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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

524-063

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AID-DLC/P-412
May 9, 1966

PD-AAB-104-B1

MEMORANDUM FOR THE DEVELOPMENT LOAN COMMITTEE

SUBJECT: Nicaragua - Urban Elementary School Construction Program

Attached for your review are the recommendations for authorization of a loan in an amount not to exceed $1,500,000 to the Government of Nicaragua ("Borrower") for the purpose of assisting in financing the Nicaraguan cordoba and dollar costs of approximately 114 primary schools containing a total of approximately 684 classrooms and located primarily in urban areas included as priority development areas by the Ministry of Education in its long range school construction plan ("Project").

If no request for a meeting of the DLSC is received by close of business on Tuesday, May 17, 1966, from any member or observer of the DLSC, it will be assumed that there are no objections to authorization of the proposed loan.

Rachel C. Rogers
Assistant Secretary
Development Loan Committee

Attachments:
Summary and Recommendations
Project Analysis
Annexes I-VIII

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May 9, 1966

NICARAGUA--URBAN ELEMENTARY SCHOOL CONSTRUCTION PROGRAM

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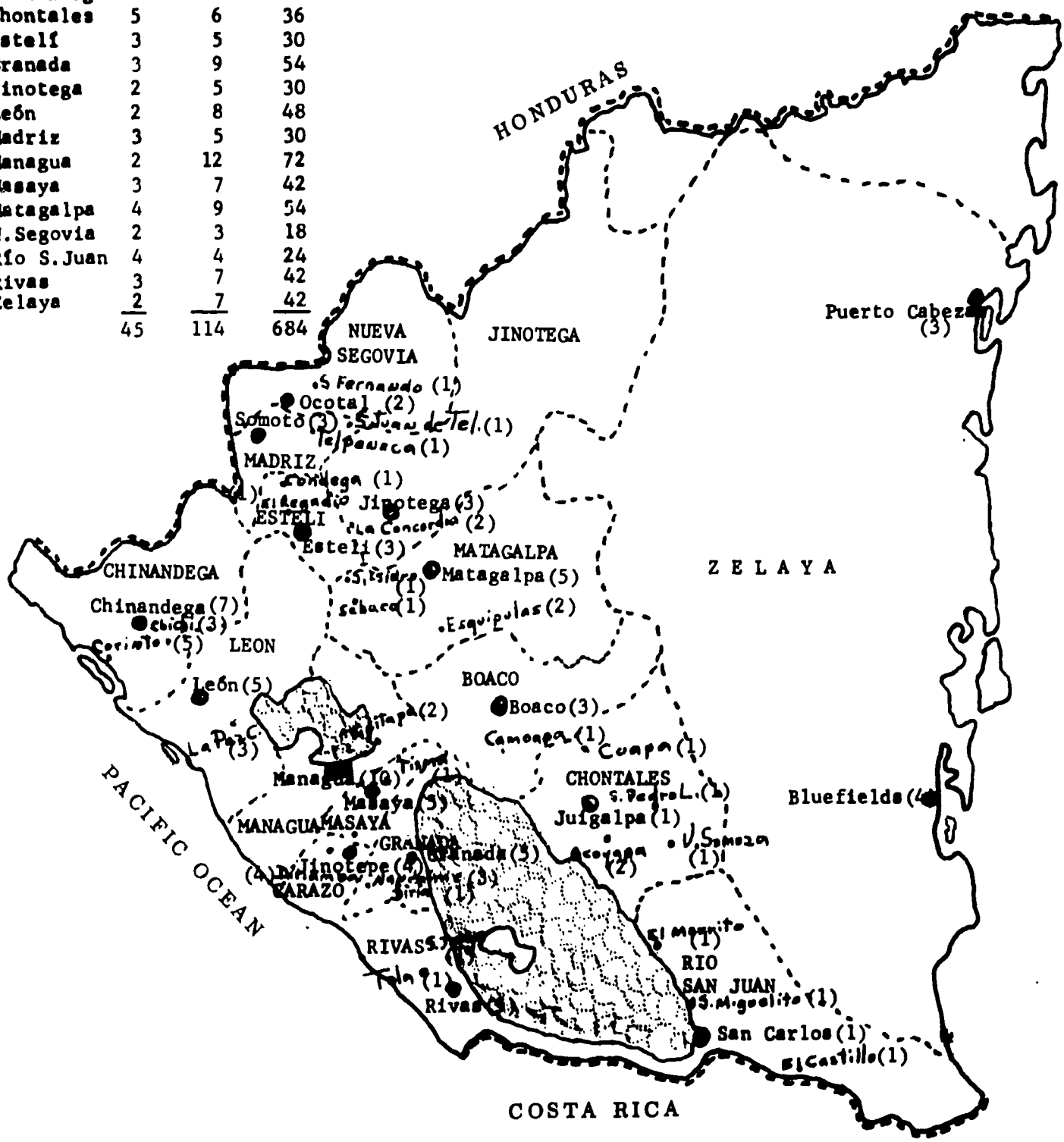
RECAPITULATION

Depts	No.of Cities	Schls.	Class-rooms
Boaco	2	4	24
Carazo	2	8	48
Chinandega	3	15	90
Chontales	5	6	36
Estelí	3	5	30
Granada	3	9	54
Jinotega	2	5	30
León	2	8	48
Madriz	3	5	30
Managua	2	12	72
Masaya	3	7	42
Matagalpa	4	9	54
N.Segovia	2	3	18
Río S.Juan	4	4	24
Rivas	3	7	42
Zelaya	2	7	42
	45	114	684



MAP OF NICARAGUA No. I
LOCATION OF PROPOSED SCHOOLS
(Numbers in brackets show schools for each city. Depts.shown in capitals, TYPED cities are Departmental capitals)

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NICARAGUA - URBAN ELEMENTARY SCHOOL CONSTRUCTION

SUMMARY AND RECOMMENDATIONS

1. BORROWER: The Government of Nicaragua (GON). The Ministry of Education will be responsible for the administration and execution of the project.

2. AMOUNT: $1,500,000.

3. PURPOSE: To provide auxiliary financing towards Nicaragua's long-range urban school construction program which calls for 284 schools (1,617 classrooms). Of this number, 114 schools have already been selected by the GON to be built with funds from this loan. This project is an integral part of the GON's Five-Year Development Plan which calls for a steady increase in the public investment in education during the 1965-69 period. There are 27 urbanized areas, according to the 1963 census, ranging in size from 4,000 to 250,000 inhabitants, in which almost all of these schools will be located.

4. BACKGROUND: This loan will provide a sequel and complementation to the self-help rural school construction program, but with preponderant emphasis on urban and semi urban needs. This former program was funded with an AID development grant of $650,000 and a GON grant of $286,000, plus an AID loan (No. 524-A-004) in the amount of $540,000. The Nicaraguan communities also contributed $103,320 to this program. This contribution was made in the form of land, materials, labor and money. Under this program 75 rural schools (382 classrooms and 69 ancillary rooms) were constructed at a cost of about $3,900 per classroom. Because of the keen interest on the part of the Nicaraguan communities to participate in a self-help school construction program the Ministry of Education requested AID assistance in July, 1965 to continue the program. Taking advantage of this interest several important modifications of the earlier program have been introduced to assure a more comprehensive approach to elementary education and also to achieve a seriously needed strengthening of this essential base.

5. PROJECT DESCRIPTION: The project will provide for the construction over a three year period of 114 primary schools already chosen for construction containing 684 classrooms and auxiliary schoolrooms; plus as many additional schools will be

built as the actual expenditure of funds will permit. The schools already selected are located in 45 cities and 16 provinces of the country (See Map 1). The criteria by which urban and semi-rural school site locations will be identified is attached in Annex II. A competent pre-qualified Nicaraguan design-engineering firm has developed standard school designs, which have been used as the basis for the cost estimates of this project. The Ministry of Education will carry out the construction through an agency of the Government of Nicaragua, Construcciones Nacionales (CN). This is a division of the Ministry of Public Works charged with the construction of public buildings and major maintenance projects for the same. CN will be fully responsible for the implementation of the construction program, and will contract a qualified engineering-management firm to administer and supervise the construction program.

Table No. 1
COST BREAK-DOWN OF LOAN PROJECT

	Dollar Costs	Local Costs	Total	%
AID Loan	300,000	1,200,000	1,500,000	50
GON Contribution		1,000,000	1,000,000	33
Community Contribution		500,000	500,000	17
	300,000	2,700,000	3,000,000	100

The Nicaraguan contribution will cover 56% of the local costs and services for construction including school furnishings and equipment. The self-help contribution will consist of land, materials, labor and cash. The AID loan will finance 50% of the total costs of the project and approximately 44% of local costs.

6. ALTERNATE FINANCING: The Inter-American Development Bank, the Export Import Bank and the IBRD have advised AID/Washington that they are not interested in financing this project.

7. VIEWS OF THE COUNTRY TEAM: The USAID Mission and the Embassy in Nicaragua recommend prompt and favorable action on this proposal to develop the human resources of Nicaragua by up-grading the total education system.

This will be effected through the complementary requirements of additional teacher training, teaching materials production, improved community development services, long-range school construction planning, better education planning, etc. A greater amount of the national budget will be directed toward public education.

This project is not considered a panacea for the full range of education problems in Nicaragua. However, it is a starting point, which in coordination with the projected programs of the World Bank and the Inter-American Development Bank at the secondary and university levels, will have a comprehensive and lasting effect on the education system of the country.

8. STATUTORY CRITERIA: All statutory criteria have been or will be met. (See Annex I.)

9. ISSUES:

A. Maintenance - The Ministry of Education has submitted its policy on school maintenance. This is attached as Annex III, Exhibits 5 and 6.

B. Impact - While a $1,500,000 loan might ordinarily be considered as having a marginal effect vis-a-vis the Nicaraguan educational system, the total impact will be of vital significance. Besides contributing to construction, the GON will budget for additional teachers' salaries, teacher training, materials production, community development, and for maintenance. (See Annex III, Exhibit 5.) Communities will also contribute.

Loan solicitations of $5 to $8 million, being prepared for the consideration of the World Bank, would complement this loan project at the secondary school level and would strengthen the University's School of Educational Sciences. A.I.D. and the Inter-American Development Bank have already made loans to the Central American and National Universities which will help augment the total human resources of Nicaragua.

10. RECOMMENDATIONS: Authorization of a loan not to exceed $1,500,000 to the Government of Nicaragua, subject to the following terms and conditions:

A. Terms: Forty (40) years, including a ten (10)-year period of grace on principal repayments, with interest at one (1) percent during the grace period and two and one-half ($2\frac{1}{2}$) percent thereafter.

B. Conditions:

1. Equipment, materials and services (except shipping and marine insurance financed under the loan) shall have their origin in and be procured from the United States or the Central American Common Market countries. Shipping financed under the loan shall be procured from the United States, and marine insurance financed under the loan shall be placed in the United States with a company authorized to do business in any state of the United States.

2. United States dollars utilized under the loan to finance local costs shall be made available to the Borrower or its designee through Special Letter of Credit procedures and shall be used only for procurement in the United States.

3. As a condition precedent to initial disbursement, the Borrower shall agree to contribute funds for local costs for the Project according to a schedule to be mutually agreed between A.I.D. and the Borrower.

4. As a condition precedent to disbursement for construction costs of any particular school, the Borrower shall furnish evidence that all necessary legal rights to land have been received.

5. Borrower shall covenant that within one (1) year from the effective date of the loan agreement, and at such periodic intervals thereafter as A.I.D. may request until completion of all project construction, Borrower shall submit reports satisfactory to A.I.D. evaluating the progress achieved in the Nicaraguan educational system and such other related topics as A.I.D. may reasonably request. Such reports shall provide the basis for consultation between the Borrower and A.I.D. as well as representatives of other organizations [mutually agreeable to A.I.D. and the Borrower] having an interest in the Nicaraguan educational system.

6. The loan shall be subject to such other terms and conditions as A.I.D. may deem advisable.

PROJECT COMMITTEE:

Capital Development Officer	:	Kenneth W. Davidson - US AID/N
Engineer	:	Carl M. Forsberg - US AID/N
Education Advisor	:	Robert Barton - AID/W
Architect	:	Edwin Peterson - ROCAP
Counsel	:	Jonathan Russin - AID/W

Drafting Officers : RBarton/KDavidson/CForsberg

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SECTION I - DETAILED DESCRIPTION OF THE PROJECT

A. Borrower

1. Name

The Borrower will be the Government of Nicaragua (GON) with over-all responsibility for execution of the project residing in the Ministry of Education. Construcciones Nacionales (CN), a division of the Ministry of Public Works, will be fully responsible for the construction part of this project. Engineering-design assistance has been provided to CN in the development of cost estimates. Engineering-management services for administration and supervision of construction will be contracted as agreed upon between US AID and the Borrower. Construction will be carried out through public bidding procedures with qualified contractors. Repayment of the loan will be guaranteed by GON through the Ministry of Finance and Public Credit, GON's fiscal agent.

The Ministry of Education has already covenanted to take the necessary steps to provide additional teachers, teacher training, materials, increased community development services and such other things of an educational nature as may be consistent with the nature of the project.

2. Previous U. S. Assistance

This project is an amplification of the self-help rural school construction program which was terminated June, 1965. The project started on April 13, 1962, as part of a joint effort to undertake a comprehensive and integrated improvement and expansion of basic education in Nicaragua. A self-help program of school construction was outlined projecting the construction of 500 classrooms in 134 schools located in the 16 National Departments. A.I.D. loaned the GON 40% of the project requirements and also provided a cash grant meeting an additional 40% of project needs. The remaining 20% of the total cost of building the schools was to be provided by the local communities in the form of materials, land, and labor. A second Project Agreement, signed on June 23, 1963, authorized additional contributions by the United States ($110,000) and the GON (3 million cordobas) so that over a period of three years a total of 620 classrooms could be erected.

The GON also agreed to make up any failure of the communities to contribute the full amount specified. It was subsequently decided between US AID and GON that the latter would withhold one million cordobas of the agreed upon contribution. There follows a summary of actual contributions, by elements of expense.

COST BREAKDOWN OF SELF-HELP RURAL SCHOOL CONSTRUCTION PROGRAM
FY 1962 & 1963
($000 omitted)

	U. S.		GON		TOTAL	
	Agreed	Paid	Agreed	Paid	Agreed	Paid
Commodities	245	245	320	320	565	565
Contract Services	20	20	-	-	20	20
Other Costs	385	385	648	505.8	1,033.6	890.8
	650	650	968	825.8	1,618.6	1,475.8

A total of 75 schools in 14 Departments were completed and furnished. They consisted of 382 classrooms and 69 teachers' offices or living quarters, storerooms, lavatories, etc. Increases in costs of labor, material, social security compensation, and in the transportation of materials prevented the fulfillment of the original construction goals. The program, nevertheless, is providing annually at least 15,000 Nicaraguan children with educational facilities such as they never had before. Each school has been staffed with sufficient teachers to instruct the enrollment. (In some cases, schools were built with six classrooms where no complete schools existed before, so for this year and next there may not yet be a need for a fifth or sixth grade teacher.) Students were assured of receiving the ROCAP primers and other available texts. Each classroom was equipped with two large blackboards, a bookcase, teacher's desk and chair and 40 chairs and desk sets for the students.

Although this program did awake the communities to the fact that they could use self-help procedures to solve community problems and contributed to the improvement of elementary education, the construction responsibility had been retained by US AID which limited

institution building capabilities. For this and other reasons, it was decided to terminate the project on June 30, 1965, and proceed with a new one which would develop more institutional capacity within the Ministries of Public Education and Public Works. Accordingly, unfinished schools were completed by contract, furniture was built and delivered for them, and the remaining inventory was disposed of, mostly to the GON. Almost $80,000 resulted from the liquidation and was turned over to the Ministry of Education. The Ministry will add another $100,000 so that CN can continue with the construction of schools in rural communities so interested in building a school that they have already signed over land and delivered materials for them under the prior program.

B. Background of Proposed Loan

This loan will provide a sequel and complementation to the self-help rural school construction program, but with preponderant emphasis on urban and semi-urban needs. The former program was funded with an A.I.D. development grant of $650,000 and A GON grant of $286,000, plus an A.I.D. loan (No. 524-A-004) in the amount of $540,000. The Nicaraguan communities also contributed $103,320 to this program. Their contribution was made in the form of land, materials, labor and money. Under the program 75 rural schools (382 classrooms and 69 ancillary rooms) were constructed at a cost of about $3,900 per classroom. Because of the keen interest on the part of the Nicaraguan communities to participate in a self-help school construction program the Ministry of Education requested A.I.D. assistance in July, 1965, to continue the program. Taking advantage of this interest several important modifications of the earlier program have been introduced to assure a more comprehensive approach to elementary education and also to achieve a seriously needed strengthening of this essential base.

C. Views of the Country Team

The US AID Mission and the Embassy in Nicaragua recommend prompt and favorable action on this proposal to develop the human resources of Nicaragua by up-grading the total education system. This will be effected through the complementary requirements of additional teacher-training, teaching materials production, improved community development

services, long-range school construction planning, better education planning, etc. A greater amount of the national budget will be directed toward public education.

This project is not considered a panacea for the full range of education problems in Nicaragua. However, it is a starting point, which in coordination with the projected programs of the World Bank and the Inter-American Development Bank at the secondary and university levels, will have a comprehensive and lasting effect on the education system of the country.

D. Alternate Sources of Financing

The Export-Import Bank advised A.I.D. on January 14, 1966, that it was not interested in financing this project because of the large portion of local currency required. IBRD and IDB also advised on April 5 and April 20, respectively, of their noninterest in assisting the project.

E. Institutional Development Analysis

1. Description of Problem

Nicaragua has the lowest over-all population density of the five Central American countries but its population has been increasing over the past decade at a 2.9% annual rate. In 1965 its population was estimated at 1,635,000 of whom 48.2% was in the 0-14 age group.

Between 1950 and 1965 the urban population grew from 35% of the total to 42%, increasing at an annual rate of 4.3%. Nine cities have over 10,000 inhabitants and 19 others are considered "urban" but in fact most lack the base of industrial production or public services to support this demographic pressure. Nevertheless, rural migration to the cities continues to increase due to the lack of opportunity to own land, or for stable employment in the fields. Equally important, the campesino expects public services in the city, such as better housing, sanitation, hospitals and schools. Manufacturing and commerce also serve as lures to the rural Nicaraguan. Both require better educated personnel than are now available. Functional illiteracy impedes the national economic progress as much as the individual's ability to fend for himself in the labor market. About 80% of Nicaragua's adult population should be considered illiterate or functionally so; only 8% are satisfactory literates, having graduated from primary school.

At all levels of government, Nicaraguan officials are concerned about the interrelated problems of economic development, population growth, urban migration, and underdeveloped human resources.

The National Planning Office, aiming for a 7% annual expansion of the gross internal product, sees the need to invest more in education and health, particularly through increasing its allocations for primary school construction. The National Plan advocates building 1,163 urban and 1,411 primary classrooms before the end of the decade. Only by broadening the base of the educational pyramid can the flow of students through the entire educational system be augmented.

The National Economic Council also proposes an intensive school building program in order to enroll 72% of the school-aged population by 1969. Additionally, it wants better teachers, higher pedogogical standards and to eliminate the one-room school house so as to encourage first-graders to progress through educational process. To achieve these broad objectives, it recommended reorganizing the national educational system. This has led A.I.D. and the Ministry of Education to strengthen the Ministry's Educational Planning Office, to provide professionalization centers for under-trained teachers, more normal school opportunities, better use of ROCAP textbooks, and four goals relating to school construction:

a. To develop a long range classroom construction plan.

b. To determine the location of future schools through proper demographic studies.

c. To develop a low cost, efficient and easily maintainable building which can be expanded or adapted to other purposes should the need arise.

d. To locate and design the buildings so they might also be used effectively as community centers for adults as well as for school-aged children.

2. <u>The Project</u>

The Ministry of Education has had little to do with the coordination of school construction enterprises. It had never before organized the capacity to evolve long-range construction plans, including all the concomitant commitments implied with them. An important result of this loan will be the Ministry's ability to handle such work.

The first step towards reaching this goal was to develop an independent ability to assess needs, determine policy, and establish objectives. The Office of Educational Planning has received, and is receiving, help on long-range building plans from A.I.D. and UNESCO advisors. In its 1965-1975 plan, prepared under the direction of Dr. Grace Scott, A.I.D. educational advisor, this office calculates it must accommodate an annual school enrollment growth of over 15,000.

There are no schools for 46% of the children. There are 300,000 aged 0 - 5 coming along, and the nation's population growth rate is at the biological maximum. Of the country's 3,705 elementary classrooms, 1752 are rented and 665 loaned. A wide-ranging sample of these rented and lent schoolrooms found that almost without exception, they were unconducive to study.

The project will provide for the construction over a three-year period of 114 primary schools already chosen for construction containing 684 classrooms and auxiliary schoolrooms; plus as many additional schools will be built as the actual expenditure of funds will permit. The schools already selected are located in 45 cities and 16 provinces of the country (See Map 1). The criteria by which urban and semi-rural school site locations will be identified is attached in Annex II. A competent pre-qualified Nicaraguan design-engineering firm has developed standard school designs, which have been used as the basis for the cost estimates of this project. The Ministry of Education will carry out the construction through an agency of the Government of Nicaragua, Construcciones Nacionales (CN). This is a division of the Ministry of Public Works charged with the construction of public buildings and major maintenance projects for the same. CN will be fully responsible for the implementation of the construction program, and will contract a qualified engineering-management firm to administer and supervise the construction program.

3. Project Rationale

The National Plan and the UNESCO educational experts agree that improved educational facilities are necessary and urgently required in urban and semi-urban areas. Here is where the greatest concentration of people is found, where the greatest use can be made of the capital investment, where the ability to read and write is most vital to employment, and where teachers can most easily be located.

Rural emigration occurs in Nicaragua as elsewhere, but might be stemmed in intermediate towns, instead of flooding the capital, if those urban areas are provided with some of civilization's convenience. An opportunity for descent schooling is one of these. The Ministry of Education, having determined that schools to be built through the A.I.D. loan should be located in urban or semi-urban areas, decided the next step was to determine the criteria for selecting any particular site.

i. Criteria for Selection

Equal treatment of different geographic areas was a first determinant, but demographic pressures and the inadequacies of present schools had to be weighed also. That the communities would assist by providing land, materials and labor, especially for maintenance of the buildings, was a second criterion. Most important, judiciously selected determinants were established; demographic studies, a census of school-aged children without educational opportunities, and assurances of teachers for two shifts were some of these. The complete list of criteria is found in Annex IV, Exhibit F.

ii. Tentative Selection of Future Schools

Using the criteria established, 45 cities and towns in all 16 departments have been selected for top priority. An analysis was made of their total population, their school-aged population, the number in and out of school, the condition of classrooms, etc.

As 1969 is the year this new school construction loan should be completed, it was decided to extrapolate from the 1963 National Census

figures what the school-aged population would then be. This figure for each city was divided by 40, the number of students a teacher will instruct. Because each classroom will be used for two shifts, dividing the number of teachers by two provides the total number of classrooms which will be needed. From this number all existing classrooms in satisfactory condition were substracted. The remainder was divided by six, the number of classrooms ideally suited for primary schools, to give the number of schools to be built under the program. Small schools make for happier surroundings for very young children, yet they must have at least six classrooms if they are to teach all primary grades. Play space for 240 children is still not too difficult to find in urban areas; for a larger number it might be impossible. Finally, the Ministry feels it preferable to dot a number of small schools around the city rather than to try to locate a large one in a crowded area in the center. Instead of one school of 24 classrooms, four of six rooms each will be built antipodally on the outskirts. Each quadrant of the city would have its own, and communal interest in keeping "its" school and teachers the best in the city would be self-generating. Besides this parental identification with the school, small children should be able to walk to it more easily if it is in their own section of the city instead of across town. Furthermore if a large downtown lot were available, the Ministry would prefer to reserve it for a secondary school which from the view point of either education or economics should accomodate 500 or more children.

When the mathematical formula based on 1969's expected student enrollment was tried, it was found that 285 schools with 1,617 classrooms were needed for Nicaragua's urban areas. Top priority for immediate construction was given to 114 schools with 684 classrooms. Others will be added from the long-range plan should hoped for economies make this

program less expensive than others previously conducted in Nicaragua.

The selection of these locations is found on Map I and Annex V supplies the essential data in each case. The list of schools to be built must still be considered tentative because the suitability of the proffered sites has not been verified, as is stipulated, by a team of Nicaraguan educators and engineers.

iii. Ministry's Supervision of Program.

The Ministry has arranged with CN to coordinate all future school construction. The Ministry will determine what size of school is to be placed, where and when, according to the aforementioned criteria. Community development officers will work personally or through departmental inspectors to validate information on hand in Managua and to interest community leaders in the project.

iv. Execution of Construction.

Construcciones Nacionales will determine if the proffered site meets their engineering standards (firmness, level, no outcroppings, no natural dangers, no potential nuisances such as new high tension lines, incinerators, etc.). Once ascertained as acceptable, the Ministry officials will arrange to take title to the lot, and to contract with the community leaders for their help.

CN will arrange with a local firm of architects to visit the sites and to adapt the standard design for the school (See Annex VI) to the local terrain and climatic conditions. The architectural firm will also draw up plan specifications, lists of materials, cost estimates, etc. CN will let the contracts by competitive bidding and will contract for engineering management services to supervise construction. (See Section I, F, Engineering analysis for a complete description of construction implementation). When a building is completed, it will be inspected, certified, and turned over to the Ministry, which will staff and equip it and establish norms for its proper maintenance.

v. School Design.

The building will usually consist of six classrooms, about 20 x 25 feet each beaded together in a straight line. Entry to each will be by a wide external gallery which can also serve as a shaded play-area in bad weather. Materials will be of pre-fabricated cement walls molded from an attractive design. Wide windows to permit maximum air circulation and light will be on both external walls. Heavy wire netting will be used instead of glass or wooden jalousies. The interior walls will also be non-supporting. The asbestos' sheet roof will be supported by columns. Two of the interior walls will be removable so that a good sized auditorium or a community meeting room can be provided. Each school will have a small director's office and store-room. When running water is available, bathrooms will be provided, otherwise latrines. Each school will be wired for electricity. (See Annex VI).

vi Furniture

Each will be equipped with a large blackboard, a combination open bookshelf and closed cabinet, teacher's desk and chair, and 40 appropriately sized student chairs and desks. The Ministry's new Office of School Constructions, an adjunct of its Planning Office, will be in charge of furniture procurement. The previous AID program provided the above equipment for $260 a classroom, but $300 may be needed to meet higher labor costs expected by 1969.

vii Personnel

The Ministry of Education anticipates that the following personnel will be needed for this work: a chief of section; an engineer with some knowledge of educational needs; three community development

experts (who fortunately have had training in Mexico thanks to earlier AID courses); and a chief of the furniture and equipment section. They are in the process of being recruited now, and will be paid for out of the funds the Ministry will contribute to the project. Correspondence from the Ministry officials makes this its policy (See Annex III, Exhibit 9.)

4. Anticipated Results from Loan Program

A review of six studies* on Nicaraguan human resources development plus exchanges of written agreements between the Ministry of Public Education and US AID/N (See Annex III) provide full assurance

* Nicaragua Work Force: A Basic Study by Manuel A. Garcia and Dr. Jesse Goldstaub, April 1966.
The Nicaraguan National University's Development Plan, 1965-1974; December 1965.
The Nicaraguan Economic and Social Development Plan, 1965-69, by the Planning Office of the National Economic Council, August 1965.
Educational Priority Projects for Development by a UNESCO Project Identification Team (L. Emerson et alia), October 1965.
Improvement of Education in Nicaragua, 1965-1975 by Dr. Grace Scott, US AID/N and the Office of Educational Planning, February 1965.
Nicaragua: Historical, Geographical, Ecological, Economic, Demographic, Social & Educational Aspects, by Dr. Melvin Gruwell, US AID and Office of Educational Planning, April 1964.

that the development of new schools will not be an unbalanced venture. On the contrary, it will have the advantage of strengthening the national educational system in a variety of ways. (See Annex II, Exhibits 3 and 4.)

a. The Office of Educational Planning has already been bolstered with new personnel. (Annex III, Exhibit 5.) This will allow for a more satisfactory inventory of the educational system; quantitatively in the number of schools, classrooms, desks, teachers, students, books, etc., on hand; qualitatively in the condition of the physical equipment and the training received by instructors and students. Much of these data are presently missing, but the mere requirement of collecting sufficient information to write a letter of application for this loan has sufficed to show the Ministry its need to strengthen the office.

b. The Planning Office can be expected to work in closer collaboration henceforth with the National Economic Council and the Minister of Finance, which prepares the annual budget. Not only will the construction program require this, but also so will building programs which are being considered by the World Bank and other international organizations.

c. The general improvement that can be expected as a result of this construction program increases the need to work also in the field of secondary and university education. Suggestions for likely projects are spelt out already for the IBRD by the UNESCO Project Identification Mission. Summarized these are: improve primary teacher training and increase the output of normal school graduates to 600 a year; develop secondary level abilities in agricultural and vocational institutes; establish an adult trade training center; build 1000 more secondary classrooms; and see that they and existing schools are properly equipped; and build a new School of Education for the National University so that it can expand and improve its instruction for secondary level teachers.

d. The AID loan will be complementary to other international assistance programs and is being coordinated with them. The Inter-American Development Bank has already issued a small loan to the National University for the advancement of its science departments. AID has lent Central American University of Managua $700,000 for the expansion of its new campus, two kilometers outside the city. AID has recently assisted the business community to organize a Central American Institute of Business Administration which will be used as a focus for training by all Central American nationals.

