

# **USAID/Nicaragua**

## **FY 2002**

# **Annual Report**

The attached results information is from the FY 2002 Annual Report for Nicaragua and was assembled and analyzed by USAID/Nicaragua.

The Annual Report is a "pre-decisional" USAID document and does not reflect results of USAID budgetary reviews. Additional information on the attached can be obtained from USAID/LAC/SPO.

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**Managua, Nicaragua  
March 8, 2002**

## **Please Note:**

The attached RESULTS INFORMATION is from the FY 2002 Annual report, and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

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### **Part III: FY 2001 Performance Narrative:**

#### **SO1: More Political Participation, Transparency and Compromise, 524-001**

Mission Assessment: Funds to support this Strategic Objective were cut back sharply -- and most of the available funding was redeployed to support election-related activities. As a result, most planned activities were either curtailed or reduced sharply -- so most of the indicators for this objective are no longer applicable. Nevertheless, USAID met its targets as redefined.

Key Achievements: Despite predictions of violent conflict during the national elections, voting in the national election was peaceful with high participation. Domestic and international observers, from local grass roots NGOs to the Carter Center, described the elections as "free and fair". The Consejo Supremo Electoral (CSE, the GON elections tribunal) conducted the elections successfully and transmitted the results to Managua without major incident. USAID played a significant role as the main donor both to the government's elections administration and to Nicaraguan NGOs.

USAID took the lead in coordinating other donor activities and consultants engaged in elections-related activities. USAID, through the Inter-American Institute of Human Rights' Center for Electoral Assistance and Promotion (IIDH/CAPEL), provided consultants who helped to resolve weaknesses in the CSE's technical capabilities, including planning, training, logistics, voter registration and results transmission. Working in an inefficient institution bitterly divided along partisan lines, the consultants identified and resolved many operational problems that could have derailed the elections.

Member organizations of the USAID-supported Civic-Electoral Consortium of Nicaraguan organizations overcame their differing political backgrounds to collaborate in nationwide observation of the elections. As a result, the number of domestic election observers reached an all-time high, with over 6,000 supported by USAID. With assistance of USAID consultants, the Consortium analyzed its observers' reports and developed a database that was presented to the CSE magistrates, moving the domestic observers to a new level of sophistication.

USAID-supported voter and civic education programs, debates and fora familiarized citizens with the elections process and candidates' platforms. Through these activities, the voters became active participants before the elections, expressing their interests and concerns to candidates and party representatives. USAID-funded programs to distribute voting documents reached the most remote corners of Nicaragua in a blitz campaign to increase the number of voters. More than 134,000 voting documents were delivered.

With the passage of the Criminal Procedures Code, Nicaragua achieved a milestone in modernization of its justice system. The new Code replaces antiquated legislation, providing procedures for prosecuting modern crimes such as money laundering, narcotics trafficking and corruption-related offenses. It was passed after painstaking, article-by-article negotiation and technical assistance to Assembly deputies by USAID consultants from Florida International University. USG policy dialogue contributed to the Code's subsequent approval by the executive branch.

Although election-year politics slowed the progress of the new Penal Code, the Code was passed in its initial hearing by the National Assembly and is expected to pass in full this year.

The High-Level Commission on Criminal Code Reform, which USAID helped to create, continued to encourage reforms by bringing together like-minded individuals from the Supreme Court, National Assembly, and the Attorney General's Office to support the new legislation.

With USAID support, candidates were trained to become the first magistrates for the new Administrative Litigation Code, and the Supreme Court was persuaded to accept the first-ever merit-based process of magistrate selection. Unfortunately, political in-fighting and budget problems stalled implementation.

After a nine-month delay, the National Assembly named the new Attorney General and Deputy Attorney General in November 2001. As a result, the independent Prosecutor's Office can finally be launched. The Office was created under the Organic Law for the Public Ministry, developed and approved in 2000 with USAID assistance.

Although the expansion of the Public Defender's Office, established with USAID assistance in 2000, was postponed for financial reasons, the Managua office continues to provide quality defense services for individuals who cannot afford private lawyers.

The Municipal Budget Law was passed at the end of 2000 and officially published in April 2001. USAID funded development of the initial draft of this law in 1998 and subsequently advocated its passage.

Challenges: The greatest challenge facing the democracy program continues to be the politicization of key institutions as a result of the "Pact" between the Partido Liberal Constitucionalista and Frente Sandinista de Liberacion Nacional parties in 1999. The institutions affected by this agreement were all counterparts for USAID activities -- the Controller General's Office, the Supreme Court, the Consejo Supremo Electoral, and the Public Ministry. The Pact divided the leadership and staff of each institution between members of the two parties, so decisions often reflected political concerns, hampering the organizations' effectiveness. USAID has faced the challenge posed by the Pact pragmatically, devising different tactics for dealing with each of the affected institutions. USAID terminated all support to the Controller General's Office in 2000, when it became clear that our project objectives would not be achieved. USAID established strong liaisons with the Supreme Court judges on both sides of the political divide who are dedicated to justice reform. In working with the CSE, USAID stayed out of political disputes and addressed key technical problems recognized by both sides, making sure that technical directors from both parties remained involved. USAID used highly qualified specialists from other Latin American countries to provide politically neutral technical assistance.

The effects of the "Pact", and now the presence of ex-President Aleman in the role of President of the National Assembly, will continue to be a challenge to the development of reform efforts in the justice sector, strengthening of anti-corruption measures, and improving governance at all levels in Nicaragua.

