

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

NICARAGUA

**PROGRAM FOR THE IMPLEMENTATION OF ALTERNATIVE
COMMERCIAL AND LABOR DISPUTE RESOLUTION METHODS**

(NI-M1008)

DONORS MEMORANDUM

This document was prepared by the project team consisting of: Sandra Bartels (RE2/SC2), Team Leader; Elena Heredero (MIF); Oscar Farfán (MIF); Ana Cecilia Sánchez (COF/CNI); Karen Abudinen (RE2/SC2); Javier Cayo (LEG); Patricia Hurtado (consultant); and Leila Sarquis (RE2/SC2).

CONTENTS

EXECUTIVE SUMMARY

I.	REFERENCE FRAMEWORK AND RATIONALE	1
A.	General Framework	1
B.	Alternative Dispute Resolution Methods (ADRM) in Nicaragua	1
II.	THE PROGRAM	3
A.	Objectives and Description	3
B.	Components	4
III.	COST AND FINANCING	6
A.	Description, composition, and sources of financing	6
B.	Cost table	7
C.	Sustainability	7
IV.	EXECUTING AGENCIES AND EXECUTION MECHANISMS	7
A.	Executing Agencies	7
B.	Execution mechanism	8
C.	Procurement	9
V.	MONITORING AND EVALUATION	9
A.	Monitoring	9
VI.	PROGRAM BENEFITS AND RISKS	10
A.	Benefits and Beneficiaries	10
B.	Risks	11
VII.	ENVIRONMENTAL AND SOCIAL REVIEW	11
A.	CESI review date: 28 July 2006	11
VIII.	SPECIAL CONTRACTUAL CLAUSES	12
IX.	EXCEPTIONS TO BANK POLICY	12

ANNEXES

Annex I	Logical framework http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=774634
Annex II	Itemized budget http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=796896
Annex III	List of related projects http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=775470

ELECTRONIC REFERENCES

Annex IV	Procurement Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=774845
----------	---------------------------------------------------------------------------------------------------------------------------------------------------------------

APPENDICES

Proposed resolution

INFORMATION AVAILABLE IN THE RE2/SC2 TECHNICAL FILES

Preparation:

Letters of intent

Timetable

Evaluation of the institutional capacity of CACONIC

Execution:

Operating Regulations

PPMR

ABBREVIATIONS

ADRM	Alternative Dispute Resolution Methods
AWP	Annual Work Plan
CACONIC	Chamber of Commerce of Nicaragua
CESI	Committee on Environment and Social Impact
CMA	Mediation and Arbitration Center
CSJ	Supreme Court of Justice
DIRAC	Alternative Dispute Resolution Department
DNCI/DGRL	Collective and Individual Bargaining Department of the Labor Relations Division
FTA	Free Trade Agreement
IDB	Inter-American Development Bank
MIF	Multilateral Investment Fund
MITRAB	Ministry of Labor
NCB	National Competitive Bidding
PQ	Price Quotation
RE2	Regional Operations Department II
SC2	State and Civil Society Division
SMEs	Small and medium-sized enterprises
USA	United States of America
USAID	United States Agency for International Development

PROGRAM FOR THE IMPLEMENTATION OF ALTERNATIVE COMMERCIAL AND LABOR DISPUTE RESOLUTION METHODS

(NI-M1008)

EXECUTIVE SUMMARY

Beneficiary country:	Republic of Nicaragua	
Executing agency:	Chamber of Commerce of Nicaragua (CACONIC) and Ministry of Labor (MITRAB).	
Beneficiaries:	Business community, particularly SMEs, and workers and unions. Commercial mediation and arbitration services and labor conciliation services are necessary for the private sector competitiveness and for legal certainty, and they play a crucial role in attracting investment and meeting the provisions of the FTA between the United States, the Central American countries, and the Dominican Republic. The program would offer business owners and workers practical, efficient, and economical tools for resolving their disputes and for driving cultural change toward lower levels of litigiousness.	
Funding:	MIF (Window I):	US\$ 961,450
	Chamber of Commerce	US\$ 293,456
	Ministry of Labor:	US\$ 118,435
	Total:	US\$1,373,341
Objectives:	The goal of the program is to help create a climate of confidence, transparency, security, and efficiency in commercial and labor dispute resolution. The purpose is to establish sustainable mechanisms for alternative commercial dispute resolution services within the Chamber of Commerce of Nicaragua (CACONIC) and for labor disputes at nine regional offices of the Ministry of Labor (MITRAB). To this end, the program will be divided into three components: (1) implementation of commercial mediation and arbitration services and labor conciliation and arbitration services; (2) training; and (3) promotion and dissemination of the outcomes. The activities of each component have been divided into two subprograms: one for resolving commercial disputes, to be executed by the CACONIC, and the other for resolving labor disputes, to be executed by the MITRAB.	
Execution timetable:	Execution period:	36 months
	Disbursement period:	42 months

Special contractual clauses:	As a condition precedent to the first disbursement: (1) the Executive Committee must have been set up; (2) the members of the Coordinating Unit must have been selected, and the technical staff to CACONIC and MITRAB to support the Coordinating Unit must have been appointed; and (3) the Operating Regulations must have been validated, with the Bank's no objection.
Exceptions to Bank policy:	None.
Environmental and social review:	As indicated in the CESI minutes of 07-28-06, this operation does not require an environmental impact assessment insofar as the activities to be funded will have no negative environmental or social impact.
Coordination with other agencies:	There currently exists a regional project funded by the United States Department of Labor called Strengthening Labor Systems in Central America: <i>Cumple y Gana</i> . ¹ It is intended to support labor ministries in various areas related to the effective observance of labor rights, and the design of this program was coordinated with the Department of Labor. The project complements this proposal, since, in Nicaragua, <i>Cumple y Gana</i> targets Managua, while the present project would target nine regional offices. In addition, the CACONIC has received funding from USAID to support the passage of the Commercial Arbitration and Mediation Act and to finance part of the outfitting of the Mediation and Arbitration Center (CMA). It has also received funding from the Embassy of the Netherlands for financing part of the publicity campaign.

¹ The goal of the "Strengthening Labor Rights: *Cumple y Gana*" project is to ensure enhanced compliance with labor laws and regulations in Central America, to which end it carries out information and training activities in national labor legislation and maintains a webpage – www.levlaboral.com – as a forum for interactive consultation.

I. REFERENCE FRAMEWORK AND RATIONALE

A. General Framework

- 1.1 Nicaragua's current economic and social conditions are marked by a process of commercial integration intended to expand the country's development and competitiveness. The free trade agreement between the United States, the Central American countries, and the Dominican Republic (known as CAFTA) has expanded the borders for trade in goods, such as technology and services. This is creating a greater number of commercial transactions, which could potentially lead to an increase in commercial and labor disputes.
- 1.2 In this context, the Nicaraguan judiciary does not have the response capacity to deal with those changes swiftly and effectively. In general the judicial apparatus suffers from overload, inadequate professionalization, and a lack of specialization in commercial and labor matters, with the result that commercial cases brought before the courts take an average of five years for a judgment, with labor cases taking more than four years. In addition, many judicial officers, magistrates, and lawyers are still not familiar with the mechanisms of arbitration and conciliation.

