

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

## **NICARAGUA**

# **URBAN WELFARE PROGRAM FOR CHILDREN IN EXTREME POVERTY, PHASE I**

**(NI-0155)**

## **LOAN PROPOSAL**

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ELECTRONIC LINKS
<p><b>REQUIRED</b></p> <ol style="list-style-type: none"> <li>1. Annual work plan (AWP) (Plan of activities for the first disbursement and the first 18 months of the program) <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2228019">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2228019</a></li> <li>2. Monitoring and evaluation arrangements <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2226172">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2226172</a></li> <li>3. Full procurement plan <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2228018">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2228018</a></li> <li>4. Environmental and Social Management Report (ESMR) <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2227985">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2227985</a></li> </ol> <p><b>OPTIONAL</b></p> <ol style="list-style-type: none"> <li>1. Ex ante cost-benefit analysis (draft) <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2226171">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2226171</a></li> <li>2. Fiscal impact analysis (draft) <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2237292">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2237292</a></li> <li>3. Monitoring and evaluation arrangements - Methodology note on evaluation of the program impact <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2226172">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2226172</a></li> <li>4. Reports from the Ministry of the Family, Adolescence, and Children (MIFAN) and MyS <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2228020">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2228020</a></li> <li>5. Evaluation schedule <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2227072">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2227072</a></li> <li>6. Quality measures - Compliance and basic norms <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2226173">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2226173</a></li> <li>7. Observational measures of environments for child care <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2226174">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=2226174</a></li> </ol>

## ABBREVIATIONS

AWP	Annual work plan
CCCC	Community child care center
CDC	Child development center
ECD	Early childhood development
ENDESA	Encuesta Demográfica y de Salud [Demographic and Health Survey]
GDP	Gross domestic product
IDB	Inter-American Development Bank
INIDE	Instituto Nacional de Información para el Desarrollo [National Institute of Information for Development]
LSMS	Living Standards Measurement Study
MDG	Millennium development goals
MIFAMILIA	Ministry of the Family
MIFAN	Ministry of the Family, Adolescence, and Childhood (formerly MIFAMILIA)
MINED	Ministry of Education
MINSA	Ministry of Health
MTS	Monitoring and tracking system
PAININ	Programa de Atención Integral a la Niñez Nicaragüense [Nicaraguan Comprehensive Child Care Program]
PNDH	Plan Nacional de Desarrollo Humano [National Human Development Plan]
PROCOSAN	Programa Comunitario de Salud y Nutrición [Community Health and Nutrition Program]
UBN	Unmet basic needs

## PROJECT SUMMARY

### NICARAGUA URBAN WELFARE PROGRAM FOR CHILDREN IN EXTREME POVERTY, PHASE I (NI-0155)

Financial Terms and Conditions							
Borrower: Republic of Nicaragua						OC	FSO
Executing agency: Ministry of the Family, Adolescence, and Children (MIFAN)					Amortization period:	30 years	40 years
	Phase I		Phase II (tentative)		Grace period:	5½ years	40 years
Source	Amount US\$ millions	%	Amount US\$ millions	%	Disbursement period:	3 years	3 years
					Interest rate:	SCF-Fixed	0.25
IDB (FSO)	7.5	50	9	40	Inspection and supervision fee:	*	N/A
IDB (Ordinary Capital)	7.5	50	9	40			
Local	0		2	10	Credit fee:	*	N/A
Total	15	100	20	100			
Project at a glance							
Project objective/description: The objective of the program is to expand quality access to inclusive and sustainable community interventions for providing comprehensive care for children under six and for their families and communities in urban neighborhoods accorded priority due to their level of poverty, in order to help improve the comprehensive development of children living in extreme poverty in urban areas.							
Special contractual clauses: Condition precedent to the first disbursement: <b>approval and entry into effect of the program Operating Regulations as agreed with the Bank</b> (paragraph 3.6).							
Special conditions for execution: (i) 6 months after the effective date of the loan contract, MIFAN must present the results matrix indicator baseline and a description of the procedure to be used for gathering and processing annual data that need to be compared with initial data in order to evaluate the progress of program outcomes (paragraph 3.5); (ii) MIFAN must present annual work plans (AWPs) and semiannual progress reports indicating the status of the components based on the indicators in the results matrix and the monitoring and tracking system (MTS) (paragraph 3.4); and (iii) revolving fund for up to 10% of the total loan proceeds, which is justified because liquidity is needed at the outset of the program in order to finance multiple works (paragraph 3.3).							
Exceptions to Bank policies: <b>N/A</b>							
Project consistent with country strategy:      Yes [ <b>X</b> ]      No [   ]							
Project qualifies as:                              SEQ [   ]      PTI [   ]      Sector [   ]      Geographic [ <b>X</b> ]      Headcount [   ]							

\* The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provisions of the Bank's policy on lending rate methodology for Ordinary Capital loans. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

## I. DESCRIPTION AND RESULTS MONITORING

- 1.1 **Background, problems addressed, and rationale: Poverty and vulnerability in the urban area.** Nicaragua is one of the poorest countries in Latin America, with gross per capita income of US\$1,123.<sup>1</sup> Although the scale and severity of poverty have been reduced since the mid-1990s, poverty rates continue to be high, with 46% of the population classified as poor and 15% in extreme poverty.<sup>2</sup> While poverty is chiefly a rural phenomenon, its incidence in cities is significant: 35% of the poor and 20% of the extreme poor live in the urban area, representing approximately 910,000 and 160,000 people, respectively, in 2007. Vulnerability of the urban poor is high (a 10% increase in the poverty line would raise the level of poverty by 20% in the urban area and by 8.5% in the rural area).<sup>3</sup> Moreover, adverse impacts on the economy (especially the crisis due to high food prices in 2008 and the current repercussions of the global financial crisis) have caused an economic recession and an increase in unemployment that could result in a significant rise in urban poverty.
- 1.2 **The poverty cycle.** The poverty rate for children under five (57.2%) is greater than the rate for the general population. That rate declines with age, which underscores the special risks of childhood. The indicators in Table I.1 show gaps in the welfare and care of the poor population and illustrate the risk of the poverty cycle being perpetuated if the opportunity is lost for the necessary investment in nutrition, health, and stimulation of children under six at the most critical time of their development. Accordingly, the situation of children in extreme poverty represents an intervention priority for poverty reduction, particularly in the urban area that until now has not been prioritized by public programs. Care services are especially critical considering that 32% of urban children live in a single-parent household. It is estimated that less than 4% of poor children under three attend comprehensive early childhood development (ECD) programs. Moreover, coverage for children under six by public centers is less than 1% in the urban area, and just 3% of poor children under the age of three are being served by the public sector either in Community Child Care Centers (CCCCs) or Child Development Centers (CDCs).<sup>4</sup> Coverage of offices of vital records is limited,<sup>5</sup> which largely explains the under-registration of urban children (25%) and causes particular problems for their enrollment in school.