UNESCO has offered the Ministry of Education technical assistance in various areas: planning and statistical training; the training of supervisors and departmental inspectors; the improvement of secondary teachers in mathematics and sciences and in agricultural education. UNESCO will also tender scholarships in agricultural education methods for future teachers of the subject, and France has promised technical assistance to three new agricultural institutes to be opened in May in Juigalpa, Chinandega and Matagalpa.

e. The school construction program should provide about 114 new schools. Since all will offer six grades of school and on two shifts, almost 55,000 primary school schildren who presently lack schooling or adequate facilities should be able to attend. The accumulated deficit of satisfactory classrooms will be reduced by

approximately 210 during the first year of the loan disbursement, 360 the second, and 114 the third. This should have the effect of increasing enrollment substantially during each of these years. (Annex III, Exhibit 7).

f. The program will concentrate on graduated schools having facilities to offer a complete primary school education. If the other measures the Ministry has agreed to are taken concurrently, this should result in a reduction of the drop-out rate and, therefore, a larger number should graduate to the ciclo basico of the secondary school program. (Annex II, Exhibits 3 and 4).

g. The loan will develop for the first time a capacity within the Ministry to maintain its own schools. The Ministry has suggested already an administrative plan for establishing a coordinating nexus between itself and Construcciones Nacionales so that building priorities will be determined more systematically. One branch of this new coordinating office will work with communities in urban and semi-rural areas to secure their cooperation in the maintenance of the buildings. The maintenance section of this new office within the Ministry will be equipped with the funds and authority to undertake first and second degree maintenance without the administrative delays which have encumbered the system up to now. (Annex III, Exhibit 9).

h. Communities will be visited before schools are built to enlist their support. The self-help aspect will not only contribute to lowering construction costs, but perhaps more importantly, should insure an identification of the community with the school and thus a greater desire to see that children attend regularly and full time. (Annex III, Exhibit 9).

i. A greater proportion of the population will gain the necessary education to increase their productivity and to take advantage of other social and economic development programs. According to the index correlatives found in Harbison and Myers Education, Manpower and Economic Growth, Nicaragua has a human resource development index of 10.05, compared to

Guatemala's 10.7, Mexico's 33.0, and Costa Rica's 47.3. Theodore Schultz claims in The Economic Value of Education that 130% per annum increase in the national income will be derived from a larger investment in primary education, especially when the investment focuses on the upper primary grades as will this one. He ascertained this figure by comparing the wage earnings of sixth grade graduates' income with illiterate workers'. This high rate of return overshadows by far the 17% he calculates for secondary education and the 23% rate of return from investment earned through university education. (Annex II, Exhibit 2).

j. A small amount of the GON's matching contribution will be invested in furniture for the school rooms. The same office which will coordinate the planning of the new schools, their general maintenance, and coordination with the communities, local authorities and other Ministries will also develop an ability to specify more precisely school furniture designs, materials and costs. Hopefully as this capacity increases, the severe national deficiency of desks, chairs, tables, blackboards, etc., will be overcome. The Ministry assures USAID that this will be given high priority during the life of the loan. (Annex III, Exhibit 8).

k. Textbooks are also promised for all schools to be built under this program. More important, in preparation for this loan the Ministry has developed a plan for escalated involvement in the ROCAP textbook project so that more books will be printed, distributed faster, and made more serviceable through the better training of supervisors and teachers in their use. (Annex III, Exhibit 9).

l. Teacher training will not be directly affected by the program, but indirectly the loan should influence more secondary school adolescents to enter the profession. More positions will be opening up in better schools and in more comfortable living areas. Pay scales have

already been increased and financial incentives for self improvement now exist. Empiricos and other semi-trained teachers are enrolling in large numbers at the professionalization centers. Those who do not, might find themselves the victims of early retirement plans. Those who do well in these classes may receive favored posts in one of the new classrooms instead of in the inferior buildings now being used. (Annex II, Exhibits 3 and 4).

m. Supervisors should likewise be encouraged to better performance through this program. The need to identify exactly where to loacte the new schools demands personal inspections and detailed knowledge of each school area. (Annex III, Exhibit 5). Their subsequent inspections of the buildings to see that they are properly maintained will mean more frequent visits than they have heretofore been able to make. Their involvement in community affairs will allow the Ministry of Education more complete information on the educational situation in each locality.

n. The program will provide employment equivalent to 1,000 man-years in the construction industry and will help decrease unemployment in Nicaragua. It will intensify the demand for construction products, such as cement, bricks, asbestos sheeting, structural steel, etc., and thus provide additional employment in those sectors as well.

o. The new schools will be placed outside the principal downtown area of the towns so they will have ample space around them. In larger cities two to four schools may be built. In this case they would be placed in the outer edges of the city so that no child would have to walk far to reach one of them, and so various sections of the city can identify a particular school as "belonging" to them. The plan will thus allow for more land around each school at lower prices, and equally desirable, it will provide opportunities to expand the school as the need occurs. (Section II).

p. The program will depend on community participation, not so much for the original savings their contribution may make but for the maintenance and landscaping that will be requested from them. Pride in the school and identification with it should result in larger enrollments, more consistent attendance, and perhaps in the development of adult literacy and vocational training classes. (Section II).

q. Insofar as the new schools will replace rented buildings, savings will accrue to the Ministry which will in turn allow them to build more classrooms. (See Annex IV, Exhibit 4). This loan is the first step in a long-range school construction program which the Ministry must pursue through the next decade at least. (See Annex V, Exhibit 1).

r. Communities receiving new primary schools are being asked to identify and reserve suitable space for a secondary school in the certain knowledge that as the output of elementary school graduates increases, the necessity will grow for erecting a secondary school for them. (Annex III, Exhibit 5).

F. Engineering Analysis

1. General

The construction and furnishing of presently selected 684 classrooms in 114 new school buildings will be carried out over a three-year period. Forty-five cities and towns in 16 departments will be served, with 58% of the construction in the heavily populated Pacific Coastal Region, 36% in the Central Mountain Region and 6% on the Atlantic Coast. The tentative school locations by city and town are shown on Map No. 1.

An important feature of the project will be the development of a building maintenance capability within the Ministry of Education, a badly neglected factor to now.

2. Execution of the Project

a. Preliminary Planning and Design.

In the normal GON school construction program, Construcciones Nacionales, designs, prepares plans and specifications, and carries out the construction by force account. CN is also responsible for design, construction, and major repair of all other buildings. CN has contracted with the firm of Diseños y Construcciones, S. A. of Managua to do the preliminary architectural and engineering planning for this project.

After analyzing recent school construction programs in Nicaragua and El Salvador, this firm has developed a standard design with emphasis on economy and simplicity of construction, use of local materials, and minimum maintenance requirements. The design features prefabricated structural steel load bearing columns and trusses with precast concrete walls and partitions. Each building, with six classrooms, toilet facilities, office and storage space contains 4,648 square feet. Classrooms are 19.7 feet by 23 feet (6 by 7 meters).

The selection of school locations by the Ministry of Education was based on actual need for additional classrooms with as fair a geographical distribution as possible. Some changes in school locations can be expected before the program is completed, but it is not anticipated that this will have a significant effect on the estimated cost, or the construction and management logistics. Additional schools will be erected if present cost estimates turn out to be too high.

Satisfactory school sites of adequate size for a six classroom school are very difficult to obtain within the heavily built-up areas ot the larger cities and towns. It was therefore decided to spot the buildings on sites equidistant around the edges of the cities where land is more abundant and cheaper. Besides providing more playground area this way, the school yards will allow for future expansion. Experience gained in the recently completed GON-AID school construction program showed that stronger community identification with the schools and thus greater community participation result when working with more compact neighborhoods. The advantages of better sites and greater community participation are judged to outweigh the slightly higher overall costs resulting from the construction of a larger number of schools.

b. Detailed Preparation and Planning

The communities will be required to provide the land, preliminary site preparation such as fencing, clearing and grubbing, and landscaping. The Office of School Construction of the Ministry of Education, will be in charge of organizational activities and negotiations with the local communities. Details of securing legal title to the school sites will be coordinated with the Ministry of Finance by the Office of School Construction. On-site inspection and therefore the review and selection of specific lots has not taken place yet although most of the communities have informed the Ministry of the availability of land. The review and selection process

will begin as soon as loan funds are assured.

The GON intends to employ Diseños y Construcciones, S.A. to carry out the detailed engineering planning, which will include:

(1) Investigation and approval of each site for building construction.

(2) Site surveys, including boundary and topographic mapping.

(3) Site adaptations.

(4) Prepare construction drawings for specific lots from the standard design, specifications, cost estimates and bid documents.

c. Project Operations

Construction will be by contract let on the basis of competitive bidding open to US and Central American contractors. Advertising and award of contract will be under the supervision of CN.

A qualified Nicaraguan engineering management firm will be engaged for administration and supervision of project construction. Under the general direction of CN, this firm will be responsible for the following:

(1) Preparation of a comprehensive plan of operations in coordination with the Ministry and CN, covering the grouping of schools for construction, time schedule for the construction phase and community contributions, and a disbursement schedule for GON and loan funds. The Ministry, CN, and AID will approve the plan.

(2) Assist in bid solicitation and award of construction contracts.

(3) Certify readiness of sites for construction.

(4) Schedule, order and allocate imported materials and locally prefabricated items.

(5) Maintain complete and up-to-date cost accounts and records.

(6) Supervise construction.

(7) Certify contractor progress payments.

(8) Recommend completed schools for acceptance and final contractor payments.

(9) Prepare progress reports.

3. Maintenance

At the present time nearly all elementary schools suffer from lack of general upkeep and maintenance, which can be attributed to a deficiency of funds for this purpose and of any organized plan for maintenance.

The Ministry of Education is taking two steps designed to correct this situation. The first is the activation of the Office of School Construction with responsibility for developing and carrying out a maintenance program. Secondly, the Ministry covenants to include in its annual budget the sum of 100 cordobas per classroom for maintenance purposes. (See Annex III, Exhibit 1). The Ministry has indicated a desire for short term technical assistance and guidance in maintenance activities.

4. Cost Analysis

The preliminary cost estimate for this project was prepared during March and April, 1966 and based on current construction costs with allowances for probable future increases in prices being taken into consideration.

The average estimated building construction costs of the project are:

Six classroom school	$14,488.00
One classroom	$ 2,415.00
Square foot of floor space	$ 3.12

Cost estimates for various project and construction items are summarized in Annex V.I..

5. Technical Analysis

a. Architectural and Engineering

Diseños y Construcciones, S.A. works principally in the A-E field with minor involvement in construction, and the A-E section operates independently of the construction unit. It has a technical staff of four architects, two structural engineers, eight draftsmen and four on the audit-accounting staff. In association with Edward D. Stone, this firm has designed some outstanding commercial buildings among which are the new airport terminal for Las Mercedes Airport, and a new 17-story Banco de América building. This firm is considered capable of complete A-E services including architectural, engineering, supervision of construction, job management and cost accounting.

b. Administration, Supervision and Management.

The Office of School Construction is provided for under the organic law and is at the present time being activated. Since

this office will be responsible for community organization, liaison with Construcciones Nacionales, and maintenance, its function is of vital importance to the successful execution of the project. Personnel who have had community development training in Mexico in an AID-sponsored activity are available within the Ministry of Education. In view of the stage of organization of this office and its function in the project, technical assistance on a full time or timely and adequate part-time basis is recommended.

Construcciones Nacionales will have overall responsibility for administration and management of the construction phase of the project. This agency is considered to have the required capability to carry out its responsibilities. Only normal monitoring will be required.

As cited above, CN will contract with a local management-engineering firm for administration and supervision of the construction phase. Local firms have been interviewed and evaluated by the ROCAP architect and USAID engineer for management-engineering capabilities. Two, Solórzano, Villa, Pereira, S.A. (SOVIPE) and Ingenieros Arquitectos, S.A. (AISA), both operating in design and construction of large building projects, in addition to Diseños y Construcciones, S.A., are judged to be capable of providing the necessary service. They are well staffed with architects, engineers, draftsmen, accountants, auditors and construction superintendents and use machine accounting for job control. Most of the principals and professionals of these firms have been trained in US universities.

c. Construction

Most of the Nicaraguan construction contractors are based in Managua but there also are firms in the other major cities of the country. The capacity of local contractors is judged to be adequate for the project. The interest of US or other Central American contractors is not known at this time, but since

none responded to bid invitations announced this year on other building projects, participation from these sources is doubtful. In order to achieve the greatest economy and productivity and attract the most capable contractors, both large and small, the construction of the 114 schools will be divided into geographical groups which will allow alternate proposals on small and large groups of buildings.

While common labor is plentiful, a shortage of skilled and semi-skilled workmen has developed due to the increase in building construction in the country. To overcome this obstacle as many pre-fabricated elements as possible will be designed for the buildings.

Building materials and supplies are readily available in the country. Local materials will be utilized with the exception of plumbing and electrical supplies, building hardware, and some construction steel items which will be imported from the US and Central American republics.

Privately owned transportation and building equipment are considered to be in sufficient supply to meet the needs of the project.

Review of the technical studies and plans and cost estimates shows that the requirements of Section 611(a)(1) and(c) have been met.

G. Economic Analysis

1. General Economic Situation in Nicaragua

The Nicaraguan economy has experienced an exceptionally rapid growth since 1961, the gross domestic product having risen by an annual average rate of over 8%. Since prices have risen by only about 2% a year and population has grown by 3% yearly, this represented a real per capita growth well above the Alliance for Progress goal of 2.5% yearly. The rise in GDP has permitted annual wage increases averaging 6% and rising levels of employment.

The rapid rise in the production and exports of cotton and coffee, which account for over 60% of exports, were the principal reasons for expansion in the economy. The Government realizes the need to diversify its exports and is directing investment into the production of beef, bananas and tobacco for this purpose. After the completion of a modern packing plant with government participation in 1959, meat exports rapidly grew and are now Nicaragua's third most important earner of foreign exchange.

Nicaragua is also encouraging industrialization with excellent result. In 1964 industry contributed 14% of gross domestic product. Much of this growth has occurred in new industries such as refined petroleum products, chemicals, paper products, furniture, metal products, flour, and other products primarily using imported raw materials. An investment promotion office, established in New York in 1962, has done much to attract new foreign investment in Nicaragua. Electric power should be no problem for industry since there is surplus power for the immediate future. Publicly-owned electric power capacity was doubled in 1965 with the completion of the 50,000 kw capacity Tuma hydro-electric power project. The investment climate, reported to be the best in Central America, should continue to be favorable.

Drought last year will prevent the cotton, coffee, and sugar crops this year from being as high as they were last year. Total exports will drop below the record exports of $145 million last year. At the same time imports may continue to rise at a more rapid rate than exports, thus causing a larger deficit in current account than has occurred in recent years. In 1965 imports rose by 26% as a result of the needs of Nicaragua's economic development program and in response to the rising purchasing power of the population. The abolition of all prior

deposit requirements on imports and a 26% rise in commercial bank loans were other contributing factors. As a result of this rapid rise and an increase in short term obligations of the commercial banks, Nicaraguan net international reserves were $28.2 million in December, 1965, enough to finance imports for a little more than two months.

The national budget of 1966 calls for record expenditures of 583.7 million cordobas (US$83.4 million), an increase of 25% over budgeted expenditures for 1965. Much of the 1966 budget is allocated to social welfare programs such as education, social security, disease control and eradication. Revenue collections have increased substantially in recent years as a result of better administration and because of the rise in economic activity.

2. Debt Repayment Capacity of Nicaragua

Service of its foreign debt has not been a burden on Nicaragua's balance of payments in recent years. Current external public debt amounts to about $55.8 million, the interest and principal payments of which are less than 7% of foreign exchange earnings. The following projection of service on the current debt predicts a gradual decrease from $6.6 million in 1965 to $3.9 million in 1972:

Table No. 2
NICARAGUAN NATIONAL DEBT;
PROJECTION OF SERVICE CHARGES

Year	Millions of US$	As a Percent of Gross Current Exchange Earnings
1965	6.6	5.7
1966	6.8	5.3
1967	5.5	4.3
1968	5.2	4.0
1969	4.5	3.5
1970	4.4	3.4
1971	4.0	3.1
1972	3.9	3.0

Source: International Monetary Report

Even with Nicaragua's heavy dependence on two agricultural products, there is a favorable outlook for economic expansion. In view of this and the low ratio between external debt service requirements and gross foreign exchange earnings, Nicaragua appears to have ample capacity for absorbing new foreign loans provided the loans are made on reasonable terms.

3. Partial Local Cost Financing

The Project Committee is of the opinion that AID's financing of 44% of the local costs is reasonable, for the following reasons:

a) This project forms a transition from a grant/loan financing position to loan financing alone.

b) GON is making a decided effort to invest more of its fiscal income in the field of education. This is attested to by substantial increases in the education budget during the last three years. Most of the increase has gone into teachers' salaries in an effort to recruit and retain qualified instructors. For these reasons Nicaragua cannot finance all costs of school construction without external help.

The Ministry of Education budget has increased as follows:

Table No. 3
NICARAGUAN EDUCATION BUDGET

	Min/Ed Budget (mil.cord.)	% Increase	% Increase Total Budget	Educ. as % of Total Budget
FY-62	39.4			13.6
FY-63	48.7	23.6	11.4	15.1
FY-64	59.8	22.8	11.4	16.6
July to Dec.1964	33.967	13.5*	13.1*	16.7
CY-65	72.651	7.1*	14.6*	15.6
CY-66	87.657	20.6	25.4	15.0
CY-67	105.2	20.0	15.0	15.7
CY-68	126.2	20.0	15.0	16.3
CY-69	151.4	20.0	15.0	17.1

Figures through 1964 are actual expenditures, which differ from budget figures. CY 1967 - 69 figures calculated on maintaining same rate of increase.

* - July to December budget comparison made on annual basis.

SOURCE: National Budget.

c) Particularly in recent years the GON has exemplified this same willingness to address itself to the pressing socio-economic problems of the country. Government expenditures (in addition to the doubling of the education budget) in 1965 for health and public works were twice those of 1961 (increasing respectively to $2.3 million and $9.1 million in 1965). Total expenditures during the same period increased by some 60% to $61.7 million in 1965. This significant increase in government outlays for social and economic projects was made possible by a spectacular growth in the country's GDP during the period 1961-1965 and by sound fiscal policies which generated a confidence resulting in a substantial flow of private capital into the economy. Significant improvements were made in the area of revenue collections (revenues from direct taxes increased by 179% during the period 1961-1965). This was facilitated, in part, by the introduction in 1962 of a system of tax retention for certain agricultural commodities. The establishment in early 1966 of a Production Development Fund (using banking system funds in excess of 1965 credits) will further stimulate investment in industry and diversification in agriculture.

d) In spite of GON efforts in the area of economic diversification, the country remains heavily dependent on exports of cotton and coffee. World cotton prices have indicated a downward trend during the period 1961-1965, which is expected to continue in 1966. Relating this demand aspect to the anticipated effect of poor weather conditions on the 1965-1966 cotton crop and considering the limitations on the growth of future coffee sales in accordance with the International Coffee Agreement, the prospect of a growth rate in 1966 on the order of the average rate of the period 1961-1965 (over 8%) is dim. A GDP growth rate of some 5.6% is being forecast and results ranging from external balance to a small reserve loss are anticipated. Nicaragua's net foreign reserves at the end of 1965 were enough to finance only one equivalent of two months' imports (approximately the same ratio as that of five years ago). The IMF rule of thumb considers a four-month supply of foreign exchange to be satisfactory. Thus the GON position at this time precludes a larger share of financing.

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Table No. 4
INTERNATIONAL RESERVES OF NICARAGUA
(In millions of US dollars)

	Central Bank				Other Banks			Banking System
	Gold and Foreign Exchange	Net IMF Position	Other Exchange Liabilities	Net Reserves	Foreign Exchange Assets	Foreign Exchange Liabilities	Net Reserves	Net Reserves
1959	9.1	2.8	--	11.9	0.8	-1.6	-0.8	11.2
1960	8.9	2.8	--	11.7	1.0	-1.5	-0.5	11.2
1961	13.6	-1.7	-0.2	11.7	0.9	-0.1	0.9	12.6
1962	17.3	-1.7	-0.3	15.3	1.5	-0.1	1.5	16.8
1963	31.8	7.7	-0.5	23.6	1.8	-3.0	-1.2	22.4
1964								
March	36.3	2.8	-1.0	38.1	4.9	--	4.9	43.0
June	41.0	-2.8	-0.7	37.5	2.9	-1.6	1.3	28.8
September	36.7	-5.8	-1.6	29.3	2.7	-3.5	-0.8	28.5
December	38.9	-8.4	-0.7	29.8	3.2	-5.6	-2.4	27.4
1965								
March	59.8	-8.4	-2.3	49.1	6.1	-3.6	2.5	51.6
June	57.2	-8.4	-0.9	49.7	3.6	-4.1	-0.5	49.2
September	55.9	-8.4	-2.1	45.4	2.7	-15.1	-12.4	33.0
December	57.3	-8.4	-1.0	47.9	5.3	-25.0	-19.7	28.2

Source: Central Bank of Nicaragua

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H. Financial Analysis

1. Total Requirements

The total cost of the three-year project is estimated at $3,000,000, consisting of a $1,500,000 loan by A.I.D., a $1,000,000 contribution by the GON and a $500,000 contribution by the communities, representing 50%, 33% and 17% of the total project respectively. It is estimated that 10% of total project funds or $300,000 will be used for U. S. goods and services. The balance of $2,700,000 will be for Central American goods and services. The A.I.D. loan will finance 100% of the U. S. costs and 44% of the local costs. From another viewpoint 20% of the A.I.D. loan is for U. S. purchases and 80% for local purchases.

US AID will program $100,000 for engineering, management and supervision services during the three-year project period. Any additional funds required for such services will be contributed by the GON.

2. Financial Plan

Disbursements for dollar costs under the A.I.D. loan will be made through letters of commitment procedures and U. S. dollars for local currency costs will be provided through special letter of credit procedures.

Construcciones Nacionales, a division of the Ministry of Public Works with 13 years of school construction experience, will administer the contributions in kind made by the communities. A.I.D. loan funds in cordobas will be reimbursed to CN or be paid directly to a contractor upon the presentation of suitable documentation. US AID will make disbursements under the loan in equal proportion to the Nicaraguan contributions. All local disbursements will be subject to pre-audit and subsequent post-audit by the US AID controller and any irregularities will be subject to refund by the GON.

The estimated schedule of disbursements (including contributions by the community) for the three-year period, immediately following the satisfaction of conditions precedent is estimated as follows:

	First Year	Second Year	Third Year
A.I.D	300,000*	600,000*	600,000*
GON	300,000	500,000	200,000
Community	100,000	200,000	200,000
	700,000	1,300,000	1,000,000

* About $100,000 per year will be for U. S. costs.

3. Justification of Loan Terms

The project committee is of the opinion that the terms recommended (40-year repayment, including 10-year grace period, at interest of 1% during grace and 2½% thereafter) are reasonable:

a. Net foreign exchange reserves on hand of $28.2 million, as of December 31, 1965, cover a little more than two months of annual imports.

b. This is a social-impact project and has no direct revenue-producing capacity.

c. Nicaragua's foreign debt burden is presently manageable. As previously stated, it is essentially a two-crop country with major reliance on cotton and coffee. These commodity markets could weaken and rapidly undermine the present foreign exchange position. This position could also be sharply affected by a natural disaster, such as the drought conditions of 1965, which are yet to be evaluated.

d. Per capita annual GNP in Nicaragua is reported as $298 for 1965 by the IDB's Social Progress Trust Fund.

e. The GON will make heavy outlays of a self-help nature for the complementary requirements of this project.

4. Budgetary Contributions by GON for Complementary Requirements

In addition to its contribution to construction costs the GON covenants complementary budgetary outlays of $635,200, $605,800 and $628,000 for 1967, 1968 and 1969. This will be in the form of salaries for additional teachers, maintenance, furniture, student supplies, and salaries for additional employees. (See Annex IV, Exhibit 5.)

5. Prospects of Repayment

The GON has earned the reputation from past experience of meeting its international financial obligations, public and private, in a timely manner. The percentage of foreign earnings (5-6%) required to service the foreign debt is within manageable proportions, in spite of increasing foreign borrowings. It is therefore the opinion of the project committee that there are reasonable prospects of repayment.

SECTION II - IMPACT ON U. S. ECONOMY

The activities financed under this loan will not be in competition with U.S. enterprise. On the contrary, U. S. private construction companies will be invited to participate in this construction program.

Goods and services (except marine insurance and shipping) financed under this loan shall have their source and origin in the United States or Central America. Approximately $300,000, or 20%, of the A.I.D. loan will be used to purchase materials and services in the United States. Dollars provided under this loan to finance local currency costs will cover imports from the United States and will be made available through the Special Letter of Credit Procedure. A.I.D. will provide approximately 44% of the local costs of the project.

SECTION III - SPECIAL TERMS AND CONDITIONS

In addition to the usual conditions precedent and covenants in a loan, the following will be included in the Loan Agreement:

A. Conditions Precedent

1. As a condition precedent to initial disbursement, the Borrower shall contract a qualified engineering-management firm to administer and supervise the construction program on behalf of the Ministry of Education.

2. As a condition precedent to financing costs, other than engineering costs, the Borrower with the help of its engineering consultants shall submit a plan of operations ("Plan of Operations") for the Project, satisfactory to A.I.D.

3. As a condition precedent to disbursement for construction costs of any particular school, the Borrower shall furnish evidence that all necessary legal rights to land have been received.

4. As a condition precedent to initial disbursement, the Borrower shall agree to contribute funds for local costs for the Project according to a schedule to be mutually agreed between A.I.D. and the Borrower.

B. Covenants

1. The Borrower shall covenant to provide funds on a timely basis for any school where contributed money, materials and labor by communities are not made available according to the schedule shown in the Plan of Operations.

2. Borrower covenants to use its best efforts to have the schools financed hereunder used for two shifts a day until such time as there are enough schools to make this unnecessary.

3. Borrower covenants to use its best efforts to have the schools financed hereunder used also for adult education.

4. Borrower covenants to contribute funds for local costs for the project according to a schedule to be mutually agreed between A.I.D. and the Borrower.

5. Borrower shall covenant that within one (1) year from the effective date of the loan agreement, and at such periodic intervals thereafter as A.I.D. may request until completion of all project construction, Borrower shall submit reports satisfactory to A.I.D. evaluating the progress achieved in the Nicaraguan educational system and such other related topics as A.I.D. may reasonably request. Such reports shall provide the basis for consultation between the Borrower and A.I.D. as well as representatives of other organizations [mutually agreeable to A.I.D. and the Borrower] having an interest in the Nicaraguan educational system.

6. Borrower covenants to maintain and operate the schools financed hereunder and with previous A.I.D. assistance, as well as those not so financed but within the school system for which the Borrower is responsible.

7. Borrower covenants to obtain A.I.D. approval of school locations and any changes thereto.

SECTION IV - IMPLEMENTATION PLAN

The following is an estimatedloan implementation schedule:

Step	Date
Loan Authorization	May 15, 1966
Loan Signature	July 15, 1966
Conditions Precedent Satisfied	October 15, 1966
Disbursements Commence	November 15, 1966
1967 disbursements	$ 700,000
1968 disbursements	1,300,000
1969 disbursements	1,000,000
Terminal Date for Disbursements	December 31, 1969
Construction start up by	January 1, 1967
35 schools completed in 1967	
60 schools completed in 1968	
19 schools completed in 1969	
114 - total	
Construction completed	May 30, 1969

SECTION V - ISSUES

A. Maintenance

The Ministry of Education has submitted its policy on school maintenance. This is attached as Annex III, Exhibits 5 and 6.

B. Impact

While a $1,500,000 loan might ordinarily be considered as having marginal effect vis-a-vis the Nicaraguan educational system, the total impact will be of vital significance. Besides contributing towards construction, the GON will budget for additional teachers' salaries, teacher training, materials production, community development, and for maintenance. (See Annex IV, Exhibit 5) Communities will also contribute.

Loan solicitations of $5 to $8 million being prepared for the consideration of the World Bank, would complement this loan project at the secondary school level and would strengthen the University's School of Educational Sciences. A.I.D. and the Inter-American Development Bank have already made loans to the Central American University and the National University which will help augment the total educational output of Nicaragua.

A N N E X II

Exhibit

1 INSTITUTIONAL DEVELOPMENT ANALYSIS
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ANNEX II

TABLES

1. Illiteracy Rates

2. Educational Progress Chart

3. Ministry Organizational Chart

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6. Primary Enrollment by Grades

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9. Cost Breakdown of Self-Help Rural School Construction Program

10. Classrooms Built in Nicaragua

MAP OF NICARAGUA No. II

UNCLASSIFIED
ANNEX II

POPULATION DENSITY
1963

(Source - Direccion General de Estadistica y Censos)

National Average - 1963 - 13 to square kilometer
1950 - 8 to square kilometer

CHECK LIST OF STATUTORY CRITERIA (ALLIANCE FOR PROGRESS)

(FAA - Foreign Assistance Act of 1961, as amended by the Foreign Assistance Act of 1965).
(App.-Foreign Assistance and Related Agencies Appropriations Act, 1966.)

1. FAA Section 102. Precautions that have been or are being taken to assure that loan proceeds are not diverted to short-term emergency purposes (such as budgetary, balance of payments, or military purposes) or any other purpose not essential to the country's long-range economic development.

   The funds are being lent to the Government of Nicaragua for the express purpose of building urban elementary schools, in order to strengthen this essential base upon which vocational, professional and managerial training largely depends. The accelerated development of Nicaragua's human resources is of key importance to the socio-economic development of the country. (See Section I, subsections E and F.)

2. FAA Section 102. Information on measures taken to utilize United States Government excess personal property in lieu of the procurement of new items.

   Provision will be made in the Loan Agreement to so procure U.S. excess property in lieu of new items whenever possible.

3. FAA Section 102. Information whether the country permits, or fails to take adequate measures to prevent, the damage or destruction by mob action of United States property.

   The Government of Nicaragua has not permitted, and has not failed to take adequate measure to prevent damage to or destruction of U.S. property within Nicaragua.

4. FAA Section 201(d). Information and conclusion on legality (under laws of country and United States) and reasonableness of lending and relending terms of the loan.

The loan will be legal under both U.S. and Nicaraguan law. No lending or relending is contemplated.

5. FAA Section 251(a). Manner in which loan will promote country's economic development and contribute to the welfare of its people.

The loan will make available elementary schooling to greater numbers of Nicaraguan children in the urban areas. This will provide a base for further vocational training and permit a higher standard of living. (See Section I, subsection E.)

6. FAA Section 251(b)(1). Extent to which country is adhering to the principles of the Act of Bogota and Charter of Punta del Este and is showing a responsiveness to the vital economic, political, and social concerns of its people, and extent to which country has demonstrated a clear determination to take effective self-help measures.

The GON is adhering to the principles of the Act of Bogota and Charter of Punta del Este and is showing a responsiveness to the vital economic, political and social concerns of its people. It has demonstrated a clear determination to take effective self-help measures; i.e., in national planning tax administrations reform, agrarian reform and social security programs. Approximately 50% of the funds required for this school construction program are being made available by Nicaragua. An important additional contribution will also be made by Nicaragua in the form of complementary project requirements for teacher training, teacher's salaries and teaching materials. (See Section 1, subsections E and G.)

7. FAA Section 251(b)(2). Information and conclusion on activity's economic and technical soundness.

See Section I, Sub-Sections C, D and E for the economics, financial and technical analyses.

8. FAA Section 251(b)(3). Information and conclusion on activity's relationship to and consistency with other development activities, and its contribution to realizable long-range objectives.

The development of human resources is consistent with and basic to other development activities being undertaken or planned and will contribute to realizable long-range economic development. The National Planning Office, USAID and other international agencies are coordinating their respective efforts in this field. (See Section I, subsections C and G.)

9. FAA Section 251(b)(4). Information and conclusion on possible effects on U.S. economy, with special reference to areas of substantial labor surplus.

The loan will have no foreseeable adverse effect on the U.S. economy. (See Section II.)

10. FAA Section 251(b). Information and conclusion on availability of financing from other Free World sources, including private sources within the United States.

Other Free World sources of financing are not interested in this project. (See Section I, subsection D.)

11. FAA Section 251(b). Information and conclusion on capacity of the country to repay the loan.

The terms (whether or not the two-step option is elected by the GON) are such that the Borrower or the GON can meet their obligations. (See Section I, subsection G.)

12. FAA Section 251(b). Information and conclusion on country's efforts to repatriate capital invested in other countries by its own citizens.

The GON is making reasonable efforts to encourage repatriation of capital invested in other countries by its own citizens. (See Section I, subsection G.)

13. FAA Section 251(b). Information and conclusion on reasonable prospects of repayment.

(See Section I, Subsection G.)
There are reasonable prospects that the loan will be repaid.

14. FAA Section 251(e). Information and conclusion on availability of an application together with sufficient information and assurances to indicate reasonably that funds will be used in an economically and technically sound manner.

An application has been received for this loan which gives sufficient information and assurances to indicate reasonably that the funds will beused in an economically and technically sound manner. (See Section I, subsection 13.)