USAID is working to establish clear lines of communication between the newly formed Public Ministry and our project, capitalizing on the fact that the institution's leaders, despite their political differences, have been strong supporters of justice reform and institutional development.

Another major challenge has been the lack of political will for change, reflected by insufficient budgets for key counterpart institutions. The GON's failure to provide sufficient funds to the municipalities was one of the factors that led to the termination of our municipal development program early in 2001.

One of the assumptions in establishing the Public Defender's Office (PDO) in Managua was that the Court would then expand the office to the other departments, but the budget did not include funds for the expansion. USAID consultants then helped the PDO develop an alternative plan to use law students, mediation services from NGOs, and other means to expand the services to other departments -- but even with this savings, sufficient funds to expand the program have not been provided.

Beneficiaries: Beneficiaries include the Nicaraguan public as a whole, who enjoyed peaceful national elections in 2001 despite long-standing fears of violence and instability. Thousands of Nicaraguan citizens had their first experience of civic involvement by acting as election observers. USAID voter and civic education activities helped thousands more to understand the issues at stake in the elections and the mechanics of voting. The population as a whole also benefits from a strengthened rule of law through the new Criminal Procedures Code.

USAID training helped judges, prosecutors and other members of the justice system to understand and perform their new roles in the reformed criminal justice system. The new Public Defender's Office provided quality legal defense to citizens who could not afford private lawyers

USAID assistance to civil society and human rights organizations helped; disabled people; victims of domestic violence and other human rights abuses; people in poor communities seeking a voice within their local governments; discouraged participation in gangs and crime.

## **SO2: Sustainable Growth in Small Producer Employment and Income, 524-002**

USAID/Nicaragua's Economic Growth Strategic Objective seeks to increase incomes and employment opportunities of small producers.

Mission Assessment: The Strategic Objective met its targets. Under the agriculture program, the cumulative number of beneficiaries accessing USAID funded programs to diversify their agricultural production and increase output in a sustainable manner) reached 70,000 households, a number substantially higher than the 38,000 target that had been set for 2001. The number of beneficiaries of microenterprise loans reached 101,000, just shy of the 2001 target of 102,000. The natural resources program encompasses nearly 23,000 hectares in seven protected areas, in line with expectations.

Key Achievements: USAID has funded successful activities including crop diversification, improved soil and water conservation, the adoption of environmentally sound cultivation practices, and improved post-harvest storage.

*Agricultural Program:* The Mission's Agriculture Program directly supports the Agency objective "More rapid and enhanced agricultural development and food security encouraged." Under this program, USAID seeks to encourage and enable small farmers to diversify production, adopt environmentally sustainable agricultural practices, and increase production and incomes in a sustainable way.

The Technical Services to Small Farmers Project has provided grants to 15 local agricultural NGOs for activities that have led to a 77% increase in production and a 19% increase in annual family income for over 16,650 farm households. Average production for beneficiaries under this project has increased by 34% for coffee, 33% for cacao, and 137% percent for vegetables. Although the incomes of coffee producers did not increase in 2001 -- due to the fall in international coffee prices -- average family incomes have increased by 67% for vegetable producers assisted by the project, and by 33% for cacao producers.

The area planted in certified seed in Nicaragua (i.e., maize, beans, sorghum, rice and sesame) increased by 74%, from 51,160 hectares to 88,878 hectares, between 1999/00 and 2000/01. The number of farmers using certified seed increased by 77%, from 36,000 to 65,000 farmers.

USAID activities have played a key role in expanding Nicaragua's exports of black beans. Some 1,580 small farmers exported 730 metric tons of black beans to Costa Rica. As a result 4,000 farmers plan to produce black beans in 2002, which could result in the export of up to 5,500 metric tons of black beans.

USAID has encouraged the creation of an inter-ministerial Biotech Safety Commission, a key step in the consideration of biotechnology applications to Nicaraguan agriculture. Following the recent presidential elections in Nicaragua and the nomination of new Ministers, USAID expects this inter-ministerial commission to be established in the near future.

USAID activities are providing 5,000 households with technical assistance, training and credit to encourage crop diversification into crops with a higher potential, such as cacao, cinnamon, vanilla, pepper. A mid-term evaluation estimated that the incomes of the beneficiaries have increased an average of 120%. USAID has also promoted the use of on-farm grain storage silos, which have reduced post harvest grain losses by two thirds.

The Cooperative League of the USA (CLUSA) is working with 3,019 farmers to promote diversification into the organic production of coffee, cacao, sesame, and other crops (including vegetables), and has achieved significant results. CLUSA has clearly demonstrated the economic benefits of growing organic coffee. Due to excess world supply, the international price for standard coffee is only \$0.55 per pound, which is actually less than the production cost. However, the nearly 300 certified organic coffee producers working with CLUSA are receiving between \$1.20 and \$1.40 per pound for their output, while having a lower production cost (since they do not use pesticide and commercial fertilizers) of only \$0.30 per pound.

