

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

NICARAGUA

SECTOR PROGRAMMING AND PRIORITIZATION UNDER THE NATIONAL DEVELOPMENT PLAN

(NI-T1009)

PLAN OF OPERATIONS

This document was prepared by the project team consisting of Luis R. Zavaleta (RE2/OD3), Team Leader; Mario Umaña (RE2/FI2); Graciela Cíntora (COF/CNI); Catherine Fox (RE2/S02); María Cristina Landázuri (LEG); and Mario R. Mejía, consultant.

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Proposed resolution

ABBREVIATIONS

BCN	Banco Central de Nicaragua [Central Bank of Nicaragua]
CAFTA	Central American Free Trade Agreement
CNU	Consejo Nacional de Universidades [National Council of Universities]
DMFAS	Debt Management and Financial Analysis System
ERCERP	Estrategia Reforzada de Crecimiento Económico y Reducción de Pobreza [Enhanced Economic Growth and Poverty Reduction Strategy]
INATEC	Instituto Nacional Tecnológico [National Technology Institute]
MECD	Ministry of Education, Culture and Sports
MHCP	Ministry of Finance and Public Credit
MIFAMILIA	Ministry of Family Affairs
PND	Plan Nacional de Desarrollo [National Development Plan]
UNCTAD	United Nations Conference on Trade and Development

SECTOR PROGRAMMING AND PRIORITIZATION UNDER THE NATIONAL DEVELOPMENT PLAN

(NI-T1009)

EXECUTIVE SUMMARY

Country:	Government of Nicaragua						
Beneficiary:	Sectors responsible for implementing the National Development Plan						
Executing agency:	Ministry of Finance and Public Credit (MHCP)						
Amount and source:	<table> <tr> <td>IDB (net income of the FSO):</td><td>US\$ 921,000</td></tr> <tr> <td>Local:</td><td>US\$ 97,000</td></tr> <tr> <td>Total:</td><td>US\$1,018,000</td></tr> </table>	IDB (net income of the FSO):	US\$ 921,000	Local:	US\$ 97,000	Total:	US\$1,018,000
IDB (net income of the FSO):	US\$ 921,000						
Local:	US\$ 97,000						
Total:	US\$1,018,000						
Objectives and description:	<p>The objective of this program is to improve the prioritization of policies that lead to economic growth and contribute to better governance, consistent with the National Development Plan.</p> <p>Economic growth: In this area the program will: (i) strengthen public debt management; (ii) support the competitiveness of the clusters identified in the PND; and (iii) improve municipal fiscal management.</p> <p>Governance: Support will be provided for: (i) the process of decentralizing the Ministry of Family Affairs (MIFAMILIA); and (ii) forums to debate the 6% budget for universities.</p>						
Periods:	<p>Execution: 30 months</p> <p>Disbursement: 36 months</p>						
Special contractual conditions:	Entry into force of the Operating Regulations and signature of an interagency cooperation agreement by the MHCP and MIFAMILIA prior to the first disbursement.						
Retroactive financing:	See paragraph 4.8.						
Exceptions to Bank policy:	See the paragraph on procurement.						

Procurement:	Direct contracting of UNCTAD, a specialized United Nations agency, to provide a service, based on section GS-403 of the Procurement Manual. See paragraph 4.7.
Social and environmental review:	The profile of this operation was revised at meeting 31-04 of 30 July 2004. Environmental issues will be addressed as described in paragraphs 7.1 and 7.2.
Coordination with other official development institutions:	This technical cooperation complements the work being carried out in parallel by the World Bank and the International Monetary Fund to establish a public debt office. It also complements the World Bank's efforts to improve governance related to the process of decentralizing MIFAMILIA. It is expected that these complementary actions will increase the impact of the development institutions' work in support of the country.