15. FAA Section 251(g). Information and conclusion on use of loan to assist in promoting the cooperative movement in Latin America.

This loan is not directly related to the development of cooperatives.

16. FAA Section 252(a). Total amount of money under loan which is going directly to private enterprise, is going to intermediate credit institutions or other borrowers for use by private enterprise, is being used to finance imports from private sources, or is otherwise being used to finance procurements from private sources.

All of the U.S. funds and two-thirds of the GON funds will be paid directly to private construction contractors. All procurement will be from private U.S. or CACM sources. (See Sec. II.)

17. FAA Section 601(a). Information and conclusions whether loan will encourage efforts of the country to: (a) increase the flow of International trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strenghen free labor unions.

(a) Not applicable
(b) Not applicable
(c) Not applicable
(d) Not applicable
(e) This project will provide increased numbers of elementary school graduates with the basic requirements to improve technical efficiency in industry, agriculture and commerce. *
(f) Not applicable
* (See Sec. I, subsection E.)

18. FAA Section 601(b). Information and conclusion on how the loan will encourage U.S. private trade and investment abroad and how it will encourage private U.S. participation in foreign assistance programs (including U.S. private trade channels and the services of U.S. private enterprise).

U.S. private contractors will be invited to bid on the construction of the schools to be built with the loan funds. (See Section II.)

19. FAA Section 601(d). Conclusion and supporting information on compliance with the Congressional policy that engineering and professional services of U.S. firms and their affiliates are to be used in connection with capital projects to the maximum extent consistent with the national interest.

Technicians financed under the loan will be from the U.S. or CACM area. (See Section I, Subsection F.)

20. FAA Section 602. Information and conclusions whether loan will permit American small business to participate equitably in the furnishing of goods and services financed by it.

AID's regulations regarding small business notification for commodities procured will be followed.

21. FAA Section 604(a), App. Section 108. Compliance with restriction of commodity procurement to United States except as otherwise determined by the President and subject to statutory reporting requirements.

Equipment, materials and services financed under the loan shall be procured from the U.S. or from the CACM area under provisions of a Special Letter of Credit Agreement. (See Section I, subsection H.)

22. FAA Section 604(b). Compliance with bulk commodity procurement restriction to prices no higher than the market price prevailing in the United States at time of purchase.

Any commodities financed by the loan and purchased in bulk will be purchased at prices no higher than prevailing U.S. market prices.

23. FAA Section 604(d). Compliance with requirement that marine insurance be purchased on commodities if the host country discriminates, and that such insurance be placed in the United States.

Will be complied with.

24. FAA Section 611(a)(1). Information and conclusion on availability of engineering financial, and other plans necessary to carry out the assistance and of a reasonably firm estimate of the cost of the assitance to the United States.

See Section I, Sub-Section E, Engineering Analysis.

25. FAA Section 611(a)(2). Necessary legislative action required within recipient country and basis for reasonable anticipation such action will be completed in time to permit orderly accomplishment of purposes of loan.

Required legislation is in effect.

26. FAA Section 611(b), APP. Section 101. If water or water-related land resource construction project or program, information and conclusion on benefit-cost computation.

Not applicable.

27. FAA Section 611(c). Compliance with requirement that contracts for construction be let on competitive basis to maximum extent practicable.

All contract for construction financed under the loan will be let on a competitive basis. (See Section I, subsection F.)

28. FAA Sections 612(b) and 636 (h). Appropriate steps that have been taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services and foreign currencies owned by the United States are utilized to meet the cost of contractual and other services.

The GON will contribute 56% of the local cost requirements from budgetary allocations. There are no U.S. owned foreign currencies available for this project. (Section Section I, subsection H.)

29. FAA Section 619. Compliance with requirement that assistance to newly independent countries be furnished through multilateral organizations or plans to maximum extent appropriate.

Nicaragua is not a newly independent country.

30. FAA Section 620(a), App. Section 107(a). Compliance with prohibitions against assistance to Cuba and any country (a) which furnishes assistance to Cuba or failed to take appropriate steps by February 14, 1964, to prevent ships or aircraft under its registry from carrying equipment, materials, or supplies from or to Cuba; or (b) which sells, furnishes or permits any ships under its registry from carrying items of primary strategic significance, or items of economic assistance to Cuba.

Nicaragua complies.

31. FAA Section 620(b). If assistance to the government of a country, existence of determination it is not controlled by the international Communist movement.

The Secretary of State has determined that Nicaragua is not controlled by the international Communist movement.

32. FAA Section 620(c). If assistance to the government of a country, existence of indebtedness to a U.S. citizen for goods or services furnished or ordered where such citizen has exhausted available legal remedies or where the debt is not denied or contested by such government or the indebtedness arises under an unconditional guaranty given by such government.

The GON is not indebted to any U.S. citizen.

33. FAA Section 620(d). If assistance for any productive enterprise which will compete in the United States with U.S. enterprise, existence of agreement by the recipient country to prevent export to the United States or more than 20% of the enterprise's annual production during the life of the loan.

No productive enterprise which will compete in the U.S. is being financed.

34. FAA Section 620(e)(l). If assistance to the government of a country, extent to which it (including government agencies or sub-divisions) has, after January 1, 1962, taken steps to repudiate or nulify contracts or taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking appropriate steps to discharge its obligations.

The GON has not taken any steps outlined herein.

35. FAA Section 620(f), App. Section 109. Compliance with prohibitions against assistance to any Communist country.

Assistance provided by this loan will not be furnished to any Communist country.

36. FAA Section 620(g). Compliance with prohibition against use of assistance to compensate owners for expropriated or nationalized property.

Assistance provided by this loan will not be used to compensate for expropriated or nationalized property.

37. FAA Section 620(h). Compliance with regulations and procedures adopted to insure against use of assistance in a manner which, contrary to the best interest of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries.

Assistance provided by this loan will not be used in a manner which promotes or assists foreign aid projects or activities of the Communist-bloc countries.

38. FAA Section 620(l). Existence of determination that the country is engaging in or preparing for agreessive military efforts.

The GON is not engated in or preparing for aggressive military efforts.

39. FAA Section 620(k). If construction of productive enterprise where aggregate value of assistance to be furnished by United States will exceed $100 million, identification of statutory authority.
No such productive enterprise is being financed.

40. FAA Section 620(l). Compliance with prohibition against assistance after December 31, 1966, for the government of a country which fails to institute investment guaranty program.

The Investment Guaranty Program has been in effect in Nicaragua since 1958.

41. FAA Section 620(n); App. 107(b). Compliance with prohibiton against assistance to countries which traffic or permit trafficking with North Vietnam.

To the best of our knowledge, no Nicaraguan ships or aircraft traffic with North Vietnam.

42. FAA Section 620(o). If country has seized, or imposed any penalty or sanction against, any U.S. fishing vessel on account of its fishing activities in international waters, information on the consideration which has been given to excluding the country from assistance.

No seizure of U.S. fishing vessels or imposure or sanctions of penalties against them have been made by Nicaragua, to the best of our knowledge.

43. FAA Section 621. Information and conclusion on how the loan in providing technical assistance will utilize to the fullest extent practicable goods and professional and other services from private enterprise on a contract basis. If the facilities of other Federal agencies will be utilized, information and conclusion on whether they are particularly suitable, are not competitive with private enterprise, and can be made available without undue interference with domestic programs.

Any technical assistance financed hereunder will be procured from private U.S. or CACM firms or individulas, to the fullest extent practicable. (See Section II.)

44. App. (Section Unnumbered). Use of funds to carry out FAA Section 205, which pertains to IDA.

Not applicable.

45. App. Section 102. Compliance with requirement that payments in excess of $25,000 for architectural and engineering services on any one project be reported to Congress.

Funds obligated by the loan will not be used to pay architectural or engineering fees. (See Section I, subsection F.)

46. App. Section 104. Compliance with bar against funds to pay pensions, etc. for military personnel.

Funds obligated by the loan will not be used to pay pensions, etc., for military personnel.

47. App. Section 106. If country attempts to create distinctions because of their race or religion among Americans in granting personal or commercial access or other rights otherwise available to U.S. citizens generally, application which will be made in negotiations of contrary principles as expressed by Congress.

Nicaragua does not create such distinctions, to the best of our knowledge.

48. App. Section 111. Compliance with existing requirements for security clearance of personnel.

To the extent that they may be applicable, these requirements will be complied with.

49. App. Section 112. Compliance with requirement for approval of contractors and contract terms for capital projects.

Firms which provide engineering, procurement and construction services financed by the loan for the project, and the terms of their contracts, shall be approved by AID. (See Section I, subsection F.)

50. App. Section 114. Compliance with bar against use of funds to pay assessments, etc., of U.N. member.

Loan funds will not be used to make any payment to the U.N.

51. App. Section 115. Compliance with regulations on employment of U.S. and local personnel for funds obligated after April 30, 1964, (Regulation 7).

Construction work financed by the loan, shall be performed by qualified persons, in accordance with AID regulations promulgated pursuant to this section. (See Section I, subsection F.)

52. App. Section 401. Compliance with bar against use of funds for publicity or propaganda purposes within United States not heretofore authorized by Congress.

Loan funds will not be used for publicity or propaganda purposes within the U.S.

INSTITUTIONAL DEVELOPMENT ANALYSIS

A. Human Resources: BACKGROUND

1. The Demographic Situation

Less than half of the size of Ecuador, Nicaragua extends for 130,000 square kilometers (57,000 square miles) including 12,000 covered by Lakes Managua and Nicaragua and other water. Of the 118,000 remaining, only 18%, or 24,000 km2 are cultivated or used for agricultural purposes. Much of the country is volcanic, steep or swampy. In 1963, when the last census was taken, Nicaragua had a population of 1,524,027 inhabitants, almost half a million more than 1950's count of 1,057,023. As can be seen on Map #2 it now enjoys a relatively low density rate of 13 inhabitants per square kilometer. This may reach 16 by 1974. The population is unequally distributed, however, with only 1.3 inhabitants per square kilometer in the entire half of the country facing the Atlantic. The greater part of the urban and economically active population live on the Pacific side of the cordillera, which offers more pleasant and profitable living and working conditions. The National Planning Council expects 80% of the people will live in the Pacific zone by 1974.

The average annual growth rate for 1950-1963 was 2.98% but has jumped to 3.5% since 1958. Tha natality rate in 1963 was 48.8 per thousand, a level producing an average of eight children per mother. This rate has increased 3.1 per thousand since 1950, but is expected to decrease to about 40 per thousand by 1974 as the population becomes more prosperous and better educated. If this occurs the 0-to-14 year age group will decline from an anticipated peak of 48.2% of the population in 1963 to about 44% in 1974.

2. Urbanization

As of 1965, Nicaragua still maintains a rural character despite an exaggerated migratory movement to the cities. For the purpose of this document, a city will be considered a population concentration of 2,000 or so persons enjoying certain urban facilities such as paved streets, a water supply and other public utilities and services, commerce, and perhaps even some light industry. Teran and Incer in Geografía de Nicaragua listed 24 such communities as cities. Four others might be so considered. They range from Managua with over a quarter of

a million to Somoto and Ciudad Dario with just under 4,000, but since 19 of them have less than 10,000 inhabitants the authors called only about one-third of Nicaragua's total population "urbanized." (1)

Nevertheless, the urban population increased 4.3% per annum from 1950 to 1963 or almost twice as fast as the rural area which even with a higher birth rate grew only 2.2%. Expectations are that the urban population will shoot from 681,000 in 1965 to 980,000 by 1974 due almost entriely to internal migration. Cities which in 1950 had 25,000 or more inhabitants have rocketed ahead 6.4% annually, whereas town with less than 5,000 have only grown at a 1% annual rate.

3. Manpower

Between the two censuses of 1950 and 1963 the economically active population expanded by 41.7% from 350,000 to 477,000, and is expected to reach 725,000 by 1970. Urbanization and/or migration explain many of the changes which have taken place in the Nicaraguan manner of living in that period. Industry, though still formative, is gaining importance and, when combined with the construction business employed in 1963 about 77,000 (16%) of the economically active population. Agriculture is expected to continue to decline in relative importance, as the introduction of modern agricultural methods and equipment displace more of those traditionally employed in this sector. It

(1) 28 principal urban centers with 1963 population in brackets are:

Managua (235,000), Leon (45,100), Granada (28,500), Masaya (23,300), Chinandega (22,400), Matagalpa (15,000), Esteli (12,700), Chichigalpa (11,700), Diriamba (10,500), Bluefields (9,700), Corinto (9,400), Jinotepe (9,100), Prinzapolca (8,200), Rivas (7,700), Jinotega (7,700), El Viejo (7,200), Somotillo (7,000), Larreynaga (6,100), Juigalpa (6,000), Puerto Cabezas (6,200), Masatepe (5,400), Nagarote (5,100), Nandaime (5,100), Boaco (4,700), La Paz Centro (4,400), Ocotal (4,300), Somoto (3,900), Ciudad Dario (3,800).

Source: Dirección General de Estadística y Censos.

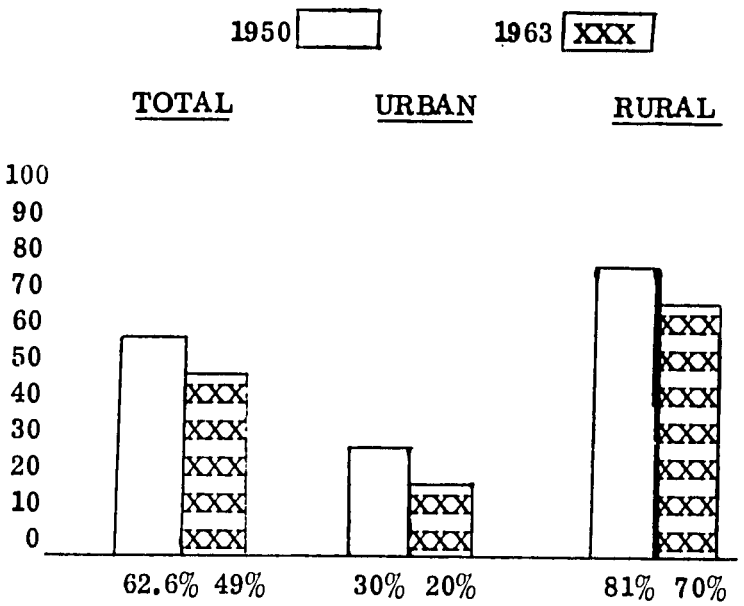
has fallen from its peak absorption rate of 68% of the economically active population in 1950 to 60% (283,000) in 1963 and may account for only 52% by 1974. Urbanization has also provided a higher concentration of economic activity in the tertiary sector. Utilities, commerce, communications, services, etc., now account for 117,000 or 24% of the work force. At the same time rural migration has created new social and economic problems for the country. Slums and shanty-towns grow up overnight. Water and other utilities are stretched beyond their present capacities. Police, health and educational services are often found wanting.

By 1970 the total work force should grow by 30% if the hoped for 50% increase in the gross internal product is to be achieved. The Ministry of Public Education foresees a 21% increase in the number of agricultural workers versus a 39% increase in industrial employees and a 48% growth in the number of service workers. Greater capital will be required to improve the gross internal product, but the desired rise in productivity cannot take place without a concurrent increase in the knowledge and skills of Nicaraguan workers.

4. Literacy

At present the educational level of the population aged ten and over is abysmally low. Of the million people over ten, about half have no educational qualifications whatsoever and 30% more have had no more than three years of primary schooling. Illiteracy has declined 13.4% since 1950, but in absolute terms there has actually ben an annual increase of over 2,500 in the number of illiterates due to the accelerated demographic growth rate. In cities, where a lack of training combined with illiteracy often equals abject poverty, 20% have had no educational background and only 36% have had more than a third grade education. UNESCO considers four years of primary education minimal to prevent reversion to functional illiteracy. Accordingly, only 20% of Nicaragua's adult population (43% in urban and 5% in rural areas) can be considered functionally literate.

Table No. 1
ILLITERACY
(Percentages of Population Over Ten)



EDUCATIONAL GOALS

1. National Development Goals

a. The new loan should achieve a variety of objectives, some set forth in Nicaragua's "National Plan for Economic and Social Development 1965-1969," others formulated by the Education Ministry's planning office, and some considered desirable by Ministry of Education personnel working with AID technicians.

The National Planning Office while concentrating on economic development, plainly states in its Five Year Plan that to bring about an annual 7% expansion of the gross internal product it must, "Increase the government investment by improving administrative efficiency (training of personnel and administrative planning), increase and improve physical facilities, and invest more in education and public health." As theshortage of well trained personnel is considered one of the major obstacles to the unfolding of the Plan, education in all phases is given a high priority. The Plan calls for, "Reducing the number of children without primary education through the construction of classrooms." The training of teachers, the importance of emphasizing vocational and technical instruction, and the improvement of university education are also stressed. Given the enormous scope of the National Development Plan and the limited financial resources of the country, the under-writing of remedial programs must be rationed. Nevertheless, the Plan calls for a conspicuous annual increase in allocations for primary school construction over the five-year period. Of the 56.0 million it would allocate for primary schools in this period, 52% would be spent on urban classrooms. The National Plan advocates building 1,163 urban and 1,411 rural primary classrooms in the five years in order to provide facilities for 115,000 children.

Noting that an additional 5,000 students will be graduating from the primary grades during the next five years, the National Planning Office advises that an additional 10 million cordobas be budgeted for the construction of secondary schools. It recommends that approximately the same should be set aside tentatively for the National University once its own development plan has final approval. By 1969, Nicaragua expects to have 6,724 students enrolled in its two higher education institutions, an increase of 4,266 over 1964's combined enrollment of 2,458.

Table No. 2
NICARAGUAN EDUCATIONAL PROGRESS CHART
(First year enrollment and final year graduates by levels)
(1960 - 1965 and extrapolated to 1969)

	PRIMARY		SECONDARY		UNIVERSITY	
Year	1st. Grd. Enroll.	Grad. f. 6th	7th Grd. Enroll.	Grad-uates	Fresh-men	Grad-uates
1960	78,128	4,222	4,386	739	598	95
1961	90,525	-	4,794	759	808+	101
1962	95,301	-	5,991	972	727	132
1963	100,173	5,796	7,451	939	780	73
1964	104,105	6,423	7,968	960	876	170
1965	113,200	7,086	8,266	1,149	1,428	213
+	+	+	+	+	+	+
1969	204,900	14,010	15,178	2,457	2,400	374

+ Year Central American University opened.

Source: Nicaragua Work Force: A Basic Study, Manuel A. Garcia and Dr. Jesse Goldstaub, 1966.

The whole basis of a sound human resource development program depends on increasing the flow of students from the beginning of the educational system to its end; the 4,386 seventh graders (first year of secondary school) shown as enrolled in 1960 in the preceding table are what has been salvaged from 62,334 children who entered the first grade in 1954. The generation of 1954 will enter the universities this year, and a greater proportion of them, will graduate in 1970 than in any preceding year, but the number, 400 or so, is a minute fraction of the original and woefully inadequate to meet Nicaragua's manpower needs.

How to augment the output is the central question the Council faces in the educational sector. The National Plan would like to see 1,000 professionals graduating from the universities by 1975 and a corresponding increase in secondary school graduates to fill middle manpower needs. None of this is possible without more young students finishing the first six grades. The

National Plan is to provide more schools with all six grades in the areas of heaviest concentration (so that schools can be used twice daily), and where families are most disposed to have their children continue with their education. The Council's coordinated program then calls for more secondary schools to be built in the same areas.

The information supplied in the succeeding pages supports the thesis that to extend the apex of the educational pyramid, the base must first be broadened in numbers and improved in quality.

b. Nicaraguan Educational Objectives, 1965-1974

The National Economic Council has charged the Ministry of Public Education with the development of plans and programs to achieve two basic goals: (1) to provide a higher cultural level for the entire population, both for its own use and satisfaction and so it can contribute more to the nation's economic development; and (2) to offer enough educational diversity so that different aptitudes and interests and the various economic and cultural requirements of the country may be satisfied. Besides advocating an intensive classroom construction program to reduce gradually the number of students who remain without schools, the Planning Office recommended increasing the quantity and improving the quality of the teaching staff by placing more normal schools in different cities of the country. With better teachers and facilities the GON hopes to increase the 1963 matriculation figure of 54.7% of the 7-to-13 year group to 72% by 1969. To reach this objective the Council urges a greater input of public, private and national resources and that a greater use of external financing be made.

Much of this increased investment must go into classroom construction and into the acquisition of equipment. Therefore, the Council recommends a simple and economic blueprint for constructing classrooms, so that by reducing costs more schools can be built.

The Council also desires to eliminate the one-room school house. By offering graduated schools instead, it believes more students will complete the primary grades. In other words, the Plan concerns itself not just with overall enrollment, but also with equal distribution through all grades.

Because only limited financial resources are available for classroom construction, it proposes two shifts of students a day to double the capacity and utility of available physical facilities. The location of schools must be coordinated with the economic and social development programs and planning going on over the entire country. Improved physical facilities must be accompanied with higher pedagogical standards if the high drop-out rate is to be reduced substantially. Therefore, the National Planning Office recommends a reorganization of the structure and functions of the national educational system so as to eliminate bottlenecks that have interfered with educational development in the past.

For this reason AID and the Ministry have agreed to strengthen the Educational Planning Office, especially in its work with the National Development Planning Office. The construction loan will enhance and bolster rural development activities as employees in this office will be charged with initial negotiations between the Ministry and the communities which offer land and between Construcciones Nacionales of the Ministry of Public Works which will actually handle the construction work.

The loan will promote the better distribution of ROCAP textbooks and will encourage the hiring of more teachers who have been better trained. Their influence may become an incentive towards self-improvement for older teachers. Better texts may lead to curriculum improvement and modernization. These innovations lead AID and the Ministry to forecast that this construction loan will be instrumental in reducing the high drop-out rate in primary schools.

Other objectives of the Educational Planning Office of the Ministry which will be met through this new construction loan are:

1. To develop a long-range plan regarding the number of classrooms possible to build each year between now and 1975, so as eventually to be able to provide schools for all children.

2. To locate the school buildings where the need is greatest by making proper use of demographic studies.

3. To develop a low-cost, efficient, and easily maintainable building which can be expanded or adapted to other purposes at a later date should the need arise.

4. To locate and design the school buildings so that they may also be used effectively as community centers for adults as well as for school age children.

3. USAID's Human Resources Development Goals

The aim of the USAID/N human resource development office has been to encourage and support GON efforts which help to provide trained human resources to achieveits other development goals.

There is a basic need to overcome the absence of adequately trained personnel in nearly all fields and at almost all levels. These deficiencies have occurred from a lack of awareness by public and private leaders of the extent such a need prevents economic development. Their unawareness stems from a shortage of reliable statistical information on which to base sound conclusions. Besides basic demographic and census figures, just now available, there has been for some time a need for labor statistics for more effective planning and action in country manpower services. Training institutions have also been wanting heretofore. The country has been without a public employment service, an apprenticeship service and even more basic training institutions such as sufficient elementary and secondary schools to help train people for the country's development.

4. USAID's Human Resources Development Program

In the last few yearsthe AID human resources office has concentrated particularly on education, manpower training, and manpower planning. In the elementary education area, AID has recently completed a self-help school construction project in rural area. It has helped reduce the number of untrained teachers by stimulating the increase of normal school and professionalization center enrollees and graduates. Total matriculation in normal schools has grown from 1,821 in 1961 to 3,447 in 1965. (See Annex III - Exhibit 12). AID encouraged and helped with "professionalization centers" for the upgrading of untrained teachers. By 1965, enrollment in these has reached 1,625.

Normal school instruction was strengthened by providing library, science-laboratory and visual-aids facilities to four normal schools and six professionalization centers. Curriculum advisors suggested revising the program so as to reduce the number of diverse professional subjects by integrating them

into broader fields, thus allowing for more emphasis on general education subjects. Courses have also been offered to normal and secondary school instructors through the University's School of Educational Sciences.

AID has worked through the ROCAP textbook center to have texts printed and distributed. Training courses for principals and teachers have been organized so that the books will be used advantageously. Twenty-four participants recently returned from Guatemala where they were instructed how to train teachers to use the texts.

At the secondary school level, AID has provided science laboratories to five schools at a total cost of $24,500. Eight secondary schools have been provided libraries at a cost of $19,000, including the salary and per diem expenses of a library science specialist who helped train school librarians during the last six months. In-service teacher training has been carried out through seminars in science, social studies, library sciences, English, and mathematics. A total of 17 participants have been sent abroad for further training.

The Office of Educational Planning of the Ministry has also been helped by the donation of physical equipment, by sending participants to the United States, by helping to carry out a general survey of the educational system, and by counselling on the writing of a ten-year development plan.

At the higher education level, a $700,000 loan was tendered Central American University for the expansion of its new campus. Special assistance has been given the National University's planning commission to formulate a long-range development plan. AID's educational advisor sits as a member of the Technical Council of the School of Education and serves as a professor of its teaching staff. As with the normal schools, he has also arranged for it to receive laboratory equipment and books from the National Science Foundation.

In the manpower field, AID has helped with training grants in fields directly related to economic development and integration. Twenty-four participants were chosen in 1964, 13 were extended in 1965, and 11 new ones were provided study grants. Seminars have been conducted for leaders of the Nicaraguan labor movements, and facilities have been offered to the National Apprenriceship Institute and to the Ministry of Labor's statistic section.

Besides continuing with most of the above projects, long-range HRD plans in Nicaragua call for the construction of both elementary and secondary schools. In the latter category, the Ministry of Education is looking for help from other countries, such as France, and agencies, such as UNESCO, the Interamerican Development Bank, and the World Bank. AID will also be asked to help build secondary schools, but, as previously stated, an improved primary school base is considered essential to a sound secondary school system.

THE NICARAGUAN EDUCATIONAL SYSTEM

1. Organization

The Ministry of Public Education has as its legal basis a law promulgated November 13, 1948, and subsequently revised, establishing the Ministries of State and other dependencies of the Executive Power. The Nicaraguan Constitution of 1950 states that public education at all levels falls under the supervision of the Ministry which is responsible for:

a. Providing and supervising public education;
b. Supervising private schools at all levels;
c. Training teachers;
d. Directing and developing literacy campaigns;
e. Establishing and protecting the national historic, artistic, and bibliographic treasures and promoting culture in general.

The Ministry was reorganized in 1963 to distinguish between administrative and pedagogical operations. As can be seen in Table No. 3 the executive direction of its political and administrative activities is the responsibility of Minister and/or the Vice-Minister.

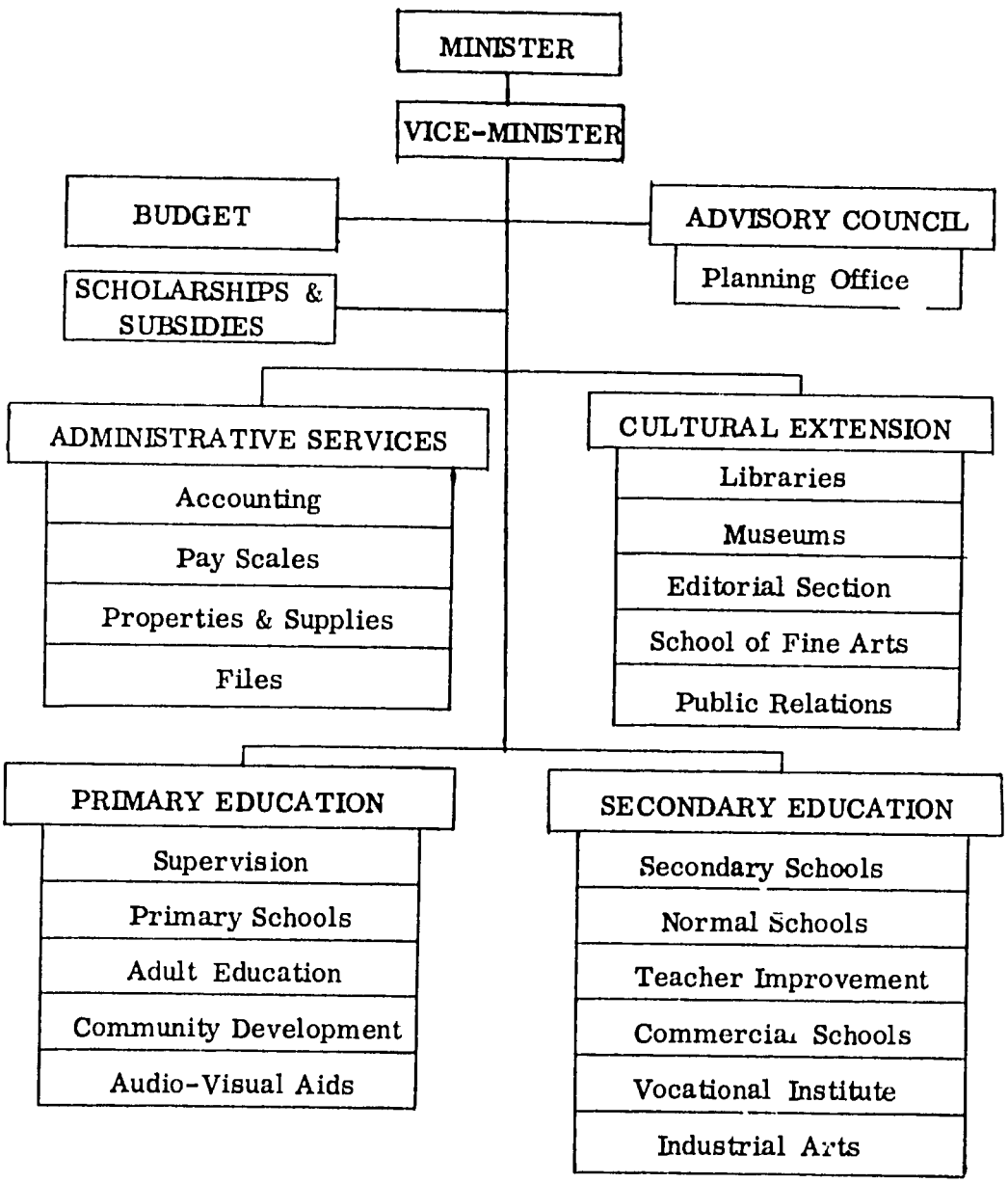
To direct these activities most efficiently the Ministry is divided into seven major operating departments: the Advisory Council, Administrative Services, Cultural Extension, Scholarships and Subsidies, Primary Education, Secondary Education and School Construction. These departments together divided between them the Ministry's 1966 budget of 87,657,458 cordobas ($12,522,494). (See Annex IV for budgetary data). This was over $2 million more than last year's educational budget, and accounted for the largest appropriation within the 1966 GON budget aside from Public Works.

The Advisory Council (Consejo Tecnico) with an allocation of 796,820 cordobas is the Ministry's planning and advisory staff. It uses the services of the planning, evaluation and statistics office for developing long and short range plans for education such as are discussed in the context of this document.

Administrative Services (Administración Central) has a budget allocation of 2,057,400 cordobas for 1966. Its work and that carried through

Table No. 3

MINISTRY OF EDUCATION - ORGANIZATIONAL CHART
(Adapted from National Budget - 1966)



Extensión Cultural (2,145,960 cordobas) can be seen in Table No. 3. Scholarships and Subsidies (Transferencias Corrientes) receives 12,202,674 cordobas, of which over 5.3 million will go to subsidize the autonomous national university. Much of the rest goes to support other cultural, philanthropic and educational institutions, to issue pension checks to retired employees, and for scholarships. These last provide funds so that rural primary school graduates can live in nearby cities while attending public secondary schools.