B. Alternative Dispute Resolution Methods (ADRM) in Nicaragua

- 1.3 In the area of alternative dispute resolution, with support from the MIF, the Supreme Court of Justice carried out project ATN/MT-6669-NI, "Alternative Mechanisms for Settling Property Disputes," the execution of which was satisfactory. The project focused on resolving property disputes, and the experience gained is currently being used to settle neighborhood and family disputes but not commercial or labor conflicts.
- 1.4 With respect to commercial arbitration and mediation, Nicaragua was one of the last countries in the region to have a Mediation and Arbitration Act (May 2005). The Chamber of Commerce of Nicaragua (CACONIC) was the driving force behind the drafting and passage of the Mediation and Arbitration Act. This law is essential in developing new alternative dispute resolution services such as mediation and arbitration, which offer the main advantages of being a fast, confidential, professional, and less costly conflict resolution process. In 2006 the CACONIC set up an Arbitration and Mediation Center within its structure with a view to introducing these new services to the business community, particularly to SMEs, and to develop them and facilitate their use.
- 1.5 Under the Labor Code, the Ministry of Labor (MITRAB) is an authority with responsibility for labor affairs and the power to regulate by decree administrative labor matters within its purview. Current legislation includes the mechanisms for labor conciliation, negotiation, and arbitration provided by the Collective and Individual Bargaining Department of MITRAB's Labor Relations Division (DNCI/DGRL), which may be used in both administrative and judicial proceedings

These Alternative Dispute Resolution Methods (ADRM) offer a more sophisticated level of development than commercial arbitration and mediation mechanisms. According to MITRAB statistics,¹ the demand for individual mediation services rose by 40% between 2002 and 2004, increasing from 5,561 filings to 9,244, with the individual labor claims lodged between 2002 and the first half of 2005 totaling 24,159. The departments with the highest levels of demand for these services were in order Managua, Estelí, León, Rivas, Chontales, and Matagalpa. However, the MITRAB's ability to cope with such demand is very limited, particularly outside the capital.²

- 1.6 According to the 2004 “Study into the Needs of the Ministry of Labor’s Individual Dispute Mediation and Conciliation System,” funded by the United States Labor Department’s *Cumple y Gana* project, the main weaknesses of the labor mediation and conciliation service are: there are only four conciliation sites in the entire country (three in Managua and one in León); there is no continuous training; and infrastructure is inadequate, which prevents a climate of dialogue and also fails to observe the principle of confidentiality; basic computer equipment and a labor case information system are lacking; and there is an absence of specialized regulations for mediation and arbitration, and no Code of Ethics for conciliators and operators.
- 1.7 **Program rationale.** The proposed program seeks to introduce and develop new commercial arbitration and mediation services and to extend the improvements and progress in individual and collective labor conciliation to nine regional offices around the country selected according to their high levels of demand.³ The program’s target beneficiaries are the business community—particularly SMEs that, because of their size, lack the resources for facing lengthy and uncertain proceedings before the courts—and workers and their unions. The program would capitalize on the opportunities offered by: (i) the 2005 Arbitration and Mediation Act and the creation, within the CACONIC, of an Arbitration and Mediation Center to provide new services not yet available; (ii) complementarity with the *Cumple y Gana* project—targeted to improving services in the capital—by expanding services to nine regional offices; and (iii) the recently adopted CAFTA, which, with reference to labor matters, expressly notes the need to establish alternative dispute resolution methods as a necessary step in resolving employment disputes.
- 1.8 The proposed program is **innovative** in that it bolsters synergies between the public and private sectors to help improve the business climate. Commercial and labor

¹ Source: Statistical charts of the Ministry of Labor’s Planning Department, relating to labor claims (2002-2004).

² With technical and financial support from the *Cumple y Gana* project, progress is being made in the area of individual conciliation at MITRAB headquarters in Managua, although no progress has been made in the regions.

³ The nine offices are located in the departments of Chinandega, León, Carazo, Rivas, Granada, Estelí, Matagalpa, Bluefield, and Chontales.

conflicts are the main types of disputes that affect the private sector⁴ and, for the public sector, labor disputes disrupt economic activities in various ways that have a serious impact on the economy and on social harmony. Labor and commercial laws and regulations are part of a broad social contract that needs to be observed and promoted by both sectors. This comprehensive approach offers three significant advantages: (1) the new commercial arbitration and mediation services that the CACONIC's CMA will provide the private sector will be complemented by the protection afforded by MITRAB to both workers and the business sector through the resolution of labor conflicts; (2) access to economies of scale in learning and heightened cooperation between the parties through the exchange of best practices in the dissemination and implementation of ADRM; and (3) citizenship building, in its material and political dimensions.

- 1.9 The program is consistent with one of the priority areas set out in the Bank's strategy with Nicaragua: improvements to the business climate area within the economic growth line. It also reflects the recommendations contained in the "White Paper"⁵ labor-related issues, prepared by a working group of deputy ministers of labor from the Central American countries and the Dominican Republic with support from the Bank. Finally, given the MIF's cumulative experience with commercial arbitration and mediation projects, the involvement of CACONIC in the Network of Partners for Innovation under the MIF's Alternative Dispute Resolution Methods will be sought from the onset⁶ (document MIF/GN-95), to draw on experiences and materials and to incorporate more effectively the best practices and lessons learned from the MIF's projects in this area.

II. THE PROGRAM

A. Objectives and Description

- 2.1 The **goal** of the program is to help create a climate of confidence, transparency, security, and efficiency in commercial and labor dispute resolution. The **purpose** is to establish sustainable mechanisms for alternative commercial dispute resolution

⁴ El costo de los conflictos en las empresas y el uso de MASC: Lecciones de nueve países de América Latina, document prepared by the MIF's Alternative Dispute Resolution Methods Network.

⁵ The White Paper, titled "The Labor Dimension in Central America and the Dominican Republic: Strengthening Compliance and Enhancing Capacity," contains recommendations for strengthening the observance of labor laws and building the capacity of those institutions involved with labor matters in key areas. These areas include freedom of association, unions and collective bargaining, inspection and compliance, the budget and staffing needs of labor ministries, labor courts and alternative dispute resolution mechanisms, gender and discrimination, child labor, and the culture of abiding by the law.

⁶ In order to bring the accrued learning and experiences on board from the onset, the ADRM Network has assisted the project team with its preparation and analysis.

services within the Chamber of Commerce of Nicaragua (CACONIC) and for labor disputes at the regional offices of the Ministry of Labor (MITRAB).

B. Components

- 2.2 The project would be divided into three components, whose activities are broken down into two subprograms. Subprogram A (commercial conflicts) would be carried out by the CACONIC, and subprogram B (labor conflicts) by the MITRAB.
- 2.3 **Component I: Implementation of commercial mediation and arbitration services and labor conciliation and mediation services.** The objective of this component is to endow the CACONIC's Mediation and Arbitration Center (CMA) and the nine MITRAB regional offices⁷ with the technical capacity and physical and administrative infrastructure necessary for offering high-quality commercial and labor dispute resolution services.
- 2.4 **Subprogram A: CACONIC.** The activities to be financed include: (a) review and implementation of the code of ethics currently in force for CMA mediators and arbitrators; (b) development, validation, and implementation of the procedures manual; (c) feasibility study for financial sustainability, including a financial plan; (d) implementation of an information, monitoring, and case evaluation system; (e) implementation of a plan to extend the coverage of the commercial conciliation, mediation, and arbitration services to other departments of the country through the creation of a Regional Chambers of Commerce network, headed by CACONIC; and, (f) the remodeling of installations, outfitting, and information systems for administering the service. The costs of adapting the facilities where the labor conciliation services would be provided will be covered by counterpart funding.
- 2.5 **Subprogram B: MITRAB.** The activities to be financed include: (a) drafting a regulatory decree for the Labor Procedural Code; (b) validation of the code of ethics; (c) development and implementation of an organizational model that includes the design of individual and collective conciliation case management manuals; (d) remodeling of facilities and outfitting; and (e) network information system for the nine offices administering the service. The costs of adapting the facilities where the labor conciliation services are to be provided will be covered by counterpart funding.
- 2.6 The component will furnish the management tools, monitoring, operation, and facilities for administration of commercial dispute in the CMA and worker disputes at MITRAB's nine offices.

⁷ The nine offices are located in the departments of Chinandega, León, Carazo, Rivas, Granada, Estela, Matagalpa, Bluefield, and Chontales.

