

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

NICARAGUA

SUPPORT FOR IMPLEMENTATION OF A MANAGEMENT-FOR-RESULTS SYSTEM

(NI-T1044)

PLAN OF OPERATIONS

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ANNEXES

Annex I Logical Framework
(<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=781094>)

BASIC SOCIOECONOMIC DATA

For basic socioeconomic data, including public debt information, please refer to the following address:

http://www.iadb.org/res/externallink_list.cfm?language=en&parid=1&item1id=1&detail=Box1#b1

APPENDICES

Proposed resolution

Electronic Links and References	
Annex II Itemized Budget	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=781098
Annex III Indicative Terms of Reference	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=769349
Annex IV Procurement Plan	http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=781421

INFORMATION AVAILABLE IN THE RE2/SC2 FILES

Preparation:

Country Diagnosis and Action Plan
Country Financial Accountability Assessment (CFAA)
Country Procurement Assessment Review (CPAR)

ABBREVIATIONS

CESI	Committee on Environment and Social Impact
CFAA	Country Financial Accountability Assessment
CGR	Comptroller General's Office
CPAR	Country Procurement Assessment Report
DEPA	Development Effectiveness Program Account
HIPC	Heavily Indebted Poor Countries Initiative
ICB	International competitive bidding
MHCP	Ministry of Finance
MPMP	Medium-term Budget Framework
OAFE	Office of Fiscal and Economic Affairs
PND	Plan Nacional de Desarrollo [National Development Plan]
PND-O	Plan Nacional de Desarrollo Operativo [National Development Work Plan]
PRODEV	Program to Implement the External Pillar of the Medium-term Action Plan for Development Effectiveness
SETEC	Technical and Strategic Secretariat of the Office of the President
MfR	Management-for-results
SGPRS	Strengthened Growth and Poverty Reduction Strategy
SIGFA	Sistema de Administración Financiera [Financial Management System]
SNIP	Sistema Nacional de Inversiones Públicas [National Public Investment System]

NICARAGUA

SUPPORT FOR IMPLEMENTATION OF A MANAGEMENT-FOR-RESULTS SYSTEM

(NI-T1044)

EXECUTIVE SUMMARY

Beneficiary:	Republic of Nicaragua	
Executing agency:	Ministry of Finance (MHCP)	
Financing:	IDB (DEPA Subaccount B)	US\$ 1,600,000
	Local:	US\$ 160,000
	Total:	US\$ 1,760,000
Objectives:	<p>The purpose is to strengthen budgetary planning, programming, management and evaluation, so as to advance the implementation of a management-for-results (MfR) system. The specific objectives of this technical cooperation operation are: (i) to design and introduce a strategic planning model integrated with budget programming, laying the foundation for the integration of regional and sector planning into the national planning context; (ii) to prompt budgetary reform that moves institutions toward a results-driven approach by introducing tools to bring a consolidated, medium-term perspective to public sector management; and (iii) to design and develop a tracking system that extends to the most decentralized levels of government and produces integrated and coherent information, optimized for decision-making.</p>	
Terms (running from the effective date of the letter of agreement):	Execution period:	24 months
	Disbursement period:	30 months
Special contractual conditions:	None.	
Exceptions to Bank policies:	None.	
Environmental and social review:	<p>As noted in the minutes of the 30 June 2006 meeting of the Committee on Environment and Social Impact (CESI), this operation requires no environmental impact assessment, because the financed activities will have no adverse environmental or social impacts.</p>	

I. FRAME OF REFERENCE AND RATIONALE

A. The MfR-based public management system in Nicaragua

- 1.1 Nicaragua is one of Latin America's poorest countries. Before debt relief, it had one of the highest levels of public debt. Its public policy strategy is currently based on the Strengthened Growth and Poverty Reduction Strategy (SGPRS), designed and now being implemented under the Heavily Indebted Poor Countries (HIPC) initiative.
- 1.2 The SGPRS was launched on 31 August 2001 as a medium-term national strategy for enhancing welfare and alleviating poverty among the people of Nicaragua. The monitoring system for the SGPRS consists of the General Budget of the Republic, the Public Investment Plan, and the poverty indicators. The National Poverty Indicator Tracking System (SINASIP) monitors poverty impact against 27 indicators, of which 2 are economic, 7 relate to education, and 18 to health.
- 1.3 One of the Nicaraguan government's strategic priorities is to fully implement a management-for-results (MfR) system that directs the use of public resources to maximize their impact on social and economic development, as well as transparency and efficiency in their management.

B. Institutional framework

- 1.4 There are several bodies responsible for the institutional planning framework. They set guidelines for national and sector policy-making under coordination of the Technical and Strategic Secretariat of the Office of the President (SETEC), which is the apex body for the participatory planning system¹ and executing the program for administrative reform and modernization of the State. It also heads the Public Investment System (SIP), which is part of the planning process within the framework for coordination between State and society.
- 1.5 The Ministry of Finance (MHCP) is the lead agency for most of the systems relevant for implementation of the MfR system. With respect to the financial management system, the MHCP is responsible for the budget, accounting, cash management, and public credit. It also oversees the human resources system, and so sets policy on employment, remuneration, and incentives for civil servants. In addition, it is the lead agency in the national assets system and the government procurement system, both of which are important in establishing the MfR system.

¹ In addition to the sector public institutions, SETEC coordinates a number of agencies and bodies involved in the planning process, made up of representatives of public and private social-sector and economic representative bodies and organizations at the local, departmental and national levels. This system is known as the "National Coordination System for Implementation, Monitoring and Participatory Evaluation of the SGPRS" (the PASE system).

- 1.6 Several different agencies have responsibilities in monitoring and evaluating the impact of government activities. Apart from the SETEC, the MHCP has the legal mandate to evaluate the achievement of economic objectives, plans and programs as input for budget priority-setting and spending programs. The National Statistics and Census Institute (INEC) performs censuses on population structure and growth and conducts household surveys that measure living standards using socioeconomic statistics such as levels of income, employment, education, housing and basic services. Finally, the Comptroller General's Office (CGR), which is responsible for the external control system, must evaluate public management to ensure transparent, efficient and effective use of resources, as well as to enforce its own internal control rules. The national executive branch is responsible for establishing and strengthening internal audit units.

