

**PROGRAM OF INTEGRATED EARLY CHILDHOOD DEVELOPMENT AND
DAY-CARE SERVICES FOR NICARAGUAN CHILDREN**

(NI-0092)

EXECUTIVE SUMMARY

REQUESTER: Ministry of Economy and Development

EXECUTING AGENCY: The Fondo Nicaragüense de la Niñez y la Familia [Nicaraguan Fund for Children and Families] (FONIF) and the Ministry of the Presidency acting through the Comisión de Promoción y Defensa de los Derechos del Niño y la Niña [Commission for the Promotion and Defense of Children's Rights] (the Commission).

BENEFICIARIES: Communities, families and children participating in the program's activities, governmental agencies, nongovernmental organizations (NGOs) and community organizations.

AMOUNT AND SOURCE:

IDB:	US\$3,500,000 (FSO)
Government of Norway:	US\$3,000,000 (grant)
Local contribution:	<u>US\$ 325,000</u>
Total:	US\$6,825,000

FINANCIAL TERMS AND CONDITIONS:

Disbursement period:	42 months
Amortization period:	40 years
Grace period:	10 years
Interest rate:	1% for the first 10 years and 2% thereafter
Commitment fee:	0.5%

ENVIRONMENTAL CLASSIFICATION: Category II (Environment Committee meeting of February 21, 1995).

OBJECTIVES: The general objective of this pilot program is to improve the welfare of children under six years of age living in poverty in rural and marginal urban communities. Its specific objective is to develop a Nicaraguan system of comprehensive care for children living in poverty, comprising early stimulation, health, nutrition and day-care services, by means of: (i) strengthening and upgrading of a network of community centers and nongovernmental and community organizations that provide child-care services; (ii) strengthening of childrearing practices in the home; and (iii) support for low-income mothers in their various responsibilities.

DESCRIPTION: To accomplish the proposed objectives, the program is comprised of three components: (1) Support for

formulation of policies on early childhood development and day-care services that will improve the public sector's capacity to formulate and evaluate childhood development and day-care policies through studies, technical assistance, the design and implementation of an information system, and publicity campaigns; (2) Support for the Centros Infantiles Comunitarios [Community Childhood Development Centers] (CICOs) that will include: (a) early stimulation and day-care activities in CICOs in poor rural and marginal urban communities. The activities will promote the development and growth of children under age six; and (b) institutional strengthening of organizations of civil society and of the State that are involved in childhood development and day-care services; and (3) Monitoring and evaluation, under which a continuous, comprehensive and participatory monitoring and evaluation system will be designed and set up that will be made up of a management information system and an impact evaluation system.

BENEFITS:

During the three years of execution, the operation will contribute to improving the welfare of approximately 63,000 children under age six living in poverty in rural and marginal urban areas, by means of early stimulation activities and day-care services provided in coordination with nutrition and health services; it will also improve the capacity of families and of the community to meet children's developmental needs, support raising the status of women, and consolidate the institutional structure that promotes and ensures comprehensive care for children.

RISKS:

The financial sustainability of the system of comprehensive care for children constitutes a risk. Alternative ways of financing child development programs will be investigated, including their possible linkage with production programs and with other government and donor agency programs. Incentive mechanisms for participation by the private sector and civil society will also be evaluated. Management of the childhood development and day-care sector, institutional strengthening of the participating entities and improvement of the quality and coverage of services in the CICOs will create conditions in which the program will serve as a catalyst for attracting funds for childhood development and day-care programs.

The foundation for the proposed measures is formed by the nutrition assistance from the World Food Programme (WFP) and interinstitutional coordination.

If this assistance and the requisite coordination do not materialize as expected, the impact of the program could be diminished. The effective scheduling of the program's activities in coordination with the other actions will help to reduce this risk.

The proximity of the next elections could imply a risk in terms of resource allocation in accordance with the social priorities. The institutionalization of procedures related to the eligibility of participating agencies and the selection of projects will contribute to the transparency of resource allocation and the continuity of the process initiated with the pilot program.

**POVERTY-
TARGETING:**

The proposed operation meets the Eighth Replenishment's criterion concerning impact on poverty, since over 50% of the total population lives below the poverty line and the program will mainly benefit children living in poverty by providing them with education, nutrition and health care services (see paragraph 1.35).

**THE BANK'S
COUNTRY AND
SECTOR STRATEGY:**

The proposed program is consistent with the guidelines set forth in the Bank's country strategy for Nicaragua with regard to focus on social programs designed to mitigate the problem of poverty and on economic development with equity. Given the high poverty rate in Nicaragua, it is recommended that the poverty alleviation strategy be comprehensive, addressing institutional, structural, and policy issues.

The program will supplement activities being carried out in the country through UNICEF with the regional program for Central America and Panama to help children in especially difficult circumstances (ATN/TF-3894-RG). It will also supplement the efforts of the Emergency Social Investment Fund (FISE) (loans 935/SF and 729/OC, and technical-cooperation operation ATN/TF-3599), the program to support the preparation of the national census on population and housing (ATN/TF-4736-NI) and a project in the pipeline to support the health care sector (NI-0024).

**EXCEPTIONS TO
BANK POLICY:**

Direct contracting of the NGO Centro Internacional de Educación y Desarrollo Humano [International Center for Education and Human Development] (CINDE) as technical advisor is proposed to strengthen technical and institutional capacity during the setting up of the projects and evaluation component. CINDE has assisted the government in the preparation of this operation. With the pilot program, the government is

making a start on establishment of an integrated early childhood development and day-care system. In this initial and key phase, and bearing in mind the short time that the State agencies involved have been in existence, consistent and continuous support will be needed. For the objectives of this program to be accomplished, continuity of the process under way during the preparation stage will be of vital importance. CINDE has extensive international and regional experience in setting up programs of this sort, and also has specialized professional staff who would help facilitate execution of the components from the organization, implementation and development standpoints. Information on CINDE can be found in the technical files. The amount of the consulting services contract envisaged is US\$200,000 equivalent.

Regarding component 2 of the program, considering the large number and small size of the projects to be approved, in order to expedite their processing, instead of requiring prior Bank approval, it is recommended that the respective documentation be verified when the disbursements of the Bank loan are processed. This information refers to application of the eligibility criteria, the provision of complete information on project evaluation, and verification of the procedures followed in the awarding of contracts, and will be reviewed by the Bank by sampling. However, the Bank reserves the right to review such documentation ex ante if it deems it advisable during execution of the program.

**SPECIAL
CONTRACTUAL
CONDITIONS:**

The first disbursement from the program resources will be subject to compliance to the Bank's satisfaction with the following conditions precedent:

1. Signature of an agreement for execution and transfer of resources between the Government of Nicaragua and each executing agency (see paragraph 3.1).
2. The opening of a bank account by each of the executing agencies (see paragraph 3.1).
3. Evidence of formation of the technical monitoring committee (TMC) and submission of the initial program report approved by the TMC (see paragraph 3.2).
4. Evidence that FONIF has contracted CINDE as technical advisor, and that the chief of the technical executing unit has been hired (see paragraph 3.5).

Within three months after the effective date of the loan contract, evidence must be submitted that a grant agreement or other legal instrument has been entered into whereby the resources from the Government of Norway will be granted, or other acceptable resources for an equivalent amount.

The loan contract will also including special conditions with respect to the selection of projects, submittal of progress reports and financial statements, the timetable for the hiring of consultants, entry into force of the Operation Regulations, interagency agreements, and program evaluations, referred to respectively in paragraphs 3.3, 3.4, 3.6 to 3.10, 3.12, 3.14, 3.15, 3.19 to 3.21, 3.29, and 3.30, establishing the respective time frames for fulfillment of those conditions.

**RECOGNITION OF
PREVIOUS
EXPENDITURES:**

Up to US\$100,000 in previous expenditures may be recognized as chargeable to the Bank loan in the case of the Commission and up to US\$200,000 in the case of FONIF. No expenditures chargeable to the local counterpart are expected to be recognized prior to consideration of the proposal by the Board of Executive Directors of the Bank.

I. FRAME OF REFERENCE

A. Socioeconomic context

- 1.1 Nicaragua is the second-poorest country in Latin America and the Caribbean. In 1990, the Government of Nicaragua launched a stabilization and structural adjustment program which has posted some significant achievements to date, including reduction of inflation from 7,000% in 1990 to 13.4% in 1994. It is currently carrying out a program to modernize the State through government reforms. These changes helped to bring about GDP growth of 3.2% in 1994, which is a slight recovery compared with the 0.9% fall in 1993. Even so, this economic growth has not been sufficient to reduce poverty or to lower the unemployment rate, which is estimated at 21.8%.
- 1.2 Nicaragua has a population of 4.1 million, 50.3% of whom are estimated to be living below the poverty line and 19.4%, below the extreme-poverty line. Of the country's households, 75% have at least one unmet basic need (UBN), and 44% have more than two UBNS.
- 1.3 The high population growth rate of 2.9% ^{1/} is causing a rapid increase in the demand for social services and pressures on the labor market, while the supply of public services has been restricted by budget cuts and institutional limitations.

B. Social framework

- 1.4 In 1994, social spending represented approximately 45% of total public expenditures. However, social spending as a proportion of GDP has been declining: from 10.9% in 1990 to 9.7% in 1994. This situation, in conjunction with demographic growth, has meant a reduction in per capita outlays for health and education. In terms of the breakdown of social spending, education received 44%; health, 43%; and the remainder was divided among the programs of the Ministry of Social Action [Ministerio de Acción Social] (MAS) and other, smaller programs in housing, labor, youth, and culture.
- 1.5 Despite these outlays, Nicaragua's health, nutrition and education indicators are among the lowest in Central America. The fertility rate stands at five births per woman (seven in rural areas), and early pregnancy is a growing problem. To remedy this situation, the country has designed a population strategy that assigns priority to the provision of family planning services in the health care system and basic counseling through the education system. Maternal mortality is 110 for every 100,000 live births and the

^{1/} National Census of Nicaragua, 1995.

infant mortality rate is 58 per 1,000 births. 2/ Preventable causes such as diarrhea, intestinal infections, malnutrition and respiratory ailments account for 46% of infant deaths.