The Department of Primary Education will receive 51,535,774 cordobas or 58% of the budget to direct and supervise urban and rural schools and also community development and adult literacy campaigns. Its average cost per enrolled student is 227 cordobas. As can be seen in Table No. 4, the Department supervises 1,828 elementary schools and twice that number of teachers. It enrolled in 1964 approximately 100 children to a school and 47 to a teacher.

Table No. 4

NUMBER OF PRIMARY SCHOOLS, TEACHERS AND STUDENTS BY DEPARTMENTS

	1964-Urban Education			1963-Rural Education			TOTALS *		
Depts.	Skls	Tchrs	Stds	Skls	Tchrs	Stds	Skls	Tchrs	Stds
Boaco	10	52	1,843	55	60	3,227	65	112	5,070
Carazo	16	142	5,281	86	95	3,874	102	237	9,155
Chinandega	39	243	8,952	107	115	5,609	146	358	14,561
Chontales	13	90	2,935	64	66	2,831	77	156	5,766
Esteli	9	88	4,731	114	119	6,010	123	207	10,741
Granada	27	162	6,722	61	63	3,559	88	225	10,281
Jinotega	7	68	2,332	149	153	5,831	156	221	8,163
Leon	48	244	8,692	170	176	8,900	218	420	17,592
Madriz	8	39	1,883	90	98	4,590	98	137	6,473
Managua	96	579	38,132	106	119	8,059	202	698	46,191
Masaya	34	198	7,546	73	76	4,043	107	274	11,589
Matagalpa	14	89	3,917	172	177	8,694	186	266	12,611
N. Segovia	15	49	2,359	50	50	2,529	65	99	4,888
Rio S. Juan	5	20	740	30	30	1,064	35	50	1,804
Rivas	20	83	3,298	67	74	4,575	87	157	7,873
Zelaya	14	65	1,952	59	59	2,821	73	124	4,773
	375	2,211	101,315	1453	1530	76,216	1828	3741	177,531

Note: Figures approximate as none available for one cumulative year.
Source: National Budget, 1966

The Department of Secondary Education (Educacion Media) will receive 13,874,830 cordobas of which half will go to regular secondary schools, a third to normal schools, and the remainder to commercial, industrial and agricultural schools. Secondary schools in Nicaragua are organized into two cycles. The ciclo basico provides three years of general preparation from the seventh through the ninth grades. The ciclo diversificado, as the name indicates, provides a chance to branch off with two years of specialized training for university studies, normal school training and various commercial, vocational and agricultural trades. Little progress has been made toward the establishment of an all purpose high school, although crowded secondary school conditions sometimes mean that the academic, normal and commercial school students all use the same building.

The Department also assumes responsibility for in-service training of primary school teachers and for the supervision of private secondary schools. In 1966, it will have 23,000 adolescents receiving instruction in 119 different institutions, over half of which are private. A breakdown of the public secondary schools, their teachers and enrollment, is found in Table No. 5.

Table No. 5

SECONDARY EDUCATION - 1966

(Number of schools, teachers and students by type of secondary schools)

TYPE	Schools	Teachers	Enrolled	Avg. Cost (Cordobas)
High Schools	26	499	14,225	429.11
Normal Schools	7	144	3,447	969.56
Professionalization Centers	8	87	1,675	969.56
Commercial Schools	4	101	2,293	199.51
Worker's Cultural Center	1	4	80	199.51
National Vocational Technical Institute	1	36	886	199.51
* Agricultural Institutes	3	21	120	429.11
TOTALS	50	892	22,726	

* (Proposed) Source: National Budget, 1966

The School Construction Department does not appear in Table No. 2 as building responsibility was given to the Ministry of Public Works in 1959.

Appropriations for school buildings are included in the Education Ministry's budget, however, and in 1966 this amounted to 5,044,000 cordobas. These monies are turned over to the Public Works' Department for the Construction and Maintenance of Public Buildings (Construcciones Nacionales) which in the last six years built 27 large, good-quality urban schools in different departments of the country while the AID Program concentrated on rural schools (See Table No. 9). It will be CN, a much-esteemed, efficient and economical operating unit, which will implement the building of schools with this loan.

2. Analysis

Elementary education according to law is free and obligatory from 7-to-13, but many of the problems facing primary education every place in the world are still far from resolution in Nicaragua. The most important of these are inadequate buildings and furniture, low enrollment, a high number of drop-outs, the need for more and better teachers and texts, and the securing of adequate financing to support the schools.

a) Buildings and Furnishings. Over 1,000 national schoolrooms have been built since 1953 by CN (532 classrooms), AID (405), INVI (44), Ministry of Agriculture (36), and the Federal District (30). Since 1960, classroom construction has exceeded 150 a year, but a large proportion of the new schools are replacing inadequate and/or rented buildings. In 1962, there were 3,705 primary classrooms (2,664 urban and 1,641 rural) of which no less than 1,752 were in rented private houses where the floor-plan and restricted dimensions impeded efficient instruction. Besides their general inadequacy rented classrooms were also costly. In 1966, $300,000 of the elementary school budget will go for rent.

National, municipal or community-owned schools account for about 35% of all classrooms compared to 47% rented and 18% loaned. The loaned schools do not actually represent any savings to the government as they are in such poor condition and so badly maintained they could not draw rent when or if put on the market. In fact, they are so inferior whatever instruction takes place in them is largely wasted.

A 1964 sampling of school buildings revealed that at least a third of the elementary classrooms should be closed as unserviceable and unconducive to even the poorest type of teaching. About a third are in satisfactory condition, and the remaining third varies from poor to acceptable.

The Ministry's long-range building program for Nicaragua calls for replacing approximately 2,500 classrooms and building 350 a year starting immediately, increasing gradually to 500 or more by 1970, and sustaining that pace thereafter. This loan project will develop their capacity to do so.

The Ministry of Education expects to increase the present 4.2% enrollment growth rate to about 5% per year, which would bring the 1970 total to over 270,000 compared to the Nicaraguan National Plan's projections of 335,000. The minimum space requirements to take care of the lesser number of children would be 3,500 classrooms, assuming each could be used twice a day for a total of 80 children. Even so, this would only provide desk space for about 70% of the 7-to-13 year olds as the population is multiplying so fast it is expected to reach 405,000 by 1969. Furthermore, double shifts should only be considered a temporary expedient. Finally, all-out efforts must be made to replace unsatisfactory rented and obsolete municipal classrooms in private houses.

School furniture is satisfactory in the newer schools and most national ones, but the Ministry estimates 69,500 desks are missing or deficient in quality throughout the nation. Children often have had to sit on the floor or on boxes, rocks or logs which they brought themselves. In a 1963 survey only a third of the students had something to write on and 15% of the schools did not even have a blackboard. Most schools have no storage facilities or bookshelves, but this is not a serious problem as they have few books or other articles, such as globes, maps or charts, to store.

b) Enrollment. Out of every 100 children aged 7 to 13 in 1950, only 25 attended school. This rose to 55% by 1965 despite a quantum jump in the total population. In 1965 there were 348,000 children between 7 and 13. About 194,000 of these were enrolled in public (85%) and private (15%) primary schools, and the remaining 28,600 of the 222,641 enrollees were over 13 years old. (See Table No. 6)

Table No. 6

PRIMARY PUBLIC & PRIVATE ENROLLMENT BY GRADES
1961- 1965

Grades	1960-1961		1961-1962		1962-1963		1963-1964		1964-1965	
	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
1	86,518	4,007	90,703	4,598	94,055	6,118	97,357	6,748	105,990	7,210
2	22,674	3,343	29,964	4,094	27,780	4,963	36,588	5,588	33,886	5,693
3	12,115	2,962	13,703	3,701	15,823	4,149	18,159	4,716	23,947	5,365
4	6,985	2,388	8,312	3,291	9,607	3,812	11,305	4,172	12,786	4,570
5	4,610	2,258	5,357	2,784	6,068	3,150	7,356	3,547	10,085	3,695
6	3,314	1,987	3,791	2,253	4,419	2,566	5,109	2,894	6,190	3,224
TOTAL	136,216	16,945	151,830	20,721	157,752	24,758	175,874	27,696	192,884	29,757

Although Table No. 6 demonstrates improvement has taken place, the National Planning Council's expectations are that even by the end of the decade Nicaragua will not reach the levels of other more advanced Latin American countries. For example, Costa Rica had 89.4% of the same age group enrolled in 1962. CSUCA pessimistically calculates that given population growth and other considerations, it will take 150 years to enroll 100% of the school age population.

Table No. 7

PRIMARY SCHOOL PROJECTIONS
(Enrollment, Teachers and Classroom Requirements)
(Based on a 5% per annum increase in enrollments)

	1965	1966	1967	1968	1969
			STUDENTS *		
Urban	133,200	141,500	147,300	158,000	167,700
Rural	89,000	91,600	98,200	99,500	102,800
	222,200	233,100	245,500	257,500	270,500
			TEACHERS **		
Needed	5,554	5,827	6,137	6,487	6,762
On Hand	- 4,362	- 4,947	- 5,532	- 6,117	- 6,702
Deficit	1,192	880	605	370	62
			CLASSROOMS ***		
Needed:					
Urban	1,665	1,771	1,842	1,975	2,096
Rural	2,225	2,290	2,455	2,492	2,570
	3,890	4,061	4,297	4,467	4,660

* 1965 enrollment compounded at 5%. Urban enrollment estimated at 60%

** Teacher requirements based on one to 40 students. Many now teach more so quantitative deficiency is not so conspicuous as appears here.

*** Urban classrooms are figured for double shifts which would permit less capital investment through higher returns than in rural areas where double shifts of teachers would hardly find enough pupils to teach.

Source for 1965: Ministry of Education

c) Drop-outs. In 1964, when the last complete tabulation of primary schools was made, it was found that 624 of the 1,828 total taught only the first grade, 497 taught two grades, 313 three, 132 four, 55 five, and only 172 or 9% went through the sixth. In other words, 1,400 of the 1,828 schools did not teach beyond the third grade in 1964. Evidence of this is found under the Rural Education column of Table No. 4 of this Annex.

At the end of that same school year, only two-thirds of those who had registered in the first grade when school opened were still attending. This may be explained, particularly in the Nicaraguan rural areas, by a general absenteeism occasioned by children helping around the farm or with the harvesting.

Another reason may be lack of interest. This may be blamed on the lack of good teachers, a stimulating curriculum and interesting textbooks. Boredom generates truancy, and that in turn means failure of the end-of-year reading and writing tests. There are always a large number of repeaters in the first grade, older children who have not been promoted. UNESCO estimated for that year the seven-year olds were outnumbered by more than two to one by children aged eight to twelve or more. Failure to be promoted condemns them to return to school in the same grade, meaning the number of drop-outs may not be as high as it first appears and the number of children never enrolled at all may therefore be higher than statistics indicate.

This whole problem requires extensive study to which the Ministry of Education has already subscribed (See Annex III, Exhibit 2). Meanwhile it may be fairly safe to speculate that where complete schools are available in urban or semiurban areas the output of students who will go to higher education or perform better at semi-skilled or other jobs will be considerably higher.

d) Teachers. A considerable effort to improve teaching personnel began in 1961. Departmental inspectors were then authorized to give basic preparation courses at the sixth grade level for teachers without titles. In 1962, professionalization courses for teachers in service began, allowing them to complete the ciclo basico. Beginning in 1963, the National University cooperated in a program for training secondary school teachers.

As seen in Table No. 5, there are seven official primary teacher training schools and eight in-service training centers. In addition, there are five private normal schools. Through the influence of AID and other educational advisors, these schools have increased enormously in efficiency and output in the last few years. Besides improved normal school organization and operations and better pedagogical training, there has been a lower normal school drop-out rate and more graduates actually entering the teaching profession.

Literally, it pays for teachers to receive extra training now in Nicaragua. A qualified teacher has a basic salary about 50% above that of one unqualified. The primary teachers' monthly salary scale reflects this policy. Primary teachers are divided into three general classifications: (A) normal school graduates, (B) teachers of elementary or basic education and those with special certificates, and (C) the self-taught teachers. The last named, the empiricos, earn 450 cordobas a month, basicos 500, professors 600, and directors 620 cordobas. Bonuses of 200 cordobas are given for university titles when duly recognized by the Government. Normal school graduates receive 100 extra a month for their diplomas. The title of Maestro de Educacion Basica earns 75 cordobas extra for its owner, while those specially trained for the lower elementary grades and kindergarten are paid 50 extra cordobas a month, if they are Maestros de Educacion Elemental. Teachers who take special courses and receive a certificate as a result are paid 30 cordobas apiece each month, thereafter.

Longevity also pays. Teachers with five years of service are paid 10% extra. Ten years of teaching are rewarded with a 20% increase, 20 years get 30%, and 30 years 45%.

As a result, teachers are more eager for training. They enter the profession more enthusiastically and stay with it quite faithfully as the following tables shows:

Table No. 8

TRAINED TEACHERS IN SERVICE
(Graduates from Teacher Training Courses who have continued working in public schools)

Year	Graduated	Number Working in Public Schools by Year				
		1961	1962	1963	1964	1965
1961	143	134	138	131	125	133
1962	142		131	131	117	131
1963	208			118	201	200
1964	315				298	288
1965	745 *					538

* Includes professionalization center graduates

Source: Ministry of Public Education

The seven public normal schools in 1965-66 enrolled 3,447 teachers in training, while another 400 were registered in the private normal schools. Allowing for a rather high 20% loss, over 2,600 teachers should be trained in five years. There were 1,675 practicing teachers enrolled in professionalization centers, which in five summers allow them to get a normal school diploma. At the same rate of loss these should provide over 1,300 trained teachers by 1970. Added to present stock of teachers with normal school certificates, this would mean that by the completion of the primary school construction program envisaged under this loan, there would be approximately 6,700 trained teachers, almost sufficient to staff all the schools of the nation. (Some empiricos will still be on hand too.) However, consideration should be given to raising by 1975 the educational standards for elementary teachers above that of a normal (i.e. high) school diploma.

e) Supervision. Improvement of teacher standards and of the general efficiency of the educational system can be obtained by better supervision. Few school directors, departmental inspectors or even the Ministry staff have had specific training for their duties or the experience of working in an efficiently organized and functioning system. The Ministry's Educational Planning Office has, therefore, recommended that

priority should be given to providing regular training and refresher courses for these categories of personnel. (One such course might be on how to build community interest in properly maintaining and caring for a school). (See Annex III, Exhibit 9).

f) Texts. A good curriculum with complementary books and materials rank next to teachers in the improvement of education. However, without buildings and furniture such materials cannot be properly used or cared for so it would be uneconomical to supply one without the other. According to plans already in operation, the Ministry of Education in cooperation with ROCAP and USAID/Nicaragua will supply gratis a complete set of textbooks to all primary school children by 1970. As of February 1966, almost 447,000 books had been distributed and another 230,000 are to be distributed at the beginning of the new school year in May. Almost 70,000 more are in press. Difficulties in getting the books distributed quickly and efficiently and in training teachers to use them properly (especially the new arithmetic books) are still being worked out, but the Ministry and USAID/Nicaragua have been working out plans by which the former will assume greater responsibilities, both financial and personnel, to print and distribute the textbooks. A new Pro-Ag for FY-67 will provide for continuation of the Regional Textbook Project, in terms of ROCAP-ODECA basic agreement projections which assumes an annual increment on the part of the Nicaraguan government, and a concurrent decrease on the part of USAID.

g) Financing. All government planning and this year's appropriations emphasize the high priority given to education. Both the congressional and executive branches of the GON can be counted on to support additional expenditures in this field as needed, particularly as they appear to be easily within the government's means. The Ministry of Public Education received in 1966 the largest increase of any department except Public Works, and its 1966 budget contains sufficient funds to match the proposed loan during the current calendar year. Enough time remains for the inclusion of required additional funding which has been guaranteed (See Annex III) in the 1967 budgets and those following.

The GON has also committed itself to pay the additional salaries for teachers to staff the new schools, for their furniture and

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The GON has also committed itself to pay the additional salaries for teachers to staff the new schools, for their furniture and

maintenance. Where new schools are replacing inadequate or rented ones no new teachers will be required. To the extent that new buildings will eliminate paying rent, such funds will be available for other educational purposes.

No reduction of the global educational budget will result as a consequence of this loan. On the contrary, it is expected that the loan will call for a higher percentage of the national budget to be assigned to education as additional teachers will be needed if most of the new schools are used for two shifts of instruction. Budgetary increases should not be too onerous, however, as they will occur gradually as the buildings themselves are completed. It is estimated that the maximum eventual increase demanded by the indirect consequences of this program would come to about $1 million, less than 10% increase over the present budget. (See Annex IV, Exhibit 5) Taking account of past revenue growth, realized thru AID assistance to economic development and to improved tax collections, annual revenue and budget increases far in excess of 10% can be expected in the years ahead.

SCHOOL NEEDS AND IMPROVEMENTS

USAID, the Embassy Country Team, the National Planning Office and the Ministry of Education have all put school construction as a top priority in the development of education within the country. Evident though it may be that school buildings alone will not correct all the problems besetting the nation's educational system, many auxiliary benefits will occur by impelling the Ministry of Education to elaborate a long-range construction plan and to coordinate that with teacher preparation, additional salaries, textbook distribution, maintenance, etc. These will be discussed after first examining past construction programs, the present classroom deficit, and what is projected.

1. Previous U.S. Assistance

On April 13, 1962, Project Agreement 62-4 was entered into by the GON and the USAID as part of a joint effort to undertake a comprehensive and integrated improvement and expansion of basic education in Nicaragua. A self-help program of school construction was outlined projecting the construction of 500 classrooms in 134 schools located in the 16 National Departments. USAID and the GON each agreed to contribute 40% of the total estimated cost, the U.S. through cash grant funds and the GON by means of a loan provided by AID. The remaining 20% of the total cost of building the schools was to be provided by the local communities in the form of materials, land, and labor. A second Project Agreement (63-10), signed on June 23, 1963, authorized additional contributions by the U.S. ($110,000) and the GON (3 million cordobas) so that over a period of three years a total of 620 classrooms could be erected.

The GON also agreed to make up any failure of the communities to contribute the full amount specified. It was subsequently decided between USAID and GON that the latter would withhold one million cordobas of the agreed upon contribution. There follows a summary of actual contributions, by elements of expense.

ANNEX II - Table No. 9
COST BREAKDOWN OF SELF-HELP RURAL SCHOOL CONSTRUCTION PROGRAM
FY 1962 & 1963

	U.S.		GON		TOTAL	
	Agreed	Paid	Agreed	Paid	Agreed	Paid
Commodities	245	245	320	320	565	565
Contract Services	20	20	-	-	20	20
Other Costs	385	385	648	505.8	1,033.6	890.8
	650	650	968	825.8	1,618.6	1,475.8

A total of 75 schools in 14 Departments were completed and furnished. (See Map No. III). They consisted of 382 classrooms and 69 teachers' offices or living quarters, storerooms, lavatories, etc. Increases in costs of labor, material, social security compensation, and in the transportation of materials prevented the fulfillment of the original construction goals. The program, nevertheless, is providing annually at least 15,000 Nicaraguan children with educational facilities such as they never had before. Each school has been staffed with sufficient teachers to instruct the enrollment. (In some cases, schools were built with six classrooms where no complete schools existed before, so for this year and next there may not yet be a need for a fifth or sixth grade teacher). Students were assured of receiving the ROCAP primers and other available texts. Each classroom was equipped with two large blackboards, a bookcase, teacher's desk and chair and 40 chairs and desk sets for the students.

Although this program did awake the communities to the fact that they could use self-help procedures to solve community problems and contributed to the improvement of elementary education, the construction responsibility had been retained by USAID which limited institution building capabilities. For this and other reasons, it was decided to terminate the project on June 30, 1965, and proceed with a new one which would develop more institutional capacity within the Ministries of Public Education and Public Works. Accordingly, unfinished schools were completed by contract, furniture was built and delivered for them, and the remaining inventory was disposed of, mostly to the GON. Almost $80,000 resulted from the liquidation and was turned over to the Ministry of Education. The Ministry will add another $100,000 so that CN can continue with the construction of schools in rural communities so interested in building a school that they have already signed over land and delivered materials for them under the prior program.

MAP OF NICARAGUA
No. III

UNCLASSIFIED
ANNEX II 27 of 36
Exhibit 4, 3 of 12

LOCATION OF 75 AID FINANCED RURAL SCHOOLS
1962-1965

UNCLASSIFIED

2. National School Construction

Construcciones Nacionales, meanwhile, has continued a long range construction program initiated when the responsibility of designing and erecting public buildings was removed from all other executive departments and placed with the Ministry of Public Works. Construction, maintenance, and repair of public buildings had previously been the charge of the different Ministries. They still determine the budget expenditures for this work, but did not spend it well without proper technicians or experience. Construcciones Nacionales, created by Decree Number 30-D on July 1, 1953, worked under the direct supervision of the President until 1959, when it was restored to the Ministry of Public Works.

This department hires the architects and engineers to design efficient and economical structures and to see that all national buildings are kept in good repair. It has six sections: engineering, accounting, purchasing, transport, supplies and warehouse. During its first years it built 90 schools (some prefabricated) and repaired 38 others at a total cost of a little over 19 million cordobas. (See Annex IV, Exhibit C). Since 1959, CN has built 27 schools at a cost of $13.4 million cordobas.

TABLE NO. 10
CLASSROOMS BUILT IN NICARAGUA
1960-1965
(By Department and by Agency)

	A.I.D.			MIN/AGRIC.		C N		TOTAL	
Departments**	Schls.	Class-rooms	Other* Rooms	Schls.	Class-rooms	Schls.	Class-rooms	Schls.	Class-rooms*
1.Boaco	3	22	3	2	2	-	-	5	25
2.Carazo	4	17	4	1	5	2	20	7	43
3.Chinandega	3	22	3	2	6	2	15	7	44
4.Chontales	-	-	-	2	5	4	38	6	43
5.Estelí	9	37	8	5	8	2	28	16	76
6.Granada	1	12	1	9	18	-	-	10	30
7.Jinotega	2	35	1	-	-	1	6	3	41
8.León	4	27	2	3	8	5	52	12	88
9.Madriz	2	12	2	-	-	1	3	3	16
10.Managua	13	45	12	3	3	4	40	20	92
11.Masaya	3	15	3	3	7	2	20	8	43
12.Matagalpa	16	49	16	4	6	1	21	21	81
13.N.Segovia	3	36	2	-	-	1	7	4	44
14.Rivas	6	42	7	2	2	1	8	9	54
15.Zelaya	6	11	5	-	-	1	4	7	17
	75	382	69	36	70	27	262	138	838

* Three "other rooms" are equated here to one classroom.
** No schools were built in this period in Rio San Juan Department.
Sources: AID, Ministry of Education and CN.

Adding the one or two-room schools built by the Ministry of Agriculture to those erected by INVI, the housing authority, which constructed two 12-classroom schools in its low-cost housing settlements, and AID's, CN's, and other government groups together, over 750 classrooms were constructed between 1960-65 or about 150 a year.

CN's program for 1966 is to build 14 new schools (156 classrooms) in 12 departments. These would serve just under 7,000 students. CN and the Ministry of Education also plan to satisfy this year the communities which had not received their school when the program ended.

3. Present Classroom Deficiencies

The Ministry of Education has had little to do with the coordination of school construction enterprises. It had never before organized the capacity to evolve long-range construction plans, including all the concomitant commitments implied with them. An important result of this loan will be the Ministry's ability to handle such work.

The first step towards reaching this goal was to develop an independent ability to assess needs, determine policy, and establish objectives. The Office of Educational Planning has received, and is receiving, help on long-range building plans from AID and UNESCO advisors. In its 1965-1975 plan, prepared under the direction of Dr. Grace Scott, AID educational advisor, this Office calculates it must accommodate an annual school enrollment growth of over 15,000. There are no schools for 46% of the children. There are 300,000 aged 0 - 5 coming along, and the nation's population growth rate is at the biological maximum. Of the country's 3,705 elementary classrooms, 1752 are rented and 665 loaned. A wide-ranging sample of these rented and lent schoolrooms found that almost without exception, they were unconducive to study.

The National Planning Council suggests 2,574 classrooms be built over the next ten years and proposes a 56 million cordoba outlay for them. The Ministry's desiderata are higher (e.g. 8,000 new rooms by 1975), but it lives with facts and considers a figure between 350 to 500 schoolrooms what they might reasonably aspire to build annually.

The second step was to procure the means by which to implement the long-range plan. The Minister of Education and the President of Nicaragua have personally worked hard and conscientiously to obtain external financing. No Latin American nation and few outside the continent have such an enviable reputation on the international lending market.

The Minister is negotiating to relocate (and thereby reorganize) the Ministry in a new modern building of its own, removing it from thoroughly inadequate rented quarters. To be built by American entrepreneurs, it will be rented to the GON for 20 years after which it becomes theirs. The French government has offered technical assistance, which has been accepted, for new agricultural secondary schools. The UNESCO Project Identification Mission has delineated a variety of secondary and university projects for which the World Bank might lend up to $5 million.

4. Educational Improvements to be Obtained Through School Construction

Repercussions from the school construction program are expected in several ways, all of which appear beneficial to the present educational system. Some improvements which might occur would be in:

School furniture design and distribution;

The availability of texts and other school materials;

The preparation of teachers and the development of long-range personnel policies for them;

The diminution of the drop-out rate;

Secondary education policies and long-range plans for building high schools.

a. School Furniture Design and Distribution

Economical school furniture design was given careful study at the time of the previous GON/AID school construction program. The furniture designed by AID/El Salvador is now being studied by the Ministry of Education as are prototypes designed by Nicaraguans.

USAID has been assured that before the Ministry lets out bids for the new furniture, the durability, economy and serviceability of the various samples will be carefully compared and considered.

Nicaraguan educators who have studied abroad under the auspices of AID or other international agencies reject the university type chair with its writing-top arm for young children. Nor do they like the old-fashioned desk and bench arrangement still found in so many Nicaraguan schools. The AID-designed furniture, used under the previous plan (Annex VI), calls for appropriately sized furniture for the different grades and age-groups. Because so many children enter the first grade comparatively late in life, their larger size also has to be taken into consideration. USAID/N therefore provided three sizes of tables to a school and six chairs of appropriate size to accompany each.

Besides furniture for 40 students, each classroom will have one teacher's desk and chair, bookcases, and two cupboards with locks. Since each classroom will be used twice daily, the Ministry believes the morning and afternoon teacher should each have a place to store his things. A larger storage area for tools, cleaning materials, and school books and supplies is provided for in the blueprints for the new schools.

As will be seen in Annex III, the Ministry of Education has covenanted to budget at least 900,000 cordobas in addition to its $1 million contribution to the loan for the purchase of furniture and about the same sum for expendable supplies such as glue, paper, notebooks, etc. Increases will be made in the budget for these items as required to meet the expansion of enrollment, according to the Ministry's declared intentions.. (See Annex IV,. Exhibit E).

The Office of Educational Planning is presently studying ways by which to distribute furniture and supplies of all sorts to schools more economically and expeditiously. The present system is to ask for closed bids. This means almost all furniture is manufactured in Managua, and then is delivered to the Ministry's central warehouse. Moving it from there to outlying cities and towns can be time-consuming and trying. Oxen were hired to haul furniture into some of the rural schools

built under the previous program. It has been suggested, when asking bids on furniture for this program, that delivery-to-school be included in the estimates. This might give cabinet-makers in other cities, closer to where the schools will be built, a better chance to win a contract. Direct delivery would save time as well as logistical headaches for the Ministry personnel concerned.

D. Greater Availability of Texts

Nicaragua, common to most of Latin America, has for many years used only blackboard drill, dictation and rote as teaching methods in the absence of textbooks and other didactic materials. The Regional Textbook Program, prepared and carried out by ROCAP, is changing much of this. Change is not always welcomed and not all of Nicaraguan educators have endorsed the textbook program enthusiastically. For them it means new ways of instructing, new curricula, and responsibility for the care and accounting of textbooks.

Nevertheless, the Ministry accepted a Program Agreement in 1962 to develop, produce, and distribute the ROCAP textbooks over an eight-year period. By the end of this time all first through sixth grade children in the public schools should have appropriate books. Three first grade readers were printed in a run of 126,000 copies each; 42,000 of two second grade titles were prepared, and 17,500 of two third grade books were printed. Supplementary workbooks and teachers' guides have also been printed and in most cases (arithmetic workbooks being the large exception) have been distributed to departmental inspectors. They, in turn, deliver the books to the schools in their district. Inertia, lack of travel funds, or non-understanding of their duties have prevented timely delivery too often. USAID has insisted, and the Ministry has covenanted (See Annex III) to improve the system. A new Program Agreement calls for the following: (1) an examination of existing needs and weaknesses in the system; (2) training of inspectors, school principals, and teachers in the use of the new books to be distributed (third and fourth grade readers, arithmetic and language); (3) distribution of the new texts to all schools and enough copies of those already issued to take care of enrollment increases and losses; (4) continuous supervision.

To encourage the Ministry to assume greater responsibility, USAID has offered through the previously mentioned agreement to contribute for one year to the initial salary and overhead costs, including transportation, of a full-time textbook administrator. He will be fully responsible for receiving, distributing books and for planning and carrying out training activities and supervision as required. Three Nicaraguans who have worked with ROCAP in Guatemala have been suggested as trainers. The services of the USAID/N and ROCAP educational advisors have likewise been offered. The Ministry has also been invited to send supervisors, principals, and teachers to Guatemala for training there. The Ministry will assume some of the expenses implied by this new ProAg; i.e., office costs, transportation of participants, full salary of the textbook supervisor as of May 1967. From 1967 on, it is also to finance the costs of reprinting issues.

In anticipation of new school buildings with attractive furniture and adequate storage space for books and paper, the Ministry has focused its attention on how to remedy administrative deficiencies in this program. Indirectly, more children may benefit from the school construction loan than could possibly be housed under the new schools' roofs at one time. They will be the children in other schools who will receive regularly more titles of the ROCAP texts, and as the system improves, new books to replace those worn out in service.

c. Teacher Training and Personnel Policies

Teachers who have taken the courses offered during the last three years in the proper use of the textbooks have found the ROCAP material useful, interesting, and instructive. The Ministry has declared its intention of having all primary teachers receive this type of training.

The Ministry's Planning Office is far from satisfied with the general state of teacher training in Nicaragua, but thanks to earlier efforts by AID the situation is rapidly becoming less critical. Each teacher averages about 50 pupils. Last year only a third (1,521) of the teachers were normal school graduates (three years

of a junior high level plus two years of secondary school level classes). But with seven normal schools and eight professionalization centers now in operation, a good supply is in the pipeline. A conducive environment for learning exists in the normal schools. The teachers have had continuous in-service training. Many have studied abroad. Physical conditions are good because normal schools are located in the newer buildings in the system. All have laboratories, libraries, and audio-visual equipment, as well as dormitories, dining rooms, and auditoriums.