C. Legal framework

- 1.7 Nicaragua's legal framework is suitable for implementation of an MfR system. The Financial Management and Budgeting Act (Law 550),² enacted in July 2005, calls for systems to be structured around the principles of efficiency, effectiveness, transparency, legality, and accountability. It provides that "expenditure budgets shall use the most effective techniques to demonstrate compliance with policies, physical targets and the production of goods and services within programs and projects to be executed by agencies." In an innovative move, the law introduces the medium-term budget framework (MPMP) as a fiscal and financial programming tool to be adopted within the next three years by all public sector institutions. It also emphasizes linkages with the planning system and, in particular, strengthens the mechanisms for coordination between the budgeting system and the public investment system, thus supporting the government's efforts to link the two systems, as discussed below.
- 1.8 The Civil Service Act (Law 476)³ contains provisions for instituting an MfR system. It introduces a merit pay system, and requires public competition for new hires, except for "at pleasure" appointments. In addition, the proposed evaluation system is based on meeting objectives and skills evaluation. The law provides for promotion and individual incentives, linked to a variable redistribution policy, as incentives for career development and compensation for hazardous working conditions.

D. Major challenges

- 1.9 While Nicaragua is pursuing several different initiatives aimed at developing an MfR system methodology, these are interrelated and at different stages. In

² Financial Management and Budgeting Act ([Law 550](#)).

³ Enacted in November 2003.

particular, those under way focus on regional and sector planning, and possess weaknesses that have hindered their integration within the central government.

- 1.10 The government is working to strengthen its planning system by preparing a National Development Plan (PND) based on the SGPRS, which puts greater weight on the pillars of broad-based economic growth and governance, as a complement to the social and economic areas well addressed in the SGPRS. Through a participatory planning process, the PND grew into a National Development Work Plan (PND-O) 2005-2009, which specified policies, objectives and activities in greater detail, dividing them among 10 working areas. For each of these activities monitoring indicators were selected, a baseline was set, and improvement targets for the period, cost estimates, available financing and the projected financing gap were determined.
- 1.11 Methodological changes were made in budget policy at the time the central government's draft budget for fiscal 2006 was prepared, so as to move away from the incrementalist approach and gain more control over resources. First, institutional expenditure ceilings are set through a process of political trade-offs between the requests submitted by ministries and the targets set in the medium-term financial program. This process differs from the former practice, which set maximum levels for current and capital expenditures for each institution on the basis of the financial program. Secondly, a Medium-term Budget Framework (MPMP) was introduced on a pilot basis for programs and targets at each institution. Third, a start was made at incorporating grant-funded programs and projects into the budget. Finally, in connection with the MPMP, a joint approach⁴ was taken to estimating recurrent expenditures generated by investment projects in the active portfolio.⁵
- 1.12 Nevertheless, there is now consensus⁶ on the need for a methodological change that will strengthen the budgeting process and move it towards results-driven programming. Experience in formulating the MPMP has demonstrated the need to strengthen the planning process as a prerequisite for MfR.
- 1.13 The planning system can be said to suffer from a number of weaknesses. First: (i) the process of monitoring and evaluating policies, programs and projects is impeded by shortcomings in the indicators, because the resources and technical capacity needed to establish indicators and targets for public output are lacking; (ii) the quality and targeting of the information generated are insufficient, some indicators are not systematically defined and reveal inconsistencies; (iii) most of the

⁴ The General Budget Office of the MHCP and SNIP, with the support of three sector agencies selected as pilot agencies.

⁵ As a new requirement for technical evaluation of the SNIP, agencies are being asked to include a forecast of recurrent project costs.

⁶ This is a legal requirement of the new Financial Management Act.

indicators now in use focus on service coverage, and only in the case of education are there indicators on service quality; and (iv) there are no effective data gathering or verification processes.

- 1.14 Second, the established planning processes have not successfully integrated regional needs into the national planning system. Despite efforts⁷ to define and prioritize regional demand for investment projects, the programs and projects now under way reflect centrally made supply decisions and take no account of the requests from the different regional levels.
- 1.15 Lastly, the National Public Investment System (SNIP) has become a programming tool for investment projects in execution, but not for preinvestment analysis. It was recognized during preparation of the Medium-term Budget Framework 2006-2008 that greater emphasis was needed on preinvestment work, and there is still more to be done to strengthen preinvestment initiatives in support of the planning process.

E. The Bank's country and sector strategy

- 1.16 The central objective of the Bank's country strategy with Nicaragua is to support the government in establishing and implementing the actions needed to achieve the SGPRS goals. The actions included in the Bank's operations program are directed toward three objectives: (i) economic growth; (ii) governance; and (iii) productivity of the poorest groups. This technical cooperation operation is especially important for strengthening governance with a view to making public institutions more efficient and effective.
- 1.17 To lay the foundation for better governance, the country strategy calls for institutional strengthening, promoting greater transparency and efficiency in public expenditure, institutionalizing a culture of integrity, and promoting democracy through progressive decentralization and participation by civil society, among other goals. It also envisions intensive actions to modernize and reform the three branches of government, with greatest priority on the executive branch.

F. Program strategy

- 1.18 The main objective of this program is to support the Government of Nicaragua in instituting an integrated, sustainable and technically sound MfR system, as part of a policy, supported by PRODEV, of improving the country's development effectiveness. Activities under this technical cooperation program should bring about a qualitative improvement in the allocation, execution, monitoring and control of public resources.

⁷ Regional Coordination Units for Public Investment (UTIP) have been established, reporting to SETEC's Public Investment Unit, as decentralized bodies responsible for supporting the regional strategic planning process; however, there is little linkage with the investment units of the line agencies.

- 1.19 This operation complements initiatives that the government is now pursuing through such projects as the following: (i) introducing a medium-term budget framework, with support from the Government of Switzerland; (ii) modernizing the SIGFA financial management system with support from the World Bank; (iii) IDB-led support for the procurement system, intended to establish a framework that ensures transparency in public procurement processes; (iv) strengthening the internal control system with IDB-led support, through a loan approved in 2002 for modernization of the Comptroller General's Office (CGR), focusing on strengthening the auditing system, primarily in the executive branch; and (v) the IDB-funded program (NI-0181) to strengthen SETEC and help integrate it into the PND and SGPRS planning, formulation and implementation processes.
- 1.20 This technical cooperation operation seeks to support the Government of Nicaragua in implementing the Financial Management and Budgeting Act (Law 550), which as noted earlier includes innovations such as the medium-term budget framework,⁸ submission of a consolidated budget and consolidated public accounts, and strengthening of coordination mechanisms between the budget system and the planning and public investment system. These innovations require an accelerated process of institutional strengthening for the lead bodies, and a strategy for delivering technical assistance to all agencies involved.

⁸ The law requires all public sector institutions to adopt the Medium-term Budget Framework methodology within three years.

II. THE PROGRAM

A. Objectives

- 2.1 The purpose of this technical cooperation operation is to strengthen budgetary planning, programming, management and evaluation, so as to advance the implementation of a management-for-results (MfR) system. The specific objectives are: (i) to design and introduce a strategic planning model integrated with budget programming, laying the foundation for the integration of regional and sector planning into the national planning context; (ii) to prompt budgetary reform that moves institutions toward a results-driven approach by introducing tools to bring a consolidated, medium-term perspective to public sector management; and (iii) to design and develop a tracking system that extends to the most decentralized levels of government and produces integrated and coherent information, optimized for decision-making.

