | Other Health | Environ       | D/G           |                    |                            |                         |                      |
| More Political Participation, Transparency and Compromise |              |                            |                               |                 |                 |              |              |              |                |                     |              |              |               |               |                    |                            |                         |                      |
|   |              | Bilateral                  | 9,030                         | 6,000           |                 |              |              |              |                |                     |              |              |               | 6,000         | 9,664              |                            | 0                       | 2,003                |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              |              |               |               |                    |                            |                         |                      |
|   |              | <b>Total</b>               | <b>9,030</b>                  | <b>6,000</b>    | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>6,000</b>  | <b>9,664</b>       |                            | <b>0</b>                |                      |
| Sustainable Growth in Employment and Income               |              |                            |                               |                 |                 |              |              |              |                |                     |              |              |               |               |                    |                            |                         |                      |
|   |              | Bilateral                  | 6,879                         | 8,000           |                 |              | 6,700        |              |                |                     |              |              |               |               | 9,200              |                            | 0                       | 2,003                |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              | 1,300        |               |               |                    |                            |                         |                      |
|   |              | <b>Total</b>               | <b>6,879</b>                  | <b>8,000</b>    | <b>0</b>        | <b>6,700</b> | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>1,300</b> | <b>0</b>      | <b>9,200</b>  |                    |                            | <b>0</b>                |                      |
| Better Educated, Healthier Families                       |              |                            |                               |                 |                 |              |              |              |                |                     |              |              |               |               |                    |                            |                         |                      |
|   |              | Bilateral                  | 11,123                        | 9,440           | 3,000           |              |              | 2,800        | 3,250          |                     | 390          |              |               |               | 14,573             |                            | 0                       | 2,003                |
|   |              | Field Spt                  | 450                           | 600             |                 |              | 600          |              |                |                     |              |              |               |               | 950                |                            | 0                       |                      |
|   |              | <b>Total</b>               | <b>11,573</b>                 | <b>10,040</b>   | <b>3,000</b>    | <b>0</b>     | <b>3,400</b> | <b>3,250</b> | <b>390</b>     | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>15,523</b> |                    |                            | <b>0</b>                |                      |
|   |              | Bilateral                  |                               | 0               |                 |              |              |              |                |                     |              |              |               | 0             |                    |                            | 0                       | XX                   |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              |              |               |               |                    |                            |                         |                      |
|   |              | <b>Total</b>               | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      |                    |                            | <b>0</b>                |                      |
|   |              | Bilateral                  |                               | 0               |                 |              |              |              |                |                     |              |              |               |               |                    |                            | 0                       | XX                   |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              |              |               |               |                    |                            |                         |                      |
|   |              | <b>Total</b>               | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      |                    |                            | <b>0</b>                |                      |
|   |              | Bilateral                  |                               | 0               |                 |              |              |              |                |                     |              |              |               |               |                    |                            | 0                       | XX                   |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              |              |               |               |                    |                            |                         |                      |
|   |              | <b>Total</b>               | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      |                    |                            | <b>0</b>                |                      |
|   |              | Bilateral                  |                               | 0               |                 |              |              |              |                |                     |              |              |               |               |                    |                            | 0                       |                      |
|   |              | Field Spt                  |                               | 0               |                 |              |              |              |                |                     |              |              |               |               |                    |                            |                         |                      |
|   |              | <b>Total</b>               | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      |                    |                            | <b>0</b>                |                      |
|   |              | <b>Total Bilateral</b>     | <b>27,032</b>                 | <b>23,440</b>   | <b>3,000</b>    | <b>6,700</b> | <b>2,800</b> | <b>3,250</b> | <b>390</b>     | <b>0</b>            | <b>1,300</b> | <b>6,000</b> |               |               |                    |                            |                         |                      |
|   |              | <b>Total Field Support</b> | <b>450</b>                    | <b>600</b>      | <b>0</b>        | <b>0</b>     | <b>600</b>   | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>      | <b>0</b>      |                    |                            |                         |                      |
|   |              | <b>TOTAL PROGRAM</b>       | <b>27,482</b>                 | <b>24,040</b>   | <b>3,000</b>    | <b>6,700</b> | <b>3,400</b> | <b>3,250</b> | <b>390</b>     | <b>0</b>            | <b>1,300</b> | <b>6,000</b> | <b>34,387</b> |               |                    |                            | <b>0</b>                |                      |

| FY 1999 Request Sector Totals -- DA |  |       |
|-------------------------------------|--|-------|
| Econ Growth                         |  | 6,700 |
| [Of which Microenterpris            |  | 1,000 |
| HCD                                 |  | 3,000 |
| PHN                                 |  | 7,040 |
| Environment                         |  | 1,300 |
| [Of which Biodiversity]             |  | 1,088 |
| Democracy                           |  | 4,500 |
| Humanitarian                        |  | 0     |

| FY 1999 Request Sector Totals -- ESF |  |       |
|--------------------------------------|--|-------|
| Econ Growth                          |  | 0     |
| [Of which Microenterprise            |  | 0     |
| HCD                                  |  | 0     |
| PHN                                  |  | 0     |
| Environment                          |  | 0     |
| [Of which Biodiversity]              |  | 0     |
| Democracy                            |  | 1,500 |
| Humanitarian                         |  | 0     |

|                              |   |
|------------------------------|---|
| FY 2001 Target Program Level | 0 |
| FY 2002 Target Program Level | 0 |
| FY 2003 Target Program Level | 0 |