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<sup>1</sup> Central Bank of Nicaragua.

<sup>2</sup> World Bank, *Poverty Profile*, June 2007 (analysis of the *Living Standards Measurement Study*, LSMS 2005).

<sup>3</sup> Instituto Nacional de Información para el Desarrollo [National Institute of Information for Development] (INIDE), *Profile and Characteristics of the Poor in Nicaragua 2005* (analysis of the LSMS 2005).

<sup>4</sup> The program with the greatest coverage has been the Nicaraguan Comprehensive Child Care Program (PAININ), supported by the Inter-American Development Bank (IDB) since its creation (current phase, 1729/SF-NI), which targets 66 rural municipios.

<sup>5</sup> There are just 181 registry offices to cover more than 5,000 urban and rural communities in the 153 municipios throughout the country.

**Table I.1 Social indicators<sup>6</sup> (%)**

	Country	Q1	Q5
Adequate prenatal care <sup>a</sup>	78.7	61.6	92.4
Neonatal mortality (<29 days) % born <sup>b</sup>	16	17	13
Chronic malnutrition in children under five <sup>c</sup>	21.7	34.9	5.8
Women ages 15 to 19 who are pregnant or are already mothers <sup>d</sup>	25.1	34	12.2
	Country	Urban	Rural
Children living in a single-parent household <sup>e</sup>	27.6	32	21
Women ages 15 to 19 with nutritional deficiencies <sup>f</sup>	53	56.3	47.9
Children under three in an ECD program <sup>g</sup>	3.3	3	3.5
Women ages 15 to 49 who report physical abuse before age 15 <sup>h</sup>	21.3	23.4	18
People with disabilities <sup>i</sup>	10.1	10.8	9.2

- 1.3 The main risks for the group of poor children ages 0 to 6 are: low birth weight, inadequate diet (including insufficient lactation) and resulting malnutrition, and the lack of early stimulation, all with widely-documented adverse effects. In Nicaragua, poverty perpetuation mechanisms are also well-documented, including mainly poor healthcare and nutrition of the mother, low level of education, and a high percentage of unwanted pregnancies (20%) and early pregnancies.<sup>7</sup> Lastly, 23.4% of urban women ages 15 to 49 report having been physically abused before turning 15. Violence and abuse appear to be other risks present in the target urban families, with adverse effects on child potential. The foregoing indicates the need to target not only children and women, but also families, in a comprehensive manner, to promote a favorable environment for development.
- 1.4 **Factors that limit the comprehensive child development.** Limiting factors on the supply side include restrictions on the size, effectiveness, and quality of government social spending. In terms of size, budget cuts this year threaten the slow process whereby the government has allocated increasing proportions of GDP to social spending, to 12.3% in 2008. The National Human Development Plan (PNHD) projects levels of 11.9% in 2009 and 11.6% in 2010.<sup>8</sup> In absolute terms, it is estimated that the government appropriated US\$42.25 per capita to healthcare in 2008,<sup>9</sup> whereas the average for Latin America is more than US\$100. Despite

<sup>6</sup> **Sources-** a, b, c, d, e, f, h: *Demographic and Health Survey 2006-0 (ENDESA)*; g: *Profile of the Poor, LSMS 2005*; i: *National Survey of Disabilities 2003*; Definitions - a: four or more prenatal checkups; c: height by age <2 standard deviations from the international distribution; f: women of child-bearing age with a body mass index indicating malnutrition, overweight, or obesity.

<sup>7</sup> A total of 25.1% of women between the ages of 15 and 19 are pregnant or are already mothers, which is the highest percentage in Latin America. This indicator is 34% among women from the poorest quintile. Source ENDESA.

<sup>8</sup> PNHD: "To progress despite the international economic crisis", Government of Nicaragua (October 2009).

<sup>9</sup> *Citizen, Healthcare, and Education Budget 2008*. Instituto de Estudios Estratégicos y Políticas Públicas [Institute of Strategy Studies and Public Policies] (IEEPP) [www.ieepp.org](http://www.ieepp.org).

becoming the national model for the promotion of nutrition in children under two, the Community Health and Nutrition Program (PROCOSAN) receives limited budget appropriations,<sup>10</sup> affecting its coverage. In 2007, just 0.6% of GDP was allocated to social protection for children under six. The sum of US\$6.3 of social protection spending is on the population of children ages 0 to 5, compared to US\$22 on the 60-and-over group—due to the weight of pensions that do not target the poorest.<sup>11</sup> In addition, because of the emphasis on universal social services in 2007 and 2008, their targeting was neglected, with the risk of producing a regressive effect in public spending and greater exclusion of the poorest.

- 1.5 The quality of interventions is limited by the lack of programs with a comprehensive, preventive, and community focus, except PAININ and PROCOSAN. Thus, in the urban area, the care model for children under six focused on CDCs. These centers only target the poor population, do not provide for parental participation in running the center, and do not include interventions to promote positive attitudes and healthy ideas in the home. In healthcare, although the fine-tuning of the former Comprehensive Healthcare Model (now known as the Family and Community Healthcare Model (MOSAFC)) is aimed at more comprehensive care for the family (vs. age groups) and at the community level, according to evidence of the greater effectiveness of these strategies, it is still necessary to develop operating mechanisms for MOSAFC for its subsequent implementation. Meanwhile, the Ministry of Health (MINSA) budget will appropriate 44.6% of resources to hospitals according to the 2009 General Budget Proposal compared with 43.9% for primary care, where preventive care is being promoted and provided, in contrast to prior years when primary care received 72.9% (2005), topping out at 83.3% in 2008.
- 1.6 Quality is a limiting factor of demand, even more than lack of access or cost in the case of urban areas. Thus, 13.1% of urban households not seeking medical attention cite quality limitations (including lack of supply) compared with 0.6% distance.<sup>12</sup> Also, added to the lack of income is poor awareness or attitudes regarding the value of comprehensive care and the role of the family in comprehensive child development. These deficiencies limit the use of comprehensive care services. Accordingly, the “Poverty Profile”<sup>13</sup> indicates that the two main reasons why parents do not send their children to preschool are the perception that it is unnecessary (“they are too little”) and lack of access to preschool programs.
- 1.7 **Government’s strategy.** The Nicaraguan government has been consolidating the PNDH since 2008, establishing its priority actions and outcome targets. Noteworthy among the social policies in the PNDH is according priority to the poorest in the

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<sup>10</sup> Appropriation to PROCOSAN: US\$390,000 in 2007 and US\$121,000 in 2008, source, *ibid* note 9.