B. Components

1. Strategic planning integrated with budget programming

- 2.2 This component seeks to integrate regional and sector needs into national planning by developing a methodology to define and prioritize regional demand for investment project so that programs and projects under way do not reflect only centrally made supply decisions. This component will finance the following outputs: (i) design and implementation of a multiyear strategic planning model that is integrated with budget programming, laying the foundation for the integration of regional and sector planning into the national planning context; (ii) further development of the public investment system through social price updates, assessment the project pipeline, and development and implementation of modules for preinvestment management and for managing the adjustments mandated by article 171 of Law 550; and (iii) implementation of a training program in strategic planning for officials of the governing bodies and the planning, budgeting and control areas and sector units of institutions.

2. Result-based budgetary management

- 2.3 This component promotes budgetary reform, to move institutions towards a results-driven approach and away from an exclusive focus on resource and expenditure control, so as to link planning to the budget. Financing will be provided for the following: (i) review and redesign of agency programming structures, to make plans methodologically compatible with budgets; (ii) design and development of the system for implementing the Medium-term Budget Framework; (iii) redesign and upgrade of IT systems used by the SIGFA financial management system (SNIP-SIGFA interface) for budget formulation and execution, in order to support

the budget formulation, monitoring and evaluation processes and relate them to planning and the physical execution of investment; (iv) redesign of the budget classifiers to bring them into line with international public finance systems; (v) formulation of methodologies and development of systems to consolidate the budget and financial statements of all public sector agencies; (vi) design and development of a management tool for estimating service delivery costs; and (vii) implementation of a training course in program budgeting for officials of the governing bodies and the planning, budgeting and control areas and sector units of institutions.

3. Management tracking and control system

- 2.4 This component's objective is to design and develop tracking systems that extend to the most decentralized levels of government and produce integrated and coherent information, optimized for decision-making. The challenge here is to link the output indicators established by the budget system with the impact indicators defined by the planning system. This component will finance the following outputs: (i) design of an integrated set of output and impact indicators; (ii) integral design of the operating aspects of the system, including at least the procedures for capturing, verifying, and processing data and producing reports and outputs; and (iii) design and implementation of a training program relating to the indicator tracking system, to enhance capacities for real-time analysis, prioritization, monitoring and evaluation of programs and projects to be financed, in support of the decision-making process.

C. Expected outcomes

- 2.5 The proposed program is a gradual process that seeks to strengthen, transform and integrate three systems needed to produce a results-oriented culture within government: (i) *planning and budgeting*, to ensure that resource allocation is consistent with national priorities and social needs; (ii) *financial resource management systems*, to strike a balance between flexibility and control that gives service delivery unit managers greater freedom in making decisions and administering funds, and makes them more accountable for results; and (iii) *monitoring and evaluation*, as a necessary condition for measuring public-sector performance in terms of results, and for instituting accountability.

III. COST AND FINANCING

Table III-1
Cost Table (in US\$)

Component	IDB	Local	Total
Component 1. Strategic planning and evaluation of management	575,000	-	575,000
Consulting services	296,000	-	296,000
Training	26,000	-	26,000
General support and services	138,000	-	138,000
Equipment	115,000	-	115,000
Component 2. Result-based budgetary management	573,600	-	573,600
Consulting services	328,600	-	328,600
Training	24,000	-	24,000
General support and services	96,000	-	96,000
Equipment	125,000	-	-
Component 3. Tracking and control system	309,600	-	309,600
Consulting services	180,000	-	180,000
General support and services	19,600	-	19,600
Equipment technical	110,000	-	-
Coordination and management	71,800	160,000	231,800
Consulting services	61,800	160,000	221,800
General support and services	10,000	-	10,000
Evaluation	30,000	-	30,000
Consulting services	30,000	-	30,000
Audits	20,000	-	20,000
Consulting services	20,000	-	-
Contingencies	20,000	-	20,000
Total	1,600,000	160,000	1,760,000

- 3.1 The cost of the operation is US\$1.76 million. The Bank's contribution of US\$1.6 million will be financed with resources from Subaccount B of the Development Effectiveness Program Account (DEPA). The counterpart contribution will be US\$160,000 in cash. The Bank funds will be used to hire individual consultants and/or consulting firms, purchase computer equipment, and pay the costs of external audit of the operation. The local contribution will be used to finance a portion of the cost of executing unit personnel, office supplies, secretarial support, and coordination, communication and transportation.

IV. PROGRAM EXECUTION

A. Executing agency

- 4.1 The project executing agency will be the Ministry of Finance (MHCP), acting through its Fiscal and Economic Affairs Office (OAFE), which will work in coordination with the Technical and Strategic Secretariat of the Office of the President (SETEC) and line ministries. It will have a program coordinator, line technical staff and an accountant. The coordinator will be responsible for administration of program activities under the annual work plans (AWP), procurement of goods and services, consultant supervision, oversight of financial management in accordance with procedures established by the Bank, and the delivery of technical reports to the Bank. The accountant will support the coordinator and will be responsible for management of financial and accounting operations, budgets, administrative procedures, submission of disbursement requests for the Bank contribution, delivery of administrative reports, and other matters. The coordinator will be financed only partially with Bank resources. The technical staff will work within the MHCP and line ministries. The accountant will be financed through this technical cooperation operation. Procurements will be handled through the MHCP procurement office.
- 4.2 An Executive Committee has been set up, chaired by an OAFE representative and including members from the MHCP Budget Office, the MHCP Medium-term Budget Unit, SETEC, and the office that runs the SIGFA financial management system. It will meet every four months. Its main functions will be to approve the annual work plans and budgets and to monitor and supervise program execution. This committee has already been formed on an ad hoc basis to handle technical assistance for the medium-term budget framework financed with support from the Swiss government.

B. Project execution and management

- 4.3 The executing agency will be responsible for: (i) processing the consulting contracts and authorizing payments under them; (ii) setting up the revolving fund for the Bank financing; (iii) keeping accounting records and supporting documentation, and preparing financial statements for the operation; (iv) coordinating project activities, including the transfer of technical assistance to the agencies; and (v) ensuring that the operation is executed in conformity with the rules and contractual conditions agreed upon between the Bank and MHCP.
- 4.4 **Revolving fund.** To ensure that resources are readily available as needed for execution of this technical cooperation operation, a revolving fund will be established in the amount of 20% of the Bank's contribution. A revolving fund in

this amount will enable the executing agency to contract consulting and audit services under the usual terms for contracts of that kind.

C. Execution period and disbursement timetable

- 4.5 The project will be executed in 24 months, running from the effective date of the letter of agreement. The last disbursement will be made 30 months after the effective date of the letter of agreement.