USAID FY 1998 Budget Request by Program/Country

15-Sep-98  
11:50 AM

Country/Program: Nicaragua  
Scenario: Base Level

| S.O. # , Title   | FY 1998              |                         |                               |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            | Future Cost (POST 2000) | Year of Final Oblig. |
|--|----------------------|-------------------------|-------------------------------|-----------------|-----------------|--------------|--------------|--------------|----------------|---------------------|----------|--------------|--------------|---------------|--------------------|----------------------------|-------------------------|----------------------|
|  | Approp. Acct         | Bilateral/Field Support | Est. SO Pipeline End of FY 97 | Estimated Total | Basic Education | Agric.       | Other Growth | Pop          | Child Survival | Infectious Diseases | HIV/AIDS | Other Health | Environ      | D/G           | Est. Expend. FY 98 | Est. Total Cost life of SO |                         |                      |
| <b>More Political Participation, Transparency and Compromise</b> |                      |                         |                               |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            |                         |                      |
|  | Bilateral            | 14,737                  | 4,693                         |                 |                 |              |              |              |                |                     |          |              |              | 4,693         | 10,400             |                            | 0                       | 2,003                |
|  | Field Spt            |                         | 107                           |                 |                 |              |              |              |                |                     |          |              |              | 107           |                    |                            |                         |                      |
|  | <b>Total</b>         | <b>14,737</b>           | <b>4,800</b>                  | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b> | <b>0</b>     | <b>0</b>     | <b>4,800</b>  | <b>10,507</b>      |                            | <b>0</b>                |                      |
| <b>Sustainable Growth in Employment and Income</b>               |                      |                         |                               |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            |                         |                      |
|  | Bilateral            | 10,956                  | 7,195                         |                 |                 | 4,995        |              |              |                |                     |          | 2,200        |              |               | 11,272             |                            | 0                       | 2,003                |
|  | Field Spt            |                         | 0                             |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            |                         |                      |
|  | <b>Total</b>         | <b>10,956</b>           | <b>7,195</b>                  | <b>0</b>        | <b>0</b>        | <b>4,995</b> | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b> | <b>2,200</b> | <b>0</b>     | <b>11,272</b> |                    | <b>0</b>                   |                         |                      |
| <b>Better Educated, Healthier Families</b>                       |                      |                         |                               |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            |                         |                      |
|  | Bilateral            | 13,023                  | 10,550                        | 3,700           |                 |              | 2,250        | 2,900        | 1,500          | 200                 |          |              |              |               | 12,449             |                            | 0                       | 2,003                |
|  | Field Spt            |                         | 2,050                         |                 |                 |              | 1,550        | 500          |                |                     |          |              |              |               | 1,600              |                            | 0                       |                      |
|  | <b>Total</b>         | <b>13,023</b>           | <b>12,600</b>                 | <b>3,700</b>    | <b>0</b>        | <b>0</b>     | <b>3,800</b> | <b>3,400</b> | <b>0</b>       | <b>200</b>          | <b>0</b> | <b>0</b>     | <b>0</b>     | <b>14,049</b> |                    | <b>0</b>                   |                         |                      |
|  | Bilateral            |                         | 0                             |                 |                 |              |              |              |                |                     |          | 0            |              |               |                    |                            | 0                       | XX                   |
|  | Field Spt            |                         | 0                             |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            |                         |                      |
|  | <b>Total</b>         | <b>0</b>                | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b> | <b>0</b>     | <b>0</b>     | <b>0</b>      |                    | <b>0</b>                   |                         |                      |
|  | Bilateral            |                         | 0                             |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            | 0                       | XX                   |
|  | Field Spt            |                         | 0                             |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            |                         |                      |
|  | <b>Total</b>         | <b>0</b>                | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b> | <b>0</b>     | <b>0</b>     | <b>0</b>      |                    | <b>0</b>                   |                         |                      |
|  | Bilateral            |                         | 0                             |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            | 0                       | XX                   |
|  | Field Spt            |                         | 0                             |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            |                         |                      |
|  | <b>Total</b>         | <b>0</b>                | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b> | <b>0</b>     | <b>0</b>     | <b>0</b>      |                    | <b>0</b>                   |                         |                      |
|  | Bilateral            |                         | 0                             |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            | 0                       |                      |
|  | Field Spt            |                         | 0                             |                 |                 |              |              |              |                |                     |          |              |              |               |                    |                            |                         |                      |
|  | <b>Total</b>         | <b>0</b>                | <b>0</b>                      | <b>0</b>        | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>       | <b>0</b>            | <b>0</b> | <b>0</b>     | <b>0</b>     | <b>0</b>      |                    | <b>0</b>                   |                         |                      |
|  | Bilateral            | 38,716                  | 22,438                        | 3,700           |                 | 4,995        | 2,250        | 2,900        |                | 200                 | 0        | 2,200        | 4,693        | 34,121        |                    |                            |                         |                      |
|  | Field Support        | 0                       | 2,157                         | 0               |                 | 0            | 1,550        | 500          |                | 0                   | 0        | 0            | 107          | 1,707         |                    |                            |                         |                      |
|  | <b>TOTAL PROGRAM</b> | <b>38,716</b>           | <b>24,595</b>                 | <b>3,700</b>    | <b>0</b>        | <b>4,995</b> | <b>3,800</b> | <b>3,400</b> | <b>0</b>       | <b>200</b>          | <b>0</b> | <b>2,200</b> | <b>4,800</b> | <b>35,828</b> |                    | <b>0</b>                   |                         |                      |