- 2.7 **Component II: Training.** The purpose of this component is to create a supply of professionals specialized in alternative commercial and labor dispute resolution. For commercial cases, the mediation and arbitration tribunal arbitrators, mediators, judges, and clerks will need to be trained. For labor cases, training will need to be given to conciliators at the nine regional offices and to union leaders and judges. The training will be provided through a national university with which CACONIC and MITRAB will sign an agreement.
- 2.8 Subprogram A: CACONIC: The activities to be financed include: (a) design and development of a training plan for ADRM operators (arbitrators, mediators; judges and clerks) at 40-hour training sessions of three levels—basic, intermediate, and advanced; (b) design and implementation of a training plan for trainers. This training will target arbitrators, mediators, and clerks trained during the project's first training phase, during which trainer skills and attitudes have been identified, following a selection, evaluation, and accreditation process to assess their teaching experience and other parameters to be defined later. During project implementation three 80-hour training modules will be carried out for trainers in mediation, arbitration, and clerical skills. These courses will be taught with the backing of a national university. Additionally funding will be given to two activities for improving the professional training and administration of the Center's services: (c) overseas in-service training program; (d) exchanges of good practices with international organizations working in the area of conflict resolution. Two one-week in-service training sessions will be offered to two permanent staff members of the CMA.
- 2.9 Subprogram B: MITRAB. The activities to be financed include: (a) design and execution of a training plan for MITRAB conciliators and negotiators; and (b) two overseas in-service sessions, each enabling two individuals to exchange experiences with other countries. The first activity will consist of six courses—one for each year of the program—for labor negotiators and conciliators; this will create a corps of trainers within MITRAB, able to offer courses to newly hired labor conciliators on an ongoing basis. For the second, in-service training will be offered to selected professionals from MITRAB's permanent staff. The in-service training will last one week.
- 2.10 The component's outcomes include high-quality professional human resources for the operation of alternative commercial and labor dispute resolution services in Nicaragua. This training will need to incorporate applicable best practices and to be adapted to local needs. In addition, training will be given to instructors to ensure the sustainability of the training process by building the local capacity for its continuation into the future. Training will be offered to approximately 20 mediators, 18 labor conciliators, 20 arbitrators, 20 trainers in conciliation, mediation, and arbitration, 20 clerks, and 50 union leaders.

- 2.11 **Component III: Promotion and dissemination of the results.** The goal of this component is to heighten awareness of the importance of using ADRM, particularly for business, trade unions, the judiciary, and the legal profession. Both the CACONIC and the MITRAB will undertake awareness-raising activities aimed at the corresponding target groups. Once preliminary outcomes and outstanding experiences suitable for dissemination among a broader public have been obtained, the program will fund two dissemination forums: one at an intermediate stage, and the other at the close of the program.
- 2.12 **Subprogram A: CACONIC.** The activities to be financed include: (a) analysis of the number and type of conflicts in those sectors; (b) development and implementation of the communications strategy; (c) design, publication, and distribution of information material on the CMA's activities; and (d) development of the webpage. To support the dissemination activities, promoters will be hired to visit companies to inform them directly about the advantages of the Center's services and the benefits available.
- 2.13 **Subprogram B: MITRAB.** The activities to be financed include: (a) design and execution of a dissemination and awareness-building plan, directed at all sectors of society but chiefly at those where labor conflicts arise most frequently; its messages may be communicated on radio and television, and in the press. (b) design and maintenance of a webpage containing information on the services offered as well as statistical case records; and (c) design, production, and distribution of information materials.
- 2.14 In order to boost the impact of the proposed activities and to increase the program's effectiveness, partnerships will be forged between associations of entrepreneurs in the case of CACONIC, between entrepreneurs and trade unions, and, if appropriate, with the judiciary. These partnerships will include organizing joint publicity activities, coordinating a shared work program, and identifying ways to capture entrepreneur and worker demand for commercial and labor dispute resolution services.

III. COST AND FINANCING

A. Description, composition, and sources of financing

- 3.1 It is estimated that the total cost of the Program will be US\$1,423,341, of which MIF would provide US\$996,450, in nonreimbursable funding from the Technical Cooperation facility (Window I). The Ministry of Labor would provide counterpart funding in the amount of US\$125,935, and the Chamber of Commerce of Nicaragua would contribute US\$300,956. Of the counterpart contributions, 68% would be in cash.

B. Cost table

Budget	MIF (US\$)	Local Contribution (US\$)	Total
Personnel	149,400	68,400	217,800
Logistics	17,850	43,620	61,470
Component 1. Implementation of dispute resolution services	307,500	127,875	435,375
Component 2. Training	219,300	37,500	256,800
Component 3. Promotion and dissemination of results	207,400	124,496	331,896
Subtotal of components	\$901,450	\$401,891	\$1,303,341
Contingencies	10,000	10,000	20,000
Evaluations	50,000	0	25,000
Audits	30,000	0	25,000
Program total	\$961,450	\$411,891	\$1,373,341
Percentages	70%	30%	100%

C. Sustainability

- 3.2 The program is expected to be successful in consolidating the future supply and demand for commercial and labor arbitration and mediation services in the country. As to institutional sustainability, based on experience with other similar MIF projects, CACONIC is expected to continue supporting the delivery of mediation and arbitration services through its Center, since that mechanism ensures it access to the entire business community and increased coverage of its activities. With respect to the financial sustainability of CACONIC's CMA, it is expected that the income from the services rendered will gradually increase until all operation costs are covered in the medium term. The services at MITRAB's nine regional offices will be financially sustainable since those offices are an integral part of the ministry's organizational structure and their activities are a part of the institution's annual budget and long-term projections.
- 3.3 At least one year prior to the end of the program, a Sustainability Workshop will be held, attended by Bank representatives, the executing agencies, and such other participants as may be agreed upon, in order to assess the progress made and to identify the measures and steps needed to ensure the continuity of the activities once the project funds have been disbursed in full. The scope of this workshop will need to be agreed on by the Bank and the executing agencies in due course.

IV. EXECUTING AGENCIES AND EXECUTION MECHANISMS

A. Executing Agencies

- 4.1 The Executing Agencies will be the Chamber of Commerce of Nicaragua and the Ministry of Labor. For the implementation of the program, a cooperation agreement

will be signed between the two executing agencies, and they will also sign an agreement with the Bank.

- 4.2 The Chamber of Commerce of Nicaragua is a not-for-profit organization with its own legal identity. Its chief mission is the promotion, development, and protection of free trade, and it has attained a leading role as a social representative through its close support for laws, agreements, and services that help its members that are, for the most part, small businesses and microenterprises. MITRAB has a mandate to resolve individual and collective labor disputes through its Labor Relations Division, which is charged with “the implementation of individual conciliation and legal assistance policies, ensuring that labor laws are in line with the country’s current situation and problems,” and the Collective Bargaining and Conciliation Department, whose function is to “make available, to employers and workers, conciliation and mediation mechanisms for resolving the individual and collective social, economic, and legal conflicts that arise as a result of their labor relations.”

B. Execution mechanism

- 4.3 For the program’s administrative management, a Coordinating Unit will be established within the CACONIC. It will comprise a Program Coordinator, an assistant, and a part-time accountant. The coordinator will be responsible for the administrative management of program activities in accordance with each institution’s action plan, procurement of goods and services, supervision of consultants, oversight of financial management according to established Bank procedures, and presentation of various technical reports to the Bank. The assistant and the accountant will support the coordinator and its responsibilities will include managing accounting and financial operations, the budget, administrative formalities, disbursement requests for Bank financing, and administrative reports. The staff of the Coordinating Unit will be selected by the program’s Executive Committee. CACONIC and MITRAB will appoint a technician for the duration of the program, who will serve as the permanent liaison with the coordinator and whose main duties will include drafting the consultants’ terms of reference, supervising consultants, overseeing and monitoring program activities, and preparing progress reports and semiannual action plans.
- 4.4 The Executive Committee will comprise two representatives from CACONIC, two from MITRAB, and one representative from the Supreme Court of Justice; and their alternates. The Bank will participate on the Executive Committee with observer status. The Program Coordinator will participate on the committee as the secretary, without the right to vote. The Executive Committee will oversee the approval and implementation of the annual work plans, the strategic vision, and the institutional coordination needed to support the project’s activities, and it will approve the budget disbursement timetables and audited accounts. The Executive Committee is to meet every three months during the first year and, thereafter, every six months or as necessary at the request of the MITRAB or the CACONIC.