D. Procurement

- 4.6 Goods and services will be procured, and consultants selected and contracted, in accordance with Bank procedures. The itemized Procurement Plan is attached as Annex IV to this document.

- 4.7 **Goods.** Goods will be procured in accordance with Bank policies as set out in document GN-2349-3-7, "Policies for the procurement of works and goods financed by the IDB." There will be no international competitive bidding. Procurements for amounts between US\$25,000 and US\$150,000 may be conducted through national competitive bidding (NCB), consistent with domestic legislation, and procurements for amounts below US\$25,000 will use the shopping method (three price quotations).

- 4.8 **Consultants.** Selection and contracting of consulting services for amounts of US\$200,000 or more will be conducted through international requests for expressions of interest using a short list. No international publicity will be required for contracts under US\$200,000. Consultants will be selected and contracted in accordance with Bank policies set out in document GN-2350-7. Consulting services will be contracted in accordance with the Procurement Plan approved in advance by the Bank.

E. Audits

- 4.9 Within 90 days after the last project disbursement, the executing agency will submit the final financial statements to the Bank, detailing project expenditures made using the Bank financing and the local contribution. These statements will be audited by an independent firm of auditors acceptable to the Bank, in accordance with terms of reference previously approved by the Bank (document AF-400). That firm will be selected in accordance with Bank procedures (document AF-200). Audit costs will be covered out of the financing.

V. MONITORING AND EVALUATION

A. Monitoring

- 5.1 For the effective monitoring of the project, the executing agency will provide the Bank with the following reports approved by the Executive Committee: (a) project inception report with a description of the activities planned during the first six months and an estimate of the funding required, as well as the objectives and targets to be met during that time; (b) monitoring reports, to be delivered six months after the effective date of the technical cooperation agreement; a semiannual monitoring report will be delivered 30 days after the close of each six-month period, including: (i) an evaluation of activities and progress during the immediately preceding period; (ii) financial information on use of the Bank funding and the local contribution; (iii) a breakdown of activities planned for the following six-month period; (iv) objectives and targets by group of activities and the indicators that will be used for measuring their achievement; (v) the execution timetable, with the respective costs; and (vi) financing needs for the period. These reports will be simple and standardized, and highlight progress in achieving the major Logical Framework indicators, indicating any deviations from the project execution timetable and proposing corrective measures as necessary.

B. Evaluation

- 5.2 Within 30 days after the end of the execution period, the executing agency will deliver a project final report, containing a summary of its project execution and a quantitative and qualitative analysis of specific objectives met, as well as lessons learned and recommendations implemented. A closing workshop will be held three months after project end to assess outcomes achieved, review the action plan prepared by the executing agency, and determine the next steps to ensure sustainability of the reforms instituted under this technical cooperation operation.
- 5.3 The Bank will finance, with funds from this technical cooperation operation: (i) a midterm evaluation, 18 months into project execution or once 50% of the financing has been committed; and (ii) a final evaluation, once 90% of the financing has been committed. The terms of reference for these evaluations will be agreed upon in advance between the Bank and the executing agency.

C. Sustainability

- 5.4 The sustainability strategy rests primarily on the action plan for implementation of the MfR system, and on the Financial Management and Budgeting Act (Law 550), which establishes the legal basis for management by objectives. An important point for sustainability is that this initiative is not being prepared in isolation, but is complemented by other key reforms in the areas of governance and fiscal reform,

supported by other operations financed by the Bank and other multilateral and bilateral donors (see paragraph 1.19).

VI. PROGRAM BENEFITS AND RISKS

A. Benefits

- 6.1 The *beneficiary* of this technical cooperation operation is the Republic of Nicaragua. The *benefit* is the strengthening of budget planning and programming, with a view to increasing effectiveness, efficiency and transparency in the administration of public funds. This operation will also help to steer public investment into key sectors. The program will also provide crucial information on budgetary planning performance, and will generate credibility and public confidence by reporting on the outcomes of the public investment program and its budgetary implications. At the same time, it will highlight promising practices or programs as well as unproductive programs, so that corrective measures can be introduced.

B. Risks

- 6.2 Bearing in mind that Nicaragua will have a government changeover in January 2007, successful introduction of a management-for-results (MfR) model will require firm and decisive political support from the new authorities, as well as an in-depth process of cultural change among staff of the agencies involved in budget planning and formulation. There will need to be a long-term political commitment to implementing the new management model, and this in turn will require policy stability extending beyond the mandate of a single administration. To mitigate this risk, the technical cooperation operation supports the implementation of Law 550, which has been approved by the National Assembly and has backing from leaders of the various political parties that will contest the November elections. This proposal must therefore be viewed in the context of a program of State reform, and as a way to lay the groundwork for a planning and monitoring system supported by ongoing improvement in public financial reporting. To mitigate any risk linked to the coming government changeover, this technical cooperation operation will focus primarily on implementation of Law 550, which was approved in 2005 after an extensive consensus-building process.

VII. ENVIRONMENTAL AND SOCIAL REVIEW

- 7.1 By its nature, the project will have no adverse environmental or social impacts. While it does not qualify as a social equity enhancing or poverty-targeted investment, it can be expected to have positive impacts on planning, allocation and administration of the funds that go into social and environmental programs. At its

30 June 2006 meeting, the Committee on Environment and Social Impact (CESI) indicated that this operation requires no environmental impact assessment, because the financed activities will have no adverse environmental or social impacts.

**SUPPORT FOR IMPLEMENTATION OF A MANAGEMENT-FOR-RESULTS SYSTEM
(NI-T1044)
LOGICAL FRAMEWORK**

Narrative summary of objectives	Verifiable indicators	Means of verification	Assumptions
Purpose (impact)			
To improve the effectiveness, efficiency and transparency of public expenditure.	Management-for-results (MfR) system established within government. Improvement in the CFAA (PEFA) indicators relating to public financial management in Nicaragua.	PRODEV action plan monitoring reports. CFAA action plan progress reports based on PEFA indicators.	Political and technical support for MfR system implementation.
Objective (outcomes)			
To strengthen budgetary planning, programming, management and evaluation, so as to advance the implementation of a management-for-results (MfR) system.	By program end: A comprehensive set of indicators has been prepared for all public-sector agencies. All public-sector agencies are included in the Medium-term Budget Framework (MPMP). Budget planning, programming, execution and evaluation processes have been integrated.	PRODEV final evaluation. Sector impact evaluation reports have been published on the Internet for the main programs executed by public agencies. MPMP 2009-2011 is attached as an annex to the Draft Budget Law 2009. Periodic and closing statements of physical and financial budget execution for central government agencies. Consolidated budget and consolidated public accounts published on the Internet.	Political and technical support for MfR system implementation. The integrated financial management system and related systems are fully operational.