In addition to the 3,447 enrolled in the national normal schools over 500 are matriculated in the private schools. New wage stimuli passed in 1963 have augmented sufficiently the enrollment to satisfy immediate needs, though not to replace all empiricos. Normal schools and training centers should produce over 3,000 trained teachers by 1969, which added to 1,500 normal school graduates presently teaching will mean more children may be kept in school through the sixth grade. Desertion, retirement, illness, and death will reduce the numbers actually teaching, but at present the Ministry feels it will have no real problem staffing the new schools to be built with this loan with trained teachers. For its long-range construction plan for 284 urban schools, Nicaragua will need 1,840 teachers plus 1,942 now instructing in rented and unsatisfactory schools which will be replaced. This increase will be necessary because all schools in these cities and towns will be put on a double-shift (if not already in force) as new schools are erected. Since the long-range school construction program will require additional funding, it seems at present there is more likelihood of having a sufficiency of teachers than enough schools or classrooms.

d. More Elementary School Graduates

Better schools, furniture, texts, and teacher training should have a beneficial effect on primary school promotions and drop-out rates. In the past

slack supervision by departmental inspectors has permitted irregular attendance of some teachers. This is rarer now, as inspection is more carefully controlled. Many of the available schools were badly located for children. During the rainy season (May-November) absenteeism is rife. Small, better placed schools serving individual quarters of the city will alleviate this. Many of the schools only have one teacher. More and better classrooms, more and better teachers will correct a situation which provokes rebellion or boredom among the students and convinces their parents there is nothing to be learned in such a school. The loan calls for all schools built under it to teach through the sixth grade and anticipates that secondary school construction will follow as soon as possible to give added incentive to the 7 to 13 year olds to complete their primary education.

e. Effects on the Secondary Schools

The Ministry of Education has given considerable attention to the growing number of children who will be finishing sixth grade and who will want to enter secondary schools. It realizes that by building more graduated schools this tendency is encouraged, but accepts the notion that as urbanization develops with its concurrent emphasis on better education and training, parents will make any sacrifice to provide their children with a better education. Managua, for example, has uncounted hordes of children attending its private and public schools whose families have sent them from the plantations or ranches to live with relatives or friends so that they can enroll in a better school than is available in the rural areas.

The Department of Secondary Education gives its priority during the next five years to building two new secondary schools and to replacing a normal school and two decrepit high schools in Managua, to building new schools in 13 of the

16 departments, and adding to present facilities in the other three. The Ministry of Education also plans to enlarge three of its professionalization centers and to build three new institutes to teach agricultural sciences and an industrial-technical institute. The regular high schools will consist of enough classrooms of 35 students each to handle their anticipated enrollment for 1970. In addition, they will be equipped with a library, laboratory, shops, administrative services and other necessities for the proper functioning of good secondary schools.

Nicaragua's primary school graduates from the new complete schools planned for construction through this loan will find an opportunity to continue their education if the Ministry's present plans for secondary schools meet no unexpected hurdles.

ANNEX III
TECHNICAL DATA AND EXHIBITS
(Selected Correspondence between the Ministry of Education and USAID/Nicaragua)

Exhibit		
1	Ministry of Education Letter of Application	July 16, 1965
2	USAID Conditions - Annexes A & B	October 29, 1965
3	Ministry of Education Acceptance (No. 2707)	November 23, 1965
4	Questionnaire Questionnaire	January 13, 1966 February 1, 1966
5	Ministry of Education Views - No. 511	February 22, 1966
6	Criteria by which urban and semi-rural Locations will be identified for the loan-supported school	
7	Clarification of Issues arising from the Questionnaire - No. 512	February 23, 1966
8	Policies re Furniture and Supplies - No. 646	March 8, 1966
9	Policies re the Office of School Construction - No. 647	March 5, 1966
10	Chart of Normal School Graduates - 1942-1965	
11	Chart of Academic Level of Primary School Teachers - 1961-1965	
12	Chart of Normal School Enrollment - 1960-1965	

UNOFFICIAL TRANSLATION

MINISTRY OF PUBLIC EDUCATION - July 16, 1965

Dear Mr. Director:

As Minister of Education of Nicaragua I signed with your predecessor, the Acting Director of the Agency for International Development of the United States (AID), a MEMORANDUM OF UNDERSTANDING that proposed to terminate as of June 30, 1965 the School Construction Program in conformity with the arrangements found in Project Agreement No. 62-4 under the conditions and for reasons set forth in the aforementioned Memorandum of Understanding. I now have the pleasure of addressing myself to you regarding the following, which for us Nicaraguans is of vital importance.

In view of what has been previously stated, and based on the attitude that the Nicaraguan Government and people have always demonstrated toward the illustrious Government of the United States of America, I am pleased to inform you that my Government now desires to begin the process of soliciting a long-term loan in the amount of FOUR MILLION DOLLARS ($4,000,000) at 2% annual interest according to normal arrangements in order to carry out a large school construction program, including a building for the Ministry of Education and Culture, the training of secondary level professors, of technical teachers, the strengthening of educational centers already operating, the enlargement of other cultural centers, and the creation of new vocational and handicraft institutes, etc.

As you know, Mr. Director, these programs, which will be fully described in the negotiating stage by qualified persons on both sides, are for my country in its present circumstances of such transcendent value, I need not elaborate further.

If you agree, as soon as my Government presents the proper letter of solicitation, negotiations could begin and the respective notices could be sent to the national and international press.

Thanking you in advance for your noble cooperation and good offices in favor of this urgent need of ours, which deserves your most urgent and kind

attention and that of the Directors of the Agency for International Development of the illustrious Government of the United States of America, I am,

Sincerely yours,

s/José Sansón Terán
Minister of Education

October 29, 1965

His Excellency
Dr. Jose Sanson Teran
Minister of Public Education
Managua, Nicaragua

Dear Mr. Minister:

With cordial best wishes may I submit for your consideration the following documents:

ANNEX A - Suggested Provisions for an Elementary School Construction Loan to Nicaragua.

ANNEX B - Thoughts Regarding an Educational Survey for Nicaragua.

I would be happy to discuss the contents of these documents with you at your earliest convenience.

I am ready to ask our headquarters in Washington to send us a specialist to advise and assist in the preparation and transmission of all documentation needed for the loan negotiations for primary school construction. But I cannot make such a request until you, as representative of the Govemment of Nicaragua, tell me, albeit informally, that you agree with the general provisions contained in Annex A. I also need to know if you agree with the proposed study that I referred to in Annex B and specially with the last paragraph of that same Annex.

The quicker we get our request to Washington, the greater chance there is that these two projects will be attended to early.

I would appreciate it, therefore, if you would let me know your reactions as soon as possible and if you agree with the propositions in the attached Annexes.

Sincerely yours,

s/Ralph J. Burton, Director
USAID/Nicaragua

Attachments:
Annexes A & B

ANNEX A
(Attachment to Letter of October 29, 1965)

SUGGESTED PROVISIONS FOR AN ELEMENTARY SCHOOL CONSTRUCTION LOAN TO NICARAGUA

1. The loan will be for $1.5 million, to be matched by an equal sum from Nicaraguan sources, for the construction of some 600 to 700 elementary school classrooms over a period of two to three years. It is assumed that approximately one-third of the Nicaraguan funds will be contributed in the form of land, labor, materials, etc., (as more fully disclosed below), by the local communities on a community self-help basis. The Government of Nicaragua will make up the remainder of its contribution from funds normally devoted to school construction, but supervised in a broader and more vigorous form.

2. The responsibility for control of the funds, for actual construction and for the execution of the program will rest with the Nicaraguan Government. The Minister of Education will have general responsibility for the program; will designate priorities for the location of schools and will approve basic school construction designs and plans from an education standpoint. Construcciones Nacionales of the Ministry of Public Works will be the agent of the Ministry of Education in the building of the schools. Agreement will be reached between the two Ministries and USAID on standard construction and design specifications. Such specifications should provide at the lowest possible cost for a long-lasting building that will not require modifications. (Modifications for the sake of a more attractive school structure may be highly desirable, but it is even more desirable, in fact imperative, to be able to provide schools to the greatest number of children possible.)

3. The foregoing school construction program should be directed toward stimulating the establishment of a continuing organized local community effort for the greater realization of community needs in each of the communities in which a school is built. This kind of democratic action and local self-help not only provides all the people in the community with a continuing education in creative democracy as an operating reality, but also should encourage community identification with the school. This in turn should promote greater concern with school attendance and an

efficiently functioning school. Moreover, this organized community self-help should continue and move on into other areas of constructive community effort thereby bringing about the realization of other local needs in other fields.

It is contemplated that the Rural Development Division of the Ministry of Education would be revitalized and staffed to carry out the foregoing community development activity. Personnel from this division would help organize the local community to carry out its self-help responsibility for school construction and subsequently for other community activities.

The self-help of the local community would include the contribution of the land, fencing and landscaping, installation of latrines, provision of potable water, painting the school and its furniture, and other activities which are ancillary to the basic construction of the school building. The community would also be responsible for assuring effective maintenance and protection of the school property.

The actual construction of the building itself would be carried out under normal construction arrangements to avoid the disruptions and uncertainties which arise when dependence for this activity is placed on local volunteers and their contributions. Progress in the construction of the school should be related to and conditional upon performance of the local community. Unless a local community is willing to do its share, to make some sacrifice to get its school, it is not possible to know if it will truly serve in an effective manner. Moreover, when one community fails to make its contribution, the money used to make up the deficiency is taken from other communities which might have helped the school construction program more. Such a condition is unjust and should not be permitted.

4. The schools to be built under this program ought to be located where there is the greatest concentration of population and the greatest need for classrooms. This would suggest that schools to be constructed under the program would probably require at least 4 classrooms. Smaller schools, particularly one-room school-houses, in more remote rural areas, would not be provided through this program. It might be useful to think of satisfying the latter need by developing a program of local self-help in which the people in

such rural areas would be shown how to build the schools themselves and would be furnished such materials as could not be obtained locally.

5. It would be necessary, in order to obtain approval of the loan, to establish that the Ministry of Education has an adequate program for training teachers, for supplying school books, and for financing the increasing cost of operating schools so that the schools to be constructed under the program will not stand idle for want of teachers, school books or other essentials needed for effective operation.

   Also, technical assistance will be provided within the loan to improve the economy and efficiency of school construction of the Nicaraguan Government.

6. It appears that the Government of Nicaragua will realize between $90,000 and $100,000 from the sale of surplus materials from the previous program. In addition, as a special help to the program, USAID would be willing to finance up to $100,000 of the costs of a management-engineer which is usually required in such loans. A management-engineering firm, which assures competent school construction, could possibly run as high as $150,000 on a loan of $1,500,000. The ultimate effect of USAID paying $100,000 of such costs would be to make available another $100,000 for school construction.

ANNEX B
(Attachment to Letter of October 29, 1965)

THOUGHTS REGARDING AN EDUCATION SURVEY FOR NICARAGUA

It is proposed that a contract be financed with a university for a one-year project involving a survey of the critical education needs and problems of Nicaragua. It is assumed that a number of brilliant younger people supervised by the part-time services of a competent or senior specialist would work continuously in cooperation with officials of the Nicaraguan Ministry of Education, USAID, and perhaps with education specialists from the National University and others in carrying out the studies over a period of years.

The survey operation should be designed to produce operating changes, not just professional studies. Moreover, certain problems should receive priority treatment and early action. For example, it would be desirable that the survey team produce recommendations within a few months regarding the construction of secondary education and vocational training facilities, which one can be sure will be needed regardless of what conclusions may emerge from longer term studies and in addition to the facilities which might be provided by the Inter-American Development Bank and the World Bank, both of which are studying possible assistance in this area.

I would hope that the study could give particular emphasis to the drop-out problem. As you know, large numbers of students drop out from the first to the second year not only in elementary school, but also in secondary school and the university. We now have a situation in which the number of trained people emerging from the education system is extremely small. This problem is not peculiar to Nicaragua but exists in other developing countries especially in Central America. It is both unrealistic and naive to concentrate attention on building more schools and training more teachers when there is such a tremendous waste of existing resources because of the many thousands who drop out of school without getting enough education to be beneficial.

It is hoped that the problem will be studied in all its aspects. The deficiencies may be found in school facilities, in lack of teachers, in type of curriculum or in factors entirely outside of the school. It may be that one cannot expect to realize significant progress in education until economic conditions in an area achieve a certain minimum level. In which case, it

may be desirable not to waste expenditures on school facilities for failure to recognize that the shortcomings which lie elsewhere must be corrected first. It may be that education should be organized and adapted to the fact that children must help contribute to the family income and class training should be adjusted to this fact. It may be desirable to provide various stimulae and incentives for school attendance. Or in a cynical vein, it may be that certain individual will never continue in school and we should seek a method for identifying them before hand so that they can be cut out of school and the large amount wasted in their education could then be directed toward providing greater help and education to those who are capable of taking advantage thereof. The foregoing observation is not entirely cynical in the sense that if this improves our educational system so as to produce the number of professional and skilled people needed for economic development, such a development would bring improved income and the opportunity for a better life to everyone.

When carrying through the foregoing study of drop-outs it may be possible to enlist the help of the new program, "Sample Household Survey". We might possibly work out a questionnaire within the LASH program and get some useful guidelines in solving the problem.

In addition to the foregoing basic study which might cover a wide complex of studies dealing with teacher training, curriculum, school facilities, economic environmental conditions, social factors and so forth, it would be highly desirable to assess vocational and secondary education and the university system. This may require the bringing in of various technicians on a short-term basis to look at specialized aspects of these activities. It may also require some analysis of what are the priority needs in Nicaragua's future development, the degree to which the secondary, vocational and university systems are meeting the needs, and the recommendation of special programs which might be undertaken to obtain fulfilment of priority needs.

The foregoing is not intended to be comprehensive or all-inclusive. It is rather an identification of what appear to be areas of priority need. It is assumed that the survey team will modify, expand and adjust as it carries forward its program.

It is hoped that a contract can be signed before the close of calendar year 1965 so that actual work under the contract can be initiated very early in calendar year 1966. It may be useful for key officials of the contract university to visit Nicaragua in the current year and lay the ground work for their operations in the following year.

Above all, it is imperative that such an undertaking have the full support and cooperation of the Nicaraguan Government, particularly the Ministry of Education. If this support and cooperation cannot be fully assured beforehand, it is better not to go ahead with the proposed study.

No. 2707
November 23, 1965

UNOFFICIAL TRANSLATION

MINISTRY OF PUBLIC EDUCATION

The Honorable Mr. Ralph J. Burton
Director of USAID in Nicaragua
Managua, Nicaragua

Dear Mr. Burton:

I have the honor to refer to your letter of October 29th concerning the ONE AND A HALF MILLION DOLLARS ($1,500,000) loan the Ministry of Education has requested from AID for constructing primary schools in Nicaragua. I will leave for now the subject of an additional loan of Two and a Half Million Dollars ($2,500,000) for the construction of secondary schools throughout the country.

With your letter you had the kindness to include two annexes (A and B) for my study and approval. The first was called "Suggested Provisions for an Elementary School Construction Loan to Nicaragua", and the second, "Thoughts Regarding an Education Survey for Nicaragua."

You also told me in your communication that you were ready to ask your central offices in Washington to send a specialist who would serve as an advisor and to help in the preparation and transmission of all documents required for the negotiation of a primary school construction loan, adding that you would not be able to do so until I, as Minister of Education and as representative of the Government of Nicaragua, had expressed my agreement with the general conditions contained in Annex A and my agreement or disagreement with the proposed study contained in Annex B especially its last paragraph which I quote: "Above all, it is imperative that such an undertaking have the full support and cooperation of the Nicaraguan Government, particularly the Ministry of Education. If this support and cooperation cannot be fully assured beforehand, it is better not to go ahead with the proposed study."

First of all, my distinguished friend, I most sincerely beg you to excuse me for the delay in answering your letter, but I have been carefully studying the annexes and at the same time had to wait for an opportunity to discuss them with his Excellency, the President of the Republic, Dr. Rene Shick. In the second place, I am pleased to communicate that my Government accepts each and every one of the concepts in Annexes A and B without modifications of any kind, it being understood that the school construction budget which accounts for various millions of cordobas in the New General Budget that becomes law of the Republic January 1, 1966, will count towards Nicaragua's share, and that also the product of the sale of heavy equipment and surpluses from the former school construction program will be included. According to your note, through your kindness and generosity this sale probably will reach between NINETY and ONE HUNDRED THOUSAND DOLLARS (Paragraph 6 of Annex A). Also my Government thanks you for the most noble grant that AID offers (apart from the agreed upon Dollar Loan), of ONE HUNDRED THOUSAND DOLLARS to cover the costs of Engineering-management services that normally are required in the construction of works financed with loans, it also being understood that my Government will pay the other FIFTY THOUSAND DOLLARS for this supervision when you make the first Hundred Thousand Dollars available.

As my Government entirely approves of the two Annexes A and B, I sincerely hope that the good-will shown by you and His Excellency Ambassador Brown, and Dr. Juan Silva and the other senior officials of AID in Nicaragua will mean that the negotiations for this primary school loan will be accelerated as much as possible so that early in the year we might begin construction. The tremendous demographic explosion of school-aged children will produce thousands of children arriving at schools next year, yet there are other thousands all over the country who are still without schooling because throughout the Republic they lack classrooms as you and your distinguished collaborators have already noted.

On expressing to you, my dear friend, the most sincere appreciation of the Government and of the people of Nicaragua, of the National Teachers' Corps, and of the heads of families, that of this Ministry of Education and my own, I would also like to take advantage of this opportunity to send you my very best wishes and warm friendship.

Yours sincerely,

s/José Sansón Terán
Minister of Education

QUESTIONNAIRE OF JANUARY 13, 1966

Dear Mr. Minister:

We will require a variety of data in order to substantiate your request for a school construction loan. The questions which follow relate mostly to the development of human resources in Nicaragua during the forthcoming years. I would be pleased to receive from the Office of Educational Planning as soon as possible a paragraph or so on each of the following points. Some may require information which is only available in the National Planning Office or in other Ministries.

Though these represent a great deal of work for you, having them answered will facilitate a favorable response to your request. Furthermore, my colleagues and I are at your orders to work with your Planning Office should you need our help.

Sincerely yours,

s/Robert Barton

(The information received formed the basis for Annex II)

1. What has Nicaragua done and will it do to carry out the Charter of Punta del Este relative to the economic and social needs of its population?

2. What plans does Nicaragua have to help itself further?

3. How will this loan promote the economic development of the country and contribute to the well-being of the Nicaraguan people?

4. What relation does this school construction loan have with other development plans of the nation? How will it meet long-time general goals? How does this plan fit into the National Development Plan?

5. What proportion of the national budget goes to the Ministry of Education and how much must this be augmented in order to take care of the extra

costs that will result from more schools, teachers, students and textbooks? We shall need an analysis of the national budget in terms of the percentage the Ministry receives for construction and maintenance.

6. What are the basic laws regarding construction and maintenance? What policies and practices have been followed in school construction? What results has Nicaragua had from the school construction program just completed?

7. Applying your basic criterion for just and equal treatment for all departments, how shall we accomodate other criteria such as the condition of present facilities, adequacy of numbers, the demographic situation, etc.?

8. How will Construcciones Nacionales carry out the building program? What plans does the Ministry have to continue with it at the end of this loan project?

9. How does the Ministry's Rural Development Office function; its responsibilities, personnel, relationship with CN, development of self-help principles, relationship with community development activities of other Ministries?

10. What will Nicaragua contribute in total to the project, not just in land, materials and labor, but also in the extra salaries, furniture, texts, school maintenance, and additional salaries of the community development personnel?

11. Please outline the educational system, especially re:
    a. Providing enough trained teachers, particularly for grades four, five, and six.
    b. Adapting the primary curriculum to the needs of the people.
    c. Increasing student enrollment, improving daily attendance, and preventing drop-outs.
    d. Providing enough textbooks and didactic material for all six grades.
    e. Training supervisors and inspectors to help prepare self-taught teachers (empiricos).

12. What effect will the greater number of primary school graduates have on the secondary schools. Are there enough secondary schools now to admit all such graduates? Where are they located?

13. How many public and private school teachers are there? How many in urban and rural schools. How many are university, normal, secondary, or primary school graduates? How many have taken the professionalization courses? How many are empiricos? How many teach the last three grades of primary school? What is the salary range for the following grades: supervisor; inspector; director of secondary and of primary schools; secondary school teacher, primary; with degrees and without? What increase of salary do they receive for years of service, academic advancement, etc.?

    a. How many teachers leave the corps annually? Why?
    b. Will enough teachers graduate from the Normal Schools to meet the needs of the new school? How many graduate from normal schools, from other sources?
    c. Are there normal schools near where the new schools will be built?
    d. Are the normal schools taking into account revisions that have been introduced (through ROCAP textbooks) in the primary schools?
    e. How are primary teachers actually at work being upgraded?

14. Describe the procurement and distribution of texts and other pedagogical materials. How much of the budget goes to their purchase? Who writes, edits, prints and distributes the books? How will more be produced as matriculation increases?

15. What proportion of the national budget will be assigned to maintain schools built with AID funds during the time this loan is being liquidated (40 years)? Where does this sum appear in the national budget? Who has the responsibility of maintaining schools in good condition. If it is the community's, how are they persuaded to assume it?

16. What contribution is expected from teachers to promote community development and self-help efforts?

17. How can the maximum benefit be obtained from the new schools? Would it be practical to operate them on double shifts with two teams of teachers, one for the morning and another for the afternoon?

18. Should the schools have kitchens and storage space so they can serve Food for Peace breakfasts to children in the first shift and luncheons to those in the second?

19. Will the schools be used for adult education, vocational training, literacy campaigns, etc.?

Data for Support
of Capital Assistance Paper

Managua, Nicaragua
February 1, 1966

SPECIFIC INFORMATION USAID REQUIRES FOR THE INTENSIVE REVIEW REQUEST *

A. Present Situation of Primary Education

1. Demographic Aspects

a. Project present school enrollment by department through 1969. (Annex II, Exhibit 3 and Annex V, Exhibit 4)

b. Identify by department where each school is to be placed and project total population and school population for 1969 for each location. (Annex V, Exhibits 1 and 6)

c. Inventory actual educational facilities in each of the above locations (national, municipal, rented, loaned, private, adequate, inadequate). (Annex V, Exhibit 2)

d. Based on (b) and (c) estimate number of additional schools to be built in each location, giving:
   (i) Necessary size of lot(s)
   (ii) Number of classrooms
   (iii) Additional facilities that may be needed such as:
      Director's office
      Teacher's sleeping quarters
      Bathrooms (indoors or outdoors)
      Supply rooms
      Lunchrooms
      Auditorium
      Caretaker's quarters
   (Annex III, Exhibit 7 and Annex V, Exhibit 3)

* Where the data may be found is shown in brackets after each topic.

2. School Construction (Annex II, Exhibit 4)

a. What are the basic laws relating to school construction? (Annex III, Exhibit 9)

b. Show from 1960 to 1966 what proportion of the national budget has gone to education, and what proportion of the education budget has gone to school construction. (Annex IV, Exhibits 1 and 2)

c. What criteria will be used to determine where new schools are to be built? (Annex III, Exhibit 6)

d. Show from 1960 by Departments: the number of classrooms built (urban, rural, primary, secondary, etc.); and by whom (Ministry of Education, C.N., AID, Ministry of Agriculture, municipalities, self-help, private). (Annex III, Exhibit 9, and Annex II, Exhibit 4)

e. How would the Ministry of Education prefer to see planning of school construction improve during the period 1966-1970? What suggestions does it have for better coordination of construction by all agencies presently building? (Annex III, Exhibit 7)

f. Describe what the Ministry of Education would like to establish as an Office of Planning for School Construction and Maintenance. (Number of personnel, job description, salaries, office space, transportation, storage, space for maintenance supplies such as: brooms, paints, window glass, soap and toilet paper, etc.). Show how this Office will coordinate with Construcciones Nacionales on site selection, size of building, type of construction, etc. How will this Office work with communities to build schools with this loan? (Annex III, Exhibit 9)

g. What methods will this Office take to insure the new schools (and all other national schools) are properly maintained during the life (40 years) of this loan? Assuming the Ministry of Education will be responsible only for simple maintenance (such as repairing or replacing windows, simple electric and plumbing fixtures, door and window hardware), how much will the Ministry budget disburse

for this in 1967-1979? What percentage of this budget will be needed for personnel, for training of departmental inspectors and teachers to report when repairs are needed, for training janitors, and for supplies? (Annex III, Exhibit 9)

h. How will this Office get communities to help maintain new schools? What kind of a program and how many people and money will it take to achieve community help in this regard after the schools are built? (Annex III, Exhibit 9)

i. How would this Office disburse funds so that directors or inspectors can have repairs made efficaciously by janitors, communities, or by hiring local repairmen? (Annex III, Exhibit 9)

j. Should one principal be made responsible for repairs and maintenance of these schools with two or three shifts? Should the other principal also be subordinated to this one in other regards? (Annex III, Exhibit 7)

k. Would the Ministry of Education wish to take funds from this loan to hire an advisor to help establish this Office? How long would he be needed and what would he be asked to do. (Annex III, Exhibits 2 and 3)

3. Furniture and Materials (Annex II, Exhibit 3 and Annex III, Exhibit 8)

(The new schools may triple attendance in areas where they are being built).

a. What portion of the loan will be required for the following school furniture: desks, chairs, teachers' tables and chair, closet, stove and sink and bathrooms for teacher or janitor sleeping quarters?

b. How is this furniture presently procured, and how can this method be improved upon for schools to be built with this loan?

c. What portion of the loan will be required to supply a primary school pupil or teacher in the way of pencils, paper, notebooks,

chalk, erasers and other didactic materials (such as scissors, glue, drawing paper, maps, string and tacks) and play materials (such as balls, bats, clay, etc.)

d. Where will these materials be stored for safe-keeping in the school and in the classroom? How large should the storeroom be? How large should the classroom cupboard be?

e. Are the furniture and bathroom fixture for the first and second grades different than for the upper primary grades? In what way? What are the furniture sizes, types, costs per unit?

4. Textbooks and Curriculum (Annex II, Exhibit 4 and Annex III, Exhibit 9)

a. What provision will be made to provide textbooks for the new schools? (Describe how the Ministry of Education gets textbooks written, published, purchased, distributed to teachers and its system for replenishing worn-out and lost books). What inventory control is now in use?

b. How can this system be improved for the new schools and others built with AID or Nicaraguan funds?

c. Are teachers adequately trained in the use of these books? Can departmental inspectors be used to improve on the use of them by teachers and pupils? How?

d. Show on a chart the present number of textbooks, the number that will be needed for each school, and the amount in cordobas and as a percentage of the Ministry of Education budget needed to provide for the increase.

5. Teachers (Annex II, Exhibit 3 and Annex III, Exhibits 10, 11 and 12)

a. How many new teachers will be required between 1965 and 1970 to take care of the new classrooms with two shifts in each room? How many teachers will come from existing schools which will be

replaced by new schools. How many of the teachers will be empiricos, normalistas, etc.?

b. How many of each kind of teacher (empirico, normalista, etc.) does Nicaragua now have in public primary education? What steps are being taken to provide professionalization and in-service training of primary teachers? How long have these programs been in operation and what results have they had? What results are expected from them through 1970?

c. How much is being budgeted for teacher training between 1965 and 1970?

d. How much is being budgeted by the Ministry for additional teachers for larger enrollments, new schools, and two shifts in each classroom from 1965 to 1970? (Annex IV, Exhibit 5)

e. Show in chart-form the number of teachers who will graduate from public and private normal schools and will graduate from professionalization centers between 1965-1970.

f. Show in a chart by Department the number of teachers now employed and the number that will be needed each year between 1965 and 1970, assuming that 75% of the children aged 6-13 will be in school, and estimating an average of 40 students per teacher.

6. Promotions and Drop-outs (Annex II, Exhibit 3)

a. What is the system and policy governing promotions from the first grade to the second, from the second to the third, etc.? When are tests or examinations first introduced? What must a primary school student need to master in order to qualify for enrollment in secondary school?

b. Show in a table, by Department, the total enrollment and enrollment in each of the six grades for 1965.

c. What does the Ministry plan to do to maintain more children in school through the sixth grade (i.e., describe the effects expected through providing more complete schools, better trained teachers, more textbooks, a revised curriculum, etc.)

d. Show in a table the percentage of promotions in relation to enrollments for 1965.

e. Analyze between what grades is the rate of drop-outs greatest and indicate why.

f. Has a higher percentage of children stayed in school during the last five years (1960-1965)? What reasons are there for observed changes?

g. Show in a chart the number and percentage of drop-outs, by grades, from 1960-1965.

B. Secondary Education (Annex II, Exhibit 4)

1. What does the Ministry of Education presently plan to do in secondary schools for the greater number of children who will finish six grades of primary schools through recent construction programs?

2. Will the Ministry build more secondary schools between 1966-1970? Where? What kind: academic, vocational, commercial, agricultural, normal? What money is budgeted for building more schools? What money is being budgeted for more secondary school teachers?

3. What consideration should be given to the construction of a high school offering diversified secondary school programs in semi-urban areas?

4. Present charts showing 1965 total enrollment by Department for each of the following: academic, vocational, commercial, agricultural, and normal schools, and what the enrollment is likely to be in each in 1970?

5. Will there be enough secondary school teachers to equip the larger

enrollment which can be expected? Describe briefly the training, hiring and placing process for secondary school teachers.

6. What assistance is the University giving (or could it give) to public and private secondary schools to relieve the shortage.

7. How will the graduates of the secondary schools relate to the manpower requirements of Nicaragua as set forth in the National Development Plan.

No. 511
February 22, 1966

UNOFFICIAL TRANSLATION

MINISTRY OF PUBLIC EDUCATION

OPINION OF THE MINISTRY ON VARIOUS ASPECTS OF THE SCHOOL CONSTRUCTION PROGRAM AS PRESENTED BY ARCHITECT EDWIN J. PETERSON (ROCAP)

After careful study and analysis of all the issues that were discussed at the meeting of January 28 in Mr. Carl Forsberg's office by representatives of Construcciones Nacionales, AID, and this Ministry, I am pleased to declare myself on each point as follows:

A. List of locations for the new schools

So as to present an exact list of locations showing where to place the new schools, I named a Special Commission to present me with an exact list of locations to be selected according to the needs of each community. After having mobilized all its resources, the Commission presented me with a list of locations for the new schools which is set forth in Annex A.

With respect to the first of the conclusions regarding the schools not built under the previous program between the Government, USAID, and the communities (40%-40%-20%), I do not share the opinion that the schools of such communities should be included in the new School Construction Program, even though contracts were signed but not fulfilled. I believe these should be built by the Department of National Construction, and by this Ministry with the funds derived from the sale by AID of the equipment from the recently terminated program as I arranged with Mr. Burton and Mr. Juan Silva. For this reason, these communities that have signed contracts and have materials ready for the start of work are omitted from the attached list.

B. Criteria for the Selection of Localities for the New Schools

The Ministry completely agrees with the outlined procedure for selecting

the locations where the new schools will be placed and has accepted the criteria with minor modifications. These have been included in the report presented by the appropriate committee appointed to answer meticulously the questionnaire regarding the school constructions.

C. Preliminary Proceedings for the Construction

Program

The Committee charged with preparing the report which presents a series of considerations forming a logical basis for justifying the loan, was presented to the Departmental Inspectors of Public Education who are most aware of the real situation in their respective Departments. They presented a tentative list of urban communities that require new schools, extensions to those now in existence, or substitutes for rented and inadequate locals and others that were built without an eye to the future and so are insufficient to meet the needs of an accelerated growth of the student population. From the list of communities that I attach, the Ministry of Education is pleased to begin investigations and studies of the lots offered, picking out the most capable and dynamic officials of the Ministry who together with civil, military and ecclesiastical authorities will select the best ground on which to construct the schools. I will also ask the Chief of Construcciones Nacionales to designate an engineer to accompany and advise them on the selection of the lots so that they may be entirely satisfactory.