The Land Titling Project (Technical Assistance to the Rural Land Market Unit of the Ministry of Agriculture and Forestry - MAG-FOR) has had a twofold focus: (1) carrying out a series of studies on land titling issues facing Nicaragua; and (2) strengthening the Land Titling Unit of MAG-FOR. Staff turnover within MAG-FOR (including 5 Ministers in the past 3 years) has hampered the project's efforts to strengthen the Land Management Unit and made it difficult to develop a consensus on land policy issues. Nevertheless, the key studies planned under the project were completed, and these analyses are serving as input to the forthcoming World Bank-funded Land Titling Project (PRODEP). Field surveys covering representative municipalities have provided a significant amount of high quality information on land tenure problems and issues. The Project has opened dialogue with a wide range of agencies through seminars and workshops on land policies, land markets and land tenancy. The USAID project will end in March 2002 and the World Bank project will start up in May 2002. The newly elected government has made a commitment to the World Bank to staff the Land Management Unit in 2002, and MAG-FOR staff that have received training under the USAID project will likely fill the positions being created.

*Microenterprise Program:* The Mission's Microenterprise Program directly supports the Agency objective "Access to economic opportunity for the poor expanded and made more equitable." This program provides funds to expand micro-enterprise lending for value-added activities, including post-harvest processing and storage, food processing, equipment manufacture and repair, and commercial services. The strengthening of credit unions component of the program is also leading to income generating activities.

The Microenterprise Program is increasing the income-earning and asset-building capacity of entrepreneurs by increasing their access to credit. By the end of 2001, the program had reached nearly 101,000 beneficiaries, of which 85 percent were women. In CY 2001, over 19,500 microenterprise loans were made by the four micro-finance institutions working in the project. The total dollar amount of these loans was over \$3.6 million. The number of beneficiaries will reach 107,000 in 2002.

The Rural Credit Union Project (RCUP) has enabled 21 credit unions to become sustainable financial intermediaries by improving their financial management, increasing their membership, and raising the levels of both savings deposits and loans. RCUP credit unions have surpassed planned outputs, with a total of nearly 18,000 members, of which 45 percent are women. Following a comprehensive savings mobilization effort, total savings in the credit unions skyrocketed from \$39,715 in 1997 to nearly \$2.4 million by the end of 2001. The credit unions' loan portfolio has grown over the past four years from \$73,600 to \$4.0 million (at the February 2000 exchange rate). In 2001, the Mission extended RCUP for another two years, in order to consolidate achievements and expand credit union outreach to additional low-income clients.

*Natural Resources Management Program:* USAID/Nicaragua's natural resources management program supports the Agency objective "World's environment protected." This program protects important ecosystems by: (1) strengthening the management of eight protected areas, (2) strengthening Nicaragua's National System for Protected Areas, and (3) involving local communities in the management of protected areas.

The Mission's Natural Resources Management Program is improving the management of seven biologically important protected areas by establishing innovative co-management agreements between the government of Nicaragua (the Ministry of Natural Resources) and individual NGOs. This co-management model is now in effect in 6 of the 7 targeted protected areas. In these protected areas, local committees have been created to assert local community control and influence over resource management. Three of these co-management agreements were signed in 2001. In addition, six of the NGOs have financial systems in place and are executing institutional strengthening programs. In 2001 a new interpretative trail was designed and constructed at the Mombacho Volcano Natural Reserve, in order to improve visitors services and increase revenues. Mombacho now has an average of 5,000 visitors per month. An Environmental Education Program is being implemented by the Cocibolca Foundation in six primary schools located in the buffer zone around Mombacho, working in collaboration with the Ministry of Education's Model School Program (which is also funded by USAID/Nicaragua).

Challenges: The Nicaraguan agriculture sector, slowly recovering from Hurricane Mitch, suffered further setbacks in 2001. Droughts during both the primavera (May-July) and the postrera (Sept. - Dec.) seasons led to substantial losses

in grain production, particularly in those northern departments that had suffered from Hurricane Mitch. During the postrera season, for example, approximately 20 percent of the total crop was lost and another 10-15 percent was severely stressed, leading to significant reductions in yields. Also in 2001, floods in northeastern Nicaragua did extensive crop and property damage. These 2001 events were but the most recent of a series of natural disasters that have occurred during the past five years (a severe "El Nino" drought in 1997, Hurricane Mitch in 1998, and a severe drought that affected the primera crop in 2000). These disasters have resulted in a steady decline in the quality of life of rural Nicaraguan families.

In the past, Nicaraguan farmers have been able to weather these crises by obtaining temporary employment in the coffee sector. Nicaraguan coffee production has traditionally employed nearly 100,000 people, roughly 30 percent of the agricultural workforce. Unfortunately, with the collapse of international coffee prices, this "coping mechanism" is no longer available. Coffee prices fell 60 percent during 2000 and 2001, resulting in cutbacks in permanent and seasonal employment in the sector. To further exacerbate the problem, the failure of three of the largest Nicaraguan banks has led to the evaporation of credit, particularly for the agriculture sector.

USAID undertook several emergency response programs to deal with the immediate crises in 2001. However, in response to the long-term erosion of food security in rural Nicaragua, USAID developed and initiated a major, five-year, PL 480 Title II program that is being implemented by four US PVOs. It is funded at approximately \$10.4 million per year, approximately half of which is focused on increasing the income of small agricultural households. This critical program will seek to attack the root cause of the food security problem by increasing the profitability of agricultural production and marketing systems. In particular, it will expand ongoing efforts to promote the diversification of agriculture production by combining basic grains with higher-value crops.