<sup>11</sup> *Social Protection Spending Analysis*, World Bank, January 2009.

<sup>12</sup> *LSMS 2005 and Poverty Profile*, World Bank, June 2007.

<sup>13</sup> *Ibid* note 2.



actions of the social area ministries and launching of the national social welfare system to coordinate action to restore the rights of children. This first social priority is addressed in the Amor program, which currently has very limited coverage. In terms of promotion and prevention, this program is being financed mainly by contributions from PAININ in the rural area and from this loan in the urban area. The national social welfare system emphasizes MIFAN's role as the main executing agency of the Amor program, in accordance with the mandate under Law 290, and as the lead agency for social protection responsible for extending care to the most vulnerable groups under the Code on Children. Along these lines, the government is promoting reorganization of MIFAN to deepen the focus on a regional network with a reallocation of resources from the central level to local governments and communities.<sup>14</sup> To date, the proportion of resources allocated to the decentralized level has increased from 53% in 2006 to 80% in 2010. Notwithstanding this progress, the supply of human and financial resources in regional areas still needs to be solidified in order to achieve the increases in child care coverage proposed in the PNDH. Without affecting MIFAN's main role, development of the national social welfare system also includes formalization of mechanisms for coordination between public institutions at the central and local levels. The Amor program platform is designed to achieve such coordination through alignment of the Education, Health, and MIFAN targets for children, with the specific support of this operation.

- 1.8 **Bank's experience.** The Bank's commitment to human capital development for the most vulnerable and poverty reduction in Nicaragua has resulted in technical and financial support for important programs since the mid-1990s. The Bank's Country Strategy with Nicaragua 2008-2012 (document GN-2499) highlights the strategic objective of improving the management and coverage of social services, including development of a national social welfare system. That objective is based on important lessons learned from the programs financed, especially the three phases of PAININ, the Program to Improve Mother and Child Health, the two phases of Nicaragua's Social Safety Net, and Support for the Strengthening of MIFAMILIA to target vulnerable groups. All of these programs emphasize the need to identify and give clear priority to the target population (i.e. to have explicit and rigorous targeting mechanisms both for reasons of equity to have a progressive effect and for reasons of relevance of the interventions. Additionally, cumulative experience points to the importance of promoting systematized (with explicit standardized norms) and comprehensive (covering health, nutrition, and cognitive development and encompassing a minimum of the mother/child duo and improvements in the household) intervention models. Also, precisely due to the comprehensive nature of the interventions, experience with these programs identifies consolidation of institutional mechanisms in a network as indispensable to the sustainability of the interventions, in terms of assigning responsibilities and adhering strictly to the

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<sup>14</sup> Consistent with the loan to strengthen the Ministry of the Family (MIFAMILIA), 1576/SF-NI.

authority of the stakeholders, organizing execution around a coordinated structure, not just one entity, and building capacity at the community level.

- 1.9 **Complementarity with other operations.** This program seeks complementarity with the portfolio of social sector operations supported by the Bank, principally with the third phase of PAININ and the program to strengthen MIFAN,<sup>15</sup> and consistency with the policies promoted in the strengthening of fiscal and social management programmatic series (policy-based loan). PAININ's current coverage focuses on 66 rural municipios, without duplicating the activities of the present proposal, which starts implementing this national program in urban areas. The care model promoted is the result of a process of systematization since creation of PAININ, in collaboration with the health and education ministries and the network of civil society organizations that advocate for children. As such, it is the normative basis of this operation. Bank financing is being used to adapt this model to address the needs of urban areas and to strengthen mechanisms for working as a network in the national social welfare system strategy. Current coverage of preschool education (consisting of one year of pre-primary education) provided by the Ministry of Education (MINED) is extremely limited in the neighborhoods prioritized under the program. However, the execution mechanisms in the communities include an initial diagnostic of existing supply as a basis for the work plans at that level. The outcomes and policies promoted in the component to improve the quality of social spending in the strengthening of fiscal and social management programmatic series and the strategy of the present program are fully consistent in that they emphasize improving the quality of spending, understood as prioritizing the activities financed for the most vulnerable beneficiaries, monitoring the effectiveness of such activities, and increasing the coverage of high-impact interventions for the Millennium Development Goals (MDGs), such as child health (comprehensive care) and maternal health (prenatal and child-bearing).
- 1.10 **Program strategy.** The dialogue with the Bank and latter's technical support for the government in the process of initially consolidating a social welfare network included an analysis of the interventions envisaged under this operation, like targeted support for the Amor program. While there is agreement on the inadequacy and volatility of income as one of the main factors that (together with the lack of access and quality) limit demand among the very poor for social services, the government indicated its preference for not including conditional cash transfers and for concentrating resources on expanding child care services. The Bank recommended carefully targeting the supply of essential services, since they represent a transfer in kind by providing free care and food supplements for child beneficiaries and complementing that investment with interventions that stimulate demand as adults in the household acquire the knowledge, attitudes, and positive behaviors necessary for human capital accumulation in childhood. Targeting (see paragraph 1.14) and coordination of supply and demand (see paragraph 1.16) are

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<sup>15</sup> Both operations are about 50% disbursed. Their status is classified in the project monitoring report (PMR) as satisfactory and low risk.

thus the core elements of the program strategy, seeking to make care more comprehensive and make sustainable improvements in the indicators for children and women of child-bearing age, including adolescents. This means laying the groundwork for a system—understood as a functionally coordinated network—that goes beyond merely coordinating actions. The program encourages identification of a shared macroobjective requiring a shared prioritization of coordinated monitoring arrangements and midterm targets as a contribution by each stakeholder to the expected impact. Financial resources must be invested and technical assistance is needed to develop these capacities and mechanisms. This means that those elements constitute innovations in the country context, the effectiveness and sustainability of which warrant monitoring. Accordingly, it was decided to implement the program as a multiphase investment loan (see paragraph 1.12). The draft ex ante cost-benefit analysis of program interventions finds a positive relationship between the projected benefits and program costs.