- 1.6 Approximately 60% of the total population of the country does not have access to clean water service and 32% lacks sanitation services. Furthermore, 82% of the population has problems disposing of wastewater.
- 1.7 The national average for school attendance is 4.5 years. Many children enter first grade late and repetition and dropout rates are high. Only 41% complete the primary cycle in urban areas and 7% in rural areas. Almost one third of the children repeat first grade. Preschool enrollment is very low, at approximately 80,000 children, or 15% of the relevant population. Coverage is lower in rural areas, among the low-income population and for children under five.
- 1.8 The internal efficiency of the school system is so low owing to the weakness of its services and the lack of preparation for children entering school. Preschool education is necessary for developing learning skills, particularly for poor children. An equally important factor is that undernourished children have less capacity for learning. Many parents do not understand the importance of proper stimulation, good nutrition and health during the first years of a child's life for development of its cognitive and psychomotor capacity, as well as for his or her physical growth.
- 1.9 A recent study of the education sector 3/ concluded that the country needed to invest much more in early education, especially in rural areas. It is estimated that such investment would be self-financing after 10 years in terms of cost per graduate due to the improved education efficiency. The study also concluded that the mothers and fathers had to be involved much more in the education of their children in order to improve the quality and productivity of the education system.
- 1.10 To address this situation at the sector level, both the Ministry of Education [Ministerio de Educación] (MED) and the Ministry of Health [Ministerio de Salud] (MINSA) are in the process of instituting social reforms designed to improve efficiency in the management and

-
- 2/ National Commission for the Promotion and Defense of Children's Rights, Metas para la Niñez: Avances y Metas al 2000 ["Goals for Children: Progress and Goals by the year 2000"], Managua, 1995.
 - 3/ Garguilo, Carlos and Luis Crouch. Nicaragua: Escolarización, Repitencia y Deserción. Resultados de una Encuesta Nacional [Nicaragua: School Attendance, Repetition and Dropout Rates. Findings of a National Survey]. USAID - Research Triangle Institute, 1994.

use of the resources available and their capacity to implement their respective programs.

C. The status of children and families

- 1.11 There are approximately 900,000 children under six years of age in Nicaragua, e.i., 22% of the population. It is estimated that almost 55% of these children are living in poverty. Of children under five years of age, 33% display at least one form of malnutrition, 67% have vitamin A deficiency and 28% are anemic. The problem of widespread malnutrition among children under five hampers their normal physical and mental development. Malnutrition also affects one third of all women of childbearing age. This situation is a direct consequence of low income levels; however, poor hygiene and nutrition habits, together with limited access to basic services such as safe water and sanitation, also contribute to the malnutrition problem. Measures are accordingly required to meet the children's nutrition needs and train their parents in basic health and sanitation practices.
- 1.12 There is growing awareness in the country of children's rights and needs for protection, and increasingly high priority is being assigned to investments in preventive measures in health and education for children under six. In particular, it is being recognized that in child development programs it is important that the parents and other relatives be involved in the educational activities in order to strengthen the child rearing practices in the home and improve the environment in which the child lives. Child development programs in the region and studies on the subject have found that actions that only provide nutritional assistance for children, without educating the parents in better nutrition practices, hygiene, health and appropriate stimulation, have a much less significant impact on the children's well-being.
- 1.13 Measures to improve child development must also take into account the mothers' multiple responsibilities, especially the constraints on their time and the fact that they have to devote themselves to economic activities. In 1993, the participation rate of low-income women in the labor market was 33% in urban areas and 22% in rural areas. Due to their limited access to reliable day-care services of good quality, many women are obliged to leave their children alone in their homes or must accept poorly paid work where their children can accompany them. This situation is all the more difficult for women heads of households, whose homes are more severely impacted by poverty than households headed by men. In urban areas, 37% of poor households are headed by women, and 17% in rural areas. Participation in the labor market by women living in poverty who are also heads of households is much higher than that of women who do not head households - 55% in urban areas and 37% in rural areas.
- 1.14 In many low-income households, especially those headed by women, the older siblings, in particular the girls, are responsible for

their younger brothers and sisters for the greater part of the day while their mother is working. This means that the older children are less likely to attend school while the development and care of the younger ones also suffer.

- 1.15 This neglect of children has serious repercussions on their health, nutrition and psychosocial development. In addition, studies conducted in Nicaragua have revealed authoritarian family structures and high levels of domestic violence. Mistreatment, abandonment and the need to contribute to the family income mean that many children - 65,000 in Managua - are living or working in the street. Another factor in this situation is the high school- failure rate. Nicaragua in fact has a considerable number of programs to help minors in especially difficult circumstances. However, to improve the environment in which the children live, more efforts will have to be concentrated on preventive programs with the families and the children in their initial stage of development.

D. Institutional framework for early childhood development and day care

1. Comisión Nacional para la Promoción y Defensa de los Derechos del Niño y la Niña [National Commission for the Promotion and Defense of Children's Rights]

- 1.16 The Commission was formed in 1994 to ensure and promote compliance with the Convention on Children's Rights, in connection with the World Summit for Children (see Annex I). To achieve this objective and in support of the social sector authorities, the Commission has assumed the role of coordinator in all activities connected with children. In this respect, it supports the formulation of national policy proposals and municipal action plans concerned with child welfare. In addition, it publishes information to raise public awareness of the situation of children in the country.
- 1.17 The Commission is attached to the Ministry of the Presidency; it is chaired by the President of the Republic and made up of representatives of the State and of civil society. It performs its mandate through an executive directorate currently made up of a director and one assistant, and support from short-term consulting services for specific activities. The Commission has received support for studies on legal issues, policies, at-risk children and monitoring of the Convention on Children's Rights from the Government of Norway, UNICEF, the European Union and a number of international NGOs. To institutionalize and systematize these efforts, activities need to be carried out for social outreach, support for municipalities, formulation of a national plan for comprehensive child welfare and development and design of an information system.
- 1.18 The institutional structure of the Commission will be strengthened with the enactment of the proposed Children and Adolescents' Code, which will be submitted for approval during the current legislative session. The code will establish the legal framework of the national

system for comprehensive child welfare and development, under which the Commission will become the governing body of the system.

2. Fondo Nicaragüense de la Niñez y la Familia

- 1.19 In January 1995 the Executive Branch established the Fondo Nicaragüense de la Niñez y la Familia [Nicaraguan Fund for Children and Families] (FONIF) as an autonomous entity with its own capital and assets (see Annex I). FONIF is responsible for promoting and fostering the social welfare aspect of programs and projects, functions previously performed by the former Instituto Nicaragüense de Seguridad Social y Bienestar [Nicaraguan Social Security and Welfare Administration] (INSSBI). These include preventive programs for children and families at high social risk and war victims and child protection programs, through the administration of the law concerning children. In addition, FONIF has assumed a new role, namely that of managing resources and channeling them to civil society for execution of social welfare projects.
- 1.20 FONIF is chaired by the President of the Republic, who appoints its board and director. The board was set up in July 1995 and is made up of seven members, five from the public sector and two from the private sector. It is chaired by the Minister of Social Action.
- 1.21 FONIF is currently executing, among other programs, program 4515 "Integrated Services for Children of Preschool Age" of the World Food Programme (WFP), through which lunch is provided for children from three through six years of age in community centers. In 1995 this program served around 100,000 children in approximately 1,000 centers, which represents between 15% and 20% of the demand for nutrition support programs for children.
- 1.22 Since it is a new organization, FONIF's present organizational structure is weak and work needs to be done to refine its organization, define functions and establish new operating mechanisms. To this end, using resources from program ATN/TF-3894-RG, in 1995 an institutional diagnostic study was conducted establishing the lines of action needed for the institutional strengthening of FONIF. Under the proposed program, implementation of the measures necessary to reorganize and strengthen the institution will be financed (see paragraph 2.18).
- 1.23 Given the lack of internal control measures in the management of FONIF, in November 1995 its board of directors asked the Ministry of Finance, as a member of its governing body, to take administrative and financial measures in order to review the financial situation and establish internal control procedures that would ensure transparency in the execution of its operations. FONIF is currently operating in accordance with the requirements of the Ministry of Finance and the Office of the Comptroller. In January 1996, a new executive director was appointed and the internal auditing division, which reports to the board of directors as well as to the

Office of the Comptroller, is being strengthened. The measures mandated by the Ministry of Finance are at the final stage of execution, and are not expected to be an obstacle to efficient operation of FONIF or consequently to execution of the proposed program.

3. Other public sector institutions and programs

- 1.24 In primary schools, the Ministry of Education (MED), with assistance from the WFP and the European Economic Community (EEC), is executing the "school biscuit" and "glass of milk" program aimed at first- through third-grade students. In addition, with World Bank financing, the MED is implementing a program to upgrade the quality of education. This program includes a component for strengthening nonformal preschool education for five-year-olds - the last level of preschool education - in community centers. The Ministry of Health (MINSA), through its Directorate General for Women and Children and with USAID financing, operates a maternal and child health-care program. MINSA also runs reproductive health and nutrition programs. With assistance from UNICEF and the Swedish government, the Integrated Early Childhood Services Program (PROSERBI) is being executed by various ministries and institutions in order to meet the commitments assumed in connection with the World Summit for Children. Despite all these efforts, the potential demand for programs designed to strengthen the physical and psychosocial development of children under age six living in poverty is not covered. In addition, because of the very limited coordination among programs, their impact on the target population is small.

4. NGOs and community organizations

- 1.25 There are more than 50 NGOs and community organizations ^{4/} working directly and indirectly with children in poor communities in marginal urban and rural areas. The majority of these organizations recently formed a coordinating association for NGOs working with children.
- 1.26 The NGOs' work is concentrated for the greater part in the health and nutrition fields, and to a lesser extent in education and day-care services (the diagnostic study on NGOs involved in child welfare and development in Nicaragua can be found in the technical files). Some of them have experience in training and have developed interesting participatory methodologies. The organizations have devised quite successful modalities for serving children, such as the "community pots" ["ollas comunales"], community dining rooms

^{4/} A community organization is defined as a community group whose objective is to work collectively in the search for solutions to common problems affecting communities.

and child-care houses. They support 70% of the nearly 1,000 community centers and 50% of the 20 day-care centers that receive food assistance from WFP/FONIF program 4515. In conjunction with that program, some of the organizations have begun to offer early stimulation activities in the community centers, but with limited resources and using staff who are inadequately trained.

- 1.27 Although their programs do not have national coverage, there are various organizations that reach over 6,000 children in different regions. The majority of them work in regions where poverty is widespread and some of them reach areas of extreme poverty.
- 1.28 In spite of their successes, the majority of these organizations suffer from institutional weaknesses in their monitoring systems and administrative capacities, among other things. There are also significant gaps in the services offered, mainly as regards service delivery in rural areas, care for children up to three years of age, activities concerning psychosocial development, the number of hours of care provided for the children, parental participation in the education processes, and interinstitutional coordination.
- 1.29 To supplement the activities for child care, USAID is considering financing a program for day-care centers to be implemented by NGOs.