In 2002, USAID will be revising its Economic Growth strategy, building upon the lessons learned from implementing both the bilateral economic growth program and the Hurricane Mitch Reconstruction and Recovery Program. The new objective will be to improve the productivity and competitiveness of the Nicaraguan agriculture sector, so as to better enable that sector to compete internationally under the Free Trade Area of the Americas (FTAA) Agreement. The program will continue to emphasize crop diversification, increasing the use of improved agricultural techniques, a focus on marketing (especially regional markets), the strengthening of financial markets in rural areas, and the adoption of government policies conducive to private investment in rural areas. This strategy will also address problems arising from the sharp decline in international coffee prices.

Beneficiaries: The beneficiaries of USAID/Nicaragua's economic growth program encompass a broad range of small and medium-scale farmers and microentrepreneurs. They are benefiting from USAID-funded technical assistance, training, and credit.

### **SO3: Better Educated, Healthier, Smaller Families, 524-003**

The Mission's Basic Education Program (BASE II) directly supports the Agency objective: "Access to quality basic education for under-served populations, especially for girls and women, expanded" and is linked to the new pillar of Economic Growth, Agriculture and Trade. The Mission's PHN program (Healthy Families) is linked to the new pillar of Global Health, and directly supports the Agency objectives of stabilization in population, improvement in child and maternal health, addressing the HIV/AIDS epidemic and reduction in threat of other infectious diseases. Smaller, healthier, better-educated families are essential to achieving the U.S. Embassy Mission Performance Plan goal of sustainable economic growth and development.

Mission Assessment: Overall the Strategic Objective exceeded expectations. Continuation of USAID's highly successful approaches during the coming year will reinforce gains achieved and strengthen Nicaragua's remarkable and positive trends toward smaller, healthier and better-educated families.

#### Key Achievements:

*Basic Education Program:* The objective of BASE II is to increase the access of Nicaraguan children to quality primary education, through a network of 170 Model Schools around the country. This is being done through: increased teacher effectiveness; increased access by under-served populations, specifically in rural multigrade classrooms and bilingual classrooms; increased community participation in schools; and strengthened Ministry support of decentralized primary education. By the end of the program, model school students will have completed more years of schooling, and demonstrated greater achievement as a result of active learning, and teachers will have been equipped to provide quality education in the classroom and transmit these methodologies to fellow teachers.

Since 1998, the Mission has used the Active Student Participation Index (ASPI) to measure program impact on the behavior of students in the classroom. The index comprises the percentage of student-initiated classroom interactions, the availability and use of textbooks and materials, and participation in student government. USAID collects ASPI and other data each fall through a rigorous longitudinal study; data are disaggregated by gender and type of school: regular, multigrade, and bilingual.

In 2001, the ASPI exceeded the planned targets for all school categories. The most remarkable progress was in Atlantic Coast bilingual regular schools with an ASPI of 47% (versus a 25% target), a notable achievement given the difficult conditions facing teachers and students and the chronic shortage of materials. Multigrade schools also greatly exceeded their target of 38% with an ASPI of 54%. Regular and bilingual multigrade schools each exceeded their targets by 2%. The major contributors to the ASPI increase were an increase in student-initiated interactions and a large increase in student government participation in bilingual schools.

Changes in classroom learning and behavior in model schools are largely attributable to USAID support. USAID provided student-centered materials developed to promote active learning and USAID supports intensive teacher training and follow-up throughout the year.

The 5th grade completion rate (percent of students reaching 5th grade in five years without repeating a grade) is a cross-national indicator UNESCO recommends to determine if students have attained basic literacy skills. The national 5th grade completion rate in 2000 (2001 data are not yet available) was 38.5%. In comparison, the 5th grade completion rate for all model schools was 52.2%. In Pacific Coast model schools, with a longer history of BASE support, 5th grade completion was 61.8%.

*Healthy Families Program:* This program improves Maternal/Child health and nutrition throughout the country, with emphasis in the departments of Jinotega, Boaco and Matagalpa. These departments make up 20% of Nicaragua's population and are among the most in need of primary health care support. The program supports MOH health centers and posts and improvements in household health behaviors through technical assistance and PVO grants. The program contributes to better reproductive health by providing contraceptives to the public and private sectors, increasing the coverage and quality of the principal NGO family planning provider, implementing a national contraceptive social marketing program, and supporting HIV/AIDS prevention through NGO grants and the regional G/CAP program. The program improves nutrition nationally by promoting exclusive breast-feeding and

micronutrient consumption, supplements and food fortification. Title II child survival and rural development programs complement the DA program in Leon, Chinandega, Nueva Segovia, Esteli, Jinotega and Matagalpa.

During FY2001, health sector investments under the Hurricane Mitch SpO contributed extensively to the key achievements of the Healthy Families program. USAID implemented a national Demographic and Health Survey (DHS) at the end of 2001 to gauge results of the Healthy Families program and health components of the Special Objective. The results confirmed marked reductions in infant and child mortality, total fertility rate, and chronic malnutrition. The infant mortality rates (IMR) dropped nearly 20% in three years, from 40/1000 live births in 1998 (DHS) to 31/1000 in 2001. This far exceeded SO targets and moved Nicaragua to one of the lowest IMR's in the region. Chronic malnutrition rates among children under five dropped from 25% to 20% between 1998 and 2001, making chronic malnutrition in Nicaragua less than half of that of Guatemala, a country with nine times its per capita income. Similarly, in the decade from 1990-2000, Nicaragua's family planning program emerged as one of the world's success stories. The 2001 DHS indicates that fertility dropped from 3.6 to 3.2 children per woman from 1998 to 2001, moving Nicaragua ahead of its neighbors; among USAID-supported programs, only Thailand, Bangladesh, and Egypt have reduced fertility faster than Nicaragua. The DHS-2001 report also indicates that between 1998 and 2001, CPR increased from 60% to 69% and use of modern methods rose from 57 to 66%. Nicaragua's success is unique in Latin America, and remarkable given the country's extreme poverty. The country has begun a demographic transition that will affect its future profoundly.