- 1.11 **Objectives, components, and cost.** The objective of the program is to expand quality access to inclusive and sustainable community interventions for providing comprehensive care to children under six and their families and communities in urban areas accorded priority on account of their level of poverty, in an effort to help improve the comprehensive development of children living in extreme poverty in urban areas.
- 1.12 The program is structured as a multiphase investment loan consisting of two phases coordinated by an external impact evaluation that will analyze quality, access, and sustainability. The first phase, with a planned execution period of two and a half years at a cost of US\$15 million, should make it possible: (i) for MIFAN to establish operating capacity and coordinate with partner institutions to extend a comprehensive care network for children in targeted urban neighborhoods; (ii) to identify the most cost-effective ways of improving access to care and its quality; and (iii) to identify a sustainability strategy for public financing of comprehensive child care.
- 1.13 The second phase would focus on expanding coverage of the model—fine-tuned based on the evaluation—to new target neighborhoods. The proportion of resources allocated to investment in infrastructure and strengthening of the network would be reduced from phase one. Financing is tentatively anticipated to be US\$20 million over a three-year period, including local counterpart funding of 10% for gradually financing recurring costs starting in that phase. The milestones described in Table I.2 must be met for an eventual phase two to be considered by the Bank.

**Table I.2 Required milestones for consideration of Phase II**

Variable	Target	Means of verification
<b>Operating capacity</b>		
Phase I commitments and disbursements	75% of committed funds and 50% of disbursed funds	Bank systems
Coverage achieved	6 months after the first disbursement, 3,000 children are attending CCCCs and temporary facilities. 12 months after the first disbursement, 6,500 children are attending new and refurbished CCCCs and temporary facilities. 18 months after the first disbursement, 10,000 children are attending CCCCs.	MTS and independent inspection
<b>Effectiveness of the intervention model for achieving quality and access</b>		
Impact based on external evaluation	In at least two of the program's impact indicators (agreed in the results matrix), the targets established in the results matrix were reached.	Program evaluation (measurements after 12 months' exposure to the program)
<b>Program sustainability</b>		
Gradual absorption of the cost of comprehensive child care with public resources	Updating of the study of the fiscal impact of the program and public spending and proposal to gradually absorb the recurring cost of comprehensive care of children and their families with public resources, approved by the Nicaraguan government.	Proposal to gradually absorb recurring costs of comprehensive care of children and their families with public resources provided by the Nicaraguan government to the Bank, based on an updated analysis of the program's fiscal impact, from which the sustainability of its interventions can be determined
Cost-effectiveness model	Operating Regulations for the program revised to reflect the recommendations in the evaluation.	Proposed changes to the Operating Regulations submitted by the Nicaraguan government

- 1.14 The program targeting strategy is geographically based at the neighborhood level. It was developed from INIDE's official poverty map, which identifies five dimensions of deprivation or unmet basic needs (UBNs). The agreed method analyzes the dimensions of deprivation in greater detail using the UBN concept without modifying its definition or adding any variables. Using the most recent Population and Housing Census (2005) database, the municipios with the greatest number of extremely poor households are identified, and then within those municipios those neighborhoods with the largest percentage of people in extreme poverty. Having identified the 12 municipios (of 153) where half of all urban homes in extreme poverty in the country are concentrated, a score is generated for each home and aggregated at the neighborhood level indicating the degree of unmet household needs, which is not more than the weighted proportion of unmet needs of each household (2, 3, 4, or 5 UBNs). The neighborhoods for which the adjusted concentration of households in extreme poverty is greater than or equal to double the urban average for that metric qualify in principle for the program.

- 1.15 **Component 1: Family and community support for comprehensive child development (US\$3.2 million).** This component seeks to strengthen knowledge and foster positive attitudes and behaviors for the comprehensive development of children in the families and communities targeted by the intervention through psychosocial support for families, counseling, and training, and strengthening of community participation, promoting a favorable environment for the comprehensive child development. This component will support the identification or strengthening and training of community stakeholders to participate in program execution and monitoring, family outreach services will be provided, parent and youth schools will be available, and support will be given for proper registration of children in the Office of Vital Records. Family-targeted interventions are intended to stimulate demand, as well as comprehensive and sustainable child care, promoting and giving continuity to healthy ideas and behaviors in the home. By the end of phase one, the program should reach 8,000 households in approximately 80 neighborhoods with a high concentration of extreme poverty in the nine priority municipios.
- 1.16 Family outreach corresponds to structured counseling through scheduled home visits by a social worker and a network of community counselors to identify the specific problems of each family affecting their development opportunities, refer the family first to basic social services, particularly for promoting the health and nutrition of women and adolescents and the household's basic education, and assist them with completing government procedures. The social worker will agree with the family on an advancement plan. Subsequent visits will be made to follow up on that plan and encourage the families to reach health and education goals. In the parent and youth schools, counseling and talks will be given in groups organized by age and gender. Based on a participatory methodology, the parent and youth schools will teach about early childhood development (emotional, cognitive, social, and physical), and the role of the family and community in that development, promoting positive behaviors and attitudes for child development. Support for child registration will be offered through community campaigns and mobile registration units.
- 1.17 **Component 2: Quality access to community services for comprehensive care for children and their families (US\$8.3 million).** The expected outcome of this component is to improve the access, quality, and sustainability of comprehensive care services for children under six. This component will support the extension and operation of a network of CCCCs in priority neighborhoods, where children under six from the neighborhood will be served during the school year under the comprehensive PAININ model adapted to the urban environment and geared toward making changes to improve the quality of care. Given the low current coverage of these services in the urban area, this component will finance the construction and/or refurbishment of facilities for CCCCs, as well as the supply of furniture and equipment and the cost of care: initial and ongoing training of teachers and outreach workers, their salaries, children's meals and nutritional supplements ("Chispitas"), as well as materials for child stimulation and care. The

cost of care per child has been estimated at US\$92 each year, which includes US\$20 for food. In applying MINED's regulation on inclusive education and leveraging the revised content of the PAININ-III program, the CCCCs will also provide care to children with disabilities to promote their learning and development in an environment that permits interaction and learning with other children. This component will also be supported with training and specialized materials for the health and education sectors to facilitate the referral of beneficiary children from the program to comprehensive health and nutritional care, their advancement to primary education, the referral of women from the household to comprehensive healthcare, including counseling for adolescents, and the referral of school-age siblings to school. The goal of the program is to cover 10,000 children by the end of the first phase.