|                          |       |
|--------------------------|-------|
| Econ Growth              | 4,995 |
| [Of which Microenterpris | 995   |
| HCD                      | 3,700 |
| PHN                      | 8,900 |
| Environment              | 2,200 |
| [Of which Biodiversity]  | 1,540 |
| Democracy                | 3,800 |
| Humanitarian             |       |

|                           |       |
|---------------------------|-------|
| Econ Growth               | 0     |
| [Of which Microenterprise | 0     |
| HCD                       | 0     |
| PHN                       | 0     |
| Environment               | 0     |
| [Of which Biodiversity]   | 0     |
| Democracy                 | 1,000 |
| Humanitarian              | 0     |

|                              |   |
|------------------------------|---|
| FY 2001 Target Program Level | 0 |
| FY 2002 Target Program Level | 0 |
| FY 2003 Target Program Level | 0 |

Workforce

| ^Org.NICARAGUA (25524)<br>FY 1998<br>On-Board Estimate   | SO/SpO Staff |      |      |      |       |       |       | Total<br>SO/SpO<br>Staff | Management Staff |                 |             |               |       |              | Total<br>Mgmt. | Grand<br>Total<br>Staff |
|--|--------------|------|------|------|-------|-------|-------|--------------------------|------------------|-----------------|-------------|---------------|-------|--------------|----------------|-------------------------|
|  | SO 1         | SO 2 | SO 3 | SO 4 | SpO 1 | SpO 2 | SpO 3 |                          | Org.<br>Mgmt.    | Con-<br>troller | AMS/<br>EXO | Con-<br>tract | Legal | All<br>Other |                |                         |
| U.S. Direct Hire   | 2.5          | 3    | 3.5  |      |       |       |       | 9                        | 2                | 1               | 1           | 1             |       | 1            | 6              | 15                      |
| Other U.S. Citizens: 1/<br>OE Internationally Recruited  |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| OE Locally Recruited<br>Program                          | 2            | 2    | 1    |      |       |       |       | 1                        | 1                |                 |             |               |       |              | 2              | 3                       |
|  |              |      |      |      |       |       |       | 5                        |                  |                 |             |               |       |              | 0              | 5                       |
| FSN/TCN Direct Hire:<br>OE Internationally Recruited     |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| OE Locally Recruited                                     |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| FSN/TCN Non-Direct Hire:<br>OE Internationally Recruited | 0.5          |      |      |      |       |       |       | 0.5                      |                  | 0.5             |             |               |       |              | 0.5            | 1                       |
| OE Locally Recruited                                     | 3.5          | 5    | 4    |      |       |       |       | 12.5                     | 1                | 16.5            | 62          | 1             |       | 2            | 82.5           | 95                      |
| Program  | 1            |      | 1    |      |       |       |       | 2                        |                  |                 |             |               |       |              | 0              | 2                       |
| Total Staff Levels                                       | 9.5          | 10   | 10.5 | 0    | 0     | 0     | 0     | 30                       | 4                | 19              | 63          | 2             | 0     | 3            | 91             | 121                     |
| TAACS  |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| Fellows  |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |

1/ Excluding TAACS and Fellows

Workforce

| ^Org.NICARAGUA (25524)<br>FY 1999 Target<br>On-Board Estimate                               | SO/SpO Staff |      |      |      |       |       |       | Total<br>SO/SpO<br>Staff | Management Staff |                 |             |               |       |              | Total<br>Mgmt. | Grand<br>Total<br>Staff |
|---|--------------|------|------|------|-------|-------|-------|--------------------------|------------------|-----------------|-------------|---------------|-------|--------------|----------------|-------------------------|
|   | SO 1         | SO 2 | SO 3 | SO 4 | SpO 1 | SpO 2 | SpO 3 |                          | Org.<br>Mgmt.    | Con-<br>troller | AMS/<br>EXO | Con-<br>tract | Legal | All<br>Other |                |                         |
| U.S. Direct Hire  | 2.5          | 3    | 2.5  |      |       |       |       | 8                        | 2                | 1               | 1           | 1             |       | 1            | 6              | 14                      |
| Other U.S. Citizens: 1/<br>OE Internationally Recruited<br>OE Locally Recruited<br>Program  |              |      |      | 1    |       |       |       | 0                        | 1                | 1               |             |               |       |              | 0              | 0                       |
|   | 2            | 2    | 1    |      |       |       |       | 1                        |                  |                 |             |               |       |              | 2              | 3                       |
|   |              |      |      |      |       |       |       | 5                        |                  |                 |             |               |       |              | 0              | 5                       |
| FSN/TCN Direct Hire:<br>OE Internationally Recruited<br>OE Locally Recruited                |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
|   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| FSN/TCN Non-Direct Hire:<br>OE Internationally Recruited<br>OE Locally Recruited<br>Program |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
|   | 2.5          | 4    | 3    |      |       |       |       | 9.5                      | 1                | 16.5            | 61          | 1             |       | 2            | 81.5           | 91                      |
|   | 2            | 2    | 2    |      |       |       |       | 6                        |                  |                 |             |               |       |              | 0              | 6                       |
| Total Staff Levels  | 9            | 11   | 9.5  | 0    | 0     | 0     | 0     | 29.5                     | 4                | 18.5            | 62          | 2             | 0     | 3            | 89.5           | 119                     |
| IDI   |              |      | 1    |      |       |       |       | 1                        |                  |                 |             |               |       |              | 0              | 1                       |
| TAACS   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| Fellows   |              |      | 1    |      |       |       |       | 1                        |                  |                 |             |               |       |              | 0              | 1                       |

1/ Excluding TAACS and Fellows

| ^Org.NICARAGUA (25524)<br>FY 1999 Request<br>On-Board Estimate                              | SO/SpO Staff |      |      |      |       |       |       | Total<br>SO/SpO<br>Staff | Management Staff |                 |             |               |       |              | Total<br>Mgmt. | Grand<br>Total<br>Staff |
|---|--------------|------|------|------|-------|-------|-------|--------------------------|------------------|-----------------|-------------|---------------|-------|--------------|----------------|-------------------------|
|   | SO 1         | SO 2 | SO 3 | SO 4 | SpO 1 | SpO 2 | SpO 3 |                          | Org.<br>Mgmt.    | Con-<br>troller | AMS/<br>EXO | Con-<br>tract | Legal | All<br>Other |                |                         |
| U.S. Direct Hire  |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| Other U.S. Citizens: 1/<br>OE Internationally Recruited<br>OE Locally Recruited<br>Program  |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
|   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
|   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| FSN/TCN Direct Hire:<br>OE Internationally Recruited<br>OE Locally Recruited                |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
|   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| FSN/TCN Non-Direct Hire:<br>OE Internationally Recruited<br>OE Locally Recruited<br>Program |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
|   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| Total Staff Levels  | 0            | 0    | 0    | 0    | 0     | 0     | 0     | 0                        | 0                | 0               | 0           | 0             | 0     | 0            | 0              | 0                       |
| TAACS   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| Fellows   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |

1/ Excluding TAACS and Fellows

Workforce

| ^Org.NICARAGUA (25524)<br>FY 2000 Target<br>On-Board Estimate                               | SO/SpO Staff |      |      |      |       |       |       | Total<br>SO/SpO<br>Staff | Management Staff |                 |             |               |       |              | Total<br>Mgmt. | Grand<br>Total<br>Staff |
|---|--------------|------|------|------|-------|-------|-------|--------------------------|------------------|-----------------|-------------|---------------|-------|--------------|----------------|-------------------------|
|   | SO 1         | SO 2 | SO 3 | SO 4 | SpO 1 | SpO 2 | SpO 3 |                          | Org.<br>Mgmt.    | Con-<br>troller | AMS/<br>EXO | Con-<br>tract | Legal | All<br>Other |                |                         |
| U.S. Direct Hire  | 2.5          | 3    | 2.5  |      |       |       |       | 8                        | 2                | 1               | 1           | 1             |       | 1            | 6              | 14                      |
| Other U.S. Citizens: 1/<br>OE Internationally Recruited<br>OE Locally Recruited<br>Program  |              |      |      | 1    |       |       |       | 0                        | 1                | 1               |             |               |       |              | 0              | 0                       |
|   | 2            | 2    | 1    |      |       |       |       | 5                        |                  |                 |             |               |       |              | 2              | 3                       |
|   |              |      |      |      |       |       |       |                          |                  |                 |             |               |       |              | 0              | 5                       |
| FSN/TCN Direct Hire:<br>OE Internationally Recruited<br>OE Locally Recruited                |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
|   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| FSN/TCN Non-Direct Hire:<br>OE Internationally Recruited<br>OE Locally Recruited<br>Program | 2.5          | 4    | 3    |      |       |       |       | 0                        | 1                | 16.5            | 60          | 1             |       | 2            | 0              | 0                       |
|   | 2            | 2    | 2    |      |       |       |       | 9.5                      |                  |                 |             |               |       |              | 80.5           | 90                      |
|   |              |      |      |      |       |       |       | 6                        |                  |                 |             |               |       |              | 0              | 6                       |
| Total Staff Levels  | 9            | 11   | 9.5  | 0    | 0     | 0     | 0     | 29.5                     | 4                | 18.5            | 61          | 2             | 0     | 3            | 88.5           | 118                     |
| IDI   |              |      | 1    |      |       |       |       | 1                        |                  |                 |             |               |       |              | 0              | 1                       |
| TAACS   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| Fellows   |              |      | 1    |      |       |       |       | 1                        |                  |                 |             |               |       |              | 0              | 1                       |