To measure USAID's contribution to these achievements, the Mission surveyed 450 health posts and centers in the seven departments most affected by Hurricane Mitch, and then followed up this work with a nationwide survey of 1000 health facilities in 2001. Preliminary results in the departments with the heaviest concentration of USAID assistance indicate significant improvements have occurred. The percentage of facilities with cold chain refrigerators rose from 64% to 69%. Facilities with radio communications rose from 22% to 40% and those with piped potable water systems rose from 47% to 54%. Facilities lacking either telephone or radio access dropped from 72% in 2000 to 56% in 2001. These changes reflect the effects of USAID investments during the last 18 months – investments that contributed directly to the remarkable improvements in health and demographic indicators.

The survey also found that public sector maternal and reproductive health services improved last year. Facilities able to handle normal birth deliveries rose from 29% to 44%. Facilities able to handle pregnancy complications and obstetric emergencies rose from 19% to 24%. Facilities that treated malaria during pregnancy increased from 61% to 83%.

Access to a broader range of family planning methods improved. IUDs are available in 66% of health facilities, compared to 56% last year. Natural family planning counseling as an option for women increased from 88 to 94% of facilities. Public sector facilities offering counseling and STI and HIV diagnostics for adolescents and youth increased from 70% to 93%.

USAID supported the launch of the *Bodyguard* condom in April 2000. Annual sales of *Bodyguard* and the regional brand *VIVE* increased from 500,000 to over 2,400,000 in 2001. Both are part of an innovative "double protection" marketing program encouraging users to protect themselves both from pregnancy and sexually transmitted infections. U.S. media, including Newsweek, has recognized the model.

Challenges: Important health sector problems remain. The UNFPA estimates population growth at 2.6%, still one of the highest in the region. According to the 2001 DHS preliminary report, 45.5% of 19 year olds were pregnant or mothers at the time of the survey, a figure virtually unchanged since 1998. Adolescent pregnancy among those aged 15-19 decreased only slightly from 27% to 24.7% from 1998 to 2001. Unwanted pregnancies are common in this group, which will become the priority of USAID's future family planning/maternal health program.

The DHS also identified areas requiring attention. Erosion in immunization coverage has occurred; the percentage of fully immunized children aged 12 to 23 months dropped from 73% to 63% in three years. This drop is due to a fall-off in measles vaccinations, which fell from 86 to 76%; coverage of other vaccines rose slightly. USAID,

through PAHO, supports the Ministry of Health immunization program, and will review performance with our partners.

Although chronic malnutrition appears to be falling nationwide, pockets of significantly higher malnutrition remain, particularly in coffee producing areas -- where falling international coffee prices have led to bankruptcy, foreclosure and economic collapse of coffee plantations. Recent USAID-funded surveys found unacceptably high levels of chronic childhood malnutrition on coffee plantations in four municipalities in Matagalpa and Jinotega, where chronic malnutrition among children 6-59 months of age reached 42.5%, significantly higher than the national incidence.

Chronic malnutrition in 40 municipalities most affected by the drought in north-central Nicaragua remained high, although no apparent increase in acute malnutrition resulted from the drought in 2000 and 2001. In response, USAID/Nicaragua initiated Title II feeding programs linked with child survival programs, targeting high-risk communities and including training to change household feeding practices, a principal cause of malnutrition.

Another challenge was ensuring Nicaraguan citizens could identify their priorities, voice their concerns, and publicly debate health and education issues prior to the 2001 presidential elections. Civil society input was essential in defining the social sector platforms of the three political parties to give voters the chance to make an informed choice about the future of Nicaragua. USAID therefore designed the Campaign 2001 Voter Awareness Initiative. A consortium of four NGOs: fostered a public discussion of health and education issues; raised awareness of how social sector interventions affect national economic development; explored policy choices for the sector; and prepared publicly-vetted policy guidance for the new GON administration.

Rising violence and juvenile delinquency in Managua and other urban centers presented another challenge. Because of the high level of poverty and unemployment, the youth gangs are increasing rapidly. To curb this growing social problem, USAID added a pilot "Youth At-Risk" activity to the BASE II education project. Several NGOs will work for nine months with 90 gang members, both male and female, eleven to seventeen years old. The members will learn new academic and vocational skills, develop self-esteem and self-discipline, and engage in constructive activities. Because the pilot activity was designed with a strong evaluation component, lessons from the activity will guide the new country strategy.

In summary, the remarkable successes documented by the 2001 DHS are impressive but fragile. Several factors contributed to these improvements, including the significant influx of USG and other donor assistance following Hurricane Mitch in late 1998. Even though international donors are paying over 50% of non-recurrent costs for the MOH, the Ministry still receives a relatively high percentage of total government expenditures. USAID's challenge is to deepen the sustainability and institutionalization of these changes, and target areas that have been left behind, such as notably the Atlantic Coast.