- 1.18 **Component 3: Strengthening of an institutional network for comprehensive child care (US\$1.3 million).** This component focuses on strengthening the management of MIFAN and the mechanisms for working as a network, mainly with the health and education ministries, as well as with local stakeholders: municipalities, civil society organizations, and community committees. It includes an important training and technical assistance program for MIFAN, as well as the organization, training in technical and management issues, and operation of committees at strategic, technical, local, and community levels to ensure the assumption and follow-up of commitments by each stakeholder and achieve the complementary and coordinated action of these stakeholders for comprehensive family care. It also includes targeting and beneficiary registration mechanisms, and the introduction of a system for operational monitoring and evaluation of the program, the supply of IT equipment to support the system, and actions to communicate and disseminate the program outcomes.
- 1.19 The program covers administrative costs estimated at US\$820,000 for the two-and-one-half-year implementation of phase one, which encompasses: a technical support team for MIFAN at the central level and the nine local government offices participating in the program, the supply of office equipment and materials and transportation, operating expenses for these first two levels, and financial audits of the program. Financial costs and contingency expenses round out the US\$15 million budget envisaged for phase one (see itemized table).

**Table I.3 Costs table by component (US\$ thousands)**

<b>Investment category</b>	<b>IDB</b>	<b>%</b>
1. Component 1: Family and community support for comprehensive child care	3,189	21.3%
2. Component 2: Quality access to community services for comprehensive care for children and their families	8,358	55.7%
3. Component 3: Strengthening of the institutional network for comprehensive child care	1,344	9%
4. Administrative expenses	821	5.5%
5. Finance expenses	438	2.9%
6. Contingencies	850	5.7%
<b>TOTAL</b>	<b><u>15,000</u></b>	<b><u>100.0%</u></b>

- 1.20 **Key outcome indicators.** The program's expected outcomes concern supply and demand, with an emphasis on the access and quality of child development interventions. In particular, the program is expected to have an impact on: the healthy growth and development of children ages 0 to 6, the health of women, especially pregnant women and nursing mothers, and the net school enrollment of children in primary school at the proper age by the program. The component for family and community support for comprehensive child development is expected to have an effect on the ideas and attitudes of fathers, mothers, and adolescents through structured family outreach visits and their attendance at parent and youth schools, as well as on proper child registration with the Office of Vital Records. The component for access to community services for comprehensive care for children and their families is designed to improve access to comprehensive care (complete age-appropriate vaccination schedule, appropriate child development) for children under six, including children with disabilities, access to adequate healthcare for women in the household of child-bearing age, and nutrition and health of pregnant women. The component for strengthening the institutional network for comprehensive child care is geared to prioritizing beneficiaries (minimizing filtration and exclusion), as well as helping to increase knowledge about the program in the home. The component includes institutional strengthening of line ministries to address overall program coordination and coverage. Annex II shows the program's expected outcomes.

## **II. FINANCING STRUCTURE AND RISKS**

- 2.1 **Financing instruments.** This is a multiphase investment loan (see paragraph 1.12) with an initial execution phase of two and one half years (disbursement period of three years) and a cost of US\$15 million. The financing matrix for phase one would cover the entire amount with Bank resources.
- 2.2 **Environmental and social safeguard risks.** Investment in the physical environments of the CCCCs will consist of new structures and upgrading of existing government facilities, with projects all of very limited scope due to the

- community nature of the care model. Nonetheless, as the facilities will be used for children, they must comply with the Bank's policy on natural disaster prevention and the country's environmental management procedures. To this end, the Bank financed a proposal to standardize the scope of all investment projects and systematize the environmental and risk management protocol for those projects in accordance with national regulations. Compliance with that protocol will be mandatory for contractors and the executing agency. In view of the foregoing and in accordance with the Bank's Environment and Safeguards Compliance Policy (OP-703), this operation is classified as category "B".
- 2.3 The program is expected to have positive impacts, especially on the most vulnerable children and their families in the country, due to the targeting mechanism and intervention selection, whose cost-effectiveness has been internationally documented. The program's action areas are municipios with the greatest number of extremely poor households and the neighborhoods with the greatest percentage of people in extreme poverty. Although the target municipios do not include the administrative centers of the autonomous regions, the intervention norms and all program materials are being reviewed with an inclusive and cultural relevance focus, and those principles will be included in the Operating Regulations. The activities of component 1 include meetings and a participatory diagnostic of the networks and supply existing in each neighborhood, creating a public consultative mechanism to ensure the program's relevance. Impacts are expected to contribute to attainment of MDGs 1, 4, and 5.
- 2.4 **Fiduciary risks.** As executing agency of operations 1729/SF-NI (PAININ-III) and 1576/SF-NI (Strengthening of MIFAMILIA), MIFAN's fiduciary capacity was analyzed in June 2009. The analysis found that the ministry presents a low level of risk in the area of financial management. Accordingly, disbursements have been reviewed ex post. Nonetheless, MIFAN personnel at headquarters have changed since the evaluation, and execution of this operation requires the active role of the local government offices. Consequently, disbursements for this operation will initially be reviewed ex ante. In the area of procurement, the ministry's institutional capacity is being strengthened with external resources financed by the loans in execution, and the capacity absorbed to date by the ministry is limited. Hence, all procurement contracts will initially be reviewed ex ante. Likewise, the operating expenses for this operation include the hiring of procurement specialists and their gradual absorption by the ministry. By strengthening management capacity (planning, outcomes monitoring, and fiduciary issues), component 3 commits MIFAN to achieving outcomes with respect to the flexible implementation of the program. Those outcomes are established as operating capacity milestones to permit negotiations for a future second phase.
- 2.5 One of the program's potential risks concerns MIFAN's absorption capacity. However, based on projections, between 2010 and 2012 MIFAN is expected to receive nearly US\$38 million from the budget to implement its institutional programs, plus US\$15 million from the program. Between 2005 and 2008, MIFAN



executed close to US\$22 million in PAININ phases II and III. Since then, its allocation of human resources, with public financing, has increased with better territorial distribution.