1/ Excluding TAACS and Fellows

| ^Org.NICARAGUA (25524)<br>FY 2000 Request<br>On-Board Estimate                              | SO/SpO Staff |      |      |      |       |       |       | Total<br>SO/SpO<br>Staff | Management Staff |                 |             |               |       |              | Total<br>Mgmt. | Grand<br>Total<br>Staff |
|---|--------------|------|------|------|-------|-------|-------|--------------------------|------------------|-----------------|-------------|---------------|-------|--------------|----------------|-------------------------|
|   | SO 1         | SO 2 | SO 3 | SO 4 | SpO 1 | SpO 2 | SpO 3 |                          | Org.<br>Mgmt.    | Con-<br>troller | AMS/<br>EXO | Con-<br>tract | Legal | All<br>Other |                |                         |
| U.S. Direct Hire  |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| Other U.S. Citizens: 1/<br>OE Internationally Recruited<br>OE Locally Recruited<br>Program  |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
|   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
|   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| FSN/TCN Direct Hire:<br>OE Internationally Recruited<br>OE Locally Recruited                |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
|   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| FSN/TCN Non-Direct Hire:<br>OE Internationally Recruited<br>OE Locally Recruited<br>Program |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
|   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| Total Staff Levels  | 0            | 0    | 0    | 0    | 0     | 0     | 0     | 0                        | 0                | 0               | 0           | 0             | 0     | 0            | 0              | 0                       |
| TAACS   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| Fellows   |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |

1/ Excluding TAACS and Fellows

Workforce

| ^Org.NICARAGUA (25524)<br>FY 2001<br>On-Board Estimate   | SO/SpO Staff |      |      |      |       |       |       | Total<br>SO/SpO<br>Staff | Management Staff |                 |             |               |       |              | Total<br>Mgmt. | Grand<br>Total<br>Staff |
|--|--------------|------|------|------|-------|-------|-------|--------------------------|------------------|-----------------|-------------|---------------|-------|--------------|----------------|-------------------------|
|  | SO 1         | SO 2 | SO 3 | SO 4 | SpO 1 | SpO 2 | SpO 3 |                          | Org.<br>Mgmt.    | Con-<br>troller | AMS/<br>EXO | Con-<br>tract | Legal | All<br>Other |                |                         |
| U.S. Direct Hire   | 2.5          | 3    | 2.5  |      |       |       |       | 8                        | 2                | 1               | 1           | 1             |       | 1            | 6              | 14                      |
| Other U.S. Citizens: 1/<br>OE Internationally Recruited  |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| OE Locally Recruited<br>Program                          | 2            | 2    | 1    |      |       |       |       | 5                        | 1                | 1               |             |               |       |              | 2              | 3                       |
| FSN/TCN Direct Hire:<br>OE Internationally Recruited     |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| OE Locally Recruited                                     |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| FSN/TCN Non-Direct Hire:<br>OE Internationally Recruited |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| OE Locally Recruited<br>Program                          | 2.5          | 4    | 3    |      |       |       |       | 9.5                      | 1                | 16.5            | 59          | 1             |       | 2            | 79.5           | 89                      |
|  | 2            | 2    | 2    |      |       |       |       | 6                        |                  |                 |             |               |       |              | 0              | 6                       |
| Total Staff Levels                                       | 9            | 11   | 9.5  | 0    | 0     | 0     | 0     | 29.5                     | 4                | 18.5            | 60          | 2             | 0     | 3            | 87.5           | 117                     |
| IDI  |              |      | 1    |      |       |       |       | 1                        |                  |                 |             |               |       |              | 0              | 1                       |
| TAACS  |              |      |      |      |       |       |       | 0                        |                  |                 |             |               |       |              | 0              | 0                       |
| Fellows  |              |      | 1    |      |       |       |       | 1                        |                  |                 |             |               |       |              | 0              | 1                       |