#### Beneficiaries:

- 68,000 model school students benefit from student-centered learning materials, libraries, active classroom learning, school improvement projects, and student government participation.
- 350,000 women benefit from enhanced maternal health and reproductive health services.
- 100,000 children benefit from improved child survival services and household practices.
- 800,000 adolescents and young adults benefit from educational campaigns on protection against unwanted pregnancies and sexually transmitted infections.
- 1,000,000 Nicaraguans in Matagalpa, Jinotega and Boaco benefit from improved health services.
- Model school teachers and directors benefit from strengthened pre-service and in-service training, teaching guides and materials, resource centers, and technical assistance.
- Teachers in regular public schools benefit as model schoolteachers share their knowledge through a training network, replicating active classroom methodologies beyond the model schools.
- Atlantic Coast teachers benefit from training in bilingual education methodology, including 2nd language teaching, linguistics and culture.

**Part IV: Performance Data Tables and Results Frameworks**

**Pillar I: Global Development Alliance**

<b>Pillar I: Global Development Alliance: GDA serves as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporate America and non-governmental organizations in support of shared objectives</b>						
<b>1</b>	Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?	Yes	No	N/A XX		
<b>2</b>	a. How many alliances did you implement in 2001? (list partners)					
	b. How many alliances do you plan to implement in FY 2002?					
<b>3</b>	What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?					

**Pillar II: Economic Growth, Agriculture and Trade**

<b>Pillar II: Economic Growth, Agriculture and Trade: USAID works to improve country economic performance using five approaches: (1) liberalizing markets, (2) improving agriculture, (3) supporting microenterprise, (4) ensuring primary education, and (5) protecting the environment and improving energy efficiency.</b>						
<b>4</b>	If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met XX	Not Met		
<b>USAID Objective 1: Critical, private markets expanded and strengthened</b>						
<b>5</b>	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No XX	N/A		
<b>USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged</b>						
<b>6</b>	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No XX	N/A		
<b>USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable</b>						
<b>7</b>	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No XX	N/A		
<b>USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded</b>						
<b>8</b>	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No XX	N/A		We continue to make steady progress toward our end-of-project targets in September 2003, but no <u>major</u> milestones took place in FY2001.
<b>9</b>	a. Number of children enrolled in primary schools affected by USAID basic education programs (2001 actual)	Male 33,950	Female 33,720	Total 67,670		These figures are obtained from a "Quick Count" of initial enrollment in 170 Model Schools at the beginning of each school year. Some schools (particularly on the Atlantic Coast) report incomplete data, so figures are approximate.
	b. Number of children enrolled in primary schools affected by USAID basic education programs (2002 target)	Male 34,290	Female 34,057	Total 68,347		We project a 1% increase in total student enrollment. BASE II focuses on improving the <u>quality</u> of education in model schools, rather than increasing the <u>access</u> of the student population nationally. The project will reach about 8% of the country's primary school population <u>directly</u> -- and reach other students indirectly as new methodologies and approaches are replicated in public schools.
<b>USAID Objective 5: World's environment protected</b>						
<b>10</b>	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No XX	N/A		
<b>11</b>	a. Hectares under Approved Management Plans (2001 actual)					
	b. Hectares under Approved Management Plans (2002 target)					

**Pillar III: Global Health**

<b>Pillar III: Global Health: USAID works to: (1) stabilize population, (2) improve child health, (3) improve maternal health, (4) address the HIV/AIDS epidemic, and (5) reduce the threat of other infectious diseases.</b>					
12	If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed XX	Met	Not Met	Comment on Data Quality & Limitations DHS 2001 provides high confidence in data quality and a basis for comparison with statistic results from the MOH and PAHO.
<b>USAID Objective 1: Reducing the number of unintended pregnancies</b>					
13	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes XX	No	N/A	Comment on Data Quality & Limitations DHS 2001 provides high confidence in data quality and a basis for comparison with statistic results from the MOH and PAHO.
<b>USAID Objective 2: Reducing infant and child mortality</b>					
14	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes XX	No	N/A	Comment on Data Quality & Limitations DHS 2001 provides high confidence in data quality and a basis for comparison with statistic results from the MOH and PAHO.
<b>USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth</b>					
15	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes XX	No	N/A	Comment on Data Quality & Limitations DHS 2001 provides high confidence in data quality and a basis for comparison with statistic results from the MOH and PAHO.
<b>USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries</b>					
16	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes XX	No	N/A	Comment on Data Quality & Limitations DHS 2001 provides high confidence in data quality and a basis for comparison with statistic results from the MOH and PAHO.
<b>USAID Objective 5: Reducing the threat of infectious diseases of major public health importance</b>					
17	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes XX	No	N/A	Comment on Data Quality & Limitations DHS 2001 provides high confidence in data quality and a basis for comparison with statistic results from the MOH and PAHO.