Previous to the selection of the land, I will likewise direct the Inspectors of Education to take charge of arranging for the contracts with the community which will specify what each is to contribute in support of the program. Taking into consideration that the forms AID used in the previous program fill all the legal requirements, I think they can be adopted with only slight modifications.

In order to guarantee legal title to the lot, I have ordered that an official of the Ministry take charge of the legal transactions with the Minister of Finance to see that the deed to the property is passed to the State.

This Ministry, foreseeing that every finished building needs to be assured of proper maintenance, repairs, care of the building and landscaping, has ordered-- until a Department of School Constructions can be funded in the

next budget-- that an Office be established using personnel on hand who, among other responsibilities, will give suggestions to Directors, sub-directors, teachers, heads of families, about: organizing societies, cooperatives or councils for the improvement, vigilance and care of the schools, etc., whose aim would be to collect funds that might be used, among other things, for the better maintenance and conservation of the school building. In anticipation of combining the forces of the State with those of the community, a rotating fund will be established for minor repairs, such as replacing a broken window, putting on a new lock, etc. With regard to major repairs, the State assumes this responsibility through the Department of National Constructions.

I am in complete agreement to have Construcciones Nacionales share in the selection of a local firm of architects who will visit each locality and who will be charged with drawing up preliminary sketches, detailed plans, specifications, lists of materials, etc., with the aim of making all the buildings conform to the same plan.

As has been done in other countries, I agree that the solicitation of bids ought to be made through closed contracts so that the constructor might build with available funds the greatest possible number of schools within the national territory.

D. Other points

I completely agree that sites of larger dimensions should be reserved for the construction of secondary education.

As Minister of Public Education I believe I have referred to each and every one of the points discussed in the meeting of January 28, and hope that the studies and analyses made by the officials of this Ministry fill the requirements requested by your office for the Loan Document so that we can finance as soon as possible the New Program for School Constructions that will have tremendously favorable repercusions on the entire national scene and will serve to strengthen the community development spirit, based on modern concepts of representative democracy in Nicaragua today and for the future.

Very sincerely yours,
s/José Sansón Terán

Attachments:
Annexes A and A-1
(See A-1 as Exhibit 6)

ANNEX A
(Attachment to Letter No. 511)

TENTATIVE LIST OF COMMUNITIES WHOSE NECESSITIES JUSTIFY THE CONSTRUCTION OF A SCHOOL AND WHICH HAVE THE LAND READY

BOACO - Boaco
Camoapa
San Lorenzo

CARAZO - Jinotepe
Diriamba
La Paz de Oriente

ESTELI - Esteli
Regadio

CHINANDEGA - Chinandega
Corinto
Chichigalpa
Somotillo

CHONTALES - Villa Somoza
San Pedro de Lovago
Santo Domingo
Cuapa

GRANADA - Granada
Nandaime
Diria

JINOTEGA - Jinotega

LEON - Leon
La Paz Centro
Telica

MADRIZ - Telpaneca
Yalagüina
San Juan de Telpaneca

MANAGUA - Managua
Tipitapa
San Francisco del Carnicero

MASAYA - Masaya
Tisma
Catarina
Niquinohomo
San Juan de Oriente
Nandasmo
Masatepe
La Concepción

MATAGALPA - Matagalpa
Esquipulas
San Isidro
Sebaco
Terrabona

NUEVA SEGOVIA - Ocotal
San Fernando
Susucayán

RIO SAN JUAN - San Carlos
San Miguelito
El Castillo
Morrito

RIVAS - Rivas
San Jorge
Tola

ZELAYA - Bluefields, Ciudad Rama
Corn Island
Puerto Cabezas
Laguna de Perlas

ANNEX A
(Attachment to Letter No. 511)

COMMUNITIES WHICH SIGNED CONTRACTS UNDER THE OLD PROGRAM AND HAVE THE LAND AND MATERIALS READY FOR CONSTRUCTION OF THEIR SCHOOLS

City	No. of Classrooms	Department
Moyogalpa	7	Rivas (Ometepe)
Buenos Aires	6	Rivas
Muhan	3	Chontales
Acoyapa	22	Chontales
La Concordia	12	Jinotega
Sabana Grande	6	Jinotega
San Gabriel	2	Jinotega
Las Pilas #3	6	Leon
Achuapa	8	Leon
Belen	3	Boaco
Las Peñitas	3	Boaco
Los Hidalgos	2	Managua
El Realejo	6	Chinandega
Rodeo Grande	4	Chinandega
San Francisco de Cuajiniquilapa	8	Chinandega
Santo Tomas	6	Chinandega

COMMUNITIES WHICH SIGNED CONTRACTS UNDER THE OLD PROGRAM, BUT DO NOT HAVE THE LAND OR MATERIALS

City	No. of Classrooms	Department
Somoto	20	Madriz
El Regadio	6	Esteli
San Isidro	12	Matagalpa
Sebaco	10	Matagalpa
La Paz Centro	12	Leon
Tipitapa	12	Managua
San Francisco del Carnicero	6	Managua

CRITERIA BY WHICH URBAN AND SEMI-RURAL LOCATIONS WILL BE IDENTIFIED FOR THE LOAN-SUPPORTED SCHOOL
(Appended to Letter No. 511 of Feb. 22, 1966)

Assign each Department 30 classrooms to be built in schools of not less than six classrooms not greater than 12, with the option to add rooms according to the following criteria:

1. The schools will be built where demographic studies conclusively prove that the student population will continue to grow.

2. They will be located where there are no schools or where those which exist, be they national or municipal, leased or loaned, are inadequate and should be replaced.

3. Schools will be situated where there are not enough or appropriate classrooms to accommodate at least 50% of the school-aged children. No school will be built without first completing a full study of the school-aged children, as per Reglamento General de las Escuelas Primarias de Nicaragua (1960), Chapter II, Article 5.

4. They will be located in places which fulfill the requirements for improving the educational system of Nicaragua, as outlined in the Plan Nacional de Desarrollo Económico y Social de Nicaragua - 1965-1969.

5. Schools will be built where there are enough trained teachers to allow for two shifts of students in the new schools.

6. Each classroom will be 6 meters by 7.5 meters with a capacity of 40 students.

7. The schools will be constructed where the communities promise to give adequate land for the present and future needs of the school and in no case less than 10,000 square meters. The land should not be situated close to natural dangers that will imperil the safety of children. It must be regular in shape, level, and firm. An inspector from the Ministry of Education and one from Construcciones Nacionales will examine the land before accepting the obligation to build. Construction will not begin until title to the property has been passed over to the Government of

Nicaragua according to the contract that the community will sign with the Ministry of Education.

8. The communities must be near to accessible roads that will permit construction and supervision.

9. The community must provide local leaders, labor, materials and when possible, financial aid with which to build the school and for its maintenance thereafter. Construction will commence only when the community has placed on the proposed building site all materials necessary for construction, such as sand, gravel, wood, etc.

10. The community must guarantee that there will be sufficient water for construction purposes and that before finishing the school there will be potable water for the students.

11. The Ministry of Education guarantees that each school will receive an adequate supply of materials, proper supervision, and good maintenance.

UNOFFICIAL TRANSLATION

MINISTRY OF PUBLIC EDUCATION

No. 512
February 23, 1966

CLARIFICATION OF ISSUES ARISING FROM THE QUESTIONNAIRE

The Special Planning Commission of the Ministry has forwarded a series of statistical data on primary school projections until 1970, with the goal of developing a program of new schools and to give an idea of what would be paid in rent for schools during this period. (See Annex IV, Exhibit 4)

To ameliorate this grave problem, we are suggesting the construction of an equal number of classrooms in each department to substitute for rentals and other buildings considered educationally inadequate.

In order to make the best use of the new schools, we are arranging in advance of the agreement to use them in two shifts by doubling the teaching personnel, but with only one Director and a Sub-Director who would be directly responsible for the correct conduct of the classes, for the maintenance of order, and for the protection of the school. By this means the Ministry guarantees the creation of a number of places that might be utilized in the new schools, as and when the student population merits it in the judgment of the Ministry.

I am in complete agreement that the lots donated for construction must have as a minimum 10,000 square yards, so as to leave free space for future expansion and so the student body can enjoy sufficient play and sports areas.

As for the number of classrooms and the facilities needed for each building, we are not able to inform you at this moment, as that will depend on the results of the investigations being made by this Ministry; but in general, I agree that each Department of the Republic should be assigned 30 classrooms provisionally, yet allowing this number to increase or decrease according to needs and taking into serious consideration the growth of the school-age population. In conformity with pedagogical experts, I believe each classroom should be 7.5 meters long by 6 wide for a capacity of 40 students.

I have read with care the El Salvador Construction Plan and find very acceptable the idea of movable dividers (or "hanging walls" as they are called therein), which avoids having to build an auditorium since the very same classrooms can at any time meet this requirement thanks to the removable dividers.

This Ministry would look with pleasure on having an Architect of your choice draw us a plan as soon as possible and to include for our consideration the following:

a) Toilet facilities
b) A small storage room
c) A director's office
d) A small kitchen

In an effort to maintain the closest relations with the Department of National Constructions (which I hope to see much improved in the future through an official liaison agency which I will soon create), I am sending a copy of this letter of Ing. Jorge Hayn so he will be aware of the opinion of this Ministry.

Very sincerely yours,

s/Jose Sanson Teran
Minister of Education

UNOFFICIAL TRANSLATION

MINISTRY OF PUBLIC EDUCATION

No. 646
March 8, 1966

Dear Mr. Barton:

I am happy to inform you that for the purpose of using to the maximum the funds that will be obtained through the loan for the new school construction program, this Ministry is willing to provide everything which in our opinion is necessary for the operation of a school. Therefore, we are planning to include in the next budget special funds for the following:

School Furniture

In order to provide the new schools and those already constructed with the necessary furniture consisting of desks, tables, chairs, cupboards, etc., the GON will get from its General Budget the annual sum of 300,000 cordobas, which would come to a total of 900,000 for furniture needs during the three year period which is considered to be the life of the new program.

Distribution of school furniture is the responsibility of the School Property Section of the Ministry which, with the Educational Planning Office, is making a distribution plan suitable for the needs of each school. This will be the same process that we will follow in the future to insure the equipping of the new schools that will be built under the Program.

Types of Furniture

The Ministry of Education has normally submitted for bids the manufacture of school furniture, which we will follow in order to get the best quality of durable and suitable furniture. Designs and measurements will be provided by the Ministry and each classroom will be equipped with the following: 40 chairs, 6 tables, 1 teacher's table, 2 cupboards.

For the principal's office: a desk and chair, a file cabinet and a cupboard.

When the students get bigger they will get university type desk-chairs instead of tables and seats. I have shown you already, Mr. Barton, the type

of furniture made of steel and hard wood (walnut or oak) that is now being manufactured for all the schools of the Republic. Just the same, we would be glad to improve on them using the AID or El Salvador plans if they should be better and more functional.

Consumable Materials

Since every school needs for the development of its educational activities a supply of student supplies, this year's Primary School Budget has 154,000 cordobas put aside for this item and I think this amount could be increased as follows: 249,225 cordobas in 1967; 318,477 cordobas in 1968; 373,910 in 1969; and 395,700 in 1970, to take care of the growing student population which attends school. Consequently, the Ministry of Education will provide all the country's schools with the didactic materials and equipment which primary schools need.

Finally, as befits the philosophy of the Alliance for Progress Program, my country is 100% in favor of carrying out the obligations stipulated in paragraph 5 of Annex A of the letter of October 29, 1965, which refers to the loan which this Ministry has requested from the Agency for International Development.

In conclusion, I would like to take this opportunity to thank you once again for the valuable and generous cooperation you have provided so that the loan request will contain all the data and meet all requirements that this type of request must have if it is to meet with the success that all Nicaraguan citizens so gratefully await.

Yours truly,

s/Jose Sanson Teran
Minister of Education

UNOFFICIAL TRANSLATION

MINISTRY OF PUBLIC EDUCATION

No. 647
March 5, 1966

POLICIES RELATING TO THE OFFICE OF SCHOOL CONSTRUCTION

With the desire to provide you with as much information as may be needed to further the loan, please find herein policies of this Ministry on the following points:

The Office of School Constructions is already provided for under the Organic Law, which in Article 22 reads:

"The School Construction Section will have the following functions: studies and planning, bids, contracts and inspections, maintenance, construction and repair of school furniture. The Director, who will be an engineer with specialization in School Constructions, will organize the sections which he judges necessary."

This Ministry ratifies your proposal to budget for this office in 1967; meanwhile I have assigned the most dynamic and capable officials of this Ministry to undertake the necessary studies as to where to place the schools in accordance with the stipulations found in Point 4 of Annex A of AID's letter of October 29, 1965, which I quote:

"The schools to be built under this program ought to be located where there is the greatest concentration of population and the greatest need for classrooms."

I attach a list of places selected by Departmental Inspectors from the entire Republic which shows that just to meet the urban requirements of the Nicaraguan student population 1,600 classrooms are needed.

This Ministry had decided to select 48 urban communities in the 16 departments where the Program can begin, as they are the ones which are growing fastest and have the severest educational problems. (See Annex IV, Exhibit 6)

Regarding the organization of the School Construction Section, I am hunting responsible personnel from within the Ministry, from among educational inspectors, and from the teachers so as to put it into effective operation. Besides the Director mentioned in Article 22 of the Organic Law, who must be an engineer specialized in school constructions, I plan to name the following:

A coordinator who will be in charge of establishing liaison between Construcciones Nacionales and all other institutions involved in this program;

three specialists in community development. They will be in charge of promoting the interest of the community and will undertake the following activities: stimulate private initiative; procure communal lots; obtain legal deeds for same for the State; line up labor, materials and financial support; and organize the community to help on the maintenance of the schools and to make the other communal self-help contributions that were outlined in Page 2 of Annex A (to letter of October 29, 1965);

a supervisor of supplies for school maintenance.

OBJECTIVES OF THE OFFICE

1. This section would have among its specific goals that of maintaining close relations with all agencies that one way or another are involved in the outcome of the program, such as Construcciones Nacionales, the Ministry of Finance, Municipal authorities, Departmental Inspectors, AID, etc.

2. To get the active participation of the authorities, of private initiative and of the citizens in general in the School Construction Program.

3. To prepare community leaders, teachers and heads of families through seminars on the different educational aspects directly relating to the school.

4. To take the necessary steps to assume cleanliness and maintenance of and responsibility for all schools of the country.

THE MAINTENANCE PLAN

The government of Nicaragua is completely disposed to maintain in good

condition its schools and covenants to include in its annual budget special funds for this purpose.

Among other things, it will be a duty of the Office of School Constructions to work in close collaboration with the Community Development Section, with the educational inspectors, with teachers and with the janitors to see that they care and maintain in good condition the new schools as well as all others which belong to the Government.

The inspectors of education will have to receive training from the staff in the Educational Planning Office on how to stimulate a spirit of community cooperation, and to organize committees and sponsors to care for the schools.

The Planning Office and the inspectors of education will write up instructions on how to care and maintain the schools of the entire country, including special instructions for janitors on how to use funds set aside for cleaning and hygienic materials such as soap, toilet paper, disinfectants, etc.

FINANCES

To carry out the maintenance plan outlined above, the Ministry of Public Education will budget in the next fiscal year an annual sum of 100 cordobas per classroom to take care of the various needs of the school. This sum will begin the maintenance program and could be increased according to needs that might arise in its execution.

This money will be administered by each principal who will receive it at the beginning of each year and who will be reimbursed upon receipts of vouchers used for the maintenance of the school building.

At the same time we will try to get the neighbors of the school to lend a hand on jobs and to donate local materials.

SCHOOL TEXTBOOKS

Re the ROCAP Textbooks, I am organizing for the valuable Meso-America Series a national plan for their distribution and for the supervision of their use and control.

In my letter of November 23, I accepted all of the conditions in Annex A, especially point 5, and expressed in the same letter that the Ministry of Education has a Teacher Training Program functioning which is also charged with supplying texts to all the schools. This Program is sufficiently vast to guarantee that the schools that will be built in the new construction program will not remain unoccupied for lack of teachers, texts, or any other essentials.

Aside from this covenant, I agree to continue with the valuable ROCAP Textbook Program and will soon sign the new Project Agreement for 1967, which Dr. Juan E. Silva, Chief of Human Resources of AID/Nicaragua, has brought me.

CONSTRUCTIONS COMPLETED

As the lack of schools has always been considered a negative factor in the advance of education and culture, the Government has annually included in its budget special funds for School Constructions, having used 5.4%, or 3,937,000 cordobas of the 1965 General Education Budget which came to 72,651,322 cordobas. The policy of this Ministry will be to budget an equal or greater amount each year for as long as it is necessary to build adequate and sufficient schools for all the children of Nicaragua. (See Annex IV, Exhibit 1)

The school construction efforts carried on by the Government during the 1960-1965 period breakdown as follows:

	No. of Schools	No. of Classrooms
AID Constructions	75	405
Construcciones Nacionales	36	226
Ministry of Agriculture, etc.	27	70

In this way I reaffirm what I expressed in my letter No. 2707 of November 23, 1965; i.e., that my Government accepts each and every one of the ideas contained in Annexes A & B of the letter of October 29 written by Mr. Ralph J. Burton, Director of USAID/Nicaragua.

Sincerely yours,

s/Jose Sanson Teran
Minister of Education

NORMAL SCHOOL GRADUATES
1942 - 1965

Year	TOTAL	Men	Women
1942 - 1950	769	171	598
1950 - 1951	74	19	55
1951 - 1952 *	-	-	-
1952 - 1953	55	14	41
1953 - 1954	30	7	23
1954 - 1955	50	15	35
1955 - 1956	58	14	44
1956 - 1957	54	17	37
1957 - 1958	77	7	70
1958 - 1959	75	25	50
1959 - 1960	83	27	56
1960 - 1961	143	32	111
1961 - 1962	142	65	77
1962 - 1963	208	60	148
1963 - 1964	315	120	195
1964 - 1965 **	745	240	505
TOTAL	2,878	833	2,045

Source: Ministry of Public Education

* In 1952 Normal Schools went from four years to five.
** Includes professionalization center graduates.

ACADEMIC LEVEL OF PRIMARY SCHOOL TEACHERS
1961 - 1965

Year	TOTAL	Normal School Grads.	%	Some Trng.	%	Empi-ricos	%
1961-62	3,883	906	23.4	533	13.7	2,444	62.9
1962-63	4,030	986	24.5	549	13.6	2,495	61.9
1963-64	4,186	1,173	28.0	610	14.6	2,403	57.4
1964-65	4,362	1,521	34.9	704	16.1	2,137	49.0

Source: Planning Office & Ministry of Education

NORMAL SCHOOL REGISTRATION
1960–1965

Years	TOTAL	First	%	Second	%	Third	%	Fourth	%	Fifth	%
1960–61	1,821	761	41.79	452	24.82	302	16.58	205	11.26	101	5.55
1961–62	2,110	783	37.11	552	26.16	388	18.39	241	11.42	146	6.92
1962–63	2,484	902	36.31	585	23.55	465	18.72	311	12.52	221	8.90
1963–64	3,324	1,136	34.17	737	22.17	580	17.45	550	16.55	321	9.66
1964–65	3,447	876	26.14	774	24.18	606	16.15	691	17.26	500	16.27

Source: Ministry of Education

NATIONAL AND EDUCATIONAL BUDGET

Years	Natl. Budget	Educ. Budget	Construction Expenses	% of Ed. Bdgt. in respect to Natl. Bdgt.	% of Ed. Bdgt. used for Construction
1960-61	247,552,000	35,608,109	1,461,800	14.9	4.1
1961-62	258,144,000	36,924,206	1,647,650	12.9	4.5
1962-63	311,767,043	48,617,684	2,573,200	15.6	5.3
1963-64	341,311,760	58,461,971	3,074,420	17.1	5.3
1964-July to December	207,674,515	33,823,444	1,640,000	16.3	4.8
1965	465,828,000	72,651,322	3,937,000	15.6	5.4
1966	583,715,897	87,657,458	5,044,000	14.84	5.75

Source: Statistics Section, Ministry of Public Education.

BREAKDOWN OF EDUCATIONAL BUDGET

1966

By Types

Operating Costs	70,410,784
Transfer Accounts	12,202,674
Capital Investments	5,044,000
	87,657,458

By Departments

Advisory Council	796,820
Administrative Services	2,057,400
Cultural Extension	2,145,960
Primary Education	51,535,774
Secondary Education	13,874,830
Transfer Accounts (Scholarships & Subsidies)	12,202,674
School Construction	5,044,000
	87,657,458

Sources: National Budget, 1966

COST OF REPAIRS FOR PUBLIC BUILDINGS BY DEPARTMENT OF CONSTRUCTION & MAINTENANCE OF PUBLIC BUILDINGS MINISTRY OF DEVELOPMENT & PUBLIC WORKS

Fiscal Period	Total (Cordobas)
1959-60	200,000
1960-61	469,726
1961-62	400,000
1962-63	397,000
1963-64	260,000
July to December, 1964	200,000
1965	325,000
1966	500,000

NOTE: Of these amounts approximately 60% to 70% was used for the repair of schools.

Source: Department of National Constructions.

RENT PAID FOR INADEQUATE SCHOOLS TO BE REPLACED BY LOAN PROGRAM

Department & City	(Cordobas) Monthly	(Cordobas) Annually
BOACO		
Boaco	410.00	4,920.00
Camoapa	330.00	3,960.00
San Lorenzo	--	--
CARAZO		
Jinotepe	5,240.00	62,880.00
Diriamba	1,435.00	17,220.00
CHINANDEGA		
Chinandega	4,785.00	57,420.00
Corinto	1,830.00	21,960.00
Chichigalpa	640.00	7,680.00
CHONTALES		
Acoyapa	523.00	6,276.00
Villa Somoza	440.00	5,280.00
San Pedro de Lóvago	150.00	1,800.00
Cuapa	75.00	900.00
Juigalpa	350.00	4,200.00
ESTELI		
Estelí	2,665.00	31,980.00
El Regadío	--	--
Condega	--	--
GRANADA		
Granada	7,227.00	86,724.00
Nandaime	635.00	7,620.00
Diriá	100.00	1,200
JINOTEGA		
Jinotega	2,420.00	29,040.00
La Concordia	--	--

Department & City	(Cordobas) Monthly	(Cordobas) Annually
LEON		
León	12,050.00	144,600.00
La Paz Centro	265.00	3,180.00
MADRIZ		
Somoto	1,188.00	14,256.00
San Juan de Telpaneca	--	--
Telpaneca	280.00	3,360.00
Yalaguina	75.00	1,080.00
MANAGUA		
Managua	63,250.00	759,000.00
Tipitapa	150.00	1,800.00
MASAYA		
Masaya	6,680.00	80,160.00
Masatepe	300.00	3,600.00
Tisma	--	--
MATAGALPA		
Matagalpa	2,330.00	27,960.00
Sébaco	270.00	3,240.00
San Isidro	470.00	5,640.00
Esquipulas	400.00	4,800.00
NUEVA SEGOVIA		
Ocotal	470.00	5,640.00
Susucayán	--	--
San Fernando	100.00	1,200.00
RIO SAN JUAN		
San Carlos	100.00	1,200.00
Morrito	150.00	1,800.00
El Castillo	100.00	1,200.00
San Miguelito	160.00	1,920.00

Department & City	(Cordobas) Monthly	(Cordobas) Annually
RIVAS		
Rivas	630.00	7,560.00
Tola	100.00	1,200.00
San Jorge	--	--
ZELAYA		
Bluefields	1,065.00	12,780.00
Puerto Cabezas	90.00	1,080.00

ANTICIPATED NICARAGUAN BUDGETARY INCREASES TO COMPLEMENT SCHOOL CONSTRUCTION LOAN

	1967	1968	1969
PRIMARY	C$6,646,000	C$3,178,000	C$1,021,000
SECONDARY	2,720,000	1,020,000	480,000
FURNITURE	261,820	129,320	258,640
TEXTBOOKS	232,330	169,085	186,935
PRIMARY SCHOOLTEACHERS	3,952,500	3,952,500	3,952,500

CONSTRUCTIONS: 440 classrooms for primary schools at an additional cost of C$30,000 for urban rooms and C$19,000 for rural schoolrooms; 162 for secondary education at a cost of C$30,000 each for 1967; 485 primary and 196 secondary during 1967; 635 primary and 180 secondary during 1969. Each to be equipped with appropriate furniture.

FURNITURE: Tables and chairs at 65 and 20 cordobas respectively.

TEXTBOOKS: According to the ROCAP agreement.

PRIMARY TEACHERS: An increase of 425 teachers a year at a monthly rate of 775.00 cordobas.

ANNEX V

Exhibit 1. Nicaragua's Long-Range Urban School Construction Plan According to School-Age Population Expected in 1969

Exhibit 2. School Conditions and Student Attendance

Exhibit 3. Estimate of Teachers, Classrooms and School Needed For 1969

Exhibit 4. Summary of Nicaragua's Long-Range Construction Plan by Departments

Exhibit 5. Priority Localities Chosen From Long-Range Plan

Exhibit 6. Teachers, Classrooms and Schools Needed For Cities on Priority List

(Percent of homes of those cities with running water)

NICARAGUAN LONG-RANGE CONSTRUCTION PLAN

ESTIMATE OF SCHOOL-AGED POPULATION OF URBAN & SEMI-RURAL LOCATIONS TO RECEIVE SCHOOLS UNDER MINISTRY'S OF EDUCATION LONG-RANGE SCHOOL CONSTRUCTION PLAN

Sources: Statistical Section, Ministry of Education

Department & City	1963 Total Population	EXTRAPOLATION OF 7-13 AGED POPULATION 1965	1966	1967	1968	1969
BOACO						
Boaco	4,656	1,193	1,232	1,273	1,315	1,358
Camoapa	2,617	671	693	716	739	763
San Lorenzo	631	166	171	177	183	189
CARAZO						
Jinotepe	9,113	2,346	2,423	2,503	2,585	2,670
Diriamba	10,499	2,686	2,775	2,867	2,962	3,059
La Paz de O.	883	220	227	234	242	250
CHINANDEGA						
Chinandega	22,409	5,656	5,843	6,036	6,235	6,441
Corinto	9,177	2,049	2,117	2,187	2,259	2,333
Chichigalpa	11,168	2,667	2,755	2,846	2,940	3,037
Somotillo	1,435	388	401	414	428	442
CHONTALES						
Acoyapa	1,755	605	623	642	661	680
Villa Somoza	1,126	301	311	321	332	343
S. Pedro del L.	709	201	208	215	222	229
Santo Domingo	1,779	480	496	512	529	546
Cuapa	1,073	300	309	319	330	340
Juigalpa	6,146	1,747	1,799	1,873	1,958	1,988
ESTELI						
Esteli	12,742	3,361	3,472	3,586	3,704	3,826
El Regadio	1,228	246	254	262	270	279

Department & City	1963 Total Population	EXTRAPOLATION OF 7-13 AGED POPULATION 1965	1966	1967	1968	1969
GRANADA						
Granada	28,507	7,207	7,445	7,691	7,945	8,207
Nandaime	5,051	1,368	1,413	1,460	1,508	1,558
Diria	1,733	457	472	488	504	521
JINOTEGA						
Jinotega	7,693	1,955	2,019	2,085	2,154	2,225
LEON						
Leon	45,048	11,113	11,480	11,859	12,250	12,654
La Paz Centro	4,431	1,161	1,199	1,238	1,279	1,321
Telica	1,702	436	450	465	480	496
MADRIZ						
S. Juan de Tel.	1,028	232	240	248	256	264
Telpaneca	1,086	247	255	263	272	281
Yalaguina	355	95	98	101	104	107
MANAGUA						
S. Rafael del Sur	2,411	625	645	666	688	711
Managua	234,580	59,157	61,109	63,125	65,208	67,359
Tipitapa	3,600	969	1,001	1,034	1,068	1,103
MASAYA						
Masaya	23,402	5,836	6,028	6,223	6,428	6,640
Tisma	1,377	373	385	398	411	425
Catarina	1,883	471	486	502	519	536
Niquinohomo	1,877	503	520	537	555	573
Masatepe	5,417	1,407	1,453	1,501	1,551	1,602
La Concepcion	1,704	459	474	489	505	521
MATAGALPA						
Matagalpa	15,030	3,755	3,879	4,007	4,139	4,275
Esquipulas	1,636	447	462	477	493	509
San Isidro	1,945	473	489	505	522	539
Sebaco	2,268	596	616	636	657	679
Terrabona	690	179	185	191	197	204

Department & City	1963 Total Population	EXTRAPOLATION OF 7-13 AGED POPULATION 1965	1966	1967	1968	1969
NUEVA SEGOVIA						
Ocotal	4,339	944	975	1,007	1,040	1,074
S. Fernando	511	120	124	128	132	137
Susucayan	882	195	201	207	214	221
RIO SAN JUAN						
San Carlos	1,547	379	391	404	417	431
San Miguelito	885	241	249	257	265	274
El Castillo	519	113	117	121	125	129
Morrito	324	89	92	95	98	101
RIVAS						
Rivas	7,721	1,990	2,056	2,124	2,194	2,266
San Jorge	1,657	438	452	467	482	498
Tola	802	216	223	230	238	246
ZELAYA						
Bluefields	9,758	2,468	2,549	2,633	2,720	2,809
Ciudad Rama	600	159	164	169	174	180
Corn Island	1,896	449	464	479	495	511
Pto. Cabezas	5,983	1,614	1,667	1,722	1,779	1,838
Lag. de Perlas	1,632	360	772	384	397	410

1965 STUDENT ATTENDANCE AND SCHOOL CONDITION

Source: Departmental Inspectors, Ministry of Education

Department & City	Std. Aged Population	Attend School	Not Attending	SCHOOL CONDITION: Rent-ed	Owned	Satis-factory	Inade-quate	# of Class-rooms	# of Teachers
BOACO									
Boaco	1,193	843	350	3			x	7	8
					2	x		15	15
Camoapa	671	612	59	1			x	7	7
					1	x		7	7
San Lorenzo	166	160	6	1			x	5*	5
CARAZO									
Jinotepe	2,346	1,782	564	4			x	45	49
					1	x		12	(In Construc.)
Diriamba	2,686	1,439	1,247	3			x	27	29
La Paz de O.	238	166	72		1		x	5	6
CHINANDEGA									
Chinandega	5,659	4,390	1,269	16			x	114	114
					4		x	20	20
Corinto	2,049	1,130	919	3			x	26	26
					1		x	4	4
Chichigalpa	2,667	1,126	1,541	5			x	27	27
Somotillo	388	285	103		1		x	8	8
CHONTALES									
Acoyapa	618	500	118	3			x	18	18
Villa Somoza	301	210	91	1			x	6	6

Department & City	Std. Aged Population	Attend School	Not Attending	SCHOOL CONDITION Rent-ed	Owned	Satis-factory	Inade-quate	# of Class-rooms	# of Teachers
CHONTALES (Cont.)									
S. Pedro de L.	201	249	48	3			x	7	7
Sto. Domingo	480	314	166		1	x		7	9
Cuapa	300	205	95	1			x	6	6
Juigalpa	1,247	777	480		1	x		12	12
ESTELI									
Esteli	3,361	2,912	449		2	x		40	40
				2			x	36	36
El Regadio	246	138	108		1		x	5	5
Condega	575	325	250		1	x		5	5
GRANADA									
Granada	8,207	3,670	3,537	16			x	110	110
					1	x		14	14
					1		x	3	3
Nandaime	1,368	1,022	346	2			x	33	33
					2		x		
Diria	457	184	273		1	x		7	7
JINOTEGA									
Jinotega	1,955	1,474	481	3			x	27	27
					2	x		29	32
La Concordia	221	270	49		1		x	9	9