1/ Excluding TAACS and Fellows

| NICARAGUA (25524)<br>Summary<br>On-Board Estimate | SO/SpO Staff |           |             |          |          |          |          | Total<br>SO/SpO<br>Staff | Management Staff |                 |             |               |          |              | Total<br>Mgmt. | Grand<br>Total<br>Staff |
|---|--------------|-----------|-------------|----------|----------|----------|----------|--------------------------|------------------|-----------------|-------------|---------------|----------|--------------|----------------|-------------------------|
|   | SO 1         | SO 2      | SO 3        | SO 4     | SpO 1    | SpO 2    | SpO 3    |                          | Org.<br>Mgmt.    | Con-<br>troller | AMS/<br>EXO | Con-<br>tract | Legal    | All<br>Other |                |                         |
| FY 1998:  |              |           |             |          |          |          |          |                          |                  |                 |             |               |          |              |                |                         |
| U.S. Direct Hire                                  | 2.5          | 3         | 3.5         | 0        | 0        | 0        | 0        | 9                        | 2                | 1               | 1           | 1             | 0        | 1            | 6              | 15                      |
| OE Internationally Recr                           | 0.5          | 0         | 0           | 0        | 0        | 0        | 0        | 0.5                      | 0                | 0.5             | 0           | 0             | 0        | 0            | 0.5            | 1                       |
| OE Locally Recruited                              | 3.5          | 5         | 5           | 0        | 0        | 0        | 0        | 13.5                     | 2                | 17.5            | 62          | 1             | 0        | 2            | 84.5           | 98                      |
| Total OE Funded Staf                              | 6.5          | 8         | 8.5         | 0        | 0        | 0        | 0        | 23                       | 4                | 19              | 63          | 2             | 0        | 3            | 91             | 114                     |
| Program Funded                                    | 3            | 2         | 2           | 0        | 0        | 0        | 0        | 7                        | 0                | 0               | 0           | 0             | 0        | 0            | 0              | 7                       |
| <b>Total FY 1998</b>                              | <b>9.5</b>   | <b>10</b> | <b>10.5</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>30</b>                | <b>4</b>         | <b>19</b>       | <b>63</b>   | <b>2</b>      | <b>0</b> | <b>3</b>     | <b>91</b>      | <b>121</b>              |

|                             |          |           |            |          |          |          |          |             |          |             |           |          |          |          |             |            |
|-----------------------------|----------|-----------|------------|----------|----------|----------|----------|-------------|----------|-------------|-----------|----------|----------|----------|-------------|------------|
| FY 1999 Target:             |          |           |            |          |          |          |          |             |          |             |           |          |          |          |             |            |
| U.S. Direct Hire            | 2.5      | 3         | 2.5        | 0        | 0        | 0        | 0        | 8           | 2        | 1           | 1         | 1        | 0        | 1        | 6           | 14         |
| OE Internationally Recr     | 0        | 0         | 0          | 0        | 0        | 0        | 0        | 0           | 0        | 0           | 0         | 0        | 0        | 0        | 0           | 0          |
| OE Locally Recruited        | 2.5      | 4         | 4          | 0        | 0        | 0        | 0        | 10.5        | 2        | 17.5        | 61        | 1        | 0        | 2        | 83.5        | 94         |
| Total OE Funded Staf        | 5        | 7         | 6.5        | 0        | 0        | 0        | 0        | 18.5        | 4        | 18.5        | 62        | 2        | 0        | 3        | 89.5        | 108        |
| Program Funded              | 4        | 4         | 3          | 0        | 0        | 0        | 0        | 11          | 0        | 0           | 0         | 0        | 0        | 0        | 0           | 11         |
| <b>Total FY 1999 Target</b> | <b>9</b> | <b>11</b> | <b>9.5</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>29.5</b> | <b>4</b> | <b>18.5</b> | <b>62</b> | <b>2</b> | <b>0</b> | <b>3</b> | <b>89.5</b> | <b>119</b> |

|                              |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
|------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| FY 1999 Request:             |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| U.S. Direct Hire             | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| OE Internationally Recr      | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| OE Locally Recruited         | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Total OE Funded Staf         | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Program Funded               | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>Total FY 1999 Request</b> | <b>0</b> |