E. Social strategy of the government

- 1.30 The Social Agenda for 1993-1996 sets the following objectives: (i) to serve the poorest and most vulnerable population groups; (ii) to be more efficient and effective in the provision of basic services, chiefly health and education; and (iii) to support the productive sectors that are isolated from the formal market mechanisms. The implementation strategies applied have been: (i) decentralization; (ii) community promotion and participation; (iii) coordination of the services provided by the government; (iv) targeting; and (v) rehabilitation and construction of the primary health and education establishments and of day-care centers.
- 1.31 Regarding services for children living in poverty, the Government of Nicaragua is aware that the country needs an institutional structure in the public sector and in civil society, i.e., a system that makes it possible to prioritize and focus actions and to reduce the duplications and gaps in coverage that presently exist. Such a system would strengthen the country's capacity to bring about a sustained improvement in the quality of life of socially at-risk children. To assist in the management of the sector along these lines, the country is moving ahead with preparation of a Family Code and a Children and Adolescents' Code.

F. The government's request

- 1.32 By communication of May 10, 1994, the Ministry of Economy requested the Bank's assistance for execution of a program of care for

children living in poverty and disadvantaged children, noting the high priority of this need for the country.

G. Bank strategy

- 1.33 The proposed program is consistent with the emphasis in the Bank's programming strategy for Nicaragua as regards social programs aimed at alleviating the problem of poverty and fostering economic development with equity. In view of the prevalence of poverty in Nicaragua, it is recommended that the poverty-alleviation strategy be comprehensive in nature, covering institutional, structural and policy aspects.
- 1.34 The proposed operation satisfies impact on poverty criterion of the Eighth Replenishment since 50% of the total population lives below the poverty line and the program would mostly benefit children living in poverty by providing them with education, nutrition and health care services.
- 1.35 The program complements actions that are being carried out in Nicaragua by UNICEF with its regional program ATN/TF-3894-RG for Central America and Panama for the Care of Minors in Especially Difficult Circumstances. It also complements the efforts of the Fondo de Inversión Social de Emergencia [Emergency Social Investment Fund] (FISE) in its targeting and will coordinate with FISE in the upgrading and expansion of the community centers' facilities. The national population and housing census carried out in August 1995 with financing under operation ATN/TF-4736-NI, will contribute to improving the information system, thereby facilitating the formulation of social policies and measurement of the impact of this program. The operation under study, support program for the health sector (NI-0024), will help to improve the programs for nutrition, reproductive and maternal and child health care targeting the groups assigned priority.

II. THE PROGRAM, ITS COST AND FINANCING

A. Objectives

- 2.1 The general objective of the proposed operation is to improve the welfare of children under six years of age living in poverty in rural and marginal urban communities. The specific objective is to develop a Nicaraguan system of early childhood development and day-care services for children living in poverty, consisting of early stimulation, health, nutrition and day-care services, by means of: (i) strengthening and improvement of a network of community centers and nongovernmental and community organizations that provide services for children; (ii) strengthening of child rearing practices in the home; and (iii) support for low-income mothers in their various responsibilities.

B. Design

- 2.2 The program has a preventive approach through its investment in the early and overall (physical, psychosocial, affective and cognitive) development of children. It is based on successful community support initiatives that have arisen in marginal urban and rural areas to cope with the poverty in which over 50% of the population is living. The program will operate on the basis of informal approaches used by the existing community centers, such as the "community pots", community dining rooms and child-care centers. If maximum benefit is to be derived from these efforts, the scattered existing initiatives will have to be consolidated, complemented and coordinated.
- 2.3 What is needed is a sustainable system of integrated early childhood development and day-care services that is sufficiently flexible to respond to local needs and interests and capable of combining scattered efforts within a common framework. This system would consist of information, training, monitoring, evaluation and resource-channeling systems as well as basic instructional materials. This would make it possible to establish the basic standards for services for children living in poverty in the country, while benefiting from economies of scale and targeting the measures on the priority populations. At the same time, it would be quite open as regards forms of service delivery and working methodology so that the actions would be relevant to the beneficiary population.
- 2.4 This operation has been designed as a pilot program. The experience with early childhood development and day-care programs in the region indicates that to ensure quality and success the expansion of coverage must be gradual. In addition, lack of consistency and existing institutional weakness affect the sustainability of current activities. Various donor agencies have indicated that they would be interested in expanding their support for the child services sector if there were a strengthened and well-organized institutional structure. Accordingly, to complement what is already in place and enable its expansion, the program will focus

on developing new care methodologies targeting the presently neglected priority groups, improving the capacity of civil society's organizations to serve children and supporting the State in its role as policy-maker, coordinator, and channeler of resources.

C. Program components

- 2.5 To accomplish the objectives set, the program provides for three components: (i) strengthening of the capacity to formulate policies on early childhood development and day-care services; (ii) support for delivery of nonformal services to foster the development and appropriate care of children; and (iii) implementation of a continuous monitoring and impact evaluation system.

1. Component consisting of support for the formulation of policies on early childhood development and day-care services (US\$623,000 equivalent)

- 2.6 This component will improve the public sector's capacity to formulate and evaluate policies on early childhood development and day-care services, by means of: (a) technical assistance that will strengthen the analytical capability for formulating national policies and municipal action plans to benefit children, in coordination with the health and education sector programs; (b) publicity campaigns to raise awareness in society concerning the situation and rights of children and the sector's programs and policies; (c) creation of an information system on the national programs, institutions and information sources on children and establishment of ties with international networks of information on childhood; and (d) priority studies on how best to help the child population living in poverty. Alternative ways of funding child development programs will be investigated for a stage subsequent to the pilot program, including assessment of their possible linkage with production programs in rural and urban areas, and with other government and donor agency programs. Incentive mechanisms for participation by the private sector and civil society will also be evaluated.

- 2.7 The program will finance technical assistance to the Ministry of the Presidency acting through the executive directorate of the National Commission for the Promotion and Defense of Children's Rights (the Commission), by means of the hiring of a team of four technical experts (in child development, publicity campaigns, technical communication, and information systems) and short-term consulting services contracts (the terms of reference will be found in the technical files).

2. Component consisting of support for Community Childhood Development Centers (US\$5,949,000 equivalent)

- 2.8 This component will increase the quality and coverage of the child development and day-care services in poor marginal urban and rural areas by means of the execution of projects. The projects will be

aimed at strengthening and complementing working methods that have proven successful in around 525 community centers, especially with regard to the following: (a) encouragement of children's cognitive and psychosocial development; (b) schedule expansion to meet the needs of working women; (c) expansion of coverage to serve children under three; (d) improvement of poor families' and communities' ability to meet children's physical and psychosocial needs and strengthening of childrearing practices in the home; and (e) development and strengthening of training and project-management systems. The community centers, which presently for the most part only offer nutrition assistance, will be converted into Community Childhood Development Centers (CICOs). The services that each CICO will offer and the precise way in which they will be delivered will depend on the local needs. The typical CICO will operate five days a week, 12 months a year. The CICOs will be the primary vehicles for child development and day-care services in the participating poor communities.

- 2.9 The program will provide the CICOs with manuals, instructional materials, games and furniture. The operation of the CICOs will be coordinated with complementary programs in areas such as primary health care, reproductive health, nutrition, sanitation and education. In particular, they will be coordinated with the nutrition assistance provided under WFP/FONIF program 4515. Infrastructure will be upgraded through rehabilitation or construction of infrastructure and basic facilities, together with construction of latrines and improved kitchens, with financing through FISE. Work with the municipal authorities will be coordinated with Instituto Nicaragüense de Fomento Municipal [Nicaraguan Municipal Development Institute] (INIFOM).

a. Active learning

- 2.10 The CICOs will serve the psychosocial development needs (psychomotor, cognitive, affective and communicative) of the children concerned, in addition to the nutrition assistance they are already providing and coordinating with the health services. Two community workers and one volunteer will run early stimulation activities for two groups of 20 to 25 children aged three through six who already attend the community centers for the lunch program, in two three-hour shifts (morning and afternoon). They will use culturally appropriate play-based active learning methods. In the course of the program's three-year execution period around 37,000 children will be cared for under this system.

b. Day-care centers

- 2.11 In the communities that want it, a day-care center (Multihogar de Cuidado Diario) will operate in the CICO. For eight to ten hours a day, this center will care for children from six months to six years of age whose mothers work and who have no other adult to care for them. For every 12 children there will be one community worker

and one community volunteer; when there are more than four children under age two an additional community worker will be brought in. The children in the day-care center will also participate in early stimulation activities and receive nutrition assistance. Children from three to six years of age who attend the center will also take part in the active learning activities described in paragraph 2.10, which will facilitate the provision of appropriate care for the children under age three. During the program's three-year execution period, around 11,000 children will be covered under this component, some 6,000 of whom will also be participating in the active learning component.

c. Activities with family members

- 2.12 In addition to the services directly involving young children, training programs in early education, health and nutrition, among other topics, will be provided for 41,000 parents and 21,000 older siblings, employing the following modalities: (i) Growing with the Children, in which a CICO community worker will meet every two weeks with a group of parents to improve their understanding of the factors that affect the physical, cognitive, affective and psychomotor development of children, strengthen their ability to meet their children's developmental needs and suggest activities for improving their development in the home; (ii) Appropriate Stimulation, in which a community worker will meet weekly with two groups of 10 to 15 mothers and/or other family members, children under three years of age and expectant mothers with their partners, in order to strengthen their ability to care for and stimulate their children and monitor their growth and development, and also to support the future parents during the prenatal period. The development of 21,000 children under three will be benefited under this component; and (iii) Child to Child, in which a community worker meets periodically with two groups of 10 to 15 children between the ages of seven and 15 to carry out activities that will stimulate the development of the younger children in the home and in the CICOs. This component will also contribute to the learning process and maturity of the older children, giving them a dynamic role in the development of their communities.
- 2.13 As part of the work dynamic with mothers and fathers and to strengthen community participation in favor of the children, a parents' committee will be organized in each CICO and will participate in the administration of the center (see paragraph 3.16).

d. Training and project-management systems

- 2.14 The training of the community workers is crucial for ensuring quality services. It will be based on Workshops and visits by technical specialists from the NGOs and community organizations and manuals will also be provided. A 40-hour workshop will be conducted for induction into the program, which will cover basic aspects of

health, nutrition and initial education, methodology for working with the children, their parents and the community (including promotion of the status of women and strengthening of the role of the man in raising a couple's children) and how the CICO should be run. The continuing training will be based on three workshops per year, the content of which will be flexible to allow adjustment to needs that arise during the execution of the projects. Over the program's three-year execution period, approximately 1,900 community workers will be trained.