I. BACKGROUND AND JUSTIFICATION

- 1.1 In September 2003, the Bolaños government presented its National Development Plan (PND) to the international aid community, which summarizes the vision for the country's development in the coming years. The main objective of the PND is to bring about a sustained reduction in poverty, which is conditional upon growth and the presence of macroeconomic stability.
- 1.2 To achieve macroeconomic stability, the country has made headway in complying with arrangements with the IMF, accompanied by growth in GDP and holding inflation to acceptable levels. In particular, progress has been made in restructuring domestic debt and in reducing foreign debt, the latter under the HIPC initiative. However, continuing on this path and achieving future improvements will require specialized efforts by the Ministry of Finance and Public Credit (MHCP), which does not yet have the necessary tools and needs to build up its institutional capacity for effective and efficient management of the public debt, particularly the domestic debt.
- 1.3 Macroeconomic stability also requires that fiscal discipline be maintained and, specifically, that public spending be rationalized. However, this objective will have to be pursued in the presence of two legal restrictions that increase the vulnerability of the economy. The first is Article 126, paragraph 4, of the Constitution, which establishes that "Universities and Higher Technical Education Centers shall receive 6% of the General Budget of the Nation." Apart from the high financial costs for the public treasury, application of this constitutional provision represents a heavy opportunity cost for the country's most vulnerable social groups, since it means that less money is available for primary and secondary education.
- 1.4 The second legal restriction, the Municipal Transfer Payments Act (passed in June 2003), establishes that the central government will transfer funds to the 152 municipalities, beginning with 4% of GDP in 2004 and working up to 10% by 2010. The transfer of financial resources to the municipalities without an equivalent assignment of responsibilities could threaten the fiscal neutrality of the process. Until responsibilities are defined and the situation is clarified, the Ministry of Family Affairs (MIFAMILIA) is trying to identify the most promising channels for delivering its services and the most appropriate ways of increasing its coverage, in order to carry out a rational transfer of responsibilities, while simultaneously improving the efficiency of social spending.
- 1.5 A second aspect that is a necessary condition for reducing poverty is to make the economy grow. To achieve this objective, the PND has identified production clusters on the sector level that have or could obtain significant comparative advantages for economic development. These clusters, the opening up of markets with the free trade agreement (CAFTA), Central American integration, and the Puebla-Panama Plan (PPP) integration program offer new opportunities for boosting the country's export capacity. However, there are serious physical and

logistical limitations that prevent the country's clusters from developing their productive potential.

- 1.6 Although certain more immediate actions and investments in economic infrastructure have been identified for financing, the government does not yet have the technical studies necessary to carry them out.
- 1.7 One relevant aspect to be kept in mind in Nicaragua is the institutional effort that the country must make to execute the projects and technical assistance financed by the international aid community. In 2003, that assistance took the form of about 600 projects, which were financed by 40 bilateral cooperation agencies and multilateral institutions. Although this has allowed the country to finance major programs, it also takes a heavy toll in terms of institutional effort and professional capacity to administer them. In an attempt to achieve appropriate programming and prioritization of programs and projects, preserve their quality, and efficiently execute future operations, the government has informed the international aid community of its desire to reduce the number of operations. Consistent with this principle, during the programming mission in October 2003, the government proposed to the Bank that requests for technical cooperation for 2004 be unified into a single operation, which is described in this document.
- 1.8 The technical-cooperation project presented below is consistent with three programmatic instruments: (i) the Bank's country strategy, which clearly establishes the priorities of economic growth and governance; (ii) the enhanced economic growth and poverty reduction strategy (ERCERP), which the country has used to establish its social goals; and (iii) the PND, as a roadmap for economic growth, which received the backing of the international aid community during the Consultative Group meeting in 2003.

A. Role of the project in the Bank's strategy with Nicaragua

- 1.9 There is effective alignment between the proposed technical-cooperation operation and the country strategy. In February 2003, the Bank's Board of Executive Directors approved the strategy for Nicaragua (document GN-2230-1), which was updated most recently in May 2004. The objective is to support the Nicaraguan government in establishing and carrying out actions to achieve the goals of the ERCERP. The country strategy focuses on three areas identified as priorities: economic growth, governance, and the productivity of the poorest groups.
- 1.10 By financing technical studies, this operation promotes development and progress in two of the three areas identified as priorities in the strategy (economic growth and governance), which are necessary conditions for a sustained reduction in poverty.

B. Coordination with other official development institutions

- 1.11 From the standpoint of coordination, this operation complements the work of the World Bank and the United States Treasury Department to support the above-mentioned topics in the country. The proposed technical cooperation funds for debt management supplement the work being carried out in parallel by those two institutions to establish a public debt office. With respect to improvements in governance linked to the decentralization process, this operation will offer very specific support for the decentralization of MIFAMILIA. As a complement and more broadly, the World Bank is supporting the authorities in the financial aspects and transfer of responsibilities in the decentralization process. This complementarity is intended to enhance the impact of the work of the development institutions in support of the country.