Narrative summary of objectives	Verifiable indicators	Means of verification	Assumptions
Components (outputs)			
1. Design and introduction of a strategic planning model integrated with budget programming.	By program end: Institutional plans are integrated into the budget. 100% of officials at the central and decentralized government levels have been trained.	Project performance monitoring report (PPMR).	Continuing political and technical support for MfR system implementation.
2. Strengthening of result-based budgetary management.	By program end: Information systems are operational for physical and financial tracking of budget execution. Methodologies have been developed for consolidating public-sector budgets and statements of outcomes. 100% of officials at the central and decentralized government levels have been trained.	PPMR. Reports from the tracking systems. Budget formulation manuals.	Continuing political and technical support for MfR system implementation.
3. Development of a management tracking and control system.	By program end: A system of output and impact indicators has been instituted in agencies for programming, tracking and evaluation of public management.	PPMR. Budget programming, tracking and evaluation manuals.	Continuing political and technical support for MfR system implementation.

Narrative summary of objectives	Verifiable indicators	Means of verification	Assumptions
Activities			
Activity 1.1 Development and validation of a multiyear integrated planning and budgeting model that links strategic and operational objectives with budget targets, and budget targets with program funding amounts, and that facilitates integration of regional needs into the national planning context.	A directive has been drawn up on the preparation of strategic plans and budget formulation. 3 meetings held with the MHCP and SETEC teams to validate the budget planning and formulation model.	Decree approving the methodology. Minutes of the meetings to validate the model.	Continuing political and technical support for MfR system implementation.
Activity 1.2 Further development of the public investment system through social price updates, assessment the project pipeline, and development and implementation of modules for preinvestment management and for managing the adjustments mandated by article 171 of Law 550.	A proposal has been prepared for the conceptual design. The IT application has been developed. Social prices have been updated. The project pipeline has been analyzed.	Verification of systems. Document with updated social prices. Document analyzing the project pipeline.	Continuing political and technical support for MfR system implementation. SIGFA is fully operational.
Activity 1.3 Implementation of a training program in strategic planning for officials of the governing bodies and the planning, budgeting and control areas and sector units of institutions.	12 training courses given during program execution.	Registration and attendance records for officials. Report on participants' evaluation of the courses.	Continuing political and technical support for MfR system implementation.
Activity 2.1 Technical assistance for review and redesign of agency programming structures, to make plans methodologically compatible with budgets.	The programming structures of selected agencies have been redesigned.	Document approving the agreement, signed by representatives of the DGP and the line ministries.	Continuing political and technical support for MfR system implementation.
Activity 2.2 Technical assistance for design and development of the system for recording physical and financial execution of the Medium-term Budget Framework.	A proposed conceptual design has been prepared. The IT application has been developed.	Verification of systems.	Continuing political and technical support for MfR system implementation.

Narrative summary of objectives	Verifiable indicators	Means of verification	Assumptions
Activity 2.3 Redesign and upgrade of IT systems used by the SIGFA financial management system (SNIP-SIGFA interface) for budget formulation and execution, in order to support the budget formulation, monitoring and evaluation processes and relate them to planning and the physical execution of investment.	A proposed conceptual design has been prepared. The IT application has been developed.	Verification of systems. Decree approving the documents.	Continuing political and technical support for MfR system implementation.
Activity 2.4 Redesign of the budget classifiers (especially economic, purpose and function) to bring them into line with international public finance systems.	New manuals on budget classifiers have been prepared.	Decree approving the documents.	Continuing political and technical support for MfR system implementation.
Activity 2.5 Formulation of methodologies and development of systems to consolidate the budget and financial statements of all public sector agencies.	A directive on consolidated budget formulation has been prepared. A directive on the preparation of consolidated financial statements has been prepared.	Decree approving the documents.	Continuing political and technical support for MfR system implementation.
Activity 2.6 Design and development of a management tool for estimating service delivery costs.	A document has been prepared on the proposed conceptual design. The IT application has been developed.	Document approving the design proposed by DGP-SETEC. Verification of system.	Continuing political and technical support for MfR system implementation.
Activity 2.7 Implementation of a training course in program budgeting for officials of the governing bodies and the planning, budgeting and control areas and sector units of institutions.	12 training courses for agency officials.	Registration and attendance records for officials. Report on participants' evaluation of the courses.	Continuing political and technical support for MfR system implementation.

Narrative summary of objectives	Verifiable indicators	Means of verification	Assumptions
Activity 3.1 Technical assistance for design and selection of output and impact indicators at the corresponding agencies.	Report on the proposed indicators, including at least definitions, calculation methodology, and explanation of their importance.	Agreement on the indicators selected in the corresponding agencies. Incorporation of indicators into the MPMP and draft budget law for the corresponding fiscal year.	Continuing political and technical support for MfR system implementation.
Activity 3.2 Technical assistance to define procedures for capturing, processing, verifying and evaluating data and producing reports, with emphasis on procedures used by the records and statistics units of the corresponding agencies.	A document on the proposed conceptual design has been prepared. An operating manual for the tracking and evaluation system has been prepared.	Documents approved. Decree approving the operating manual for the tracking and evaluation system.	Continuing political and technical support for MfR system implementation.
Activity 3.3 Training for officials of the MHCP, SETEC, oversight bodies and agencies on the indicator system and its use (proposals 3.1 and 3.2)	12 training courses have been given during the program.	Registration and attendance records for officials. Report on participants' evaluation of the courses.	Continuing political and technical support for MfR system implementation.

**SUPPORT FOR IMPLEMENTATION OF A MANAGEMENT-FOR-RESULTS SYSTEM
(NI-T1044)
BUDGET**

	Component and activity	Units	Cost/unit	Total	IDB	Local
1.	Component 1: Strategic planning and evaluation of management			575,000	575,000	
Consulting services				296,000	296,000	
1.1	International consultant in planning	80	500	40,000	40,000	
1.2	National consultant in planning	12	3,000	36,000	36,000	
1.3	International consultant in public investment	80	500	40,000	40,000	
1.4	National consultant in public investment	12	3,000	36,000	36,000	
1.5	National consultant in planning and investment for strengthening	12	3,000	36,000	36,000	
1.6	National consultant in planning and investment for strengthening	12	3,000	36,000	36,000	
1.7	National consultant in planning and investment for strengthening	12	3,000	36,000	36,000	
1.8	National consultant in planning and investment for strengthening	12	3,000	36,000	36,000	
Training				26,000	26,000	
1.9	Training coordinator	13	2,000	26,000	26,000	
General support and services				138,000	138,000	
1.10	Validation and training seminars	20	3,000	60,000	60,000	
1.11	Travel	30	1,000	30,000	30,000	
1.12	Per diems	200	240	48,000	48,000	
Equipment				115,000	115,000	
1.13	Computer equipment and software for planning and management evaluation			115,000	115,000	
2.	Component 2: Result-based budgetary management			573,600	573,600	
Consulting services				328,600	328,600	
2.1	International consultant in program budgeting	80	500	40,000	40,000	
2.2	National consultant in program budgeting	12	3,000	36,000	36,000	
2.3	National consultant in sector program budgeting	12	3,000	36,000	36,000	
2.4	National consultant in sector program budgeting	12	3,000	36,000	36,000	
2.5	National consultant in sector program budgeting	12	3,000	36,000	36,000	
2.6	National consultant in sector program budgeting	12	3,000	36,000	36,000	
2.7	National consultant in IT for SIGFA adjustments	6	3,000	18,000	18,000	
2.8	National consultant in IT for SIGFA adjustments	6	3,000	18,000	18,000	
2.9	International consultant to design the MPMP records system	50	500	25,000	25,000	
2.10	Consultant in IT to develop the MPMP records system	6	3,000	18,000	18,000	
2.11	International consultant to develop the cost calculating tool	40	500	20,000	20,000	
2.12	Programming consultant	6	1,600	9,600	9,600	