- 2.15 The curriculum for the children and the training system for the workers will be enriched by use in the CICOs of an audiovisual and interactive learning program. This program is based on the interactive radio teaching methodology, which has been adapted for child development and care programs and is being used with success in Bolivia. The program, which includes cassettes, slides and a manual, trains the workers in the practical application of child-development theory by means of activities with the children (the terms of reference are available in the technical files).
- 2.16 Community workers (the selection criteria for whom are available in the technical files) are expected to be paid an average annual salary of US\$420. Voluntary participation of community members and of the participating families will also be needed to maintain the CICOs' activities.
- 2.17 The projects will be executed by NGOs and community organizations in their capacity as participating entities. The training, supervision and administrative support activities that will be carried out by the technical specialists from the participating entities will constitute the chief component in training community staff and will ensure the quality of the care received by the children. To achieve the goals of this operation and to have the institutional capacity in place to increase geographic coverage as of the end of the pilot program, it is essential that the NGOs' and community organizations' capabilities in project management and the operating methodology be enhanced. These organizations will be strengthened in the areas of project formulation, administration, execution, monitoring and evaluation, which will be done by means of training workshops, working sessions for exchange of experience among the participating entities, technical assistance and supervision by the technical executing unit's experts, and provision of manuals and equipment.
- 2.18 The Nicaraguan Fund for Children and Families (FONIF) will be responsible for the execution of this component. FONIF will develop the capacity to perform promotion, selection, monitoring and evaluation of integrated early childhood development and day-care projects through: (i) technical assistance from a technical advisor who will support the setting up and execution of the program and give on-site training to the staff of the technical executing unit (TEU) in FONIF; (ii) establishment of the TEU by

technical experts; and (iii) design and validation of the promotion, selection, administration and training systems. High-level consulting services will be hired to support FONIF in these institutional strengthening activities and help consolidate its reorganization and strategic planning activities.

3. Monitoring and evaluation component (US\$147,000 equivalent)

- 2.19 A key component of this pilot program is the design and implementation of a continuous, comprehensive and participatory monitoring and evaluation program comprising a management information system (MIS) and an impact evaluation system (see Annex II-2). The MIS will provide indicators to measure achievement of the implementation targets as regards coverage and technical and operating standards. The impact evaluation system will measure the program's effect on the development and welfare of children. The systems will serve as a tool for the community workers, the participating entities and the TEU to obtain feedback and will enable them to focus their services and technical support in a timely fashion.
- 2.20 A child development scale and a child rearing practices diagnostic study will be designed for the impact evaluation system. The scale will include indicators for physical, social, cognitive, affective and language development in children under six years of age and the profile will include information on the quality of the physical and psychological environments in which the children live, including gender differences and intrafamily violence. Along with other indicators, the scale and study will be used to establish a baseline with a national sample that includes a control group for the program and participants in the CICOs.
- 2.21 The information generated by the systems will be complemented by other studies conducted to analyze the impact of the programs on the status of women, including the female community workers, and the impact, differentiated between fathers and mothers, of the training programs; the impact of the program on the participating entities; and the cost-effectiveness of the different methods of service delivery.
- 2.22 A mid-term and a final evaluation of the program will be conducted by independent consultants. The mid-term evaluation will review the progress of the program in relation to the work plans and objectives and the difficulties encountered, and also the institutionalization of the process, in particular project selection. Recommendations will also be made if corrective measures need to be taken. The final evaluation will verify the accomplishment of the objectives and goals set for the program, and the degree of integration of the processes in the institutions. Factors that affected the outcome will also be identified and recommendations will be made on the desirability of future actions in this format.

a. Sizing of the program

2.23 To size the program and establish costs, account was taken of the institutional capacity of FONIF, the Commission and the participating institutions, and of the experimental nature of this operation, whose objective is to validate different approaches to child care.

b. Cost and financing of the program

2.24 The total cost of the program is US\$6,825,000 equivalent, broken down by category and source of financing as summarized in the table below. The detailed budget is presented in Annex IV.

SUMMARIZED BUDGET
(In US\$ equivalents)

Category	IDB	Government of Norway	Government of Nicaragua	Total	%
1. Projects	1,070,000	3,000,000	—	4,070,000	59.6
2. <u>Institutional development</u>	2,140,000		310,000	2,450,000	35.9
2.1 Studies	99,000			99,000	1.5
2.2 Technical assistance	697,000			697,000	10.2
2.3 Support for executing agencies	774,000		200,000	974,000	14.3
2.4 Publicity campaigns and publications	205,000		25,000	230,000	3.4
2.5 General support and equipment	365,000		85,000	450,000	6.6
3. Mid-term and final evaluation	60,000		—	60,000	0.9
98. Contingencies	139,000			139,000	2.0
4. <u>Finance charges</u>	91,000		15,000	106,000	1.6
4.1 Interest	56,000			56,000	0.8
4.2 Inspection and supervision	35,000			35,000	0.5
4.3 Commitment fee			15,000	15,000	0.2
TOTAL	3,500,000	3,000,000	325,000	6,825,000	100.0
Percentage	51.3	44.0	4.8	100	

2.25 The program will finance: (i) projects, with activities such as training workshops, manuals, community information campaigns, strengthening of participating institutions, payment of community workers, and equipment and general support for the CICOs. This component will be financed in part with resources from the IDB and the Government of Norway; (ii) institutional development, including activities to support the Commission and FONIF, such as the hiring of technical advisory services to set up the project system, individual consultants to help develop policies, methodologies, and manuals for care of children under six, and specific studies to evaluate program impact, general support and equipment, awareness campaigns and publications; (iii) mid-term and final evaluation; (iv) contingencies; and (v) finance charges.

- 2.26 The detailed cost analysis and financing plan can be found in the technical files. The terms and conditions of the proposed loan and cofinancing would be as follows:

a. Loan

Source of funding:	FSO
Amount:	US\$3.5 million
Terms:	
Disbursement period:	42 months
Amortization period:	40 years
Grace period:	10 years
Interest rate:	1% during grace period and 2% thereafter
Commitment fee:	0.5% annually on undisbursed balances
Inspection and supervision:	1% of the amount of the loan

b. Cofinancing

Source of funding:	Government of Norway
Amount:	US\$3 million
Type of financing:	nonreimbursable

- 2.27 The borrower must submit evidence to the Bank that it has entered into a grant agreement or other instrument whereby the Government of Norway provides the grant resources. Such evidence must be submitted within three months after the effective date of the loan contract.
- 2.28 The local contribution of US\$325,000 equivalent will be used to finance the executing agencies' expenses in connection with administrative support, awareness campaigns and the commitment fee for the proposed loan.
- 2.29 Other contributions. It is estimated that the participating entities and the community would be able to contribute the equivalent of US\$1 million, primarily in goods and services, including provision of volunteer personnel. It is also estimated that FISE will finance small infrastructure works in the CICOs amounting to US\$2 million equivalent. In addition, there will be the contribution from the WFP project that will provide foodstuffs to the beneficiary community centers. These contributions would not be subject to financial audit, which is why they are not shown in the financing table for the program.

III. PROGRAM EXECUTION

A. Execution mechanism

1. The borrower and executing agencies

3.1 The borrower will be the Republic of Nicaragua and the executing agencies will be the Ministry of the Presidency acting through the Commission for Promotion and Defense of Children's Rights (the Commission) and the Nicaraguan Fund for Children and Families (FONIF). As a condition precedent to the first disbursement, an agreement for execution and transfer of resources must be concluded between the Government of Nicaragua and each executing agency and a bank account must be opened by each of the executing agencies. The borrower assumes responsibility for transferring the local counterpart resources to the executing agencies according to the execution schedule. Each executing agency will be responsible to the Bank for the management of the respective funds. The program's organizational structure is set out in Annex III.

3.2 A technical monitoring committee (TMC) will be formed for coordination of the components. The TMC will be made up of five members: the Minister of Social Action, who will be its chairman and may delegate his function to the Vice Minister, the executive director of the Commission, the executive director of FONIF and two representatives of the NGOs. The latter will be proposed by the coordinating organization for NGOs working with children, subject to the Bank's consideration. The chief of the technical executing unit (TEU) in FONIF will act as secretary and the technical advisor of FONIF, as advisor to the TMC. The main objective of the TMC is to ensure that effective coordination and complementarity are maintained among the executing agencies. The TMC will be responsible for: (i) reviewing and approving the initial report for the implementation of the program; (ii) reviewing and approving the annual reports; (iii) reviewing and approving the program progress reports, and thereby verifying that the project selection procedures have been properly applied; and (iv) reviewing the mid-term and final evaluation reports on the program. The TMC will meet at least four times a year. Submission of evidence that the TMC has been set up and of the initial program report approved by the TMC will be a condition precedent to the first disbursement.

2. Program execution

a. Component consisting of support for policy-making on children's services

3.3 The Ministry of the Presidency acting through the executive directorate of the Commission will execute this component with support from a team of technical experts. A total of 24 consultant-months

has been allocated for the studies and design of information systems. The government has undertaken to assign the support personnel needed, consisting of an administrative assistant and a messenger, on a full-time basis and for the entire execution period. It will also furnish the general support required for execution of the component, including offices, office equipment, local transportation and communications.

- 3.4 The Commission will be required to submit evidence of the hiring of the team of technical experts and appointment of the administrative support personnel within 60 days of the effective date of the loan contract.

b. Component consisting of support for childhood development and day-care projects

- 3.5 This component will be executed by FONIF through the technical executing unit (TEU), with the assistance of the specialized agency Centro Internacional de Educación y Desarrollo Humano [International Center for Education and Human Development] (CINDE), which will act as technical advisor as proposed in paragraph 3.22. The consulting services will be contracted for 18 months. During the first 12 months the technical advisor will provide technical assistance on a full-time basis and will train the TEU personnel on site. The remaining six months on the contract will be spread over the program execution period for monitoring purposes. FONIF, with support from the technical advisor, will hire and appoint the personnel of the TEU, which will be made up of technical experts (TEU chief, six experts in promotion and technical monitoring, two technicians specialized in management information systems and evaluation, one in administration and finances and one internal auditor) and counterpart personnel (three promotion and technical monitoring staff, two specialized in information systems and evaluation and two in administration and finances). The TEU members will be hired as appropriate for the different execution phases, in accordance with the schedule of activities, which can be found in the technical files. The chief of the TEU, who will report to the director of FONIF, will be responsible for coordination between the technical advisor and the TEU team. Before the first disbursement, FONIF will be required to submit to the Bank evidence of the hiring of CINDE and of the chief of the TEU.
- 3.6 The Government of Nicaragua, through FONIF, undertakes to assign full-time, and throughout the program execution period, the counterpart personnel in accordance with the requirements set forth in paragraph 3.5 and such administrative personnel as is required. It will also provide the general support needed for execution of the component which includes, among other things, offices, office equipment, local transportation and communications.
- 3.7 The TEU, with assistance from the technical advisor, will prepare the operating regulations which will contain the basic instructions

for execution of the component. FONIF will be required to submit evidence of approval of the operating regulations within 90 days of the effective date of the loan contract.