II. PROGRAM DESCRIPTION

A. Objectives

- 2.1 The general objective of this program is to improve the prioritization of policies that lead to economic growth and contribute to better governance, consistent with the National Development Plan. To that end, it will finance studies and priority activities for the effective implementation of those policies.

B. Description

- 2.2 The program is designed to support two priority areas that the PND has established as crucial for the country's development—economic growth and governance—in which there is a broad and urgent need for technical support.
- 2.3 **Economic growth.** The technical assistance in this priority area will be directed to the following components.

(i) Public debt

- 2.4 This program supports building capacity to manage the public debt in the MHCP and the Central Bank of Nicaragua (BCN). The technical assistance will strengthen internal control procedures and improve the ministry's capacity to compile and analyze debt statistics.
- 2.5 To that end, a new version of the debt management and financial analysis system (DMFAS 5.3) will be installed, which is the property of the United Nations Conference on Trade and Development (UNCTAD), a specialized agency. With the new version, the existing database can be interconnected to other systems, particularly to the integrated financial administration system, enabling the public

credit component to be included, which will permit the MHCP to manage bonds and other financial instruments more efficiently.

- 2.6 The technical assistance program also includes training in controlling the quality of information, debt statistics, debt portfolio analysis, formulation of debt strategies, and analysis of debt sustainability.
- 2.7 Owing to the work overload among the MHCP's technical staff involved in executing this component, a local consultant will be contracted for two years as part of this technical assistance component, to support the ministry's management efforts.

(ii) Competitiveness

- 2.8 The component will finance economic feasibility studies to support decisions related to improving the competitiveness of the tourism, dairy, and meat clusters, by providing productive infrastructure.
- 2.9 Because of the specific nature of each cluster, in some cases the construction of electric infrastructure will require a one-time initial incentive to make the cost of constructing power distribution lines competitive.¹ Under the present technical-cooperation operation, specialized consulting services will be contracted to determine the maximum subsidy for each individual project, which will enable the government to negotiate with the power distribution company.
- 2.10 In addition, this component will finance economic feasibility studies for improvements at some smaller airports and ports to upgrade infrastructure and gear it to the movement and reception of tourists.

(iii) Fiscal management

- 2.11 This component will provide funds to contract short-term consulting services to help with the studies for decision making on fiscal matters related to the national budget, which include a methodology for projecting revenue and a fiscal programming model for making management decisions.
- 2.12 **Governance.** This component will provide the Nicaraguan government with technical support in complying with the commitments established in the PND and the ERCERP by: (i) supporting studies to deepen the process of decentralizing MIFAMILIA; and (ii) holding forums for the main stakeholders to debate the opportunity costs related to the constitutional provision on university financing.

¹ Investments in the grid are particularly costly owing to the remoteness of the zones and the low density of the user population.

(i) Decentralization of MIFAMILIA

- 2.13 This component will finance the studies necessary to strengthen the recently-launched process of decentralizing MIFAMILIA, in compliance with PND and ERCERP commitments. A start will be made on preparing a policy to reduce and prevent violence, a policy for special protection, and the design of a certification system for standards in services, which will form the foundation for implementing a system of standards, accreditation, monitoring, and evaluation, among others.
- 2.14 These elements are intended to rationalize public investment, making it more efficient, and to obtain a larger impact on protection for vulnerable groups and poverty reduction. This initiative also responds to the interest in establishing an intersector blueprint for managing and coordinating social protection policies and programs, that will allow the ministry to make headway in preparing the decentralization process.
- 2.15 The financing will also cover the design, operation, and certification of models for assistance, that combine needs, capacity, and opportunities for persons at social risk and/or in vulnerable situations. Relations and coordination mechanisms will also be strengthened between local agencies and programs that serve these and other groups that require special protection, such as the disabled and older adults in vulnerable situations and extreme poverty.
- 2.16 These activities have been designed to complement the efforts to strengthen MIFAMILIA institutionally, which will be carried out under a new operation financed by the Bank (NI-L1004). The studies on violence reduction and prevention complement the efforts made under the citizen security project (NI-0168) slated for approval by the Bank in December 2004.²