|                             |          |           |            |          |          |          |          |             |          |             |           |          |          |          |             |            |
|-----------------------------|----------|-----------|------------|----------|----------|----------|----------|-------------|----------|-------------|-----------|----------|----------|----------|-------------|------------|
| FY 2000 Target:             |          |           |            |          |          |          |          |             |          |             |           |          |          |          |             |            |
| U.S. Direct Hire            | 2.5      | 3         | 2.5        | 0        | 0        | 0        | 0        | 8           | 2        | 1           | 1         | 1        | 0        | 1        | 6           | 14         |
| OE Internationally Recr     | 0        | 0         | 0          | 0        | 0        | 0        | 0        | 0           | 0        | 0           | 0         | 0        | 0        | 0        | 0           | 0          |
| OE Locally Recruited        | 2.5      | 4         | 4          | 0        | 0        | 0        | 0        | 10.5        | 2        | 17.5        | 60        | 1        | 0        | 2        | 82.5        | 93         |
| Total OE Funded Staf        | 5        | 7         | 6.5        | 0        | 0        | 0        | 0        | 18.5        | 4        | 18.5        | 61        | 2        | 0        | 3        | 88.5        | 107        |
| Program Funded              | 4        | 4         | 3          | 0        | 0        | 0        | 0        | 11          | 0        | 0           | 0         | 0        | 0        | 0        | 0           | 11         |
| <b>Total FY 2000 Target</b> | <b>9</b> | <b>11</b> | <b>9.5</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>29.5</b> | <b>4</b> | <b>18.5</b> | <b>61</b> | <b>2</b> | <b>0</b> | <b>3</b> | <b>88.5</b> | <b>118</b> |

Workforce

|                              |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
|------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| FY 2000 Request:             |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| U.S. Direct Hire             | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| OE Internationally Rec       | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| OE Locally Recruited         | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Total OE Funded Staf         | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Program Funded               | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>Total FY 2000 Request</b> | <b>0</b> |

|                             |          |           |            |          |          |          |          |             |          |             |           |          |          |          |             |            |
|-----------------------------|----------|-----------|------------|----------|----------|----------|----------|-------------|----------|-------------|-----------|----------|----------|----------|-------------|------------|
| FY 2001 Estimate:           |          |           |            |          |          |          |          |             |          |             |           |          |          |          |             |            |
| U.S. Direct Hire            | 2.5      | 3         | 2.5        | 0        | 0        | 0        | 0        | 8           | 2        | 1           | 1         | 1        | 0        | 1        | 6           | 14         |
| OE Internationally Rec      | 0        | 0         | 0          | 0        | 0        | 0        | 0        | 0           | 0        | 0           | 0         | 0        | 0        | 0        | 0           | 0          |
| OE Locally Recruited        | 2.5      | 4         | 4          | 0        | 0        | 0        | 0        | 10.5        | 2        | 17.5        | 59        | 1        | 0        | 2        | 81.5        | 92         |
| Total OE Funded Staf        | 5        | 7         | 6.5        | 0        | 0        | 0        | 0        | 18.5        | 4        | 18.5        | 60        | 2        | 0        | 3        | 87.5        | 106        |
| Program Funded              | 4        | 4         | 3          | 0        | 0        | 0        | 0        | 11          | 0        | 0           | 0         | 0        | 0        | 0        | 0           | 11         |
| <b>Total FY 2000 Target</b> | <b>9</b> | <b>11</b> | <b>9.5</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>29.5</b> | <b>4</b> | <b>18.5</b> | <b>60</b> | <b>2</b> | <b>0</b> | <b>3</b> | <b>87.5</b> | <b>117</b> |

MISSION : NICARAGUA (25524)

USDH STAFFING REQUIREMENTS BY SKILL CODE

| BACKSTOP (BS)      | NO. OF USDH EMPLOYEES IN BACKSTOP FY 98 | NO. OF USDH EMPLOYEES IN BACKSTOP FY 99 | NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000 | NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001 |
|--------------------|---|---|---|---|
| 01SMG              | 2                                       | 2                                       | 2   | 2   |
| 02 Program Off.    | 1                                       | 1                                       | 1   | 1   |
| 03 EXO             | 1                                       | 1                                       | 1   | 1   |
| 04 Controller      | 1                                       | 1                                       | 1   | 1   |
| 05/06/07 Secretary |   |   |   |   |
| 10 Agriculture.    | 2                                       | 2                                       | 2   | 2   |
| 11Economics        |   |   |   |   |
| 12 GDO             | 1                                       | 1                                       | 1   | 1   |
| 12 Democracy       | 2                                       | 2                                       | 2   | 2   |
| 14 Rural Dev.      |   |   |   |   |
| 15 Food for Peace  |   |   |   |   |
| 21 Private Ent.    |   |   |   |   |
| 25 Engineering     |   |   |   |   |
| 40 Environ         | 1                                       | 1                                       | 1   | 1   |
| 50 Health/Pop.     | 1                                       | 1                                       | 1   | 1   |
| 60 Education       | 1                                       |   |   |   |
| 75 Physical Sci.   |   |   |   |   |
| 85 Legal           |   |   |   |   |
| 92 Commodity Mgt   |   |   |   |   |
| 93 Contract Mgt    | 1                                       | 1                                       | 1   | 1   |
| 94 PDO             | 1                                       | 1                                       | 1   | 1   |
| 95 IDI             |   | 1                                       | 1   |   |
| Other* Fellow      |   | 1                                       | 1   |   |
| <b>TOTAL</b>       | <b>15</b>                               | <b>16</b>                               | <b>16</b>                                 | <b>14</b>                                 |