- 3.8 It will be FONIF's responsibility to retain a consulting firm or a specialized agency to design and prepare the program for psychosocial development based on an active learning methodology during the first six months the contract is in effect.
- 3.9 FONIF will conclude agreements for interinstitutional coordination with the Ministry of Education (MED), the Ministry of Health (MINSA), FISE and the Nicaraguan Municipal Development Institute (INIFOM). It will also maintain the necessary coordination with other complementary programs, such as WFP/FONIF program 4515. The interinstitutional coordination agreements consistent with draft versions previously approved by the Bank are to be signed within 120 days from the effective date of the contract.
- 3.10 The projects in this component will be executed by NGOs and community organizations as participating entities. During the three-year execution period of the operation it is estimated that around 15 organizations will be involved. To be eligible, the organizations will have to meet the following criteria: (i) have at least one year's experience in working with children; (ii) be participating in care programs for children under six in which food aid is provided; (iii) be located in rural or marginal urban areas with poor populations; and (iv) have legal capacity.
- 3.11 The location of the projects will be based on FISE's poverty map showing the ranking of community centers assigned priority by the WFP for food deliveries.
- 3.12 Eligible organizations will be required to submit project proposals that will be appraised by the TEU. The TEU, with assistance from the technical advisor, will develop the appraisal methodology taking the following basic criteria into consideration: (i) target population and possibility of expanding coverage; (ii) clarity of objectives; (iii) participatory work methodology with community support; (iv) training system; (v) technical staff assigned to the project; (vi) flexibility to adopt other modalities and to coordinate with other agencies; (vii) average cost per child served; (viii) financial capacity, management system and technical sustainability; and (ix) contribution equivalent to at least 5% of the cost of the project. The appraisal methodology must first be approved by the Bank. The selection process for participating entities must be consistent with the Bank's normal selection criteria and procedures. The Bank will review the projects selected prior to the implementation of the execution agreement (see paragraph 3.14).
- 3.13 During the analysis of the operation a diagnostic study was conducted of certain organizations, 13 of which met the eligibility

requirements. These organizations, and any others that meet the eligibility criteria, will be asked to submit project proposals. Seven of these will then be selected for execution in the first year. The TEU will conduct promotion activities for selection of projects to be executed in the second and third years.

- 3.14 FONIF will conclude an agreement for execution of the projects with each participating entity, setting forth the obligations and responsibilities of each party. Among other conditions, the agreement must stipulate that the participating entity agrees to render accounts annually, duly certified by independent auditors acceptable to the Bank, on the projects it is executing using program resources. The agreement must also specify that the reports must be submitted to FONIF within 90 days after the close of each fiscal year, beginning in the year in which each project is initiated. The independent auditors will be hired by FONIF using program resources in accordance with the Bank's auditing requirements. The draft of the agreement will be submitted to the Bank for approval.
- 3.15 Regarding component 2 of the program, considering the large number and small size of the projects to be approved, in order to expedite their processing, instead of requiring prior Bank approval, it is recommended that the respective documentation be verified when the disbursements of the Bank loan are processed. This information refers to application of the eligibility criteria, the provision of complete information on project evaluation, and verification of the procedures followed in the awarding of contracts, and will be reviewed by the Bank by sampling. However, the Bank reserves the right to review such documentation ex ante if it deems it advisable during execution of the program.
- 3.16 For the financing of the projects FONIF will disburse an advance once the participating entity has complied with the conditions laid down in the agreements and will make disbursements as the project progresses. Maximum cumulative financing in the three-year execution period for any one participating entity is set at US\$500,000.
- 3.17 In the execution of the projects, each participating entity will administer one or more modules. A standard module consists in supporting 15 CICOs for one year with training, supervision, instructional materials, equipment and community workers' salaries, among other things. The module further includes institutional strengthening of the participating entity to cover the cost of procuring equipment and operating supplies, and operating expenses. The participating entity will assign a technical officer to monitor the work of each module (15 CICOs); this person will visit the locations at least twice a month. The average cost of a module is US\$50,000 a year, made up of the support for the CICOs plus institutional development of the participating entity. The average annual cost of serving one child in a CICO, which includes the cost of training family members, is estimated at approximately US\$48.

- 3.18 The participating entity will support the formation or strengthening of a parents' committee in each CICO. This committee will assist with the administration and supervision of the work in the CICO, facilitate relations between the participating entity and the community, promote parent participation and coordinate the work with the other services for children in the community. The committee will be organized by a CICO community worker with assistance from a technical specialist from the participating entity, and will consist of at least five persons.

c. Monitoring and evaluation component

- 3.19 The monitoring will be performed periodically with the participation of all echelons of execution of the project. FONIF, through the TEU, will monitor the projects as a whole based on information generated by each participating entity. The data for the management information system (MIS) and the impact evaluation system will be obtained from the reports produced by the community workers, the parents' committees, the technical specialists of the participating entities and the TEU's technical staff.
- 3.20 The Commission will be responsible for designing the child development scale, the child rearing practices diagnostic study and the study of the impact on women. FONIF will be responsible for designing the MIS and impact evaluation system, and for conducting the other special studies.
- 3.21 Eighteen months after the entry into effect of the contract, the Bank will retain a consultant or a consulting firm to perform the mid-term evaluation. This consultant or firm will be selected in coordination with FONIF, the Commission and the TMC.
- 3.22 In the final six months of execution of the program, the Bank will retain a consultant or a consulting firm to perform the final evaluation; the consultant or firm will again be selected in coordination with FONIF, the Commission and the TMC.

B. Procurement

- 3.23 Given the nature of the program, procurement of goods costing over US\$250,000 is not envisaged. The procedures laid down in the Nicaraguan procurement law will be followed for procurement of goods costing less than that figure.
- 3.24 The Bank's standard rules will be followed for the contracting of services. However, by way of exception, direct contracting is proposed of the NGO International Center for Education and Human Development (CINDE) as technical advisor on technical and institutional strengthening during the setting up of the projects and evaluation component. CINDE has been assisting the Government of Nicaragua in the preparation of this operation. With this pilot program, the Government of Nicaragua will be taking the first steps

toward creating a comprehensive child-care system. In this initial and key stage, and in view of the fact that the State organizations involved have not long been in existence, consistent and continuous support will be required. To ensure accomplishment of the program's objectives, continuity of the process begun during the preparation phase will be of vital importance. CINDE has extensive international and regional experience in setting up programs of this sort, and has specialized professional staff who would help facilitate execution of the organization, implementation and development phases of the component. Background information on CINDE can be found in the technical files. The amount of the consulting services contract envisaged is US\$200,000 equivalent.

- 3.25 In selecting the NGOs and community organizations that will participate in the administration of the CICOs (see paragraphs 3.10-3.13), the Bank's standard procedures for selecting and contracting specialized institutions will be followed together with the project-selection criteria referred to in paragraph 3.12. Since the design of this component does not require selection of a single organization to execute a fully predefined task, but rather selection of various NGOs or community organizations each year based on proposals submitted by them for participating in the administration of multiple CICOs, the loan contract will specify that: (i) the list of organizations that will be invited to submit project proposals must include all the organizations that have been prequalified in accordance with eligibility criteria agreed upon with the Bank; and (ii) agreements may be negotiated and signed with more than one organization, following the merit ranking of the proposals, until the number of modules needed for each year is reached.

C. Retroactive financing

- 3.26 Prior expenditures for procurement of goods or services included in the program may be recognized for reimbursement from the proposed Bank loan, up to an amount of US\$100,000 in the case of the Commission and US\$200,000 in the case of FONIF. Such expenditures must have been incurred following procedures substantially similar to those laid down by the Bank and must have been effected within the 12 months preceding approval of the operation. No expenditures chargeable to the local counterpart are expected to be recognized prior to consideration of the proposal by the Board of Executive Directors of the Bank.

D. Disbursement schedule

- 3.27 The disbursement period will be 42 months from the effective date of the loan contract. The following tentative disbursement schedule has been planned: year one: 25%; year two, 40%; and year three, 35%.

E. Inspection and supervision

- 3.28 The Country Office will be responsible for inspection and supervision of the program. For monitoring, it will use the indicators set forth in the logical framework and the information and impact evaluation systems. The project team will cooperate with and support the sector specialist.

F. Advance of funds

- 3.29 It is recommended that an advance of funds be set up equivalent to 10% of the proposed loan to enable timely and expeditious settlement of expenses incurred during the first 180 days of execution.

G. Outside auditing

- 3.30 The financial statements of the program activities of each of the executing agencies are to be examined by independent auditors acceptable to the Bank and are to be submitted annually to the Bank during the program execution period, following the applicable Bank procedures. The annual financial reports of FONIF are to include the relevant information on the activities of the participating entities with respect to projects financed with program resources (see paragraph 3.14).

H. Program monitoring and evaluation

- 3.31 To monitor the progress of the proposed program activities, the chief of the TEU in FONIF will be responsible for consolidating the following reports, which must first have been approved by the TMC, for submission to the Bank (see paragraph 3.2):
- a. Initial report: prior to the first disbursement, a report is to be submitted showing the work plan for the first year for the three components and how the execution of these components is to be coordinated.
 - b. Progress reports: within 60 days of the close of each six-month period, a report is to be submitted on the progress of the program with the information provided by the progress indicators (see paragraphs 2.19 and 2.20) and concerning application of the project-selection procedures and details on coordination of the components.
 - c. Annual work plan: within the first 60 days of each year, an annual report is to be submitted that contains the schedule of activities and the goals expected to be achieved during the year. The first of these annual reports is to be submitted within 60 days of the end of one year from the date of the first disbursement from the Bank's contribution.

- 3.32 At the end of each year of operation, the TEU will hold a workshop with the participating entities to evaluate the activities carried out and plan the next year. These meetings will be preceded by similar workshops held by each participating entity and the parents' committees of the module(s) it supports.

I. Environmental impact

- 3.33 At its meeting of February 21, 1995, the Environment Committee classified the program as a Category II operation. Because of its characteristics, the program is not expected to have any direct impacts on the environment. In fact, indirect positive impacts should result from the infrastructure improvement works, including latrine construction and kitchen improvements, that FISE will finance in order to upgrade the community centers' physical facilities.