(ii) Forums on education

- 2.17 The problem of applying the constitutional requirement for financing universities and higher technical education centers makes it necessary to seek solutions based on the stakeholders working together.³
- 2.18 Five two-day forums will be held over the period of one year, attended by representatives of the following sectors as a minimum: universities that belong to the National Council of Universities (CNU), private universities, higher technical

² One of the aspects that the citizen security project (NI-0168) includes is preparation of an umbrella framework, with the Ministry of the Interior, for violence prevention and reduction policies. The present technical cooperation complements that program by preparing the policy component of the framework for MIFAMILIA, specifically in the area of the reduction and prevention of violence against children and teenagers. Special care will be taken to coordinate policy formulation.

³ Project NI-L0110, accreditation and certification of post-secondary education, currently being prepared, plans to use the results of the forums in the design process.

institutes, the Ministry of Education, Culture, and Sports (MECD), the MHCP, the National Technology Institute (INATEC), other branches of government, the private sector, civil society, student associations, teachers' unions, and professional associations.

III. COST AND FINANCING

- 3.1 The estimated cost of the program totals US\$1,018,000, with US\$921,000 in nonreimbursable funding from the net income of the Fund for Special Operations (FSO) and US\$97,000 as the local counterpart, in cash and in kind. The distribution of the financing by component is shown below:

Component	IDB	Local	Total
Economic growth			
Public debt			
i. Contract with UNCTAD	400,000		400,000
ii. Institutional support	75,000		75,000
iii. Logistical support, offices, secretarial services		48,000	48,000
Competitiveness	40,000	4,000	44,000
Fiscal management	56,000	6,000	62,000
GOVERNANCE			
Decentralization of MIFAMILIA	240,000	24,000	264,000
Forums on education	64,000	15,000	79,000
Other			
Auditing	15,000		15,000
Equipment and materials	10,000		10,000
Evaluation	10,000		10,000
Contingencies	11,000		11,000
Total	921,000	97,000	1,018,000

IV. EXECUTING AGENCY AND EXECUTION MECHANISM

- 4.1 The MHCP will be the executing agency and, as such, will be answerable to the Bank for execution of the operation. The ministry has executed and continues to execute various operations competently, which include loan 1114/SF-NI, social policy reform, and ATN/SF-8351, strengthening of the MHCP's capacity for public

debt management.⁴ This experience will help to mitigate any difficulties that might arise during the operation.

- 4.2 MIFAMILIA will be one of the institutions benefiting from the technical cooperation-operation. It is executing loan 1061/SF-NI, strengthening of the Ministry of Family Affairs for the protection of vulnerable groups, and is in the process of approving the second phase of the program. Accordingly, it has the necessary experience to use the resources of the present operation. MIFAMILIA's component of this technical-cooperation operation has been designed to complement the recently-approved loan and support the country in deepening the process of decentralizing the ministry.
- 4.3 Clear and precise rules have been established in the Operating Regulations for the participation of these two ministries. Signature of an interagency cooperation agreement by the MHCP and MIFAMILIA and entry into effect of the Operating Regulations are conditions precedent to the first disbursement. Rights and responsibilities have been spelled out in detail so that coordination will be broad, effective, and efficient and relations with the MMCP will be fluid. To facilitate these relations, protocols have been agreed on and established, which are also described in detail in the Operating Regulations.
- 4.4 The Operating Regulations will form an integral part of the technical-cooperation operation and once they have been approved by the Bank, they may not be modified without obtaining its express nonobjection.
- 4.5 The Bank's Country Office in Nicaragua will bear technical and basic responsibility for the technical-cooperation operation and will monitor its execution.
- 4.6 Consulting services will be contracted and goods will be procured in accordance with Bank procedures.
- 4.7 As an exception to the preceding paragraph, UNCTAD, a specialized UN agency, will be contracted directly to bolster the technical capacity of the MHCP in public debt management. This exception is consistent with section GS-403 of the Procurement Manual and is requested on account of the technical and institutional advantages of the agency, which are described below:

⁴ ATN/SF-8351 for US\$150,000 is in the final stage, with 90% of the resources committed. The specific objectives were to support the Nicaraguan authorities in: (a) analyzing the legal framework for devising regulations that are consistent with a possible program of bond issues; (b) developing a cash-flow projection model that contributes to an analysis of the costs, risks and sustainability of rolling over the domestic debt, consistent with the country's international commitments; and (c) design of campaigns to promote and publicize the treasury bond program.