	Component and activity	Units	Cost/unit	Total	IDB	Local
Training				24,000	24,000	
2.13	Training coordinator	12	2,000	24,000	24,000	
General support and services				96,000	96,000	
2.14	Validation and training seminars	20	3,000	60,000	60,000	
2.15	Travel	12	1,000	12,000	12,000	
2.16	Per diems	100	240	24,000	24,000	
Equipment				125,000	125,000	
2.17	Computer equipment and software for result-based budgetary management			125,000	125,000	
3.	Component 3: Management Tracking and Control System			309,600	309,600	
Consulting services				180,000	180,000	
3.1	International consultant to design indicators	60	500	30,000	30,000	
3.2	National consultant in sector indicators	12	3,000	36,000	36,000	
3.3	National consultant in sector indicators	12	3,000	36,000	36,000	
3.4	National consultant in sector indicators	12	3,000	36,000	36,000	
3.5	National consultant in sector indicators	14	3,000	42,000	42,000	
General support and services				19,600	19,600	
3.6	Travel	10	1,000	10,000	10,000	
3.7	Per diems	40	240	9,600	9,600	
Equipment				110,000	110,000	
3.8	Computer equipment and software for the management tracking and control system			110,000	110,000	
4.	Technical coordination and management			231,800	71,800	160,000
Consulting services				221,800	61,800	160,000
4.1	Program technical coordinator	24	3,500	84,000	21,000	63,000
4.2	Line technical staff	44	2,000	88,000		88,000
4.3	Accountant	24	1,500	36,000	36,000	
4.4	Procurement personnel	20	450	9,000		9,000
4.5	Logistics	1	4,800	4,800	4,800	
General support and services				10,000	10,000	
4.6	Materials and supply			10,000	10,000	
5.	Evaluation			30,000	30,000	
Consulting services		2	15,000	30,000	30,000	
6.	Audit			20,000	20,000	
Consulting services		1	20,000	20,000	20,000	
7.	Contingencies			20,000	20,000	
	Total			1,760,000	1,600,000	160,000

Components	IDB	Local	Total
Component 1: Strategic planning and evaluation of management	575,000	-	575,000
Consulting services	296,000	-	296,000
Training	26,000	-	26,000
General support and services	138,000	-	138,000
Equipment	115,000	-	115,000
Component 2: MfR-based budgetary management	573,600	-	573,600
Consulting services	328,600	-	328,600
Training	24,000	-	24,000
General support and services	96,000	-	96,000
Equipment	125,000	-	-
Component 3: Management tracking and control system	309,600	-	309,600
Consulting services	180,000	-	180,000
General support and services	19,600	-	19,600
Equipment	110,000	-	-
Technical coordination and management	71,800	160,000	231,800
Consulting services	61,800	160,000	221,800
General support and services	10,000	-	10,000
Evaluation	30,000	-	30,000
Consulting services	30,000	-	30,000
Audit	20,000	-	20,000
Consulting services	20,000	-	-
Contingencies	20,000	-	20,000
Total	1,600,000	160,000	1,760,000

Components	IDB	Local	Total
Component 1: Strategic planning and evaluation of management	575,000		575,000
Component 2: Result-based budgetary management	573,600		573,600
Component 3: Management tracking and control system	309,600		309,600
Technical coordination and management	71,800	160,000	231,800
Evaluation	30,000		30,000
Audit	20,000		20,000
Contingencies	20,000		20,000
Total	1,600,000	160,000	1,760,000

**SUPPORT FOR IMPLEMENTATION OF A MANAGEMENT-FOR-RESULTS SYSTEM
(NI-T1044)
INDICATIVE TERMS OF REFERENCE**

Expected outcomes	Activities
Component 1	
1 Consultant in strategic planning	
<p>Development of a multiyear integrated planning and budgeting model that links strategic and operational objectives with budget targets, and budget targets with program funding amounts, and that facilitates integration of regional needs into the national planning context.</p> <p>Corporate plans integrated into the budget of the main public institutions.</p>	Activity 1 Analysis and evaluation of progress in strategic planning.
	Activity 2 Preparation of the conceptual model.
	Activity 3 Design of operating aspects and procedures.
	Activity 4 Conduct a demonstration test using real figures and data for adjustment and subsequent validation of the proposed model.
	Activity 6 Propose a plan for gradual implementation of the model, taking into account the programming time spent processes and the allocation of budget funds.
	Activity 7 Participate in sessions for validating the strategic planning model with representatives of MHCP, SETEC and selected agencies.
	Activity 8 Participate in sessions for validating the strategic planning model.
1 Consultant to coordinate training programs	
<p>100% of officials at the central and decentralized levels trained in:</p> <ul style="list-style-type: none"> – the indicators system and its use – strategic planning and its use – use of the program budgeting technique 	Activity 1 Design of the training plan.
	Activity 2 Make administrative arrangements for the training program..
	Activity 3 Review course contents..
	Activity 4 Coordinate logistics for the courses.
	Activity 5 Prepare and evaluation reports on the training courses, taking into account the evaluation provided by participants.
	Activity 6 Monitor and evaluate the results of the training plan, including an evaluation of agencies' participation.
1 Consultant in the investments area	
Improvements in the public investment process.	Activity 1 Monitor the project portfolio at the pre-investment stage in central and regional institutions, including comparative reports on the behavior of the pre-investment project portfolio.