IV. JUSTIFICATION, BENEFITS AND RISKS

A. Justification

- 4.1 The activities to be carried out under the proposed operation, designed to improve the welfare and development of children under six, constitute an investment that will yield considerable socio-economic benefits in both the short and the long terms. These benefits have been documented in numerous studies that demonstrate that child development programs that include health, nutrition, psychosocial development and day-care components: make the children better prepared to enter primary school, thereby improving the efficiency of the school system; decrease expenditures for curative health care services through preventive health care and improved hygiene and health habits; and help women enter the labor force. In order for the investments to be made in the CICOs to be sustained in the home, the program includes educational activities for parents and older siblings in order to strengthen their childrearing skills. This outreach work with the family and community to improve the care children receive in their homes will also help contain the problem of street children in the country.
- 4.2 Execution of the program is expected to create a sustainable system for comprehensive early childhood development and day care. However, this pilot program in itself is justified by the many direct and indirect benefits it will generate during its three years of execution.

B. Benefits

- 4.3 During the three-year execution period of the operation, the well-being of approximately 63,000 children under six years of age living in poverty in rural and marginal urban areas will be improved by means of early stimulation activities and day-care services, provided in coordination with nutrition and health services. The program will also serve to improve the ability of the families and of the community to meet the physical and psychosocial needs of children, and will also help better the status of women and consolidate the institutional framework that promotes and ensures the overall care of children. As a result, State, civil society and international cooperation resources will be used to maximum advantage and the foundations will be set for establishment of a Nicaraguan system of integrated early childhood development and day-care services.

C. Risks

- 4.4 The financial sustainability of the integrated early childhood development and day-care system constitutes a risk. Studies will accordingly be conducted to analyze alternative ways of funding

child development programs in a stage subsequent to the pilot program; these studies will include possible linkage with production programs and with other programs of the government and donor agencies. Incentive mechanisms for private sector and civil society participation will also be evaluated. With management of the child-care sector, institutional strengthening of the participating entities and improvement of the quality and coverage of the services provided in the CICOs, the conditions will be created for the program to act as a catalyst to attract funding for childhood development and day-care programs.

- 4.5 Since the basis for the proposed actions is the nutrition assistance provided by WFP through the community centers, discontinuation of this assistance would be a risk. In that the program will strengthen these centers and improve the impact of this food assistance, the probability of discontinuation of the WFP contribution is minimal.
- 4.6 A crucial requirement for execution of this program is interinstitutional coordination. The program's impact will be diminished if this coordination does not materialize as envisaged. The effective scheduling of the program activities in coordination with the other actions will lessen this risk.
- 4.7 The proximity of the next elections could imply a risk in terms of resource allocation in accordance with the social priorities. Application of the targeting approach based on the poverty map and the ranking of the community centers as prioritized by the WFP, together with the eligibility criteria, the project-selection evaluation methodology and the ex post evaluation of the projects by the technical monitoring committee, will reduce the risk. The institutionalization of these procedures will contribute to the transparency of resource allocation and the continuity of the process initiated with this operation.

D. Impact on the status of women

- 4.8 One of the specific objectives of this operation is to help women living in poverty with their various responsibilities as mothers, as workers and as members of the community. The operation was designed to be flexible so that the CICOs can respond most appropriately to the needs of each community. Full-time day-care services for children aged six months to six years will be provided for families that need them so that the mothers can pursue income-earning activities. The provision of quality services, located in the community, will free the mothers to seek productive work with fewer restrictions and concerns. In addition, the provision of day-care services in the community will improve school attendance by older sisters. The CICOs will also provide information and training to the women and other family members, in areas connected with proper child development and care, thereby supporting their activities at home. The training provided for the community

workers will recognize the valuable work the women do to improve the situation of their children and communities through community dining rooms, but which currently lack organizational and technical support.

- 4.9 More than just benefiting the women, the program seeks to increase awareness and provide training for fathers and other family members) in the care and development of children, in order to strengthen their parental role and enhance the family environment of the children.
- 4.10 A specific study will be financed to evaluate the impact of the program on the status of women in terms of their access to better paid productive activities, the status of the women community workers and the respective impact of the training programs on mothers and fathers.

INSTITUTIONAL STRUCTURE OF THE EXECUTING AGENCIES

- A. The Comisión Nacional de Promoción y Defensa de los Derechos del Niño y la Niña [National Commission for Promotion and Defense of Children's Rights] (The Commission)
- 1.1 The Commission was restructured by presidential decree in March 1994. It is attached to the Ministry of the Presidency and is chaired by the President of the Republic. The Commission is composed of the Ministry of Social Action, the Instituto Nicaragüense de Fomento Municipal [Nicaraguan Municipal Development Institute], the Instituto Nicaragüense de la Mujer [Nicaraguan Women's Institute], the Instituto de Juventud y Deporte [Institute of Youth and Sport], the Fondo Nicaragüense de la Niñez y la Familia [Nicaraguan Fund for Children and Families], a representative from the nongovernmental organizations working with children, one from the humanitarian organizations, one from the religious organizations and one from the private sector. It performs its mandate through an executive directorate presently consisting of a director and an assistant. As an interinstitutional commission, it does not currently possess legal capacity.
- 1.2 The Commission's objective is to ensure and promote compliance with the Convention on Children's Rights in connection with the World Summit for Children. Nicaragua ratified its accession to the Convention in December 1990. The Commission, in support of the social sector authorities, has assumed the role of coordinator for all activities to do with children. In this connection, it has been assisting with the formulation of policy proposals for ensuring the welfare of children, where it is working in close coordination with the State and civil society. It has also begun to assist the municipal governments in preparation of action plans. To accomplish the Commission's objectives, its annual plan of activities focuses on six basic areas: technical assistance and training, legal and administrative reforms, participatory information activities, activities to strengthen the municipal and local plans for developing programs and projects, strengthening of intersector strategies and support for development of the social services of the nongovernmental programs.
- B. The Fondo Nicaragüense de la Niñez y la Familia [Nicaraguan Fund for Children and Families] (FONIF)
1. Background
- 2.1 Since 1982, the Instituto de Seguridad Social y Bienestar [Social Security and Welfare Administration] (INSSBI), in addition to its social security functions, was also responsible for the young and

the elderly. The welfare component of its mandate included preventive activities through programs for children and families at high social risk, including provision of psychosocial care and legal assistance, working with families, day care, and programs for war victims. It was also responsible for child protection programs and enforcement of the legislation on children. In 1994, as part of the public sector reform process, the Government of Nicaragua decided to dissolve INSSBI in order to separate the social security functions from those of prevention and protection.

2. Present situation

- 2.2 FONIF was established in January 1995 by presidential decree, as an autonomous entity with its own capital and assets. Its basic purpose is to promote and operate the social welfare programs and projects that INSSBI used to handle and to administer resources for channeling to civil organizations for execution of welfare programs. FONIF is chaired by the President of the Republic, who appoints its board of directors and director. The board is made up of seven members, five from the public sector and two from the private sector. FONIF finances its operating expenses with funds from the net surpluses of the national lottery and a contribution from the government. It also channels donations from the international community for execution of projects.

LOGICAL FRAMEWORK OF THE PROGRAM

Project expectations	Indicators	Means of verification	Assumptions
AIM: 1. To improve the welfare of poor children under six in rural and marginal urban communities.	1.1 Malnutrition rates 1.2 Infant mortality rates 1.3 School enrollment and repetition rates.	1.1 INEC 1.2 INEC 1.3 INEC	1. Based on the pilot program, the Nicaraguan early childhood development and day-care system will be maintained and expanded. However, even if the program cannot be maintained in the long term, it will improve the welfare of the children directly targeted.
PURPOSE: 1. To develop a sustainable Nicaraguan system of early childhood development and day-care by means of: (i) strengthening and improving a network of community centers and NGOs and community organizations providing services for children; (ii) strengthening child rearing practices in the home; and (iii) supporting poor mothers in their various responsibilities.	1.1 Number and coverage of early stimulation preschool and day-care programs in poor rural and marginal urban areas and how long in existence. 1.2 Improvement in child rearing practices. 1.3 Improvement of the economic and social status of women.	1.1 The Commission database and the management information system (MIS). 1.2 Impact evaluation system reports and final report.	1.1 There will be no change in the present education and health sector programs or in national programs such as FISE. 1.2 There is no significant reduction in external aid for children's programs. 1.3 Resource allocation is not affected during the election process.

Project expectations:	Indicators	Means of verification	Assumptions
RESULTS:			
1.1 Better ability of the Government of Nicaragua to formulate policies for children.	1.1 Greater institutionalization of the Commission's role.	1.1 A new legal mandate for the Commission.	1.1 Modernization of the government progresses to include the institutions concerned with children.
1.2 Greater awareness on the part of the public of its responsibility to children.	1.2 Inclusion of the children variable in national plans and programs. 1.3 Number of public awareness campaigns.	1.2 National sector plans and programs; laws and decrees. 1.3 Observation of the materials and media used by the campaigns.	
2. Increase in quality and coverage of CICOs in marginal urban and rural areas with psychosocial development programs for children aged three to six, day care for children from six months to six years, appropriate stimulation for children under three, training for parents and children aged seven to 15; institutional strengthening of the participating entities and of FONIF.	2.1 In the three years, to provide psychosocial development programs for 37,000 children aged three to six, day care for 11,000 children from six months to six years, appropriate stimulation for 21,000 children under three, and training for 41,000 parents and 21,000 children aged seven to 15. 2.2 10-12 NGOs or community organizations involved as participating entities in the three years. 2.3 Supports 105 CICOs in first year; 300 in second year; 525 in third year.	2.1 Progress reports, mid-term and final evaluations. 2.2 Agreements between FONIF and the participating entities. 2.3 Progress reports and mid-term and final evaluations.	2.1 WFP maintains program 4515. 2.2 Coordination with FISE is effective. 2.3 Coordination with the other State agencies (MINSAL, MINED, MAS, municipalities) is effective at national and local levels.

Project expectations	Indicators	Means of verification	Assumptions
	2.4 Improves the physical and psychosocial development of the participating children.	2.4 Same	2.4 The restructuring and strengthening of FONIF are successful.
	2.5 Improves the skills and knowledge of the participating family members in caring for children.	2.5 Same	2.5 Family mobility resulting from economic circumstances does not affect impact of the program.
	2.6 Improved capabilities of 1,900 community workers, with more materials and supervision.	2.6 Progress reports, evaluations, supervision visits to CICOs and the participating entities.	2.6 The entities participating in the program remain constant.
	2.7 Better project management capacity on the part of the participating entities and increased funds from other sources, as proof of sustainability.	2.7 Evaluation studies, supervision, financial reports.	
	2.8 Better meshing with other programs.	2.8 Agreements and evaluations.	
	2.9 Increase in additional resources channeled by FONIF, as proof of sustainability.	2.9 FONIF financial reports.	
	2.10 Private-sector sponsorship of 20 CICOs by year 3.	2.10 Evaluation studies, supervision, financial reports.	
	3.1 Implementation of a continuous monitoring and evaluation system.	3.1 Progress reports, monitoring visits, mid-term and final evaluations.	3.1 Efficient coordination at all levels of the monitoring and evaluation system.
			3.2 The participation of the technical monitoring committee is efficient and effective.
3. There is capacity to evaluate the impact of the program on the children, the family members, the community workers, the community and the participating entities.			