- 4.5 **Execution period.** The execution period will be 36 months and the disbursement period will be 42 months. A revolving fund will be set up for 20% of the MIF's contribution, which will be disbursed and managed in a separate account. The Coordinating Unit will prepare semiannual financial statements on the status of the revolving fund for the Bank's Country Office in Nicaragua. The nonreimbursable funding will be disbursed in accordance with Bank procedures.
- 4.6 **Readiness.** The design, budget, and activities planned for the program have been prepared with the CACONIC and the MITRAB. Agreement has been reached on the Operating Regulations, budget, logical framework, and procurement plan. In addition, letters of commitment have been secured from USAID and the Dutch embassy, which will cover part of the CACONIC's counterpart funding; similarly, a letter of resources from the *Cumple y Gana* project has been obtained for the MITRAB.

C. Procurement

- 4.7 **Procurement:** Goods and consultancy services will be procured in accordance with the Bank procurement policies and procedures set out in documents GN-2349-7 and GN-2350-7. Annex III includes the Procurement Plan, drawn up by the executing agencies. The executing agencies will update the Procurement Plan as part of their semiannual reports.
- 4.8 **Goods.** Goods will be procured in accordance with Bank policies as set out in document GN-2349-7, "Policy for the procurement of works and goods financed by the IDB." Procurement in amounts between US\$25,000 and US\$150,000 may be done by National Competitive Bidding (NCB), in accordance with domestic law, and procurement in amounts below US\$25,000 will be done by shopping (three price quotations, PQs).
- 4.9 **Consultants.** Consultants will be selected and hired in accordance with Bank policies as set out in GN-2350-7 and in accordance with the selection methods described therein. Consultants will be engaged in accordance with the Procurement Plan previously approved by the Bank.

V. MONITORING AND EVALUATION

A. Monitoring

- 5.1 The Bank's Country Office in Nicaragua will be responsible for oversight and supervision activities, monitoring compliance with contractual clauses, processing disbursement requests, and receiving the audited financial statements. The executing agencies, through the Coordinating Unit, with the support of the technical staff appointed by the MITRAB and the CACONIC, will submit semiannual progress reports to the Bank, based on the objectives and indicators of the logical

framework, in a format acceptable to the Bank, within 30 days following the end of each six-month calendar period. Also, a final report on the program will be submitted to the Bank 60 days after the date of the last disbursement, and will serve as a reference framework for the Project Completion Report.

- 5.2 Annual **audits** and a final audit of the financial statements will be performed by an independent firm acceptable to the Bank. The cost of the audit will be covered by the MIF's contributions in accordance with established procedures.
- 5.3 The executing agencies must put in place a **monitoring system** for the program, to be based on the timetable, logical framework indicators, and annual work plan (AWP). This system will be the main instrument for monitoring the progress of the program, accomplishment of its objectives, and the impact achieved. In addition, at the end of execution a closing workshop will be organized with the participation of representatives from the Ministry of Labor, the CACONIC, and the Bank, in order to assess the outcomes obtained and to propose actions for enhancing the project's sustainability.
- 5.4 The **midterm evaluation** will be performed 18 months into the program or when 50% of the resources have been disbursed, whichever occurs first, in order to make the adjustments necessary for ensuring compliance with the program's goals and objectives. The **final evaluation** will be performed three months after the last disbursement. The final evaluation will analyze: (i) the extent to which the activities have been carried out; (ii) compliance with the objectives and indicators described in the logical framework; (iii) performance of the executing agencies; and (iv) service quality. Once in place, three aspects of the service will be assessed: efficiency, effectiveness, and satisfaction. Efficiency will measure changes in the cost of conflict management and the time dedicated to resolution. The effectiveness assessment will examine the nature of the outcome, the duration of the solution, and the impact on the workplace climate. For satisfaction, it will be important to assess the resistance caused by a lack of experience in extrajudicial conflict resolution.
- 5.5 The executing agencies, through the Coordinating Unit, will provide the Bank's Country Office in Nicaragua with copies of all the reports and documents produced by the consultants hired as a part of project execution. This information will enable the Country Office to monitor the project during the six-month periods and will also be used in support of the disbursement requests.

VI. PROGRAM BENEFITS AND RISKS

A. Benefits and Beneficiaries

- 6.1 The beneficiaries are the business community, particularly SMEs, and the workers and their trade unions. The main benefits that will accrue from these services at the

nine regional offices are: (a) increasing the ability of MITRAB to deal with disputes in other regions of the country; (b) developing the capacity of the parties involved in the management of labor disputes; (c) promoting the acquisition of skills for resolving current and future disputes (preventive effect); and (d) creating the possibility of reaching realistic and sustainable agreements, thus helping improve labor relations. The main benefits of the Mediation and Arbitration Center within the CACONIC are (a) addressing commercial dispute demand not met by the judiciary (the courts only resolve around 12% of the cases filed with them) and (b) reducing the transaction costs of commercial disputes.

B. Risks

- 6.2 One risk associated with the operation could be the resistance of companies and/or workers to the use of alternative dispute resolution methods for settling commercial and/or labor disputes. To mitigate this risk, efforts would be made to raise awareness and disseminate the advantages offered by the adoption of ADRM in improving commercial and labor relations. Another risk is securing the sustainability of the CACONIC's CMA. It is hoped that with its various promotional activities, its exchanges with other centers in order to learn about successful management models, its access to information and market studies produced at the regional level, and the knowledge transferred to it by the MIF's Partnership Network, the Center will be in a position to apply best practices and create demand for its services from the outset, thus attaining financial sustainability through the income it earns in the medium term. At the same time, within the labor conflict resolution services, another risk is posed by possible changes in personnel at the regional offices. To mitigate this risk, the program will leave an installed capacity for the ongoing training of specialized MITRAB personnel.

VII. ENVIRONMENTAL AND SOCIAL REVIEW

A. CESI review date: 28 July 2006

- 7.1 Due to its nature, the project does not pose any negative environmental or social impact, since its activities focus on sustainable mechanisms for the delivery of alternative commercial dispute resolution services within the CACONIC and labor dispute resolution services at MITRAB regional offices, and they are intended to support those agencies without any direct negative environmental impact. On the contrary, from a social standpoint the project will have a positive impact by helping to improve labor relations.

VIII. SPECIAL CONTRACTUAL CLAUSES

- 8.1 As a condition precedent to the first disbursement: (1) the Executive Committee must have been set up; (2) the members of the Coordinating Unit must have been selected, and the technical staff to CACONIC and MITRAB to support the Coordinating Unit must have been appointed; and (3) the Operating Regulations must have been validated, with the Bank's no objection.

IX. EXCEPTIONS TO BANK POLICY

- 9.1 No exceptions to Bank policy are anticipated.