Expected outcomes	Activities
	Activity 2 Provide institutions with technical assistance for social price updates.
	Activity 3 Develop and implement management modules for pre-investment and administration of readjustment.
	Activity 4 Coordinate the training plan in the investment area.
Component 2	
Expected outcomes	Activities
3 Consultants specialized in program budgeting	
Redesign of line ministry programming structures so that plans can be systematically reconciled with budgets.	Activity 1 Evaluate the programming and administrative structures.
	Activity 2 Technical assistance for redesigning programming structures.
	Activity 3 Recommend any necessary adjustments in the administrative structures.
	Activity 4 Participate in sessions for validating the new programming structures with representatives of MHCP, SNIP and selected agencies.
	Activity 5 Prepare a methodological manual for the design of programming structures in support of the training plan.
	Activity 6 Participate in sessions for validating the methodological manual with representatives of DGP, DGTEC, SETEC and selected agencies.
IT Consultants	
IT system for recording/capturing physical and financial execution of the Medium-term Budget Framework.	Activity 1 Survey of requirements.
	Activity 2 Conceptual design of a solution (prototype).
	Activity 3 Participate in sessions to validate the conceptual model with officials of DGP, SNIP and DGTEC.
	Activity 4 Detailed design of the system.
	Activity 5 Development of the system.
	Activity 6 Testing and implementation of the system.
	Activity 7 Bring users up to speed.

Expected outcomes	Activities
1 Consultant specialized in public finance statistics systems	
Redesign of the budget classifiers (economic, purpose and function) to bring them into line with international public finance statistics systems.	Activity 1 Review the existing manual of classifiers to identify any needed adjustments.
	Activity 2 Prepare a proposed set of new classifiers and an impact evaluation of changes in the historical series.
	Activity 3 Propose adjustments to the conversion matrices and evaluate the impact of changes in the historical series.
	Activity 4 Participate in sessions to validate the new classifiers and conversion matrices with officials of DGP, DGCP and DGTEC.
	Activity 5 Prepare a compendium of budget classifiers.
	Activity 6 Conduct a workshop on the new classifiers with officials of DGP, DGTEC and OAEF.
IT Consultants	
Execution system that can record physical information on programs and projects, linked to the SIGFA, including revisions to procedures.	Activity 1 Survey of requirements.
	Activity 2 Conceptual design of a solution (prototype).
	Activity 3 Participate in sessions to validate the conceptual model with officials of DGP, SNIP and DGTEC.
	Activity 4 Detailed design of the system.
	Activity 5 Development of the system.
	Activity 6 Testing and implementation of the system.
	Activity 7 Bring users up to speed.
1 IT Consultant specialized in financial management systems	
Methodologies for consolidating budgets and financial statements.	Activity 1 Survey of requirements.
	Activity 2 Conceptual design of a solution (prototype).
	Activity 3 Participate in sessions to validate the conceptual model with officials of DGP, SNIP and DGTEC.
	Activity 4 Advise the IT area during the solution development phase
IT Consultants	
Development and introduction of IT systems to consolidate the budget and financial statements of all public sector agencies.	Activity 1 Detailed design of the system.

Expected outcomes	Activities
	Activity 2 Development of the system.
	Activity 3 Testing and implementation of the system.
	Activity 4 Bring users up to speed.
IT Consultants	
Design and development of a management tool for estimating service delivery costs.	Activity 1 Survey of requirements.
	Activity 2 Conceptual design of a solution (prototype).
	Activity 3 Participate in sessions to validate the conceptual model with officials of DGP, SNIP and DGTEC and selected agencies.
	Activity 4 Detailed design of the system.
	Activity 5 Development of the system.
	Activity 6 Testing and implementation of the system.
	Activity 7 Bring users up to speed.
Component 3	
1 Consultant specialized in the design of indicator systems	
System of output and impact indicators for programming, tracking and evaluation of management at agencies.	Activity 1 Provide technical assistance for analyzing sector spending, including progress with the indicators included in the PND-O, institutional plans, the MPMP and the annual budget of government agencies not covered by the sector specialists.
	Activity 2 Provide technical assistance for constructing and selecting output and impact indicators for the remaining government agencies not covered by the sector specialists.
	Activity 3 Provide technical assistance to define procedures for capturing, processing, verify and evaluating information and designing reports, with the emphasis on the processes performed by the records and statistics units of government agencies not covered by the sector specialists.
	Activity 5 Participate in sessions to validate the proposed work plans with representatives of MHCP, SETEC, control organs, and the remaining government agencies not covered by the sector specialists.
	Activity 7 Participate in sessions to validate the indicators systems with representatives of MHCP, SETEC and selected agencies.

SUPPORT FOR IMPLEMENTATION OF A MANAGEMENT-FOR-RESULTS SYSTEM (NI-T1044)

PROCUREMENT PLAN

I. GENERAL

1. Project information

Financial terms and conditions		
Borrower: Government of Nicaragua		
Executing agency: Ministry of Finance (MHCP)		
Coexecuting agencies: Office of Fiscal and Economic Affairs (OAFE), Technical and Strategic Secretariat of the Office of the President (SETEC) and line ministries.		
Source	Amount US\$	%
IDB (PRODEV- Account B)	1,600,000	90%
Local	160,000	10%
Total	1,760,000	100%
Disbursement period (running from effective date of letter of agreement)	30 months	

2. **Procurement Plan approval by the Bank:** The Procurement Plan was identified during the identification mission from 27 to 30 June 2006. The final Procurement Plan will be approved during the analysis mission (dates to be confirmed).
3. **Publication of General Procurement Notice:** Within 30 days after approval of the technical cooperation operation.
4. **Period covered by the Procurement Plan:** The initial period is 18 months.

II. GOODS, WORKS AND NONCONSULTING SERVICES

1. **Thresholds approved by the Bank for application of procurement procedures in member countries.** The thresholds set for each country serve as the basis for determining whether to use international competitive bidding (ICB), national competitive bidding (NC B) or the shopping method within the given ranges. All procurements subject to prior review by the Bank must be made in accordance with Appendix 1 to the policies for the procurement for goods and works.

Table 1: Thresholds for goods and works

	Procurement method	Threshold	Comments
1.	International competitive bidding (ICB) for goods	≥ 150,000	Prior review
2.	National competitive bidding (NCB) for goods	> 25,000 to < 150,000	Prior review
3.	ICB for works	≥ US\$1,500,000	Prior review

	Procurement method	Threshold	Comments
4.	NCB or open requests for proposals with national publicity for works	> 150,000 to < 1,500,000	Prior review
5.	ICB for nonconsulting services	≥ US\$150,000	Prior review
6.	NCB for nonconsulting services	> 50,000 to < 150,000	Prior review
7.	Price shopping for goods	Less than US\$25,000	Prior review
8.	Price shopping for works	Less than US\$150,000	Prior review
9.	Direct contracting for works	Less than US\$25,000	Prior review
10.	Direct contracting for goods	Less than US\$5,000	Prior review
11.	Direct contracting for nonconsulting services (as an exception, and in accordance with Bank policies)	Less than US\$5,000	Prior review

2. **Other special procurement arrangements:** At the borrower's request, and subject to the conditions in the loan contract and the bidding documents, a margin of preference may be applied to bids for goods manufactured in the borrower's country, when comparing them against bids for goods manufactured abroad. When procurements are to be made through NCB, local legislation will apply, with the exception of any provisions that run counter to Bank policies.