Project expectations	Indicators	Means of verification	Assumptions
ACTIVITIES:			
1. <u>Policies and communication</u>			
1.1 Create a database with information on the State and private institutions working for children.	1.1 A database of institutions.	B U D	1.1 The necessary coordination with other institutions working with children is maintained.
1.2 Create a database of national sources of information on children.	1.2 A database of information sources.	G E T	
1.3 Link up with international information networks.	1.3 Link-up with International Children's Institute.		
1.4 Coordinate three awareness campaigns on the situation concerning children's rights.	1.4 Conducting of three awareness campaigns.	E X E C U T I O N	1.4 Complementarity with programs of other organizations is assured.
1.5 Publish information on successful child development programs, results of the studies and diagnostic studies conducted and data on compliance with the Convention on Children's rights.	1.5 Number of publications.		
1.6 Perform a diagnostic study of 30 municipalities concerning demand for and supply of programs for children.	1.6 The diagnostic study report.		
1.7 Hold workshops with municipalities and mayors to raise their awareness and train them to include child services in municipal work programs.	1.7.1 Number of workshops with municipalities.		1.7 The necessary coordination is maintained with INIFOM and MAS.
	1.7.2 Number of municipalities with children's programs in their work plans.		
1.8 Provide the Commission with additional personnel, two computers and a printer.	1.8 Number of personnel and equipment, according to plan of operations.		

Project expectations	Indicators	Means of verification	Assumptions
2. <u>Support for community child centers</u>			
2.1 Retain the specialized agency acting as technical advisor to assist with the setting up of the program and on-site training of program personnel in FONIF.	2.1.1 Technical advisor contract. 2.1.2 Greater personnel management capacity.	B U	2.1 Effective integration and acceptance of technical advisor.
2.2 Strengthen FONIF with additional personnel and provision of computers, vehicles and other equipment.	2.2 Number of personnel and equipment, according to the plan of operations.	D G E	
2.3 Prepare the operating manuals for the centers with the different modalities of service delivery for children and families, the training system manual and the manual for the program's administrative and financial system.	2.3 Manuals published.	T E X E	
2.4 Design and produce the audiovisual and interactive learning program.	2.4 Production of the program cassettes, slides and manuals.	C U	
2.5 Design the system for selecting projects and participating entities on the basis of the selection criteria set forth in the document.	2.5 Participating entities selected in accordance with program targeting and objective.	T I O	
2.6 Update the selection criteria annually, especially as regards maximum cost per module with study of cost structure.	2.6 Annual study of cost structure.	N	
2.7 Select the participating entities.	2.7 Number of participating entities.		
2.8 Hold workshops and seminars to train the participating entities in executing the projects.	2.8 Number of workshops and seminars.		
2.9 Provide the participating entities with teaching materials, computer, motorcycle and remuneration for supervisor.	2.9 The teaching materials, equipment and one supervisor per module.		

Project expectations	Indicators	Means of verification	Assumptions
2.10 Select, train and remunerate community workers (US\$335/yr).	2.10 Number of community workers trained and remunerated.	B	2.10 The community workers' interest in working with the program is maintained.
2.11 Provide the CICOs with the teaching, recreational and administrative equipment and materials and minimum furnishing for their operation.	2.11 Materials distributed (and in use) in 105 CICOs in the first year, 300 in the second year and 525 in the third year, including the audiovisual and interactive program.	U D G E T	
2.12 Provide the children from six months to six years of age with the active learning and day-care program, including nutrition, health, early stimulation, recreation and day-care services.	2.12 Educational activities for three hours and day-care service for eight to 10 hours, five days/week, 12 months/year.	E X	2.12 The interest of others in the community in doing volunteer work in the CICO is maintained.
2.13 Train family members (fathers, mothers, older siblings) in child development with the Growing with the Children, Appropriate Stimulation and Child to Child programs.	2.13 Training activities for parents and older children every seven to 15 days.	E C U T	2.13 The interest and ability of the parents and other family members in participating in the program are maintained.
2.14 Form and train parents' committees so that they will gradually be able to coadminister the CICOs with the participating entities.	2.14 Formation of one parents' committee per CICO.	I O N	
3. <u>Monitoring and evaluation</u>			
3.1 Develop the baseline for child development and for child rearing standards current in the country (as the basis for measuring the program's impact on the children and their families).	3.1 Baseline data		3.1 The children continue to attend the CICO on a regular basis.

Project expectations	Indicators	Means of verification	Assumptions
3.2 Design and implement the management information system.	3.2 System manual and reports.		
3.3 Design and implement the impact evaluation system.	3.3 Number of training workshops.		
3.4 Train the personnel of the participating entities and FONIF in the use of these systems.	3.4 Reports on the studies.		
3.5 Conduct special studies on: the impact of the program on the status of women; alternative sources of financing and linkage with production programs; analysis of the cost-effectiveness of the different modalities, impact on the NGOs.	3.5 Reports on the mid-term and impact evaluations.		
3.6 Conduct the mid-term and impact evaluations.			

MONITORING AND EVALUATION SYSTEM

- 1.1 Monitoring and evaluation are an essential component of any project in terms of guiding its execution, measuring the accomplishment of its objectives and goals and making timely adjustments as and when called for. In this program they will be considered basic for systematic and objective determination of the pertinence, effectiveness, efficiency and impact of the actions carried out and as a learning tool for all who participate in the process.
- 1.2 The monitoring will be performed by means of a set of supervision, monitoring and documentation actions, and processing of the data obtained. This work will be done on a periodic basis at all echelons of execution of the project, especially in the participating entities, the CICOs and the communities.
- 1.3 The supervision process will include analysis of the use of the inputs (financial, material, institutional, human and training resources), adherence to the work schedules and the administrative and pedagogic procedures adopted and their relationship with the expected results.
- 1.4 To ensure that the data obtained through the monitoring and evaluation process are used in a timely fashion to make any corrections that are necessary, a management information system (MIS) and an impact evaluation system will be set up. This will provide the technical executing unit (TEU) and the participating entities with the information needed to evaluate the program's progress in relation to the plans drawn up, the inputs programmed and the accomplishment of the quality standards and to determine whether the project objectives are being achieved. The strategies and instruments will be designed in such a way that all the echelons involved in the project will participate in the gathering, analysis and use of the data in accordance with their needs. Each level - parents, community workers, participants in the Child to Child program, the technical specialists of the participating entities and the TEU technical staff - will have their responsibilities in the process clearly defined. The TEU in the FONIF will be responsible for administering the monitoring work as a whole, while the participating entities will administer the monitoring of the operation of the module(s) they support and the modalities included in them.
- 1.5 The MIS progress indicators will reflect, among other things: levels of coverage achieved as regards number of participating entities, CICOs, community workers, participating children and families, level and causes of community worker turnover, and equipment of the centers; and compliance with technical and operating standards, such as targeting and selection of communities,

participating children and community workers, community worker training, functioning of the CICOs in delivery of early stimulation and day-care services, training of family members, functioning of the parents' committees and interinstitutional coordination with the NGOs, MED, MINSA, municipal authorities, FISE and other FONIF programs for delivery of health and nutrition services and infrastructure improvement, among other things; organization of the TEU, quality of its staff, performance of its functions; quality and nature of the participating entities and personnel assigned to the project.

- 1.6 The impact evaluation system's progress indicators will be based on the development scale and the child rearing practices diagnostic study. They will include indicators of the physical, social, emotional, and cognitive development of the children and of their language, prereading and premathematical knowledge and skills, and of the quality of the physical and psychological environments in which they live, including gender differences and intrafamily violence. The system will facilitate measurement of the program's effect on the development and welfare of poor children under six years of age, such as its impact on reduction of malnutrition in the children, lowered incidence of communicable and preventable diseases and better placement of the children on the development scale.
- 1.7 When the program is started, a development scale and child rearing practices diagnostic study on children under six years of age will be designed, and a national baseline will be developed based on these to evaluate changes in these areas. The description provided is expected to serve as a basis for monitoring the changing status of development of the child population and the characteristics and quality of the physical and psychological environments in which the children live. This will help identify groups of children and families who need more support, target action programs to assist children and families, and provide information on the impact of such programs - in particular the impact of the work done in the CICOs, together with a baseline concerning the children's circumstances at the time they enter school. This study will seek to combine criteria concerning indicators of the children's status and the quality of the learning environments in the day-care centers and homes that are used by the different institutions working with children, such as MINSA, FONIF, MED, NGOs, UNICEF and others. The study will be conducted at the national level based on representative samples and will include areas of implementation of this program and control groups, in the first and third years of the program, and indicators needed for setting up the MIS and the impact evaluation system will be designed.
- 1.8 The information systems will be supplemented with special studies. Using the case study approach, an analysis will be made of the impact of the program on the participating entities. The study must bear in mind that strengthening civil society through support