- 2.6 **Other risks.** A key aspect of the program's sustainability is the issue of fiscal risk. Although the country has improved its fiscal situation by alleviating the external public debt, it continues to be highly vulnerable to fluctuations in official transfers, foreign direct investment, and economic growth. In this scenario, allocations for social services and social assistance for children represent nearly one percent of GDP. In 2008, it fell by two percent with respect to 2005, even though central government social spending increased.<sup>16</sup> Between 2006 and 2009, MIFAN has received an average of 0.9% of the total central government budget. During that same period, the annual budget has been cut from US\$16.8 million to US\$11.4 million, and compared to the budget of the Health and Education ministries, MIFAN's budget declined from 5.0% in 2006 to 2.2% in 2009. However, the reduction responds to guidelines for streamlining the budget structure for the allocation of services to child and adolescent care and protection between line institutions. Using this approach, MIFAN becomes the coordinator of the national social welfare system. Provided that the services are recognized as selective and not universal and, therefore, carefully targeted (like under this program), a budget appropriation to MIFAN that is limited compared to other sector ministries could be sufficient.
- 2.7 The analysis of the program's fiscal impact is being completed and the draft is attached. Preliminary findings suggest that the recurring cost of services for the beneficiaries is limited compared to the government's current social spending. Although the current context does not envisage the possibility of increasing financing for recurring costs of services during phase one, it will be a condition for an eventual phase two, and is included in the financial sustainability milestone. Given the nature of interventions with cost-effectiveness documented in international experience and the beneficiary profile, the targeted nature of this operation suggests that its future financing with public resources will be recognized as strategic for achieving the MDGs of reductions in extreme poverty, mortality of children under five, and maternal mortality. The results of the impact evaluation should strengthen the program's position.

### III. IMPLEMENTATION AND ACTION PLAN

- 3.1 **Summary of implementation arrangements.** The executing agency is MIFAN, under the mandate and powers conferred by the Executive Branch Organizational Act, as the entity responsible for protecting vulnerable groups. MIFAN has been

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<sup>16</sup> Central government social spending accounted for 23.2% of GDP in 2005 and 2008, and 24.8% in 2009. Social spending as a proportion of GDP was 10.9% in 2005; 12.6% in 2008; and 13.2% in 2009. The PNDH projects that the proportion will be 12.9% in 2010 and 2011. Source: [www.hacienda.gob.ni](http://www.hacienda.gob.ni) and PNDH.

- implementing PAININ since its inception (1998) and has been executing Amor program activities for children under six since the national social welfare system was launched (September 2008). As a national social welfare system operational proposal, this program includes the testing of coordinated actions so that at least the three social ministries (MIFAN, MINSA, and MINED) coordinate their efforts with the same families, with each ministry acting under its own legal mandate. The mechanisms for operation of the social cabinet and the Amor program will be systematized and developed for technical monitoring at the central and local levels. In this setting, MIFAN will coordinate the mechanisms for interaction with the municipalities, the national police, and stakeholders in civil society organizations.
- 3.2 The execution period for phase one will be two and a half years (with a disbursement period of up to three years). Operating Regulations are being developed and must take effect as a condition precedent to the first disbursement. The regulations will include at least the following key points: (i) targeting norms and mechanisms as indicated in paragraph 1.14; (ii) a detailed description of how MIFAN systematically monitor the progress using the monitoring and tracking system; (iii) a detailed description of the content of the impact evaluation and the methodology that will be used; and (iv) a description of program implementation plan that includes the functions of the social cabinet and those of other participating entities.
- 3.3 **Fiduciary considerations.** MIFAN will be responsible for keeping the program accounting records, according to the chart of accounts approved by the Bank. MIFAN will use the SIGFAPRO module of the national SIGFA system [the governmental system for accounting and financial reporting]. It will have resources from a revolving fund of up to 10% of the total financing in order to have sufficient liquidity when the program begins to finance multiple works. According to paragraph 2.4, disbursements will be reviewed ex ante, a modality that may be changed if warranted by the level of risk determined by the Bank in subsequent reviews. Each year, MIFAN will present the program's financial statements for the prior period audited by an auditing firm acceptable to the Bank. Procurement for the program will be the responsibility of MIFAN in accordance with the Bank's policies (documents GN-2349 and GN-2350-7). As in the case of the two loans in execution, all procurement processes will be reviewed ex ante.
- 3.4 **Summary of metrics for outcomes monitoring.** The MTS used by PAININ will be applied to monitor results, which records the status of services and the sociodemographic indicators of beneficiaries. Component 3 includes financing and technical assistance to adjust the MTS to the complementary interventions of this proposal and to the needs of working as a network (coordination with other information systems within the central government, strengthening of monitoring and evaluation in line ministries). MIFAN must present to the Bank the AWP and semiannual status reports, indicating progress made in the components based on the indicators in the results matrix and those included in the MTS.

- 3.5 The program's impact evaluation will be external and independent. As a key element of the multiphase tool, the evaluation will measure the effects of one year's exposure in phase one and provide feedback to the government on the most cost-effective and financially sustainable intervention alternative. In addition to verifying the effectiveness of interventions in the urban environment, it would be interesting to know the impact of variations in intensity of different quality dimensions on the program's expected outcomes, as well as the effectiveness of innovative components like family outreach and parent and youth schools. The final design of the impact evaluation and its execution will be financed by a nonreimbursable technical-cooperation project (NI-T1082). The design is experimental and includes a determination of a base level and monitoring metric. Six months after the effective date of the loan contract, MIFAN will present the results matrix indicator baseline and a description of the procedure to be used for gathering and processing annual data that need to be compared with initial data in order to evaluate the progress of program outcomes. Sample calculations of this evaluation are now available. The impact evaluation will be complemented with qualitative studies and studies of the effectiveness of different program promotion strategies.
- 3.6 **Design activities prior to negotiation and after approval:** (i) the table of contents of the Operating Regulations is included as an annex. **Approval and entry into effect of the program Operating Regulations as agreed with the Bank is a special contractual condition precedent to the first disbursement;** and (ii) in order to finalize the design of the program evaluation and obtain the first and second measurement data, the nonreimbursable technical-cooperation project (NI-T1082) is being negotiated and the profile will be presented for review in November 2009. It is expected to be approved in late January 2010.

CONFIDENTIAL

## RESULTS MATRIX

<b>PROGRAM OBJECTIVE</b>	Expand quality access to inclusive and sustainable community interventions for comprehensive child development.		
<b>EXPECTED IMPACT</b>	Help improve the comprehensive development of children living in extreme poverty in urban areas.		
<b>IMPACT INDICATORS</b>	<b>Baseline</b>	<b>Final Target</b>	<b>Comments/Source of Data</b>
Prevalence of children under five with chronic malnutrition	14.1%	8.3%	Surveys of the baseline and second evaluation measurement
Percentage of children with appropriate cognitive development for their age		Increase of five percentage points above the baseline	Surveys of the baseline and second evaluation measurement
Percentage of children with appropriate motor development for their age		Increase of five percentage points above the baseline	Surveys of the baseline and second evaluation measurement
Percentage of children with appropriate social development for their age		Increase of five percentage points above the baseline	Surveys of the baseline and second evaluation measurement
Percentage of children with appropriate language development for their age		Increase of five percentage points above the baseline	Surveys of the baseline and second evaluation measurement
Percentage of values, knowledge, and attitudes in fathers, mothers, and adolescents	In the process of being defined based on a survey	In the process of being defined based on a survey of an intervention and control group	Surveys of the baseline and second evaluation measurement
Net primary school enrollment in neighborhoods targeted by the program	Enrollment: 82% of urban poor (Living Standards Measurement Study (LSMS) 2005)	Three percentage points above the control group	Surveys of the baseline and second evaluation measurement