**Pillar IV: Democracy, Conflict and Humanitarian Assistance**

<b>Pillar IV: Democracy, Conflict and Humanitarian Assistance</b>						
<b>18</b>	If you have a Strategic Objective or Objectives linked to the Democracy, Conflict and Humanitarian Assistance Pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed XX	Met	Not Met		
<b>USAID Objective 1: Rule of law and respect for human rights of women as well as men strengthened</b>						
<b>19</b>	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes XX	No	N/A		Criminal Procedures Code Passed by National Assembly & approved by the executive branch. This information is a matter of public record, published in the GON journal "La Gaceta."
<b>USAID Objective 2: Credible and competitive political processes encouraged</b>						
<b>20</b>	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes XX	No	N/A		National/international observers evaluated the national elections "free and fair". Reported in media and in grantee/contractor reports to USAID. Information for Calendar Year 2001.
<b>USAID Objective 3: The development of politically active civil society promoted</b>						
<b>21</b>	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes XX	No	N/A		An all-time high number of observers from Nicaraguan civil society organizations monitored the November elections. USAID supported the majority of them. Data Quality Factors: Reports from USAID counterparts. Information for Calendar Year 2001. Data will not be collected in FY 2002, because there is no national election scheduled.
<b>USAID Objective 4: More transparent and accountable government institutions encouraged</b>						
<b>22</b>	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No XX	N/A		
<b>USAID Objective 5: Conflict</b>						
<b>23</b>	Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A XX		
<b>24</b>	Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A XX		
<b>25</b>	Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total XX		
<b>USAID Objective 6: Humanitarian assistance following natural or other disasters</b>						
<b>26</b>	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes XX	No	N/A		Final year of the Hurricane Mitch Reconstruction Program
<b>27</b>	Number of beneficiaries					

**Table 2: Selected Performance Measures for Other Reporting Purposes**

The information in this table will be used to provide data for standard USAID reporting requirements

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
<b>Child Survival Report</b>					
<b>Global Health Objective 1: Reducing the number of unintended pregnancies</b>					
1 Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	66%			POP	DHS - 2001 Preliminary Report; DHS provides high confidence in data quality.
<b>Global Health Objective 2: Reducing infant and child mortality</b>					
2 Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total 92%	CSD	Ministry of Health - Statistics Department; Our confidence in this data lies in the fact that no deaths were reported for immuno preventable diseases.
3 Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male 72%	Female 63%	Total 67.5%	CSD	DHS -2001 Preliminary Report; See above
4 Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total 82%	CSD	Ministry of Health - Statistics Department; Vitamin A deficiency has declined significantly according to results of a national micronutrient survey in 2000.
5 Were there any confirmed cases of wild-strain polio transmission in your country?	No				
<b>Global Health Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth</b>					
6 Percentage of births attended by medically-trained personnel (DHS/RHS)	67%			CSD	DHS - 2001 Preliminary Report; See above

Global Health Objective 5: Reducing the threat of infectious diseases of major public health importance						
7	a. Number of insecticide impregnated bed-nets sold (Malaria) (2001 actual)	N/A				
	b. Number of insecticide impregnated bed-nets sold (Malaria) (2002 target)					
8	a. Proportion of districts implementing the DOTS Tuberculosis strategy (2001 actual)	Male	Female	Total 83%	CSD	Ministry of Health - Statistics Department*
	b. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 target)	90%			CSD	
HIV/AIDS Report						
Global Health Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries						
9	a. Total condom sales (2001 actual)	2,200,000			POP	Profamilia (Local NGO) and PASMO. We have very high confidence in this sales figures.
	b. Total condom sales (2002 target)	4,300,000				
10	a. Number of individuals treated in STI programs (2001 actual)	Male 3,351	Female 2,773	Total 6,124	POP	Ministry of Health - Statistics Department.*
	b. Number of individuals treated in STI programs (2002 target)			7,500		
11	a. Is your operating unit supporting an MTCT program?	No				
	b. Will your operating unit start an MTCT program in 2002?	No				
12	a. Number of individuals reached by community and home based care programs (2001 actual)	Male	Female	Total 400,000		Nimehuatzin (local NGO).
	b. Number of individuals reached by community and home based care programs (2002 target)			450,000		
13	a. Number of orphans and vulnerable children reached (2001 actual)	Male	Female	Total		N/A
	b. Number of orphans and vulnerable children reached (2002 target)					
14	a. Number of individuals reached by antiretroviral (ARV) treatment programs (2001 actual)	Male	Female	Total		N/A
	b. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 target)					

**Victims of Torture Report****Democracy, Conflict, and Humanitarian Assistance Objective 7: Providing support to victims of torture**

<b>15</b> Did you provide support to torture survivors this year, even as part of a larger effort?	No				
<b>16</b> Number of beneficiaries (adults age 15 and over)	Male	Female	Total		N/A
<b>17</b> Number of beneficiaries (children under age 15)	Male	Female	Total		N/A

## Results Frameworks

SO1: More political participation, compromise, and transparency

- Democratic strength index
- Political Tolerance
- Political system support

1.1 Consolidating the rule of law

- New judicial codes adopted by National Assembly
- Decrease in human rights violation cases
- Public confidence in the judicial system

1.2 Efficient and transparent elections

- Elections declared free and fair

1.3 Strengthened civil society

- Number of meetings held with the public
- Influence of the citizenry public decision-making at the local and national level

1.4 Strengthened mechanisms for transparency and accountability \*

SO2: Sustainable growth in small producer employment and income

- Agriculture growth rate (GDP)
- Rural underemployment
- Percentage of people living in absolute poverty/below poverty line

2.1 Small farmers produce more and diverse crops

- Total production of coffee and basic grains
- Farmers accessing USAID activities

2.2 Small business and micro-enterprise expanding

- On/off farm NTAE employment (productive jobs)
- Number of micro-entrepreneurs receiving loans under USAID projects

2.3 Natural resources being used more rationally

- Protected areas under effective management

SO3: Better educated, healthier and smaller families

- Infant mortality rate
- Total fertility rate
- 4<sup>th</sup> grade completion rates in model schools

3.1 Integrated child survival services and practices

- Vaccination coverage rates – polio3, DTP3, MMR
- % of children with diarrhea treated with ORS

- 3.2 Comprehensive reproductive health services
- Contraceptive prevalence rate
  - Condom use among high-risk groups (AIDS/HIV)
  - Births attended by trained personnel
- 3.3 Better nourished women and children
- Prevalence of exclusive breast-feeding
  - % of children under 3 stunted (Regions I, II, and VI)
  - % of children under 3 underweight (Regions I, II and VI)
  - % of children graduating from Title II feeding programs
  - % of children under 5 receiving Vitamin A supplements
- 3.4 More students learning more and completing primary school
- Academic Achievement
  - Student participation index

\* Indicators to be defined.