Table 2: Goods and works

1	2	3	4	5	6	7	8
Ref. no.	Contract description	Estimated cost (US\$)	Procurement method	Prequalification (Yes/No)	Local preference (goods) (Yes/No)	Bank review (prior/post)	Tentative proposal submission date
Goods							
1	Computer equipment and software for planning and management evaluation.	350,000	ICB	No	No	Post	
2	Computer equipment and software for result-based budgetary management.	125,000	ICB	No	No	Post	
3	Computer equipment and software for planning and management evaluation.	110,000	ICB	No	No	Post	

III. SELECTION OF CONSULTANTS

1. **Thresholds approved by the Bank for application of procurement procedures in member countries.** The thresholds set for each country serve as the basis for determining whether to use selection processes with or without international publicity. All contracts subject to prior review by the Bank must be consistent with Appendix 1 to the policies for the selection and contracting of consultants (document GN-2350-6).

Table 3: Thresholds for consultants

Selection method	Thresholds for prior review	Comments
Competitive selection with international publicity (firms)	≥ US\$200,000	Prior review
Competitive selection with national publicity only (firms)	< US\$200,000	Prior review
Selection of individual consultants on the basis of qualifications (CQS)	≤ US\$30,000	Prior review
Single-source selection of consultants	≥ ≤ US\$30,000	Prior review

2. **Short list comprising entirely national consultants.** For the purposes of paragraph 2.7 of the policy document for consultants, the short list for consulting services with an estimated cost of less than US\$100,000 equivalent¹ per contract may be composed entirely of national consultants.

Table 4: Consulting services

1 Ref. no.	2 Contract description	3 Estimated cost (US\$)	4 Selection method ¹	5 Bank review (prior/post)	6 Expected proposal submission date	7 Comments
I.	Individual consultants	1,071,600				International competitions may use preidentification of candidates or be announced in UNDB online. Contracts are by product.
1	International consultant in planning	40,000	CQS	Prior		
2	National consultant in planning	36,000	CQS	Prior		
3	International consultant in public investment	40,000	CQS	Prior		
4	National consultant in public investment	36,000	CQS	Prior		
5	National consultant in planning and investment for strengthening	36,000	CQS	Prior		
6	National consultant in planning and investment for strengthening	36,000	CQS	Prior		
7	National consultant in planning and investment for strengthening	36,000	CQS	Prior		
8	National Consultant in Planning and Investment for Strengthening	36,000	CQS	Prior		
9	Training coordinator	26,000	CQS	Prior		
10	International Consultant in Program Budgeting	40,000	CQS	Prior		
11	National consultant in program budgeting	36,000	CQS	Prior		
12	National consultant in sector program budgeting	36,000	CQS	Prior		
13	National consultant in sector program budgeting	36,000	CQS	Prior		
14	National consultant in sector program budgeting	36,000	CQS	Prior		
15	National consultant in sector program budgeting	36,000	CQS	Prior		
16	National consultant in IT for SIGFA adjustments	18,000	CQS	Prior		
17	National consultant in IT for SIGFA adjustments	18,000	CQS	Prior		
18	International consultant to design the MPMP records system	25,000	CQS	Prior		
19	Consultant in IT to develop the MPMP records system	18,000	CQS	Prior		
20	International consultant to develop the cost calculating tool	20,000	CQS	Prior		
21	Programming consultant	9,600	CQS	Prior		
22	Training coordinator	24,000	CQS	Prior		
23	International consultant to design indicators	30,000	CQS	Prior		
24	National consultant in sector indicators	36,000	CQS	Prior		
25	National consultant in sector indicators	36,000	CQS	Prior		
26	National consultant in sector indicators	36,000	CQS	Prior		

¹ The amount refers to the thresholds set by the Bank for the country.

Table 4: Consulting services

1	2	3	4	5	6	7
Ref. no.	Contract description	Estimated cost (US\$)	Selection method ¹	Bank review (prior/post)	Expected proposal submission date	Comments
27	National consultant in sector indicators	42,000	CQS	Prior		
28	Program technical coordinator	84,000	CQS	Prior		
29	Line technical staff	88,000	CQS	Prior		
30	Accountant	36,000	CQS	Prior		
31	Procurement personnel	9,000	CQS	Prior		

Selection methods

QBS: Quality-based selection

FBS: Selection under a fixed budget

SSS: Single-source selection

LCS: Least-cost selection

CQS: Selection based on the consultants' qualifications

QCBS: Quality- and cost-based selection (80/20 or 70/30%)

IV. EXECUTING AGENCY CAPACITY BUILDING AND TIMETABLES

1. The Ministry of Finance (MHCP) has demonstrated its institutional capacity as the executing agency of various Bank projects. On the basis of its previous experience, it is deemed fully capable of performing as executing agency.

Nevertheless, the project executing unit, which is MHCP's Office of Fiscal and Economic Affairs (OAFE), will be strengthened by contracting a program technical coordinator, an accountant, and procurement personnel.

DOCUMENTO DEL BANCO INTERAMERICANO DE DESARROLLO
PROGRAMA DE IMPLEMENTACION DEL PILAR EXTERNO DEL
PLAN DE ACCION A MEDIANO PLAZO PARA LA EFECTIVIDAD
EN EL DESARROLLO (PRODEV)

PROYECTO DE RESOLUCIÓN DE-__/_06

Nicaragua. Cooperación Técnica No Reembolsable ATN/OC-____-__ para
Apoyo a la Instrumentación de un Sistema de Gestión por Resultados

El Directorio Ejecutivo

RESUELVE:

1. Autorizar al Presidente del Banco Interamericano de Desarrollo, o al representante que él designe, para que en nombre y representación del Banco proceda a formalizar el convenio o convenios que sean necesarios con la República de Nicaragua, y a adoptar las demás medidas pertinentes para el apoyo a la instrumentación de un sistema de gestión por resultados, de acuerdo con el plan de operaciones contenido en el documento AT-____.
2. Destinar, para los fines de esta resolución, hasta la suma de US\$1.600.000, o su equivalente en otras monedas convertibles, con cargo a los recursos de la Subcuenta B de la cuenta del Programa de Efectividad en el Desarrollo (DEPA), establecida mediante la Resolución del Directorio Ejecutivo DE-34/05 de fecha 18 de mayo de 2005.
3. Establecer que la suma anterior sea otorgada con carácter no reembolsable.

(Aprobada el __ de _____ de 200__)

LEG/OPR/RGII/IDBDOCS#782058
NI-T1044