Technical advantages:

- a. Recognized capacity and experience in the debt management system area, given that an earlier version of the DMFAS has already been installed in the BCN and the MHCP. The program is also used as a standard tool in other Latin American countries.
- b. UNCTAD is the only institution that offers to install and maintain the DMFAS.
- c. The agency has capacity to effectively coordinate individual specialists and can prepare consolidated specialized reports.
- d. The services offered by UNCTAD, which involve support and maintenance for a period of 15 years, have been rated as very good.

Institutional advantages:

- a. The agency has very good and extensive working experience with the beneficiary.
- b. It has the capacity to effectively coordinate the different individual specialists whose services will be required during implementation of the technical-cooperation operation, and the ability to prepare consolidated specialized reports.
- c. It will offer the necessary continuity in support after the technical-cooperation operation is executed in the event that the services provided require upgrading and maintenance.
- d. It offers an efficient system of administrative support to ensure quality control during the performance of the technical assistance services.

- 4.8 Last, the Bank will consider retroactive financing of up to US\$10,000 from the technical-cooperation operation to cover costs that the government has incurred for consulting services since 1 July 2004 related to the dialogue on the constitutional provision on funding for universities. Up to US\$5,000 may be recognized retroactively from the local counterpart for costs incurred in holding the events.

V. MONITORING AND EVALUATION

- 5.1 To verify progress in execution of the technical-cooperation operation, each of the institutions responsible for the different components will present annual progress reports within the first month of the following year. The format will be agreed upon beforehand with the Bank.

- 5.2 The MHCP's Financial and Administrative Division will compile the different reports and prepare the annual reports in the agreed format and present them to the Bank's Country Office in Nicaragua, which will have basic responsibility for the operation, no later than the second month following the start of the calendar year.
- 5.3 The annual reports will contain an account of the year's activities, including compliance with the annual work program, successes and difficulties in executing each component, measures to correct problems and comply with the original plan, and execution plans for the following calendar year.
- 5.4 The Bank will review the reports and give or withhold its nonobjection to any proposed corrective measures. It will monitor those measures during its periodic visits, which will be reflected in the subsequent semiannual progress report.
- 5.5 If one or more of the components is not being executed in accordance with the plan or if the institution in charge fails to take appropriate measures for normal execution, the Bank may decide not to process additional disbursements for that component, without detriment to the remaining the components.
- 5.6 Each component of the technical-cooperation operation will be evaluated twice—once half way through execution, which will serve to verify real progress in the operation and recommend measures to be taken for the remainder of the execution period in the event there are problems with the design or execution of any of the components; and once three months after the final disbursement to examine the impact of the operation.
- 5.7 The final evaluation will include a description of the operation and the results, stressing the project's achievements in terms of objectives, goals, and benefits, with comments on events during execution. The funds for the evaluation have been set aside in the budget of the technical-cooperation operation.

VI. BENEFITS AND RISKS

- 6.1 This technical-cooperation operation will help the Nicaraguan government with its technical analysis for the country's development in the coming years. So as not to overburden the government's administrative capacity, this technical-cooperation operation combines all the FSO-financed technical-cooperation resources for the country into a single operation, with emphasis on the areas with the greatest impact.
- 6.2 As a result of this operation, it is expected that the records, statistics, and consolidated reports on the public debt will provide appropriate tools for good decision making on debt management and administration. The consulting services to support the production of projections on fiscal revenue and spending will benefit the country with a significant improvement in the inputs needed to prepare the annual budgets and to make duly substantiated management decisions.

- 6.3 Support for the process of decentralizing MIFAMILIA will make it possible to identify the elements that are needed to strengthen the supply of private social protection services, thereby bringing about better and more efficient use of economic, technical, and human resources for social and special protection and for comprehensive assistance for Nicaraguans living in extreme poverty.
- 6.4 Application of the constitutional requirement to devote 6% of the budget to finance universities has serious implications for fiscal spending and for the budget balance. Any agreement that is reached must be based on a consensus among the stakeholders concerned and one of the mechanisms for achieving this is the forums to discuss the fiscal situation and find solutions for maintaining the fiscal balance. Therefore, the forums will have unquestionable benefits for future budget negotiations.
- 6.5 The risks of the operation include lack of coordination between the MHCP and MIFAMILIA, which are responsible for supervising the studies. To address this risk, the Operating Regulations contain clear rules on the participation and responsibilities of each institution.