**PROGRAM FOR THE IMPLEMENTATION OF ALTERNATIVE COMMERCIAL AND LABOR DISPUTE RESOLUTION METHODS
(NI-M1008)**

LOGICAL FRAMEWORK

Narrative summary of objectives	Indicators	Verification methods	Assumptions
<p>Goal</p> <p>Help create a climate of confidence, transparency, security, and efficiency in the resolution of commercial and labor disputes.</p>	<p>Between 2 and 3 years after project conclusion:</p> <ul style="list-style-type: none"> • High level of satisfaction (>70%) among the users of the services of CACONIC's CMA. • High level of satisfaction (>70%) among the users of the individual and collective conciliation services provided by MITRAB's 9 regional offices. 	<ul style="list-style-type: none"> • Surveys of client satisfaction with the services provided. • Statistics from the Labor Relations Division and the Collective Bargaining and Negotiations Division of the MITRAB. • Ex-post evaluation report on project compliance and outcomes from the Executing Unit and the IDB. 	<ul style="list-style-type: none"> • Willingness exists within the business and legal communities to use mediation and arbitration for dispute resolution. • All political, economic, and professional sectors continue to support the Program. • MITRAB continues to maintain the budget of the Labor Relations Division.
<p>Component 1</p> <p>Implementation of commercial mediation and arbitration services and of labor conciliation services.</p>	<ul style="list-style-type: none"> • Commercial mediation and arbitration service within the CACONIC's CMA with the technical and operational capacity for providing the service and a financial self-sustainability plan by year two. • Physical space exists for delivery of CACONIC's CMA service during year one. • Increase in the coverage of the commercial mediation and arbitration services to at least 3 regional chambers by year three. 	<ul style="list-style-type: none"> • Final evaluation. • Midterm evaluation. • Inspection visits by the specialist for physical verification of civil works and procurement of Center equipment and fixtures. • Inventory of assets. 	<ul style="list-style-type: none"> • The Executive Committee of the CACONIC is willing to adopt the methods and procedures necessary for the Center to operate effectively. • The MITRAB has support of the public sector and international cooperation for the Program.

Narrative summary of objectives	Indicators	Verification methods	Assumptions
	<ul style="list-style-type: none"> • The physical space of the MITRAB's individual and collective conciliation service at the 9 regional offices with adequate infrastructure and properly outfitted during the second half of year two. • Individual and collective conciliation service has an organizational, functional, ethical, and administrative structure in year one at the 9 regional offices. 	<ul style="list-style-type: none"> • Semiannual progress reports and AWP of the Executing Unit. • Procurement plan report. • Consultants reports. • Service delivery manuals and documents. 	
<p>Component 2</p> <p>Training for professionals specialized in alternative dispute resolution.</p>	<ul style="list-style-type: none"> • 20 arbitrators, 20 mediators, and 20 court clerks at the CACONIC's CMA trained at the three levels by the end of the final year. • 20 instructors at the CACONIC's CMA trained at the three levels by the end of project execution. • 2 staff officers from the CACONIC's CMA trained in the management of the Commercial Arbitration and Mediation Centers by the end of the project. • 18 conciliators from the 9 regional offices trained in the legal framework and conciliation methods by the end of year two. • 50 union leaders trained in negotiating techniques by the end of the project. • 10 trainers trained in conciliation by the end of the project. • 2 staff members from the MITRAB's Labor Relations Division participating in the in-service training program by year two. 	<ul style="list-style-type: none"> • Final evaluation. • Semiannual progress reports and AWP of the Executing Unit. • Consultants reports. • Records of enrollment and participation in training workshops. • Report on in-service training. 	<ul style="list-style-type: none"> • Trained personnel remain active in the CMA, regional offices, and Labor Relations Division. • Trained union leaders remain interested and promote ADRM.

Narrative summary of objectives	Indicators	Verification methods	Assumptions
<p>Component 3</p> <p>Promoting and disseminating results on the importance of using alternative dispute resolution methods.</p>	<ul style="list-style-type: none"> • 1,000 companies informed about the CACONIC's CMA services through promoters visits, specialized journals, forums, informational materials, and other forms of publicity. • 5,000 workers, 400 business-owners, and at least 4 trade unions informed about the MITRAB's individual and collective conciliation services through informational materials, workshops, and other forms of publicity. 	<ul style="list-style-type: none"> • Final evaluation. • Midterm evaluation. • Semiannual progress reports and AWP of the Executing Unit. • Procurement plan report. • PPMR. • Consultants contracts. • Consultants reports. 	<ul style="list-style-type: none"> • Business-owners and workers perceive the benefits of ADRM and remain interested in using them.
<p>ACTIVITIES</p> <p>Activity 1.1</p> <p><u>Subprogram A</u></p> <p>Review and implementation of the CACONIC/CMA Code of Ethics.</p> <p><u>Subprogram B</u></p> <p>Validation, dissemination, and implementation of the code of ethics.</p> <p>Preliminary draft decree to regulate individual and collective labor conciliation.</p>	<ul style="list-style-type: none"> • Code of ethics reviewed and implemented during year one. • At least three meetings held to validate the code of ethics in year one. • Draft decree drawn up during year one. 	<ul style="list-style-type: none"> • Minutes of the CACONIC Steering Committee approving the code of ethics. • Decree promulgated by the executive. • Semiannual progress report. • Consultants reports. 	<ul style="list-style-type: none"> • There is institutional support from the CACONIC for the adoption and implementation of the Code of Ethics. • There is consensus within the MITRAB on the importance of validating the Code of Ethics. • The executive branch is interested in approving the Decree.

Narrative summary of objectives	Indicators	Verification methods	Assumptions
<p>Activity 1.2</p> <p><u>Subprogram A</u></p> <p>Validation and implementation of the mediation and arbitration case management manual.</p> <p><u>Subprogram B</u></p> <p>Development and implementation of an organizational model for the administration of the individual and collective conciliation services at the 9 regional offices targeted. (Management manuals, organizational charts, functions chart, professional profiles.)</p>	<ul style="list-style-type: none"> • Commercial mediation and arbitration case management manuals validated and implemented during year one. • Organizational model developed and implemented at the 9 regional offices. 	<ul style="list-style-type: none"> • Minutes of the CACONIC Consultative Council approving the manuals. • MITRAB document approving the organizational model. • Annual work plan and project budget. • Semiannual progress report. • Consultants reports. 	<ul style="list-style-type: none"> • Continued political and institutional support for the MITRAB and CACONIC in implementing the organizational model and the code of ethics. • Availability of consultants specializing in the organization and management of conciliation, mediation, and arbitration services.
<p>Activity 1.3</p> <p><u>Subprogram A</u></p> <p>Preparation of an economic feasibility study for the financial sustainability of CACONIC's CMA.</p> <p>Remodeling of facilities for service modernization.</p> <p><u>Subprogram B</u></p> <p>Remodeling of facilities, equipment for the 9 regional offices.</p>	<ul style="list-style-type: none"> • Feasibility study carried out prior to year one. • Remodeling plan. • Plan for provision of computer equipment (month 6). • Installation of equipment (month 12). 	<ul style="list-style-type: none"> • Annual work plan and project budget. • Feasibility study documents. • Semiannual progress report. • Physical inspection. 	<ul style="list-style-type: none"> • Availability of consultants specializing in financial planning. • Existence of a physical space meeting the requirements of a Conciliation and Arbitration Service.
<p>Activity 1.4</p> <p><u>Subprogram A</u></p> <p>Implementation of information management, follow-up, and case evaluation systems.</p> <p><u>Subprogram B</u></p> <p>Design of a computer information system and its implementation at the 9 regional, based on the system that is already installed in Managua.</p>	<ul style="list-style-type: none"> • Computer information system for sector-by-sector case follow up, including resolution method and time, by year two. • Computer information system installed in the 9 offices by year two. 	<ul style="list-style-type: none"> • Statistical reports. 	<ul style="list-style-type: none"> • Interest in ADRM services among potential users, who also perceive the benefits of using them.