**Part VII: Environmental Compliance**

**Plans for New or Amended Initial Environmental Examinations**

The mission is initiating new activities under the PL480 Title II program: new multi-year Development Activity Programs (DAPs) began in January 2002, executed by four cooperating sponsors (ADRA, CRS, PCI, and Save the Children). The IEEs are being submitted for amendment to comply with the submittal of Pesticide Use Plans (PERSUAP), part of the Title II program’s environmental requirements.

Compliance with Initial Environmental Examinations and Environmental Assessments

**REGULAR (DA) PROGRAM**

<b>SO 1 – More political participation, transparency, and compromise (524-002)</b>		
<b>Good governance &amp; rule of law</b>	<b>PACD/AACD</b>	<b>IEE Number</b>
<b>Municipal autonomy and development</b> <u>Implementing institutions:</u> PADCO (14 municipal projects)	10/31/02	LAC-IEE-99-21

Activities under SO 1 are in compliance with the IEE. Programs in SO 1 other than those mentioned above are under a categorical exclusion.

<b>SO 2 – Sustainable growth in small producer income &amp; employment (524-002)</b>		
<b>Intermediate results</b>	<b>PACD/AACD</b>	<b>IEE Number</b>
<b>IR 2.1 Assisting small farmers to diversify their agricultural production and increase output in a sustainable way</b> <u>Implementing institutions:</u> CLUSA World Relief DAI Winrock (13 Nica NGOs) GON PL-480 Secretariat Title II (4 grants, US PVOs) Title III (23 sub-grants, mix US PVOs/Nica NGOs)	CLUSA – 7/1/03 WR – 9/28/03 DAI – 8/10/03 Win – 11/2/02 PL480 TII - 12/31/06 TIII – 6/30/02	LAC-IEE-98-04, DAP 2000 IEE  (DAP IEE will be amended 2002)
<b>IR 2.3 Natural resources being used more rationally</b> <u>Implementing institutions:</u> ARD Fundacion Cocibolca	ARD – 1/10/04 Cocib – 12/9/01	LAC-IEE-98-04

Activities under SO 2 are in compliance with the IEE. Programs in SO 2 other than those mentioned above are under a categorical exclusion. See section below on pesticide evaluation, which covers both SO2 and Mitch activities.

<b>SO 3 – Better educated, healthier, smaller families (524-003)</b>		
<b>Intermediate results</b>	<b>PACD/AACD</b>	<b>IEE Number</b>
<b>IR 3.1 Integrated child survival services and practices</b> <u>Implementing institutions:</u> MSH (Prosalud) CARE Project Hope Partners of the Americas/Wisconsin PCI PAHO	MSH – 6/17/03 CARE – 9/13/02 Hope – 9/13/02 Partners – 9/13/02 PCI – 12/20/01 PAHO – 12/31/02	LAC-IEE-98-47
<b>IR 3.2 Comprehensive reproductive health services</b> <u>Implementing institutions:</u> Profamilia	Profam – 12/01/02	LAC-IEE-98-47
<b>Better educated families</b> <u>Implementing institutions:</u> AED	AED – 3/9/04	LAC-IEE-98-47

Activities under SO 3 are in compliance with the IEE. Programs in SO 3 other than those mentioned above are under a categorical exclusion. Materials used in health programs are included in the pesticide evaluation (see below).

### **PESTICIDE EVALUATION**

An environmental assessment for agrochemicals and vector control (health, veterinary compounds) was completed in July 2001 through a grant to Zamorano. The assessment applies to both the regular and Mitch programs. The assessment is unique in emphasizing organic pest control methods as an alternative to conventional pesticides, and followed through with the provision of integrated pest management training for trainers. Representatives from the Nicaraguan agrochemical suppliers were also involved in the pesticide assessment and training.

The participating institutions have incorporated integrated pest management into their current programs in Nicaragua, and most sent staff to the pesticide “diplomado” course in the fall of 2001 through CATIE.

### **HURRICANE MITCH PROGRAM**

<b>RESULT: Rapid reconstruction and sustainable recovery in Mitch-affected areas</b>		
<b>Intermediate Results</b>	<b>PACD/AACD</b>	<b>IEE Number</b>
<b>IR 1 Number of deaths due to acute diarrhea in target areas</b> <u>Implementing institutions:</u> MSH (Prosalud) CMS Networks (8 US PVOs, 13 Nica NGOs) EHP (7 US PVOs, 1 Nica NGO)	12-31-01	LAC-IEE-00-44
<b>IR 2 Number of farmers, laborers and micro-entrepreneurs who receive benefits from USAID reconstruction</b> <u>Implementing institutions:</u> CARE World Relief		LAC-IEE-00-44