\*please list occupations covered by other if there are any

**COMMON OBJECTIVES**

**Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD),**

**United States Agency for International Development in Nicaragua (USAID/NICARAGUA), and the Government of Nicaragua (GON)**

| DAC GOALS  | USG NATIONAL INTERESTS                                       | SUMMIT OF THE AMERICAS   | GON TARGETS   | USAID/NICARAGUA TARGETS  |
|--|--|--|---|--|
| <p>capacity development for effective, democratic and accountable governance</p> <p>the protection of human rights</p> <p>respect for the rule of law</p>  | <p>5) Democracy</p> <p>3) American Citizens/U.S. Borders</p> | <p>I. Preserving and strengthening the community of democracies of the Americas.</p> <ul style="list-style-type: none"> <li>- 1. Strengthening democracy</li> <li>- 2. Promoting and protecting human rights.</li> <li>- 3. Invigorating society and community participation.</li> <li>- 5. Combatting corruption</li> </ul>                                       | <p>Strengthening the rule of law through:</p> <ul style="list-style-type: none"> <li>- judicial reform</li> <li>- resolving property rights and delivering 90,000 titles to small urban and rural plottolders</li> <li>-improving legal procedures and enforcing legal contracts and property rights</li> <li>- modernizing codes and laws regulating bankruptcy, intellectual property and foreign investment.</li> </ul>  | <p>More political participation, transparency, and compromise.</p> <ul style="list-style-type: none"> <li>- A medium strength democratic system of government by 1999, as measured by the US Mission index</li> <li>- 60% political tolerance in 1999, as measured by biennial surveys</li> <li>- At least 55% of the population supporting the system of government, as measured by biennial surveys</li> <li>- reducing number of human rights cases near 300 by 2000</li> <li>- a more efficient, accessible and equitable judicial system</li> </ul> |
| <p>a reduction by one-half in the proportion of people living in extreme poverty by 2015.</p> <p>current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015</p>   | <p>2) Economic prosperity</p> <p>1) National Security</p>    | <p>III. Eradicating poverty and discrimination</p> <ul style="list-style-type: none"> <li>- 19. Encouraging micro-enterprises and small businesses.</li> </ul> <p>IV. Guaranteeing sustainable development and conserving our natural environment for future generations.</p> <ul style="list-style-type: none"> <li>- 22. Partnership for biodiversity</li> </ul> | <p>Developing a sustainable economy through:</p> <ul style="list-style-type: none"> <li>- increasing GDP growth to 5.7% by 2000</li> <li>- developing and modernizing the agricultural sector</li> <li>- providing assets and services, on a cost-sharing basis, to poor rural people working on land with productive potential</li> <li>- increasing rural credit</li> <li>-creating a campesino development fund</li> <li>-developing trade and rural infrastructure</li> </ul>   | <p>Sustainable growth of small producer income and employment</p> <ul style="list-style-type: none"> <li>- Real growth of agricultural GDP of 7%</li> <li>- Reduction in rural underemployment to below 50% in 2000.</li> <li>- More soils and water saved, and higher levels of carbon sequestered.</li> <li>- Protected areas under effective management</li> </ul>  |
| <p>universal primary education in all countries by 2015</p> <p>a reduction by two-thirds in the mortality rates for infants and children under age 5 and a reduction by three-fourths in maternal mortality, all by 2015</p> <p>access through the primary health-care system to reproductive health services for all individuals of appropriate ages as soon as possible and no later than the year 2015.</p> | <p>7) Global issues</p> <p>6) Humanitarian Responses</p>     | <p>III. Eradicating poverty and discrimination</p> <ul style="list-style-type: none"> <li>- 17. Equitable access to basic health services.</li> <li>- 16. Universal access to education.</li> </ul>  | <p>Improving retention of students in the school system by:</p> <ul style="list-style-type: none"> <li>-improving quality and relevance of primary education</li> <li>-improving education infrastructure</li> <li>-improving student and teacher incentives</li> </ul> <p>Extending the integrated model of health care by:</p> <ul style="list-style-type: none"> <li>-decentralizing managerial and administrative procedures</li> <li>-performance incentives linked to results</li> <li>-improved referral systems</li> <li>-strengthening essential secondary level services</li> </ul> | <p>Better educated, healthier, smaller families</p> <ul style="list-style-type: none"> <li>- Infant Mortality Rate drops to 42 in 2000</li> <li>- Total fertility rate drops to 3.2 in 2000</li> <li>- Primary school completion rate rises beyond 28%</li> <li>- Students learn the new curriculum better</li> </ul>  |