Narrative summary of objectives	Indicators	Verification methods	Assumptions
<p>Activity 1.5</p> <p><u>Subprogram A</u></p> <p>Implementation of a plan to extend the coverage of the commercial conciliation, mediation, and arbitration services to other departments of the country through the creation of a Network of Regional Chambers, headed by CACONIC.</p>	<ul style="list-style-type: none"> • Interinstitutional agreement to establish the Network signed in year one and launched by month 15. 	<ul style="list-style-type: none"> • Agreement signed by all the parties and published in the CMA's bulletin. • Annual work plan and project budget. • Semiannual progress report. 	<ul style="list-style-type: none"> • The regional chambers are willing to and interested in establishing a network for extending conciliation, mediation, and arbitration services.
<p>Activity 2.1</p> <p><u>Subprogram A</u></p> <p>Design of a training plan for ADRM operators (arbitrators, mediators, court clerks, judges).</p> <p><u>Subprogram B</u></p> <p>Design and execution of a training plan for conciliators and negotiators. (Includes union leaders, judges; coverage for the 9 regional offices; legal, technical, and judicial issues; legal profession, universities.)</p>	<ul style="list-style-type: none"> • 3 courses a year for mediators, conciliators, arbitrators, and court clerks, at three levels (basic, intermediate, advanced; 40 hours for each level, 120 hours for the entire cycle). • Interinstitutional cooperation agreement signed by MITRAB, the Chamber of Commerce, and a national university in year one. 	<ul style="list-style-type: none"> • Annual work plan and project budget. • Program content and curricular plan for the conciliation training. • Records of enrollments and attendance at training courses. • Evaluation report on mediators, arbitrators, conciliators, and clerks trained. 	<ul style="list-style-type: none"> • Interest exists on the part of legal professionals, members of the private sector, and professional associations in participating in the training process. • Institutes of higher education express interest in backing the conciliation training courses. • Consultants are available to provide training in commercial ADRM. • Union leaders and labor conciliators are willing to receive ADRM training. • Consultants are available to provide training in labor ADRM.
<p>Activity 2.2</p> <p><u>Subprogram A</u></p> <p>Training instructors in mediation, arbitration, and clerical skills.</p>	<ul style="list-style-type: none"> • 3 modules in arbitration, mediation, and clerical skills (one module each) with academic backing from a national university. • 1 interinstitutional cooperation agreement signed by the Chamber of Commerce and a national university during year one. 	<ul style="list-style-type: none"> • Annual work plan and project budget. • Programmatic content and curricular plan for the conciliation, mediation, and arbitration training. • Records of enrollments and attendance at training courses. 	<ul style="list-style-type: none"> • Existence of interest on the part of legal professionals, members of the private sector, and professional associations in participating in the training process. • Institutes of higher education express interest in backing the conciliation training courses.

Narrative summary of objectives	Indicators	Verification methods	Assumptions
		<ul style="list-style-type: none"> • Evaluation report on conciliators, mediators, and arbitrators trained. 	
<p>Activity 2.3</p> <p><u>Subprogram A</u></p> <p>Technical exchanges with other mediation and arbitration centers with experience in dispute resolution.</p> <p><u>Subprogram B</u></p> <p>One-week overseas in-service training for two MITRAB staff members.</p>	<ul style="list-style-type: none"> • 2 in-service training assignments outside the country for two members of the CMA staff during the 3 years of the program. • 2 in-service training assignments outside the country for two members of MITRAB's staff during the 3 years of the program. 	<ul style="list-style-type: none"> • Modular training content dealing with conciliation and arbitration. • Records of enrollment and attendance at training courses at other agencies. • Agreement with the agencies that are to be visited by the CMA and MITRAB staff members in the different countries. 	<ul style="list-style-type: none"> • Other conciliation and mediation centers and other labor ministries are receptive to in-service training.
<p>Activity 3.1</p> <p><u>Subprogram A</u></p> <p>Analysis of the number and type of disputes in the sectors.</p> <p><u>Subprogram B</u></p> <p>Design and execution of a dissemination and awareness-raising plan, that reaches all sectors of society but chiefly at those where labor disputes arise most frequently.</p>	<ul style="list-style-type: none"> • Conflict study document to be concluded by month 10. • Dissemination and awareness-raising plan developed starting in year one. • Mass media plan (publicity). • Forums. 	<ul style="list-style-type: none"> • Annual work plan and project budget. • Consultants reports. • Physical inspection. • Semiannual progress report. 	<ul style="list-style-type: none"> • Interest in ADR services among potential users, who also perceive the benefits of using them. • Availability of consulting firms for the various activities.
<p>Activity 3.2</p> <p><u>Subprogram A</u></p> <p>Design and implementation of the communications strategy.</p> <p>Hiring of CACONIC service promoters.</p> <p><u>Subprogram B</u></p> <p>Design and development of the MITRAB website, containing information on the individual and collective conciliation services.</p>	<ul style="list-style-type: none"> • Communications strategy designed and implemented starting in year one. • Promoters hired and working. • Website designed and operating, containing all the information on the service. 	<ul style="list-style-type: none"> • Annual work plan and project budget. • Consultants reports. • Physical inspection. • Semiannual progress report. 	<ul style="list-style-type: none"> • Interest in ADR services among potential users, who also perceive the benefits of using them.

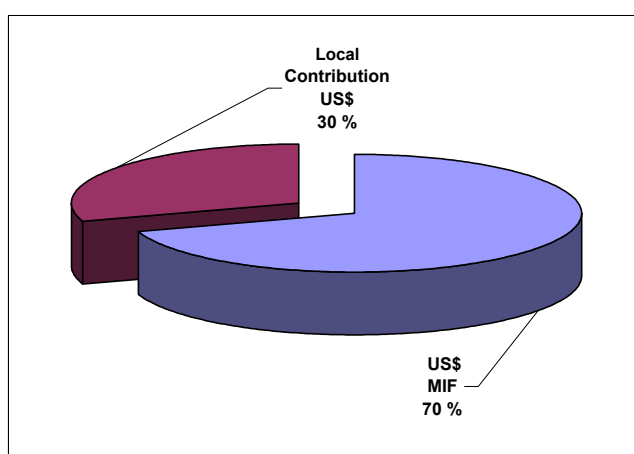
Narrative summary of objectives	Indicators	Verification methods	Assumptions
<p>Activity 3.3</p> <p><u>Subprogram A</u></p> <p>Design, production, and distribution of information materials.</p> <p>Development of the website.</p> <p><u>Subprogram B</u></p> <p>Design, production, and distribution of informational materials.</p>	<ul style="list-style-type: none"> • Materials. • Website designed and operating by month six. • Materials. • 1,000 pamphlets distributed among interested groups during the first two years of the program. 	<ul style="list-style-type: none"> • Website. • Brochures. 	<ul style="list-style-type: none"> • Expanded internet access.
<p>Activity 3.4</p> <p><u>Subprogram A</u></p> <p>Organization of two forums to disseminate the outcomes.</p>	<ul style="list-style-type: none"> • Forums held in years two and three. 	<ul style="list-style-type: none"> • Progress report. • Final program report. 	<ul style="list-style-type: none"> • The various groups are interested in actively participating in the forums.

NICARAGUA
Program for the Implementation of Alternative Commercial and Labor Dispute Resolution Methods
(NI-M1008)
BUDGET