Department & City	Std. Aged Population	Attend School	Not Attending	SCHOOL CONDITION: Rent-ed	Owned	Satis-factory	Inade-quate	# of Class-rooms	# of Teachers
LEON									
Leon	11,113	6,587	4,526	26			x	181	232
					7	x		51	-
La Paz C.	1,161	608	553	1			x	12	12
					1		x		
Telica	436	316	120	1			x	7	7
					1		x		
Achuapa	265	142	123	1			x	4	4
MADRIZ									
Somoto	1,042	884	158	3			x	23	23
					1	x		6	6
Telpaneca	247	193	54	1			x	5	5
Yalagüina	95	66	29	1			x	3	3
S. Juan de Tel.	232	157	75	1			x	3	3
MANAGUA									
Managua	59,137	42,378	16,779	72		x	x	510	484
					19	x	x		
Tipitapa	969	465	504	2			x	8	8
MASAYA									
Masaya	5,836	4,283	1,553	24			x	58	134
					3	x		16	23
Masatepe	1,407	719	688	2			x	28	28
					2	x			
Tisma	363	165	191		1		x	5	5

Department & City	Std. Aged Population	Attend School	Not Attending	SCHOOL CONDITION Rent-ed	Owned	Satis-factory	Inade-quate	# of Class-rooms	# of Teachers
MATAGALPA									
Matagalpa	3,755	2,107	1,648	4			x	43	43
					1	x		5	8
Sebaco	596	353	243	3			x	5	5
					1	x		3	3
San Isidro	473	446	27	3			x	9	9
					1	x		4	4
Esquipulas	447	314	133	1			x	9	9
NUEVA SEGOVIA									
Ocotal	944	814	130	2			x	8	24
					1	x		18	-
Susucayan	195	97	98	1			x	2	2
San Fernando	120	56	64	1			x	2	2
RIO SAN JUAN									
San Carlos	379	316	63		1		x	6	6
San Miguelito	241	203	38		1		x	6	6
El Castillo	113	69	44		1		x	3	3
Morrito	89	95	6		1		x	3	3
RIVAS									
Rivas	1,990	1,469	521	5			x	17	17
					7		x	42	48
San Jorge	438	352	86	1			x	3	3
Tola	216	92	124	1			x	3	3

Department & City	Std. Aged Population	Attend School	Not Attending	SCHOOL CONDITION Rent-ed	Owned	Satis-factory	Inade-quate	# of Class-rooms	# of Teachers
ZELAYA									
Bluefields	2,468	1,482	986	6			x	47	53
Pto. Cabezas	1,614	814	800	3			x	18	18
					1		x	-	-

TENTATIVE LIST OF URBAN AND SEMI-RURAL LOCALITIES WHERE SCHOOLS MIGHT BE BUILT

1	2	TEACHERS 3	4	5	CLASSROOMS 6	7	8	SCHOOLS 9
Department & City	1969 Skl-Pop	Total f/1969 40/ (2)	On Hand	To be Hired (3)-(4)	Total f/1969 ½ (3)	Adeq. on Hand	To be built (6)-(7)	To be built by 1969 6/(8)
BOACO								
Boaco	1,358	36	23	13	18	15	3	½
Camoapa	763	19	14	15	10	7	3	½
San Lorenzo	189	6	5	1	6	-	6	1
TOTAL	2,310	61	42	19	34	22	12	2
CARAZO								
Jinotepe	2,670	67	49	18	34	12	22	4
Diriamba	3,059	76	29	47	38	-	38	6
La Paz de O.	250	6	6	-	6	-	6	1
TOTAL	5,979	149	84	65	78	12	66	11
CHINANDEGA								
Chinandega	6,441	161	134	27	80	-	80	13
Corinto	2,333	58	30	28	30	-	30	5
Chichigalpa	3,037	76	27	49	38	-	38	6
Somotillo	442	11	8	3	6	-	6	1
TOTAL	12,253	306	199	107	154	-	154	25
CHONTALES								
Acoyapa	680	17	18	-	12	-	12	2
Villa Somoza	343	8	6	2	6	-	6	1

1	2	TEACHERS 3	4	5	CLASSROOMS 6	7	8	SCHOOLS 9
Department & City	1969 Skl-Pop	Total f/1969 40/(2)	On Hand	To be Hired (3)-(4)	Total f/1969 ½(3)	Adeq. on Hand	To be built (6)-(7)	To be built by 1969 6/(8)
CHONTALES (Cont.)								
San Pedro de L.	229	6	7	+ 1	6	-	6	1
Santo Domingo	546	13	9	4	6	7	-	-
Cuapa	340	9	6	3	6	-	6	1
Juigalpa	1,988	50	23	17	25	17	8	1
TOTAL	4,126	103	69	27	61	24	38	6
ESTELI								
Esteli	3,826	96	76	20	48	40	8	1
El Regadio	279	6	5	1	6	-	6	1
Condega	655	17	13	4	17	13	4	1
TOTAL	4,760	119	94	25	71	53	18	3
GRANADA								
Granada	8,207	206	127	79	102	14	88	15
Nandaime	1,558	40	33	7	20	-	20	3
Diria	521	13	7	6	7	-	7	1
TOTAL	10,286	259	167	92	129	14	115	19
JINOTEGA								
Jinotega	2,225	56	59	+3	28	29	+1	-
LEON								
Leon	12,654	316	232	84	158	51	107	18
La Paz C.	1,321	33	12	21	17	-	17	3
Telica	496	12	7	5	6	-	6	1
TOTAL	14,471	361	251	110	181	51	130	22

1	2	TEACHERS 3	4	5	CLASSROOMS 6	7	8	SCHOOLS 9
Department & City	1969 Skl-Pop	Total f/1969 40/(2)	On Hand	To be Hired (3)-(4)	Total f/1969 ½(3)	Adeq. on Hand	To be built (6)-(7)	To be built by 1969 6/(8)
MADRIZ								
Somoto	1,187	30	29	1	15	6	9	3
S. Juan de T.	264	7	3	4	7	-	7	1
Telpaneca	281	7	5	2	7	-	7	1
Yalaguina	107	6	3	3	6	-	6	1
TOTAL	1,839	50	40	10	35	6	29	6
MANAGUA								
Managua	67,359	1,684	484	1200	842	91	751	125
S. Rafael Del S.	711	18	8	10	9	-	9	1
Tipitapa	1,103	28	8	20	14	-	14	2
TOTAL	69,173	1,730	500	1230	865	91	774	128
MASAYA								
Masaya	6,640	166	157	9	83	16	67	11
Tisma	425	10	5	5	6	-	6	1
Catarina	536	14	10	4	7	6	1	-
Niquinohomo	573	14	11	3	7	9	-	-
Masatepe	1,602	40	28	12	20	12	8	1
TOTAL	10,297	257	224	33	130	35	82	13
MATAGALPA								
Matagalpa	4,275	107	51	56	54	5	49	8
Esquipulas	509	13	9	4	7	-	7	1
San Isidro	539	13	13	-	7	4	3	-
Sebaco	679	17	8	9	9	3	6	1
Terrabona	204	6	6	-	6	-	6	1
TOTAL	6,206	156	87	69	83	12	71	11

1	2	TEACHERS 3	4	5	CLASSROOMS 6	7	8	SCHOOLS 9
Department & City	1969 Skl-Pop	Total f/1969 40/(2)	On Hand	To be Hired (3)-(4)	Total f/1969 ½(3)	Adeq. on Hand	To be built (6)-(7)	To be built by 1969 6/(8)
NUEVA SEGOVIA								
Ocotal	1,074	27	24	3	14	18	-	2
S. Fernando	137	6	2	4	6	-	6	1
Susucayan	221	6	2	4	6	-	6	1
TOTAL	1,432	39	28	11	26	18	12	4
RIO SAN JUAN								
San Carlos	431	12	8	4	6	-	6	1
San Miguelito	274	7	6	1	7	-	7	1
El Castillo	129	6	3	3	6	-	6	1
Morrito	101	6	3	3	6	-	6	1
TOTAL	935	31	20	11	25	-	25	4
RIVAS								
Rivas	2,809	56	65	+9	28	-	28	5
San Jorge	498	12	3	9	6	-	6	1
Tola	246	6	3	3	6	-	6	1
TOTAL	3,553	74	71	21	40	-	40	7
ZELAYA								
Bluefields	2,809	70	53	17	35	-	35	6
Ciudad Rama	180	6	7	+1	6	-	6	1
Corn Island	511	13	7	7	7	-	7	1
Puerto Cabezas	1,838	46	18	28	23	5	18	3
Laguna de Perlas	410	10	5	5	6	-	6	1
TOTAL	5,748	145	90	58	77	5	72	12

SUMMARY OF TEACHER AND SCHOOL NEEDS BY DEPARTMENTS for NICARAGUA'S LONG-RANGE SCHOOL CONSTRUCTION PLAN

Depart. & City	1969 School Aged Population	Total Needed in 1969	On Hand	To be Hired	Total Needed for 1969	Adeq. & on Hand	To be Built	Schools
Boaco	2,310	61	42	19	34	22	12	2
Carazo	5,979	149	84	65	78	12	66	11
Chinandega	12,253	306	199	107	154	-	154	25
Chontales	4,126	103	69	27	61	24	38	6
Estelí	4,760	119	94	25	71	53	18	3
Granada	10,286	259	167	92	129	14	115	19
Jinotega	2,225	56	59	+ 3	28	29	+ 1	-
León	14,471	361	251	110	181	51	130	22
Madriz	1,839	50	40	10	35	6	29	6
Managua	69,173	1,730	500	1,230	865	91	774	128
Masaya	10,297	257	224	33	130	35	82	13
Matagalpa	6,206	156	87	69	83	12	71	11
N. Segovia	1,432	39	28	11	26	18	12	2
Río S. Juan	935	31	20	11	25	-	25	4
Rivas	3,553	74	71	3	40	-	40	7
Zelaya	5,748	145	90	58	77	5	72	12
TOTALS	156,288	3,782	1,942	1,840	1,966	336	1,617	284

LOCALITIES CHOSEN FROM LONG-RANGE PLAN

FOR IMMEDIATE ATTENTION

Departments & Cities	No. of Schools	TOTAL	Total Classrooms
BOACO		4	24
Boaco	3		
Camoapa	1		
San Lorenzo	1 (2nd. Cat.)		
CARAZO		8	48
Jinotepe	4		
Diriamba	4		
CHINANDEGA		15	90
Chinandega	7		
Corinto	5		
Chichigalpa	3		
CHONTALES		6	36
Acoyapa	2		
Villa Somoza	1		
Sn. Pedro de L.	1		
Cuapa	1		
Juigalpa	1		
ESTELI		5	30
Estelí	3		
El Regadío	1		
Condega	1		
GRANADA		9	54
Granada	5		
Nandaime	3		
Diría	1		
JINOTEGA		5	30
Jinotega	3		
La Concordia	2		

Departments & Cities	No. of Schools	TOTAL	Total Classrooms
LEON		8	48
León	5		
La Paz Centro	3		
MADRIZ		5	36
Somoto	3		
San Juan de Telpaneca	1		
Telpaneca	1		
Yalaguina	1 (2nd Cat.)		
MANAGUA		12	72
Managua	10		
Tipitapa	2		
MASAYA		7	42
Masaya	5		
Masatepe	1		
Tisma	1		
MATAGALPA		9	54
Matagalpa	5		
Sébaco	1		
San Isidro	1		
Esquipulas	2		
NUEVA SEGOVIA		3	18
Ocotal	2		
Susucayán	1 (2nd Cat.)		
San Fernando	1		
RIO SAN JUAN		4	24
San Carlos	1		
Morrito	1		
El Castillo	1		
San Miguelito	1		
RIVAS		7	42
Rivas	5		
Tola	1		
San Jorge	1		
ZELAYA		7	42
Bluefields	4		
Puerto Cabezas	3		

PRIORITIES FOR SCHOOL CONSTRUCTION LOAN

1966 - 1969

Department & City	7-13 1969 Pop.	TEACHERS Needed 1969	TEACHERS On Hand	TEACHERS To be Hired	CLASSROOMS Needed 1969	CLASSROOMS On Hand	CLASSROOMS To be built	Schools to be built	Class-rooms to be built	Water **
BOACO (4&24)										
* Boaco	1,358	36	23	13	18	15	3	3 *	18	38%
Camoapa	763	19	14	5	10	7	3	1	6	0%
	2,121	55	37	18	28	8	6	4	24	
CARAZO (8&48)										
Jinotepe	2,670	67	49	18	34	12	22	4	24	40%
Diriamba	3,059	76	29	47	38	-	38	4	24	14%
	5,729	143	78	65	72	12	60	8	48	
CHINANDEGA (15&90)										
Chinandega	6,441	161	134	27	80	-	80	7	42	77%
Corinto	2,333	58	30	28	30	-	30	5	30	43%
Chichigalpa	3,037	76	27	49	38	-	38	3	18	50%
	11,811	295	191	104	148	-	148	15	90	
CHONTALES (6&36)										
*Acoyapa	630	24	18	6	12	-	12	2	12	0%
Villa Somoza	343	8	6	2	6	-	6	1	6	36%
S. Pedro de L.	229	6	7	+1	6	-	6	1	6	0%
Cuapa	340	9	6	3	6	-	6	1	6	0%
* Juigalpa	1,988	50	23	17	25	17	8	1	6	28%
	3,580	97	60	27	55	17	38	6	36	

** Shows % of city's houses receiving running water.

Department & City	7-13 1969 Pop	TEACHERS Needed 1969	TEACHERS On Hand	TEACHERS To be Hired	CLASSROOMS Needed 1969	CLASSROOMS On Hand	CLASSROOMS To be built	Schools to be built	Class-rooms to be built	Water
ESTELI (5&30)										
*Esteli	3,826	96	76	20	48	40	8	3	18	39%
El Regadio	279	6	5	1	6	-	6	1	6	0%
*Condega	655	17	13	4	17	13	4	1	6	33%
	4,760	119	94	25	71	53	18	5	30	
GRANADA (9&54)										
Granada	8,207	206	127	79	102	14	88	5	30	79%
Nandaime	1,558	40	33	7	20	-	20	3	18	30%
Diria	521	13	7	6	7	-	7	1	6	0%
	10,286	259	167	92	129	14	115	9	54	
JINOTEGA (5&30)										
*Jinotega	2,225	56	59	+3	29	29	-	3	18	85%
*La Concordia	252	7	9	2	7	-	7	2	12	44%
	2,477	63	68	+1	36	29	7	5	30	
LEON (8&48)										
Leon	12,654	316	232	84	158	51	107	5	30	47%
La Paz Centro	1,321	33	12	21	17	-	17	3	18	0%
	13,975	349	244	105	175	51	124	8	48	
MADRIZ (5&30)										
*Somoto	1,187	30	29	1	15	6	9	3	18	47%
S. Juan de T.	264	7	3	4	7	-	7	1	6	0%
Telpaneca	281	7	5	2	7	-	7	1	6	13%
	1,732	44	37	7	29	6	23	5	30	

Department & City	7-13 1969 Pop	TEACHERS Needed 1969	TEACHERS On Hand	TEACHERS To be Hired	CLASSROOMS Needed 1969	CLASSROOMS On Hand	CLASSROOMS To be built	Schools to be built	Class-rooms to be built	Water
MANAGUA (12&72)										
Managua	67,359	1,684	484	1,200	842	91	751	10	60	69%
Tipitapa	1,103	28	8	20	14	-	14	2	12	18%
	68,462	1,712	492	1,220	856	91	765	12	72	
MASAYA (7&42)										
Masaya	6,640	166	157	9	83	16	67	5	30	51%
Masatepe	1,602	40	28	12	20	12	8	1	6	28%
Tisma	425	10	5	5	6	-	6	1	6	0%
	8,667	216	190	26	109	28	81	7	42	
MATAGALPA (9&54)										
Matagalpa	4,275	107	51	56	54	5	49	5	30	77%
Sebaco	679	17	8	9	9	3	6	1	6	0%
San Isidro	539	13	13	-	7	-	7	1	6	0%
Esquipulas	509	13	9	4	7	-	7	2	12	0%
	6,002	150	81	69	77	8	69	9	54	
NUEVA SEGOVIA (3&18)										
* Ocotal	1,074	27	29	3	12	18	-	2	12	55%
San Fernando	137	6	2	4	6	-	-	1	6	0%
	1,211	33	31	7	18	18	-	3	18	
RIO SAN JUAN (4&24)										
San Carlos	431	12	8	4	6	-	6	1	6	56%
Morrito	101	6	3	3	6	-	6	1	6	0%
El Castillo	129	6	3	3	6	-	6	1	6	0%
San Miguelito	274	7	6	1	7	-	7	1	6	0%
	935	31	20	11	25	-	25	4	24	

Department & City	7-13 1969 Pop	TEACHERS Needed 1969	TEACHERS On Hand	TEACHERS To be Hired	CLASSROOMS Needed 1969	CLASSROOMS On Hand	CLASSROOMS To be built	Schools to be built	Class-rooms to be built	Water
RIVAS (7&42)										
Rivas	2,809	56	65	+9	28	-	28	5	30	56%
Tola	246	6	3	3	6	-	6	1	6	0%
San Jorge	498	12	3	9	6	-	6	1	6	0%
	3,553	74	71	21	40	-	40	7	42	
ZELAYA (7&42)										
Bluefields	2,809	70	53	17	35	-	35	4	24	35%
Pto. Cabezas	1,838	46	18	28	23	5	18	3	18	32%
	4,647	116	71	45	58	5	53	7	42	

* Boaco - Although 15 classrooms are avilable, they are not near communities which need neighborhood schools.

* Acoyapa and La Concordia - Under the old program, 22 classroom schools were to be built. This program recommends construction of two schools of six classrooms each, to be used in double shifts and to be built in places more accessible to the school population.

* Esteli, Ocotal and Jinotega - Many of the families living on the outskirts of the city do not send their children to the two large primary schools downtown. It is recommended three schools be built to accomodate them.

* Condega - Condega the tobacco center of the country is growing fast and will not be able to accomodate the school population long.

* Somoto - The one government-owned school is insufficient; new schools must replace the private houses now being used in various parts of the city.

* Jinotega - The rented schools do not meet minimum teaching requirements. The national schools are at one edge of the city, remote from more than half of the population.

* Juigalpa - The large new primary school is at one extreme of the city. A new school is needed for children living at the other side.

ANNEX VI

PLANS AND DESIGNS

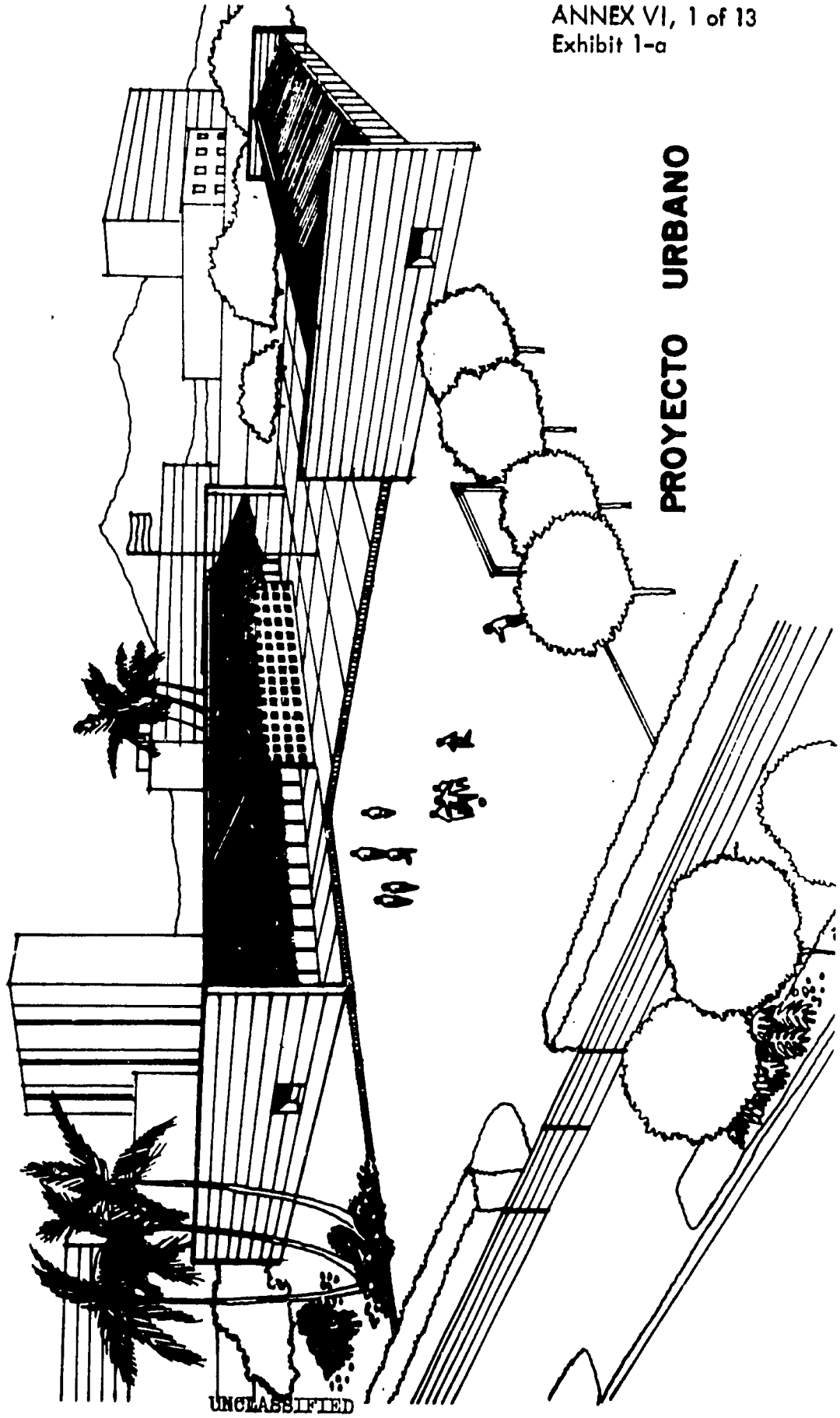
Exhibit

1 STANDARD DESIGNS AND PLANS
- a. Urban School Perspective
- b. Semi-urban School Perspective
- c. Preliminary Standard Design
- d. Alternate Siting Arrangements

2 FURNITURE DESIGN
- a. Desk and Bookshelves
- b. Graduated Chair Sizes

3 PROJECT COST SUMMARY
- a. Summary of Project Costs
- b. Land Costs and Site Development
- c. Building Construction Costs Estimates
- d. Quantity and Cost of School Furniture

4
- a. Site Planning
- b. Building Construction Specifications



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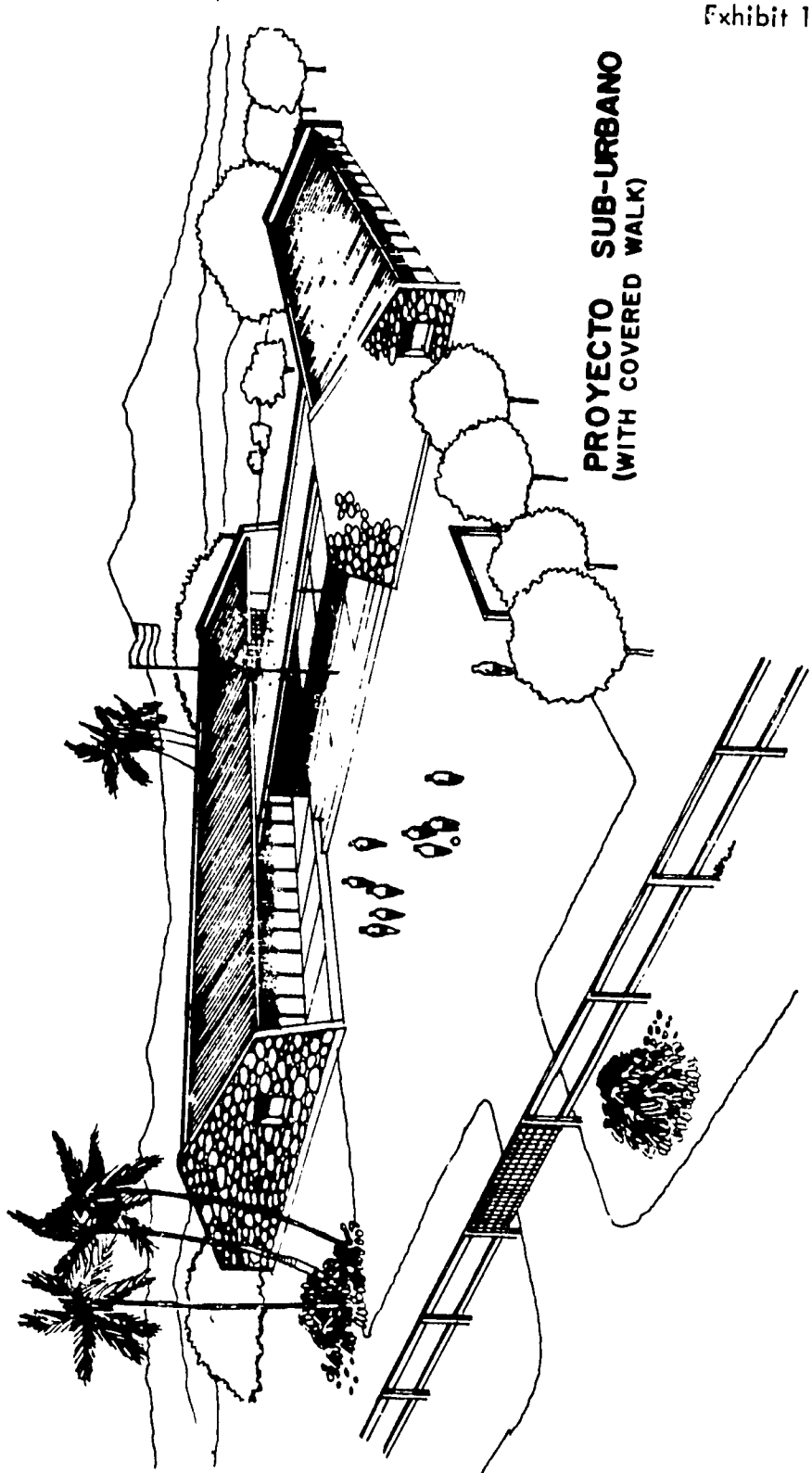
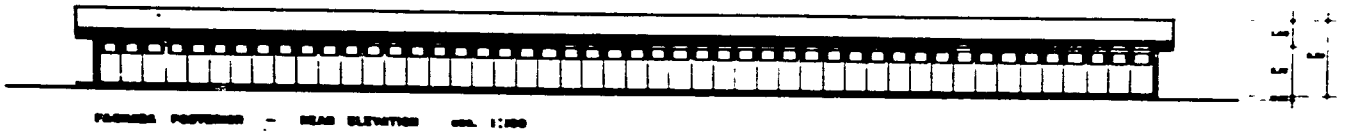
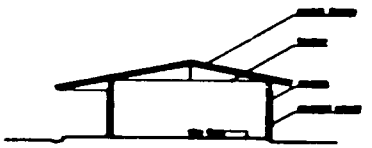
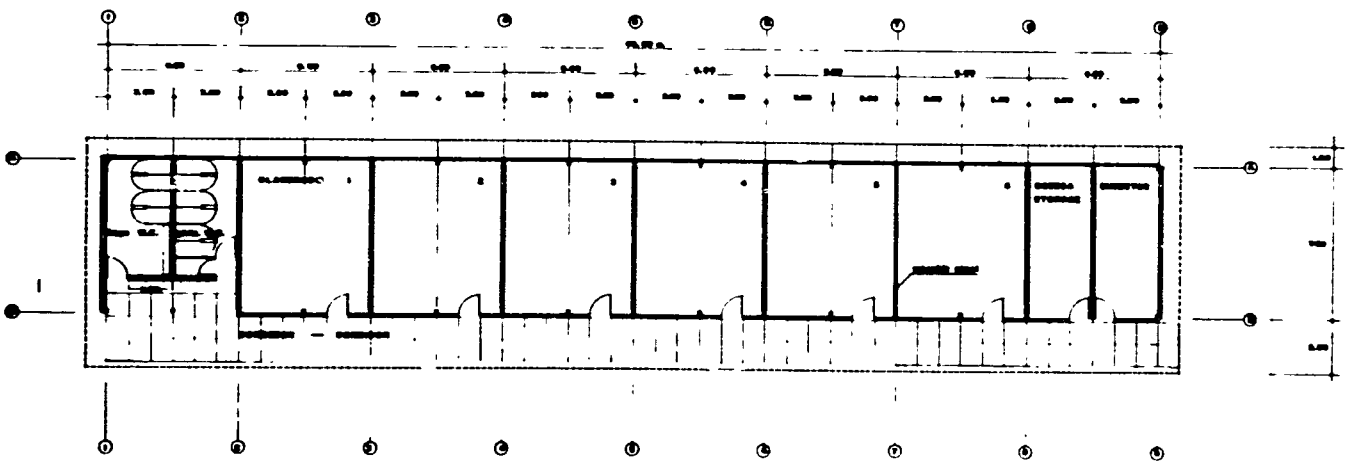
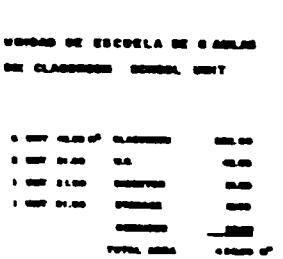

PROYECTO SUB-URBANO
(WITH COVERED WALK)