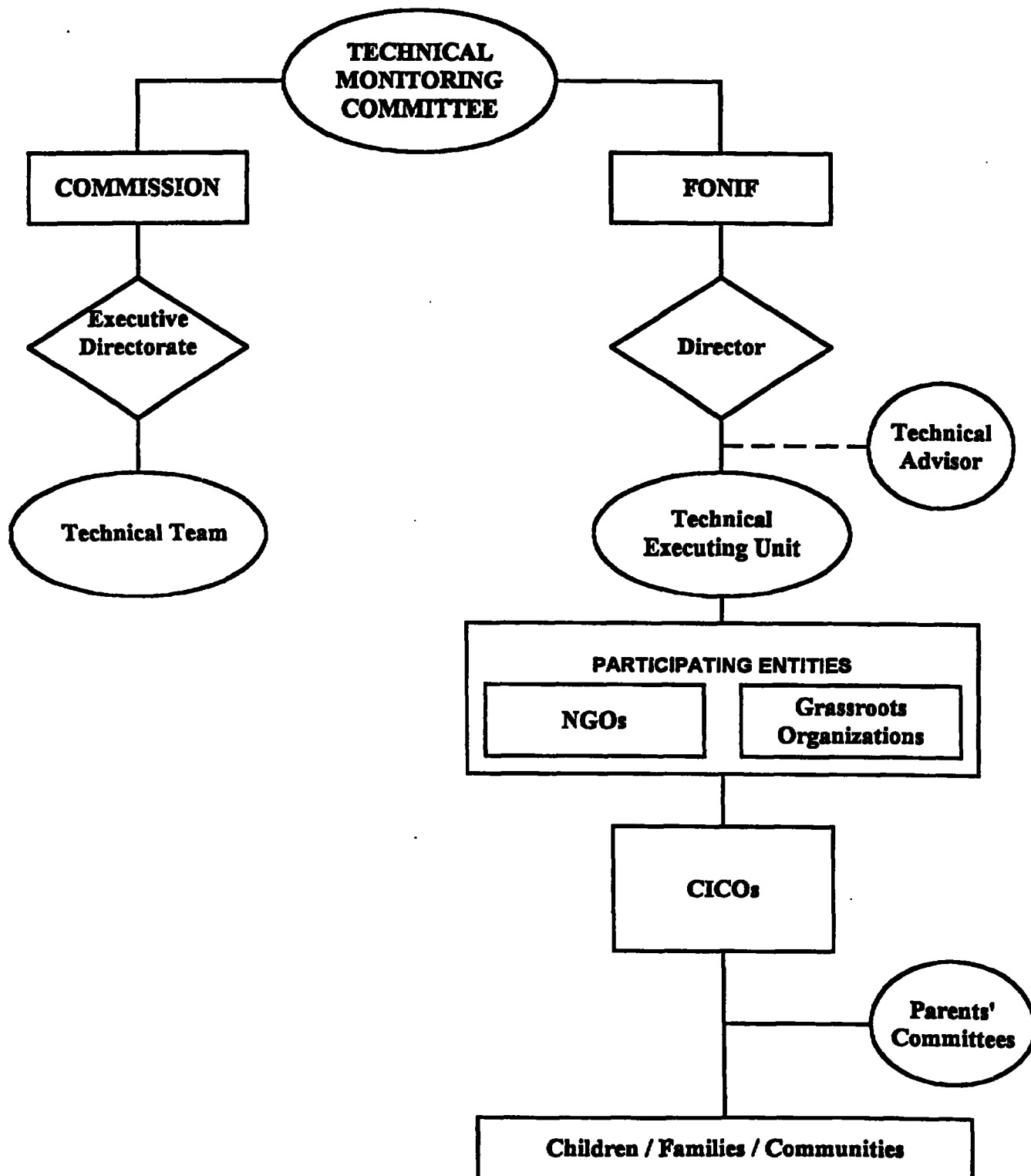
for NGOs is one of the program's main objectives, for which reason coordination with the State is foundational for progress with the design of a Nicaraguan system of early childhood development and day-care services. The study will accordingly have to analyze the technical, administrative and financial dimensions (as regards execution capacity and ability to secure complementary resources, including input from the community), as well as those pertaining to inter- and intrasector coordination.

- 1.9 The case study method will be used to analyze the program's impact on women and gender issues, differentiating between the women who participate as community workers and those who participate and benefit as mothers from the services provided in the CICOs, and the impact of the training on the mothers and other family members - especially the men - as regards their participation in the care and development of the children. Data will be collected on a sample of women and men who do not participate regularly in program activities and who will serve as a control group. The study will be conducted on two occasions: at the start of the operation and in the third year prior to its end.
- 1.10 A cost-effectiveness analysis will be made of the strategies adopted for actual care of the children and for the work with parents and other members of the family and of the community, in order to formulate recommendations for the operation of the Nicaraguan early childhood development and day-care system.
- 1.11 A mid-term evaluation will be carried out that will make it possible to rearrange the further operation of the program and to adjust the strategies, if this appears necessary, to ensure that the right strategic mechanisms and instruments are being designed for the early childhood development and day-care services system envisaged and also to verify that the mechanisms are at hand for the executing institutions, participating entities and the Government of Nicaragua to appropriate the process.
- 1.12 A final impact evaluation will be performed at the end of the operation to analyze the project's effects in the following areas: (a) the formulation and implementation of national policies and strategies for early childhood development and child care; (b) the organization of a stable institutional base for administering the child development and child-care programs; (c) the operation and organization of NGOs in order to take care of children's problems; (d) the full development of children; (e) the circumstances of women, including the community workers and volunteers who work in the centers and those who take part in their activities; (f) inter-institutional and intersector coordination; and (g) the participation and organization of the family and of the community to improve the environments in which children grow up and develop. The main indicators that will be used in the impact evaluation are set out below.

IMPACT EVALUATION

INITIAL CONDITIONS	PROGRAM CHARACTERISTICS	RESULTS OBTAINED
<p>1. INTERINSTITUTIONAL COORDINATION</p> <p>Existing agreements and mechanisms, strengths and weaknesses of the joint actions, design of children's programs.</p>	<p>INTERINSTITUTIONAL COORDINATION</p> <p>Agreement with institutions connected with children, complementarity of actions.</p>	<p>INTERINSTITUTIONAL COORDINATION</p> <p>Existing coordination agreements and mechanisms, strengths and weaknesses of the joint actions, design of children's programs.</p>
<p>2. CHILDREN</p> <p>Health and nutrition Height and weight Psychosocial development</p> <p>FAMILY/MOTHER</p> <p>Education level Income/employment Family structure Sanitation conditions Child rearing practices Level of aspirations Family interaction Intrafamily violence</p> <p>ORGANIZATION AND COMMUNITY PARTICIPATION</p> <p>Organization and functioning of the organizations concerned about children's issues Activities on behalf of children Quality of participation</p> <p>NGOs AND COMMUNITY ORGANIZATIONS</p> <p>Nature of the organizations Target population Children's programs Quality and quantity of personnel Characteristics of administration Coverage and areas where they work</p>	<p>CHILDREN</p> <p>Age on entry Types of services used Attendance and continuity</p> <p>FAMILY/MOTHER</p> <p>Participation in Growing with the Children and parents' committee and other activities in the CICO. Attendance and regularity, quantity and quality of participation. Community activities. Application in the home of practices learned.</p> <p>ORGANIZATION AND COMMUNITY PARTICIPATION</p> <p>Organization of parents' committees Coordination with the local development committees</p> <p>NGOs AND COMMUNITY ORGANIZATIONS</p> <p>Training Administrative and financial strengthening Intra- and intersector coordination Project financing</p>	<p>CHILDREN</p> <p>Health and nutrition Height and weight Psychosocial development Self-esteem</p> <p>FAMILY/MOTHER</p> <p>Education level Income/employment Family structure Sanitation conditions Child rearing practices Level of aspirations Family interaction Intrafamily violence</p> <p>ORGANIZATION AND COMMUNITY PARTICIPATION</p> <p>Organization and functioning of the organizations concerned about children's issues Activities on behalf of children Quality of participation</p> <p>NGOs AND COMMUNITY ORGANIZATIONS</p> <p>Nature of the organizations Children's programs Target population Quality and quantity of personnel Characteristics of administration Coverage and areas where they work</p>
<p>3. TRANSITION TO PRIMARY SCHOOL</p> <p>Repetition, dropout, attendance and success rates of the children in first and second grades.</p>	<p>TRANSITION TO PRIMARY SCHOOL</p> <p>Attendance by children at the centers, participation by the mothers in Growing with the Children and Appropriate Stimulation.</p>	<p>TRANSITION TO PRIMARY SCHOOL</p> <p>Repetition, dropout, attendance and success rates of the children in first and second grades.</p>

ORGANIZATIONAL CHART OF THE PROGRAM



BUDGET SUMMARY

	IDB	GOVT. OF NORWAY	GON	TOTAL
	<u>3,500,000</u>	<u>3,000,000</u>	<u>325,000</u>	<u>6,825,000</u>
1. Component 1: "Support for formulation of early childhood development and day-care policies"	<u>573,000</u>		<u>50,000</u>	<u>623,000</u>
1.1 <u>Technical assistance and studies</u>	<u>383,000</u>		<u>25,000</u>	<u>408,000</u>
1.1.1 Technical experts	324,000			324,000
1.1.2 Processing of information	36,000			36,000
1.2.3 Studies	12,000			12,000
1.1.5 Equipment and supplies	11,000			11,000
1.1.6 Administrative personnel			25,000	25,000
1.2 <u>Publicity campaigns</u>	<u>165,000</u>		<u>25,000</u>	<u>190,000</u>
1.3 <u>Contingencies</u>	<u>25,000</u>			<u>25,000</u>
2. Component 2: "Support for Community Childhood Development Centers"	<u>2,689,000</u>	<u>3,000,000</u>	<u>260,000</u>	<u>5,949,000</u>
2.1 <u>Projects</u>	<u>1,070,000</u>	<u>3,000,000</u>		<u>4,070,000</u>
2.1.1 Support for the CICOs	300,000	2,090,000		2,390,000
2.1.2 Training for community workers/community	133,000	610,000		743,000
2.1.3 Support for the participating entities in project management	637,000	300,000		937,000
2.2 <u>Institutional support for setting up and executing the program</u>	<u>1,505,000</u>		<u>260,000</u>	<u>1,765,000</u>
2.2.1 Specialized agency	200,000			200,000
2.2.2 Consulting services	561,000			561,000
2.2.3 TEU personnel	558,000		235,000	793,000
2.2.4 Monitoring trips	27,000			27,000
2.2.5 Equipment and supplies	119,000		25,000	144,000
2.2.6 Promotion and communication	40,000			40,000
2.3 <u>Contingencies</u>	<u>114,000</u>			<u>114,000</u>
3. Component 3: "Monitoring and evaluation"	<u>147,000</u>			<u>147,000</u>
3.1 Development scale and child rearing practices diagnostic studies	54,000			54,000
3.2 Special studies	33,000			33,000
3.3 Mid-term and impact evaluations	60,000			60,000
4. Finance charges	<u>91,000</u>		<u>15,000</u>	<u>106,000</u>
4.1 Interest	56,000			56,000
4.2 Inspection and supervision	35,000			35,000
4.3 Commitment fee			15,000	15,000

PROPOSED RESOLUTION

**NICARAGUA. LOAN No. /SF-NI TO THE REPUBLICA DE NICARAGUA
(Program of Early Childhood Development and Care for Nicaraguan Children)**

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the República de Nicaragua, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a Program of Early Childhood Development and Care for Nicaraguan Children. Such financing will be for the amount of up to US\$3,500,000, or its equivalent in other currencies, except that of Nicaragua, which are part of the resources of the Bank's Fund for Special Operations, and will be subject to the "Special Contractual Conditions" and the "Terms and Financial Conditions" of the Executive Summary of the Loan Proposal.