Item	MIF	US\$	Local Contribution US\$	TOTAL	US\$	
Coordinating Unit (total)		\$167,250	\$112,020	\$279,270		20%
Staff		\$149,400	\$68,400	\$217,800		16%
Program Coordinator		\$108,000		\$108,000		
Assistant		\$32,400		\$32,400		
Accountant (part-time)		\$9,000		\$9,000		
Technical coordinator, MITRAB			\$25,200	\$25,200		
Technical coordinator, CACONIC			\$43,200	\$43,200		
Logistics		\$17,850	\$43,620	\$61,470		4%
Component 1: Implementation of commercial mediation and arbitration services and of labor conciliation and mediation services		\$307,500	\$127,875	\$435,375		32%
Total subprogram A, commercial disputes		\$87,600	\$60,640	\$148,240		
1.1 Review and implementation of the code of ethics		\$6,000		\$6,000		
1.2 Development, validation, and implementation of the Procedures Manual		\$12,000	\$6,000	\$18,000		
1.3 Feasibility study and financial plan		\$15,000		\$15,000		
1.4 Implementation of a computer information system for case monitoring and evaluation		\$11,000		\$11,000		
1.5 Plan to extend the coverage of the conciliation, mediation, and arbitration service			\$9,200	\$9,200		
1.6 Equipping and remodeling installations		\$49,600	\$45,440	\$95,040		
Total subprogram B, labor disputes		\$219,900	\$67,235	\$287,135		
1.1 Draft decree to regulate individual and collective labor conciliation		\$3,000	\$450	\$3,450		
1.2 Development and implementation of an organizational model		\$25,000		\$25,000		
1.3 Equipping and remodeling		\$105,900	\$65,885	\$171,785		
1.4. Validation, dissemination, and implementation of the code of ethics		\$6,000	\$900	\$6,900		
1.5 Design and development of a computer information system at 9 regional offices		\$80,000		\$80,000		
Component 2: Training		\$219,300	\$37,500	\$256,800		19%
Total subprogram A, commercial disputes		\$149,300	\$27,500	\$176,800		
2.1 Design and development of a training plan for operators (arbitrators, mediators, court clerks, judges)		\$105,300	\$10,000	\$115,300		
2.2 Training for trainers, arbitrators, and mediators		\$25,000	\$10,000	\$35,000		
2.3 Overseas in-service training program		\$10,000		\$10,000		
2.4 Exchange of good practices		\$9,000	\$7,500	\$16,500		
Total subprogram B, labor disputes		\$70,000	\$10,000	\$80,000		
2.1 Design and execution of the training plan for conciliators and arbitrators		\$60,000	\$10,000	\$70,000		
2.2 Overseas in-service training		\$10,000		\$10,000		
Component 3: Promotion and dissemination of the outcomes		\$207,400	\$124,496	\$331,896		24%
3.1 Forums for disseminating Program outcomes		\$30,000	\$10,000	\$40,000		
Total subprogram A, commercial disputes		\$72,400	\$108,496	\$180,896		
3.2 Analysis of the number and type of conflicts in the sectors		\$36,000		\$36,000		
3.3 Development and implementation of the communications strategy		\$36,400	\$108,496	\$144,896		
Total subprogram B, labor disputes		\$105,000	\$6,000	\$111,000		
3.2 Development of a dissemination and awareness-building plan		\$85,000	\$6,000	\$91,000		
3.3 Design, production, and distribution of information materials		\$20,000		\$20,000		
SUBTOTAL		\$901,450	\$401,891	\$1,303,341		95%
Contingencies		\$10,000	\$10,000	\$20,000		
Evaluations		\$25,000		\$25,000		
Audits		\$25,000		\$25,000		
TOTAL		\$961,450	\$411,891	\$1,373,341		100%
Percentages		70%	30%	100%		

Budget	Local Contribution		Local Contrib. Total
	Cash	Kind	
Staff	0	68,400	68,400
CACONIC	0	43,200	43,200
MITRAB	0	25,200	25,200
Logistics	14,820	28,800	43,620
CACONIC	14,820	28,800	43,620
Component 1	109,875	18,000	127,875
CACONIC	42,640	18,000	60,640
MITRAB	67,235	0	67,235
Component 2	22,500	15,000	37,500
CACONIC	17,500	10,000	27,500
MITRAB	5,000	5,000	10,000
Component 3	117,900	6,596	124,496
CACONIC	106,900	6,596	113,496
MITRAB	11,000	0	11,000
Subtotal	265,095	136,796	401,891
Subtotal CACONIC	181,860	106,596	288,456
Subtotal MITRAB Components	83,235	30,200	113,435
Contingencies	10,000	0	10,000
CACONIC	5,000	0	5,000
MITRAB	5,000	0	5,000
TOTAL COUNTERPART CACONIC	186,860	106,596	293,456
TOTAL COUNTERPART MITRAB	88,235	30,200	118,435
Evaluations	0	0	0
Audit	0	0	0
Program Total	275,095	136,796	411,891
Percentages	67%	33%	

Budget	MIF US\$	Local Contribution US\$	TOTAL US\$
Staff	149,400	68,400	217,800
Logistics	17,850	43,620	61,470
Component 1. Implementation of conflict resolution services	307,500	127,875	435,375
Component 2. Training	219,300	37,500	256,800
Component 3. Promotion and dissemination of the results	207,400	124,496	331,896
Components Subtotal	\$901,450	\$401,891	\$1,303,341
Contingencies	10,000	10,000	20,000
Evaluations	25,000	0	25,000
Audits	25,000	0	25,000
Program Total	\$961,450	\$411,891	\$1,373,341
Percentages	70%	30%	100%



SIMILAR OR RELATED PROJECTS IN NICARAGUA
PROGRAM FOR THE IMPLEMENTATION OF ALTERNATIVE COMMERCIAL AND LABOR DISPUTE RESOLUTION METHODS
(NI-M1008)

A. Similar or related MIF projects

Project number and approval date	Project title, executing agency, amount	Date signed, and disbursement period (months)	Amount disbursed	Comments
ATN/MT-6669-NI	Program to Support Alternative Mechanisms for Settling Property Disputes Supreme Court of Justice US\$982,456	Date signed: 10/05/99 Expires: 10/04/04	89%	Project completed satisfactorily. The institutional capacity created through the program within the Alternative Dispute Resolution Department (DIRAC), together with the support received from the judicial branch, contributed to the success of the program, in spite of the delicate nature of property dispute resolution issues and the innovative nature of alternative property dispute resolution methods in Nicaragua.

B. Similar or related Bank projects.

None.

C. MIF projects related to the same sector or project beneficiaries.

None.

D. Cluster projects.

Not applicable.

NICARAGUA
PROGRAMA PARA LA IMPLEMENTACIÓN DE MÉTODOS ALTERNOS DE
RESOLUCIÓN DE CONFLICTOS COMERCIALES Y LABORALES
(NI-M1008)

PLAN DE ADQUISICIONES PARA LOS PRIMEROS 18 MESES

I. INFORMACIÓN GENERAL

1. Información sobre el Proyecto

Términos y condiciones financieras					
Prestatario: Nicaragua				Período de Amortización:	N/A
Agencia Ejecutora: Cámara de Comercio y Ministerio de Trabajo				Período de Gracia:	N/A
				Período de Desembolso:	N/A
Fuente	Costo del Programa	Monto desembolsado/comprometido	%	Tasa de interés:	N/A
BID (CO)	US \$850,270			Supervisión e Inspección	N/A
LOCAL	US \$396,756			Comisión de Crédito	N/A
Total	US \$1,267,006			Moneda	US Dólares

2. **Fecha de la aprobación del Plan de Adquisiciones por el Banco:** La fecha de aprobación del Plan de Adquisiciones por el Banco se estima sea
3. **Fecha del Aviso General de Adquisiciones:** Dentro de los 30 días siguientes a la vigencia del contrato modificatorio.
4. **Período cubierto por este Plan de Adquisiciones:** Primeros 18 meses de ejecución.

II. BIENES, OBRAS Y SERVICIOS DISTINTOS A LOS DE CONSULTORÍA

1. **Valores de umbrales Aprobados por el Banco para la Aplicación de los Procedimientos de Adquisiciones en los Países Miembros.** Los límites establecidos para cada uno de los países sirven como base para decidir sobre la aplicación de los procesos de Licitación Pública Internacional (LPI), Licitación Pública Nacional (LPN) o Comparación de Precios (CP o Shopping), según corresponda a los límites indicados. Todas las adquisiciones sujetas a un examen previo por parte del Banco, se harían conforme se señala en el Apéndice I de las Políticas para la adquisición de obras y bienes.