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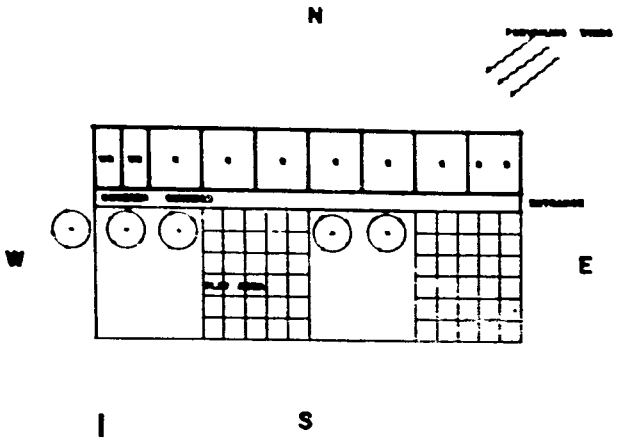
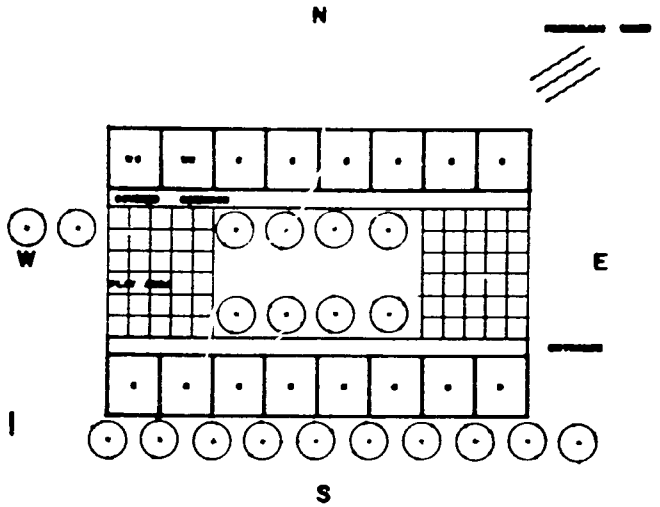
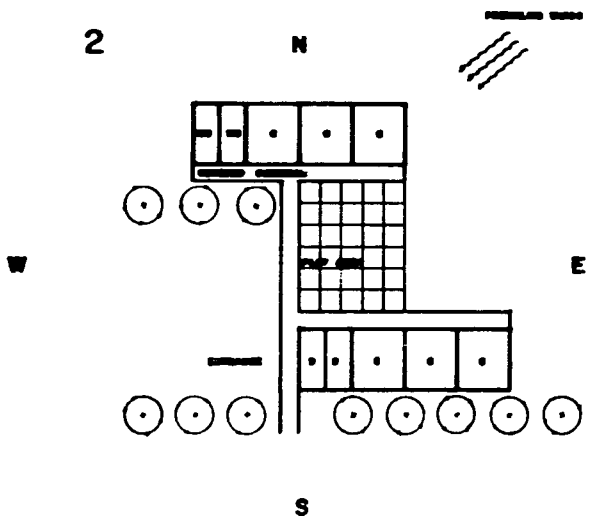
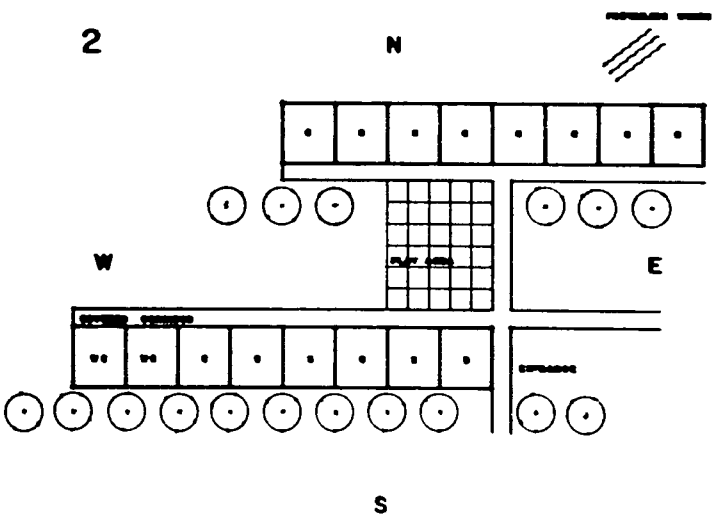


SIX CLASSROOM UNIT



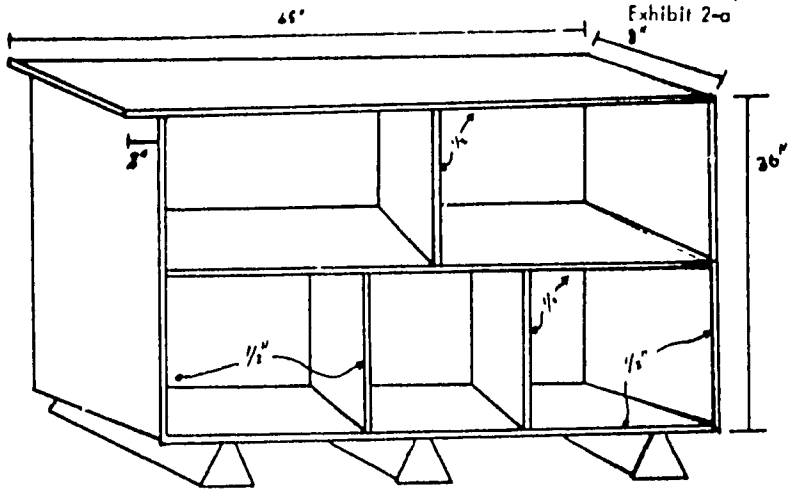
2 SIX CLASSROOM UNITS





DESIGN CRITERIA ON SITE PLANNING ORIENTATION, PREVAILING WINDS, TOPOGRAPHICAL CONDITIONS, FORM, FLEXIBILITY

Exhibit 2-a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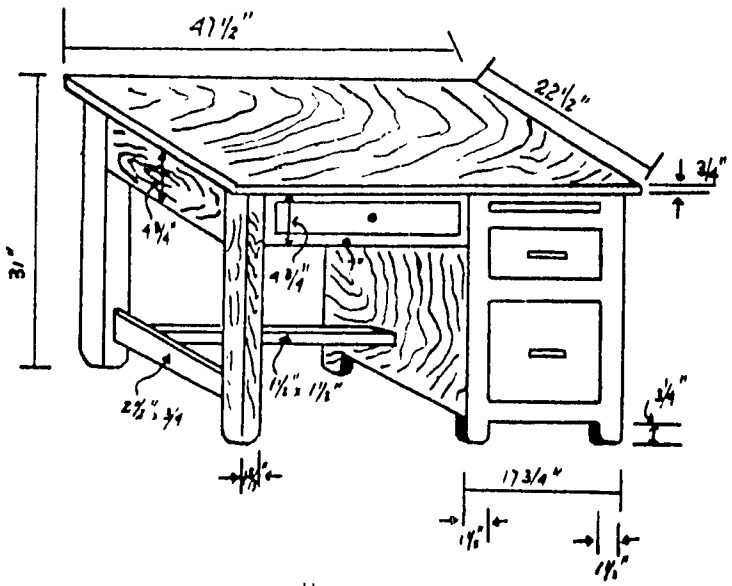
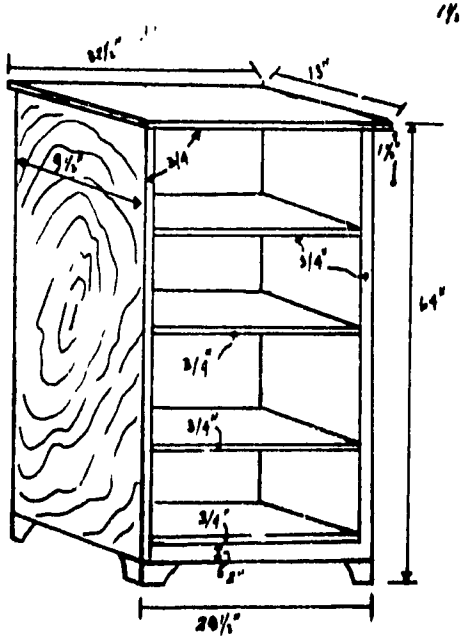
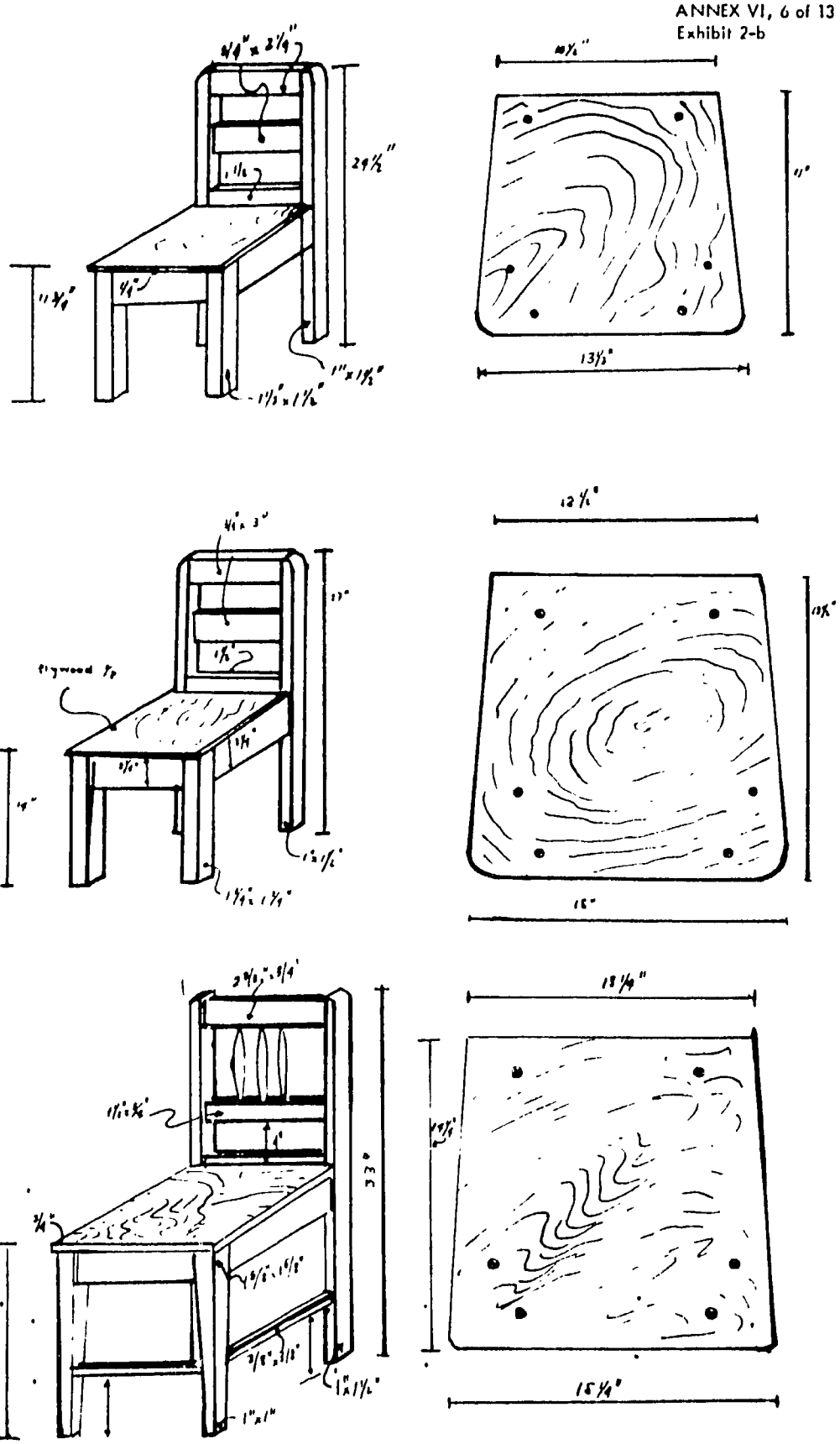
8"
36"
3"
1/2"
1/2"
1/2"
1/2"


41 1/2"
22 1/2"
3/4"
31"
4 3/4"
4 3/4"
3"
2 1/2" x 3/4
1 1/2" x 1 1/2"
3/4"
17 3/4"
1 1/2"
1 1/2"


32 1/2"
15"
9 1/2"
3/4
1 1/2"
3/4"
64"
3/4"
3/4"
3/4"
8"
20 1/2"


24½"
11"
13½"
12½"
15"
18¼"
15¼"

SUMMARY OF PROJECT COSTS
U.S. Dollars or Equivalent based on ₵7=$1

Item Description	AID Loan		AID Grant	Local Contributions		Total Costs
	U.S. $ Cost	Local Cost U.S. $ Equiv.	Local Cost U.S. $ Equiv.	GON U.S. $ Equiv.	Communities U.S. $ Equiv.	U.S. $ Equiv.
1. Site Development					39,900	39,900
2. Construction - 114 schools	341,430	745,798		564,404		1,651,632
3. Wells, pumps and tanks	30,600	12,500		24,900		68,000
Direct construction, w/o land	372,030	758,298		589,304	39,900	1,759,532
Contingencies 15%	55,805	113,745		88,396	5,985	263,931
Sub-total	427,835	872,043		677,700	45,885	2,023,463
4. Land				11,400	387,600	399,000
5. School Furniture				210,900		210,900
Sub-total 114 schools	427,835	872,043		900,000	433,485	2,633,363
6. Inflation contingency or additional schools	66,703	133,419			66,515	266,637
7. Eng. Mgt. and Supervision			100,000	50,000		150,000
8. Adm - Community Dev.				50,000		50,000
Grand total	494,538	1,005,462	100,000	1,000,000	500,000	3,100,000
Percentage	16	33	3	32	16	100

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LANDS COSTS AND SITE DEVELOPMENT
(114 Schools)

(In U.S. $ Equiv.)

Item	GON	Comm.	Total
1. Land		3,400	3,400
2. Clearing and Landscaping		150	150
3. Fencing - Labor and Mtls		200	200
4. Legalization	100		100
5. Land Survey	*		
Cost per lot	$100	$3,750	$3,850
Cost for 114 lots	$11,400	$427,500	$438,900

* Included in Engineering Costs

Minimum area of lot . . . . . 7,000 sq. meters
Ideal area of lot . . . . . 10,000 sq. meters

BUILDING CONSTRUCTION COST ESTIMATE
(6 - Classroom School)

No.	Item	U.S. $	₵ in $ Equiv.	$ Equiv. Total
1.	Excavation and Foundation	165	1,309	1,474
2.	Structural	770	1,584	2,354
3.	Roofing		1,727	1,727
4.	Floors		1,887	1,887
5.	Walls and Partitions	660	2,486	3,146
6.	Plumbing and Sanitary	440	1,254	1,694
7.	Electrical	440	220	660
8.	Carpentry	220	726	946
9.	Miscellaneous	300	300	600
		$2,995	$11,493	$14,488

Total per school = $14,488
Total per classroom = 2,415
Costs include contractor profit.

QUANTITY AND COST OF SCHOOL FURNITURE
(per classroom)

	UNIT PRICE $	UNIT PRICE ¢	TOTAL COST $	TOTAL COST ¢
20 Chairs, type "A" 24"x13-1/2"x10-1/2"	$ 2.55	¢ 17.87	$ 51.07	¢ 357.49
20 Chairs, type "B" 27"x15"x12-1/2"	3.25	22.75	65.00	455.00
1 Chair, type "C" (Teacher's) 33"x15"¼x13¼"	4.93	34.51	4.93	34.51
2 Table, type "A" 60"x37"x19"	12.00	84.00	24.00	168.00
2 Table type "B" 60"x30"x23"	12.25	85.75	24.50	171.50
2 Table type "C" 60"x30"x25"	13.00	91.00	26.00	182.00
1 Closed Bookshelf with lock 32-1/2"x13"x64"	28.00	196.00	28.00	196.00
1 Open Bookshelf 36"x65"x8"	9.50	66.50	9.50	66.50
1 Desk with lock 47-1/2"x22-1/2"x31	27.00	189.00	27.00	189.00
TOTAL			$260.00	¢1820.00

Note: These are the active costs for materials and labor for the rural school furnitura just completed about 15% has been added to these totals to provide for possible cost increases over the three years of the loan. Therefore cost estimates for school furniture are set at $300 per classroom. $50 will be for the director's office, etc., so $1850 is figured as necessary to furnish each school.

SITE PLANNING

Criteria for Selection of Lots for School Buildings

Determination of suitability of sites by an architect/engineer firm will be based on the following requirements:

1. Ideal area - 10000 sq. meters, minimum area 7,000 sq. meters.

2. The site must be accessable for transportation of materials and equipment without undue delay or expense.

3. The land should be reasonably flat so as to avoid excessive earthwork, and have sufficient slope to drain properly.

4. There shall be no open sewers, drains, ditches or swamps on the site nor garbage dumps or incinerators nearby.

5. The soil bearing value is satisfactory for building foundations without excessive expense.

6. There shall be no rock conditions or fill areas which would require expensive treatment.

7. The site shall be free of underground tanks, and exposure to such natural hazards as floods, erosion, and landslides.

8. The shape and location of the lot shall be such that the building can be properly oriented to climatic conditions and allow an adequate playground area.

9. The location shall not be near an industry, railroad or other facility creating excessive noises or objectionable odors.

OUTLINE BUILDING CONSTRUCTION SPECIFICATION S

1. Site Preparation: Clearing and grubbing construction site.

2. Earthwork: Remove and store top soil for finished site grading. Excavation for concrete piers for load bearing columns shall be at least 1 meter below natural grade. Backfill foundations and compact subgrade under floors.

3. Foundations: Reinforced concrete piers and footings for columns and walls.

4. Structural: All load bearing members to be of structural steel.

5. Walls: Walls and partitions of precast light-weight concrete panels, with at least one removable partition of plywood or pressed board.

6. Windows: All window openings to be precast in wall panels for inserting metal frame and galvanized wire nesh unit.

7. Doors: Plywood flush panel with either wood or metal frames.

8. Roof: Gable type with prefabricated steel trusses and framing to support corrugated asbestos cement roofing.

9. Painting: Oil base paint for exterior and interior doors and wood trim.

10. Electrical: Interior wiring system for ceiling fixtures and wall receptacles.

11. Plumbing: Fixtures shall be properly installed. Soil pipe shall consist of either C.I. or A-C pipe. Cold water only to be provided, using galvanized steel pipe.

12. Walks: Main walks shall consist of either concrete or flagstone, all other walks gravel.

13. Furniture: All furniture to be fabricated locally by contract.

CAEC NOTES ON IRR

OUTGOING TELEGRAM

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ANNEX VII, Page 1 of 3

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SENT TO— MANAGUA AIDTO 311

SUBJECT— IRR- Nicaragua - Primary School Construction

REFERENCE— (A) TOAID A-326 (B) AIDTO 275

IRR approved with info contained in ref (A) as supplement thereto. US AID hereby authorized proceed with intensive review of subject project. During IR stage, suggest consideration be given to following points together with those mentioned in ref (B):

1. Discuss in CAP long-range school construction program of GON, US AID position ~~[illegible]~~ and evaluate place of this project therein.
2. Provide specific definition of A.I.D. project, its relation to the GON over-all construction program and previous AID/GON activities, giving such info as number of schools, type of construction, whether primary or secondary, location, and cost details. (Copies of loan papers for Panama/Ecuador school construction programs being pouched for US AID's info.) Provide as part of project description list of all schools with above info and provide location map.

PAGE 1 OF 3 PAGES

DRAFTED BY	OFFICE	PHONE NO.	DATE	APPROVED BY:
NCohen	LA/CD	8843	2-8-66	David Bronheim:AA/LA

AID AND OTHER CLEARANCES
PDrew:LA/CD
MDagata:CEN/N
KKohler:LA/ENGR (draft)
ZGMirski:LA/CD (draft)
JRussin:LA/GC

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3. Describe in detail how engineering supervision and construction of this program will be handled. Query--Are plans/specs used for first school construction loan usable this project? If so, why is A/E needed for this phase? Further, why are grant funds requested for management/engineering costs? To extent these services needed, funds should come from loan. Will the construction be done by contract?

Identify which of the three organizations noted in para #2 ref (A) will be assigned operational responsibility and evaluate ability to carry out such responsibility.

5. Community Development Office should be prepared carry out initial duties under loan with adequate staff/funds/equipment. Their readiness considered of prime importance and should be as CP to initial disbursement requiring evidence of "best efforts" to be ready/able carry out responsibility. How will expansion of Community Development Office be financed?

6. Additionally, readiness of communities with land, title, sites, etc. should be CP to disbursement and should be factor in phasing construction. A Condition precedent should also require a specific scheduled program covering all schools to be constructed the first year and a similar program each year, submitted at the beginning of each year, for the schools to be constructed the following 12 months. (See Ecuador School CAP, Annex III.)

7. Loan amount must be based on costs of proposed number and types of schools to be constructed as evidenced by construction plans and estimated bill of materials. Total cost to be clearly divided by foreign exchange and local expenditures; also detailed plan of all participating funds, indicating spearately cash contributions, value of services and how arrived at,

MANAGUA ATDEO 311 UNCLASSIFIED 3 3

and purposes to be used for.

Describe/evaluate maintenance program for proposed and existing schools--who will assume this duty, availability funds/manpower/equipment?

9. Important execution steps and schedule should be carefully agreed with GON and established in CAP to avoid pipeline delays.

RUSK

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FROM - Managua

SUBJECT - IRP - Nicaragua - Primary School Construction

REFERENCE - AIDTO 275

Findings and evaluations concerning reference telegram questions follow.

1. - NEED FOR ADDITIONAL SCHOOLS: NUMBER, SIZE, AND LOCATION

Findings: Nicaragua is using 1,793 primary school buildings, one-third of which should be closed because of their condition. Only the first grade is taught in 624 of them. By 1970, 2,000 classrooms will be required to meet the minimal needs of the growing population, to enroll the 50 per cent of school-aged children not now attending, and to replace obsolete facilities. Fifteen communities completed preparations and donated land too late to participate under AID school construction program just terminated. We will suggest to the Ministry of Education that these communities receive first priority under the new program. Final locations for the remaining 500 classrooms are being determined on the basis of studies of demography, school enrollment, and the possible use of double or triple shifts.

Evaluation:

The time is now ripe to arrange close collaboration between Construcciones Nacionales and the Ministry of Education to develop a long-range construction program to satisfy the growing demand for classrooms, and at the same time a long-range educational improvement program.

2. - IDENTIFY ORGANIZATIONAL, ADMINISTRATIVE REQUIREMENTS

PAGE 1 OF PAGES 5

DRAFTED BY	OFFICE	PHONE NO.	DATE	APPROVED BY:
R. Barton:nb	HRD		1/21/66	Ralph J. Burton, Director - AID

AID AND OTHER CLEARANCES

K. Davidson:CDO

C. B. Johnson:DEVPLN

C. Forsberg:ENG

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E. Coy: OD

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Findings: In 1964 the Ministry of Education relegated school construction and maintenance responsibilities to Construcciones Nacionales of the Ministry of Public Works, an efficient, economical, though small, operating unit, which has built good quality urban elementary schools for the last three years, while AID concentrated on rural schools.

Evaluation:

The Ministry of Finance will be the borrower and will act as fiscal agent for CON. The Ministry of Education will assume overall responsibility for program execution. Construcciones Nacionales will act as agent for the Ministry of Education in arranging for design and then management of the engineering and supervision contracts with Nicaraguan, Central American, U.S., or a joint venture architect-engineering firm. The management engineering firm will contract for and supervise construction.

3.- ESTIMATE EFFECTIVENESS OF RURAL DEVELOPMENT DIVISION OF MINISTRY OF EDUCATION

Findings: The director of the Community Development and Adult Education Office is subordinate to the director of Primary Education. Sr. Rocha is alert, energetic, and capable. With a build-up of his staff he could negotiate contracts with communities to cede land titles, clear and fence school lots, prepare sites, and guarantee that the painting, landscaping, and maintenance of the buildings would be attended to in the future.

Evaluation:

Although this office is now badly understaffed, we will attempt through this program to increase community development and adult education capacities, and to have the office serve as the Ministry's liaison to CN for school maintenance.

4.- (a) STATE AVAILABILITY OF TEXTBOOKS, TEACHERS AND FURNITURE. (b) ALSO GON AGREEMENT ITS CONTRIBUTION TO TOTAL COST INCLUDING CAPITAL INPUT THIS PROJECT, TEACHING TRAINING, MATERIALS, BUILDING MAINTENANCE, ETC.

(a) Findings:

Newer schools are well supplied with teachers and furniture in contrast to older and rural buildings, which have inadequate furniture and high student-teacher ratios. Only an estimated 50 per cent of the school enrollment has seats and 38 per cent has a place to write. The textbook situation is typically Latinamerican. Many empiricos

are now teaching, but the normal schools will graduate 1,400 new teachers this year.

Evaluation:

The urgent desire of the Ministry of Education to upgrade elementary schools guarantees that loan-built schools will be supplied with professional teachers and satisfactory furniture. By 1969 all Nicaraguan primary schools could be satisfactorily staffed. A slight improvement in the textbook situation is foreseen for the immediate future.

(b) Findings:

The GON has agreed in writing as basic conditions of this proposal: (1) to match U.S. loan funds up to $1 million in cordobas and $500,000 in land, labor and materials; and (2) to finance implicit additional costs, such as extra teachers, furniture, books, maintenance, etc.

The 1966 budget just approved contains a provision for 500 additional elementary school teachers and an appropriation of $300,000 for elementary school construction. Of this amount, $100,000 is to fulfill committments under the previous school construction program and should be sufficient to match likely withdrawals from the U.S. loan during this calendar year.

Evaluation :

There is no reason to doubt the GON will not meet the above conditions. A maintenance capacity can be built into the Ministry through this project.

5.- (a) ANALYSIS AND EVALUATION OF GON'S EDUCATION BUDGET AND ITS ABILITY CARRY OUT EXPANDED PROGRAM, (b) . ALSO TIMING REQUIRED LEGISLATION FOR GON BUDGET SUPPORT .

(a) Findings:

The Ministry of Education budget increased $2 million to a total of $12,4 million in 1966, the greatest increase of any Ministry except Public Works. In addition, the Ministry of Education receives the largest appropriation within the GON budget aside from Public Works.The 1966 budget contains $580,000 for school construction, and the GON would be expected to increase this amount in 1967 and 1968 by an amount equal to its agreed contribution to the new program. The expenditure required for salaries for teachers to staff new schools would depend on the extent to which the new schools replace existing but inadequate buildings owned or rented by the government and which are already

staffed. However, if additional teachers were required for all the new schools (which will not be the case) this would involve a maximum overall increase in the Ministry of Education budget, to be reached over a period of at least 3 years, of about $1 million, or a 10 per cent increase in the present budget. This is only about half as great as this year's increase alone. The normal [illegible] ces to staff the additional schools, so that no increase in teacher training expenditures would be necessitated by the new construction program, itself. This year's budget contains an appropriation of $300,000 for rental of elementary school buildings, and to the extent that the new buildings eliminate the need for rental these funds could be used for other purposes in the field of elementary education.

Evaluation:

Present appropriations for the Ministry of Education and the increased received this year demonstrate the importance the GON attaches to education and the support that additional expenditures in this field can expect to muster from both the Administration and Congress. The additional expenditures required under this new school construction program appear to be easily within the government's means.

(b) Findings:

Budget preparation ordinarily begins in September with the proposed budget being presented to Congress about the first of November and passage taking place in late December.

Evaluation:

The 1966 budget, already approved, contains sufficient funds for the needs of this program during the current calendar year, and enough time remains for the inclusion of required additional funding in the budget for 1967.

6.- GRANT ASSISTANCE CONTEMPLATED FOR THIS PROJECT SHOULD BE DEFINED IN TERMS OF TIMING AND RELATIONSHIP OF DIRECT CONTRIBUTION TO SPECIFIC PURPOSE OF PROPOSED PROJECT.

Findings:

It is likely that 9 months will be required to write, sign, and fulfill conditions precedent of the loan before actual disbursements can be made. GON and loan funds are to be used for ~~management engineering~~ and construction plus furniture to properly equip new classrooms. Direct grant assistance of $35,000 per annum for three years and beginning FY-66 is projected for management engineering costs.

Evaluation:

In order to speed up the project and assure the best design, USAID is exploring the possibility of providing architectural plans in advance for urban and semi-rural schools suitable for varying geographic and climatic conditions.

The Capital Assistance Paper, when presented, will include a full discussion of all these questions and the others also raised in the IRR. During the Intensive Review we will also explore ways in which the leverage of this loan can be used to bring about lasting improvements in the quality of the education system (including teaching, books, and construction and maintenance of schools).

USAID will appreciate being informed when the IRR has received final approval.

BROWN

AID/W
MAIL ROOM:

Please send reproduced copies of this Airgram to:
Mr. Harold Johnson, HRD, ROCAP/Guatemala
Mr. Harold Feldt, ENGINEER, ROCAP/Guatemala

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DEPARTMENT OF STATE

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SENT TO— MANAGUA AMDTO 275

SUBJECT— IRR - Nicaragua - Primary School Construction

REFERENCE—

The IRR was considered by the CAEC on January 7, and the project was approved in principle subject to a full investigation and evaluation of entire educational situation of Nicaragua and impact this project has upon it. In addition following items require attention:

1. Need for additional schools as to number, kind and location.
2. Identify organizational, administrative requirements.
3. Estimate effectiveness of Rural Development Division of MinEd.
4. State availability of text books, teachers and furniture. Also GON agreement its contribution to total cost including capital input this project, teacher training, materials, building maintenance, etc.
5. Analyses and evaluation of GON's education budget and its ability carry out expanded program. Also timing required legislation for GON budget support.

PAGE 1 OF

DRAFTED BY	OFFICE	PHONE NO.	DATE	APPROVED BY:
NCohen:la	LA/CD	8343	1-12-66	David Bronheim:AA:LA

AID AND OTHER CLEARANCES
HRandall:CEN
WAdamson:ID

PGlassman:LA/CD

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6. Grant assistance contemplated for this project should be defined in terms of timing and relationship of direct contribution to specific purpose of proposed project.

Request US AID/Barton advise by January 21 Barton's findings/evaluation above CAEC points.

Copies Minutes and revised IRR being pouched soonest.

BAEL

LOAN AUTHORIZATION (D R A F T)

Provided from: Alliance for Progress Funds
NICARAGUA: Self-Help Urban School Construction

Pursuant to the authority vested in the Deputy U. S. Coordinator, Agency for International Development ("A.I.D."), by the Foreign Assistance Act of 1961, as amended, and the delegations of authority issued thereunder, I hereby authorize the establishment of a loan ("Loan") pursuant to Part 1, Chapter 2, Title VI, Alliance for Progress, to the Government of Nicaragua ("Borrower") of not to exceed one million five hundred thousand United States dollars ($1,500,000) for the purpose of assisting in financing the Nicaraguan cordoba and dollar costs of approximately 114 primary schools containing a total of approximately 684 classrooms and located primarily in urban areas included as priority development areas by the Ministry of Education in its long range school construction plan ("Project"), this Loan to be subject to the following terms and conditions:

1. Interest and Terms of Repayment

Borrower shall repay the Loan to A.I.D. in United States dollars within forty (40) years from the first disbursement under the loan, including a grace period of not to exceed ten (10) years. Borrower shall pay to A.I.D. in United States dollars on the disbursed balance of the Loan interest of one (1) percent per annum during the grace period and two and one-half ($2\frac{1}{2}$) percent per annum thereafter.

2. Other Terms and Conditions

a. Equipment, materials and services (except shipping and marine insurance financed under the loan) shall have their origin in and be procured from the United States or the Central American Common Market countries. Shipping financed under the loan shall be procured from the United States, and marine insurance financed under the loan shall be placed in the United States with a company authorized to do business in any state of the United States.

b. United States dollars utilized under the loan to finance local costs shall be made available to the Borrower or its designee through Special Letter of Credit procedures and shall be used only for procurement in the United States.

c. As a condition precedent to initial disbursement, the Borrower shall agree to contribute funds for local costs for the Project according to a schedule to be mutually agreed between A.I.D. and the Borrower.

d. As a condition precedent to disbursement for construction costs of any particular school, the Borrower shall furnish evidence that all necessary legal rights to land have been received.

e. Borrower shall covenant that within one (1) year from the effective date of the Loan Agreement, and at such periodic intervals thereafter as A.I.D. may request until completion of all project construction, Borrower shall submit reports satisfactory to A.I.D. evaluating the progress achieved in the Nicaraguan educational system and such other related topics as A.I.D. may reasonably request. Such reports shall provide the basis for consultation between the Borrower and A.I.D. as well as representatives of other organizations [mutually agreeable to A.I.D. and the Borrower] having an interest in the Nicaraguan educational system.

f. The loan shall be subject to such other terms and conditions as A.I.D. may deem advisable.

Deputy U. S. Coordinator
Alliance for Progress

Date