Component 1: Family and community support for comprehensive child development					
Outputs	Base Level	Year 1 (2010)	Year 2 (2011)	Cumulative Target	Source of Data/Parties Responsible
Number of family advancement plans formulated and revised	0	90% of beneficiary families	95% of beneficiary families	95%	Reports from the monitoring and evaluation system
Number of parent schools organized and in operation <sup>i</sup>	0	63	65	128	Reports from the monitoring and evaluation system
Number of youth schools organized and in operation	0	30	40	70	Reports from the monitoring and evaluation system
<b>Intermediate outcomes</b>					
Number of visits from family outreach specialists each year during the first year of services for each family	0	6 per family each year	6 per family each year	12 per family during the program	Reports from the monitoring and evaluation system
Number of households enrolled in parent schools	0	3,000	10,000	10,000	Reports from the monitoring and evaluation system
Number of adolescents enrolled in youth schools	0	1,500	5,000	5,000	Reports from the monitoring and evaluation system
<b>Direct outcomes of the program</b>					
Percentage of parents graduating each year (parent school)	0	50%	75%	95%	Reports from the monitoring and evaluation system
Percentage of adolescents graduating each year (youth school)	0	60%	75%	90%	Reports from the monitoring and evaluation system
Percentage of children under 12 in the beneficiary neighborhoods not registered at the appropriate time with the Office of Vital Records	25%	18%	8%	8%	Reports from the monitoring and evaluation system

Component 2: Access to community services for comprehensive care of children and their families					
Outputs	Base Level	Year 1 (2010)	Year 2 (2011)	Cumulative Target	Source of Data/Parties Responsible
Number of CCCCs in operation in the neighborhoods targeted	0	63	65	128	Reports from the monitoring and evaluation system
Number of teachers enrolled in the certificate program	0	454	534	988	Reports from the monitoring and evaluation system
Number of parent committees in operation	0	63	65	128	Reports from the monitoring and evaluation system
Number of employees from the national social welfare system trained in program execution	0	80	100	180	Reports from the monitoring and evaluation system
<b>Intermediate outcomes</b>					
Percentage of teachers graduating from certificate programs	0	80%	90%	100%	Teacher graduation certificates
Percentage of children under six from the target neighborhoods covered by the CCCCs	0	30%	80%	80%	Reports from the monitoring and evaluation system
Percentage of children over seven from the target neighborhoods referred to primary school (*those identified as not enrolled)	0	50%	80%	80%	Reports from the monitoring and evaluation system
Percentage of women of child-bearing age referred to health programs (*those without sexual and reproductive health counseling in the last year)	0	80%	90%	90%	Reports from the monitoring and evaluation system
Percentage of pregnant women referred for comprehensive women's care (*those without prenatal checkups or sexual and reproductive health counseling)	0	90%	95%	95%	Reports from the monitoring and evaluation system

Direct outcomes of the program					
Percentage of pregnant women attending health and nutrition programs in neighborhoods targeted by the program		70%	80%	95%	Reports from the monitoring and evaluation system
Percentage of women of child-bearing age attending health programs in the neighborhoods targeted by the program		70%	80%	90%	Reports from the Ministry of Health (MINSA)
Percentage of children with a complete vaccination program appropriate for their age (children between 12 and 23 months of age) in neighborhoods targeted by the program		75%	90%	90%	Reports from the monitoring and evaluation system
Percentage of pregnant women in neighborhoods targeted by the program with prenatal checkups in accordance with the national health protocol		55%	70%	70%	Reports from the monitoring and evaluation system
Percentage of pregnant women targeted by the program giving birth at a medical facility		55%	70%	90%	Reports from the monitoring and evaluation system
Percentage of children ages 0 to 6 months who are nursing (exclusive and supplemental nursing)	Approximately 13%	20%	30%	30%	Reports from the monitoring and evaluation system
Percentage of children under six with disabilities in the target neighborhoods (with respect to the universe of children with disabilities) enrolled in CCCCs for at least one year		60%	80%	80%	Reports from the Ministry of the Family, Adolescence, and Children (MIFAN)
Percentage of children under six enrolled in CCCCs for at least one year		70%	90%	90%	MIFAN reports
<b>Component 3: Strengthening of the institutional network for comprehensive child care</b>					
Outputs	Base Level	Year 1 (2010)	Year 2 (2011)	Cumulative Target	Source of Data/Parties Responsible
System for enrolling the program beneficiaries is designed and in operation	0	1	1	1	Reports from the monitoring and evaluation system



Number of municipal networks with an intervention plan in execution	0	5	9	9	Reports from the monitoring and evaluation system
Comprehensive monitoring and evaluation system for the program is designed and in operation	0	1	1	1	Reports from the monitoring and evaluation system
Number of studies and complementary research projects carried out for incorporating information from the institutional network	0	1	1	2	Reports from the monitoring and evaluation system
<b>Intermediate outcomes</b>					
Percentage of program beneficiaries included in the beneficiary identification and selection system	0	100%	100%		Reports from the monitoring and evaluation system
Percentage of qualified municipal networks in operation under the program	0	100%	100%		
Percentage of facilities with a comprehensive monitoring and evaluation system in operation	0	100%	100%		Reports from the monitoring and evaluation system
<b>Direct outcomes of the program</b>					
Percentage of non-poor households benefiting from the program	0	30%	30%		Survey
Percentage of poor households benefiting from the program	0	50%	50%		Survey
Percentage of beneficiaries who know about the program	0	40%	40%		Survey of beneficiary perceptions

<sup>i</sup> At least one parent school per Community Child Care Center (CCCC).