	Método de adquisición	Valores de umbral para aplicación	Comentario
1.	Licitación Pública Internacional (LPI) en (bienes)	≥150,000	Revisión ex ante
2.	Licitación Publica Nacional (LPN) en (bienes)	>25,000 y <150,000	Revisión ex ante

3.	Licitación Pública Internacional (LPI) en (obras)	≥US \$1,500.000	Revisión ex ante
4.	Licitación Publica Nacional (LPN) o Concurso competitivo con Publicidad Nacional en (obras)	>150,000 y <1,500,000	Revisión ex ante
5.	Licitación Pública Internacional (LPI) en servicios distintos a los de consultoría	≥ US\$150,000	Revisión ex ante
6.	Licitación Publica Nacional (LPN) en servicios distintos a los de consultoría	>25,000 y <150,000	Revisión ex ante
7.	Comparación de precios en (bienes)	Menos de US\$25,000	Revisión ex ante
8.	Comparación de precios en (obras)	Menos de US\$150,000	Revisión ex ante
9.	Contratación Directa – (Obras)	Menos de US\$25,000	Revisión ex ante
10.	Contratación Directa – (Bienes)	Menos de US\$5,000	Revisión ex ante
11.	Contratación Directa de Servicios distintos a los de consultoría (como excepción y siguiendo las políticas del Banco)	Menos de US\$5,000	Revisión ex ante

2. Paquetes de Adquisiciones con Métodos y Calendarios – BIENES Y OBRAS

1	2	3	4	5	7	6
Institución del Contrato	Costo estimado (US\$)	Método de Institución ^[1]	Precalificación (Sí/No)	Preferencia por elementos nacionales	Examen del Banco	Fecha tentativa para la presentación de las ofertas (trimestre)
				(bienes)		
				(si/no)		
1. BIENES						
- Equipo de cómputo y mobiliario -	138,950					
Equipamiento Cámara de Comercio Y Ministerio de Trabajo						
A Cámara de Comercio	49,600	LPN	No	No	EXante	
B. Ministerio de Trabajo	105,900	LPN	No	No	Ex ante	
C. Unidad Coordinadota	17,850	CP	No	No	Exante	

[1]- **LPI**: Licitación Pública Internacional: **LPN**: Licitación Pública Nacional: **CP**: Comparación de Precios: v **CD**: Contratación

[1], **LPI**: Licitación Pública Internacional; **LPN**: Licitación Pública Nacional; **CP**: Comparación de Precios; y **CD**: Contratación

III. SELECCIÓN DE CONSULTORES

- 1. Valores de Umbrales Aprobados por el Banco para la Aplicación de los Procedimientos de Adquisiciones en los Países Miembros.** Los límites establecidos para cada uno de los países sirven como base para decidir sobre la aplicación de los procesos de Selección con o sin publicidad internacional. Todas las adquisiciones sujetas a un examen previo por parte del Banco, se harían conforme se señala en el Apéndice I de las Políticas de Consultoría (GN-2350-6).

	Método de Selección	Valores de umbral para el examen previo	Comentarios
1.	Concurso competitivo con Publicidad Internacional	≥US\$200,000	Revisión ex ante
2.	Concurso competitivo con Publicidad Nacional	<US\$200,000	Revisión ex ante
3.	Contratación Directa (como excepción y siguiendo las políticas del Banco)	Menos de US\$30,000	Revisión ex ante

- 2. Lista corta compuesta exclusivamente por consultores nacionales.** Para efectos de lo estipulado en el párrafo 2.7 de las Políticas de Consultores, la lista corta de consultores para contrataciones con costos estimados menores al equivalente de US\$200.000 por contrato podrá estar conformada en su totalidad por consultores nacionales.
- 3. Otros Arreglos Especiales de Selección.**

4. Contratos de Consultoría con Métodos de Selección y Calendarios – SERVICIOS DE CONSULTORÍA

1	2	3	4	5	6
Descripción del contrato	Costo estimado (miles US\$)	Método de Selección ^[1]	Examen del Banco	Fecha prevista para presentación de las ofertas	Comentarios
1. SERVICIOS					
- Servicios de consultores individuales -					
1 Implementación de servicios de mediación y arbitraje comercial, y conciliación y mediación laboral					
A. Conflictos comerciales					
(i) Consultor internacional con experiencia en revisión e implantación del Código de Ética	6,000	Selección por calificación	Ex ante		
(ii) Contratación de un especialista internacional en validar el manual de procedimiento y ayudar a implementarlo)	12,000	Selección por calificación	Ex ante		
(III) Consultor internacional de factibilidad y plan financiero	15,000	Selección por calificación	Ex ante		
(iv) consultor internacional en sistema informático de seguimiento y evaluación de casos	11,000	Selección por calificación	Ex ante		
(v)consultor nacional en cobertura del servicio de conciliación, mediación y arbitraje(contrapartida)	8,000	Selección por calificación	Ex ante		
B Conflictos Laborales					
(i)Consultor nacional para la elaboración de propuesta de decreto que regule la conciliación laboral individual y colectiva	3,000	Selección por calificación	Ex ante		
(ii) Consultor internacional Desarrollo e implementación de un modelo organizacional	25,000	Selección por calificación	Ex ante		
(iii) Consultor nacional en Validación, difusión e implementación del Código de Ética	6,000	Selección por calificación	Ex ante		
2 Capacitación					
A. Conflictos Comerciales					
(i) 9 Consultores internacional/nacional para desarrollar los contenido programáticos y técnicos de los cursos de conciliación y arbitraje	105,300	Selección por calificación	Ex ante		
3- Promoción y difusión de resultado					
(i) 2 Consultores nacionales promotores para la estrategia comunicacional	12,000	Selección por calificación	Ex ante		
Unidad Coordinadota del Programa					
(i)Coordinadora Programa	108,000	Selección por calificación	Ex ante		
(ii) Asistente	32,400	Selección por calificación	Ex ante		
(iii) Contable	9,000	Selección por calificación	Ex ante		
(iv) coordinador técnico CACONIC contrapartida	25,200	Selección por calificación	Ex ante		
(v) coordinador técnico MINITRA contrapartida	43,200	Selección por calificación	Ex ante		

- Servicio de firmas de consultoría -					
1-Implementación de servicios de mediación y arbitraje comercial, y conciliación y mediación laboral					
B. Conflictos Laborales					
(i) Firma Consultora para Diseño e implementación de un sistema informático de 9 oficinas regionales	80,000	SBMC	Ex ante		
2-Capacitación					
B. Conflictos Laborales					
(i)firma consultora especializada en elaboración y ejecución de plan de capacitación para conciliadores y árbitros	60,000	SBMC	Ex ante		
3- Promoción y difusión de resultado					
A- Conflictos Comerciales					
(i) Firma Consultora en Análisis del volumen y tipo de conflictividad en los sectores)					
(ii) firma consultora nacional en Diseño de estrategia comunicacional	10,000	SBMC	Ex ante		
B. Conflictos Laborales					
(i) Firma consultora en desarrollo de un plan de difusión y sencibilización	80,000	SBMC	Ex ante		
(ii) Empresa consultora en diseño, elaboración y distribución de materiales informativos	20,000	SBMC	Ex ante		
[1] SD: Selección Directa; SBC: Selección basada en Calidad; SBCC: Selección basada en Costo Calidad; SBPF: Selección basada en Precio Fijo; SBMC: Selección basada en Menor Costo; SCC: Selección basada en Calificación de Consultores.					

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION MIF/DE-___/06

Nicaragua. Nonreimbursable Technical Cooperation ATN/MT-___-NI for a Program for the
Implementation of Alternative Commercial and Labor Dispute Resolution Methods

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Republic of Nicaragua, and to take such additional measures as may be pertinent for the execution of the project proposal contained in document MIF/AT-___ with respect to nonreimbursable technical cooperation for a program for the implementation of alternative commercial and labor dispute resolution methods.
2. That up to the amount of US\$961,450, or its equivalent in other convertible currencies, shall be authorized for the purpose of this resolution, chargeable to the resources of the Technical Cooperation Facility of the Multilateral Investment Fund.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.

(Adopted on ___ 2006

LEG/OPR/RGII/IDBDOCS#795947
NI-M1008