**PROCUREMENT PLAN SUMMARY**  
**PERIOD COVERED BY THIS PROCUREMENT PLAN: JANUARY 2010 TO JUNE 2012**

Ref. No.	Category and description of the procurement contract	Estimated cost of procurement (US\$ thousands)	Procurement method <sup>2</sup>	Review (ex ante or ex post)	Source of financing and percentage		Prequalification 3 (Yes/No)	Estimated dates		Status 4 (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/other %		Publication of specific procurement notice	Completion of contract		
	<b>1. GOODS</b>										
	Personnel and equipment for care centers	921,265	ICB	Ex ante	100%	0%	Yes				Five processes during program execution
	Food supplements ("Chispitas")	471,851	ICB	Ex ante	100%	0%	Yes				
	Teaching and educational materials	434,157	ICB	Ex ante	100%	0%	Yes				
	Goods and consumables	183,300	ICB	Ex ante	100%	0%	No				
	Software	132,000	NCB	Ex ante	100%	0%	No				
	IT equipment	111,500	NCB	Ex ante	100%	0%	No				
	Vehicles	64,000	NCB	Ex ante	100%	0%	No				
	Training support equipment	56,000	NCB	Ex ante	100%	0%	No				
	Micronutrients for children	45,534	NCB	Ex ante	100%	0%	No				
	Equipment for monitoring child growth and development	44,764	NCB	Ex ante	100%	0%	No				
	Outreach and social workers	27,639	NCB	Ex ante	100%	0%	No				
	Micronutrients for women	23,469	PC	Ex ante	100%	0%	No				
	Personnel and equipment	19,000	PC	Ex ante	100%	0%	No				
	Office and IT equipment	18,000	PC	Ex ante	100%	0%	No				
	Equipment for registration in the Office of Vital Records	4,000	PC	Ex ante	100%	0%	No				

Ref. No.	Category and description of the procurement contract	Estimated cost of procurement (US\$ thousands)	Procurement method <sup>2</sup>	Review (ex ante or ex post)	Source of financing and percentage		Prequalification 3 (Yes/No)	Estimated dates		Status 4 (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/other %		Publication of specific procurement notice	Completion of contract		
	<b>2. WORKS</b>										
	Refurbishment and repair of centers	1,370,313	NCB	Ex ante	100%	0%	Yes				
	Building of new centers	3,874,641	NCB	Ex ante	100%	0%	Yes				
	<b>3. NONCONSULTING SERVICES</b>										
	Updating of the beneficiary registry	229,500	QCBS	Ex ante	100%	0%	No				11 processes
	Meetings, seminars, and training events	3,603,757	ICB	Ex post	100%	0%	No				
	Printed matter and publications	636,506	NCB	Ex ante	100%	0%	No				
	Inclusion of youths	30,765	NCB	Ex ante	100%	0%	No				
	Information and communications activities	30,000	PC	Ex ante	100%	0%	No				
	Implementation of systems	20,000	PC	Ex ante	100%	0%	No				
	<b>4. CONSULTING SERVICES</b>										
	<u>Individual consultants</u>										
	Hiring of community personnel	1,136,555	NICQ	Ex ante	100%	0%	No				
	Hiring of support personnel for the program	345,750	NICQ	Ex ante	100%	0%	No				
	Technical assistance for system design and development	102,000	IICQ	Ex ante	100%	0%	No				
	Hiring of specialists for local government offices	27,000	NICQ	Ex ante	100%	0%	No				

Ref. No.	Category and description of the procurement contract	Estimated cost of procurement (US\$ thousands)	Procurement method <sup>2</sup>	Review (ex ante or ex post)	Source of financing and percentage		Prequalification 3 (Yes/No)	Estimated dates		Status 4 (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/other %		Publication of specific procurement notice	Completion of contract		
	Technical assistance for updating the master registry of beneficiaries	20,000	IICQ	Ex ante	100%	0%	No				
	Review and preparation of intervention plans	20,000	NICQ	Ex ante	100%	0%	No				
	Technical assistance for fine-tuning the targeting system	16,000	IICQ	Ex ante	100%	0%	No				
	Support for operation of municipal networks	15,000	NICQ	Ex ante	100%	0%	No				
	Design and validation of protocols	10,000	NICQ	Ex ante	100%	0%	No				
	Development and standardization of guides and manuals	10,000	NICQ	Ex ante	100%	0%	No				
	Technical assistance for review and fine-tuning instruments	7,500	NICQ	Ex ante	100%	0%	No				
	Technical assistance for validating instruments and formats	7,500	NICQ	Ex ante	100%	0%	No				
	Development of operating guidelines	7,500	NICQ	Ex ante	100%	0%	No				
	Diagnostic of the Office of Vital Records	5,000	NICQ	Ex ante	100%	0%	No				
	Technical assistance for the design and validation of Operating Regulations for the national social welfare system	5,000	NICQ	Ex ante	100%	0%	No				
	Development of operation guides and manuals	5,000	NICQ	Ex ante	100%	0%	No				
	Technical assistance for formulating strategic plans	3,600	NICQ	Ex ante	100%	0%	No				
	Inventory of institutions and services	3,000	NICQ	Ex ante	100%	0%	No				
	Diagnostic of training needs	2,500	NICQ	Ex ante	100%	0%	No				

Ref. No.	Category and description of the procurement contract	Estimated cost of procurement (US\$ thousands)	Procurement method <sup>2</sup>	Review (ex ante or ex post)	Source of financing and percentage		Prequalification 3 (Yes/No)	Estimated dates		Status 4 (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/other %		Publication of specific procurement notice	Completion of contract		
	<u>Consulting firms</u>										
	Qualitative studies and research	80,000	QCBS	Ex ante	100%	0%	No				
	Operational research	80,000	QCBS	Ex ante	100%	0%	No				
	Systems maintenance and support	45,000	QCBS	Ex ante	100%	0%	No				
	Financial audit	40,000	QCBS	Ex ante	100%	0%	No				
	Audit of the beneficiary registration system	30,000	QCBS	Ex ante	100%	0%	No				
	Technical assistance in social management	25,000	QCBS	Ex ante	100%	0%	No				
	Definition of the strategic management structure	20,000	QCBS	Ex ante	100%	0%	No				

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-\_\_\_/09

Nicaragua. Loan \_\_\_\_/BL-NI to the Republic of Nicaragua  
Urban Program for the Welfare of Extremely  
Poor Children, Phase I

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 Republic of Nicaragua, as Borrower, for the purpose of granting it a financing to cooperate in the execution of an urban program for the welfare of extremely poor children, phase I. Such financing is under the multilateral debt relief and concessional finance reform at the Bank, and will be for the amount of up to US\$7,500,000, from the resources of the Single Currency Facility of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on \_\_\_\_\_)

LEG/SGO/CID/IDBDOCS#2257223  
NI0155

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

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Urban Program for the Welfare of Extremely  
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(Adopted on \_\_\_\_\_)

LEG/SGO/CID/IDBDOCS#2257232  
NI0155