VII. ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

- 7.1 The profile of this operation was reviewed at meeting 31-04 of 30 July 2004 and no significant direct social or environmental impacts are anticipated. The following paragraph describes how environmental considerations will be treated.
- 7.2 One of the pillars of competitiveness is to find mechanisms that harmonize economic growth with environmental and social sustainability. Based on this principle and during the investment-preparation phase, a plan of action will be designed for the productive sectors supported by this technical-cooperation operation, that identifies potential investments that confer value added on the environment and/or mitigate the possible indirect impacts of each of the projects.

COST AND FINANCING TABLE

Component	IDB	Local	Total
Economic growth			
PUBLIC DEBT	<u>475,000</u>	<u>48,000</u>	<u>523,000</u>
Contract with UNCTAD	400,000		400,000
Institutional support for the MHCP:			
Coordinator	50,000		50,000
4 consultants for specific subjects, seminars	20,000		20,000
Harmonization of debt markets	5,000		5,000
Logistical support, offices and secretarial services		48,000	48,000
FISCAL MANAGEMENT	<u>56,000</u>	<u>6,000</u>	<u>62,000</u>
International consultant for the fiscal programming model	56,000		56,000
Logistical support, offices and secretarial services		6,000	6,000
COMPETITIVENESS	<u>40,000</u>	<u>4,000</u>	<u>44,000</u>
Short-term consultants for economic and environmental feasibility	40,000		40,000
Logistical support, offices and secretarial services		4,000	4,000
Governance			
DECENTRALIZATION OF MIFAMILIA	<u>240,000</u>	<u>24,000</u>	<u>264,000</u>
Consultants for 10 studies	240,000		240,000
Technical and administrative support, offices and logistical support		24,000	24,000
FORUMS ON EDUCATION	<u>64,000</u>	<u>15,000</u>	<u>79,000</u>
5 two-day workshops for 100 participants each, US\$4,000 each	20,000		20,000
Publications and public affairs		15,000	15,000
Logistical coordinator for the forums, 12 months at US\$2,000 a month	24,000		24,000
Technical consultant for the forums	20,000		41,000
Other			
Auditing	15,000		15,000
Equipment and materials	10,000		10,000
Contingencies	11,000		11,000
Evaluation	10,000		10,000
TOTAL	921,000	97,000	1,018,000

LOGICAL FRAMEWORK

Narrative summary	Indicators	Means of verification	Assumptions
Goal			
To contribute to the prioritization of policies that lead to economic growth and better governance, consistent with the National Development Plan			
Purpose			
To improve the prospects for economic growth and governance through access to information that is relevant for decision making and for taking action.	<ul style="list-style-type: none"> Information on the public debt in real time, consolidated for sustainability and credit analysis, available for decision making. System for implementation, monitoring, and evaluation of social and special protection services designed, and plan of action defined. 	<ul style="list-style-type: none"> Progress reports Final evaluation 	<ul style="list-style-type: none"> A clear definition of priorities is made in the sectors under study and socioeconomic conditions are maintained for their implementation.
Components			
<i>Economic growth:</i> <ul style="list-style-type: none"> Strengthening and improvement of the capacity of the MHCP to manage the public debt and economic policy. 	<p>The following results have been achieved by the end of the program:</p> <ul style="list-style-type: none"> System for public debt management consolidated. Computerized program installed and in operation. 5 technical experts trained in public debt analysis and management. 	<ul style="list-style-type: none"> Midterm evaluation UNCTAD DMFAS 5.3 database and license BCN-MHCP coding plan consolidated Progress reports 	<ul style="list-style-type: none"> The government maintains its commitment to provide the counterpart resources. Trained officials continue to work for the institution.
<ul style="list-style-type: none"> Improvement in the competitiveness of the clusters defined in the National Development Plan. 	<ul style="list-style-type: none"> Investment decisions are made, based on preinvestment studies, to implement PND programs. 	<ul style="list-style-type: none"> Midterm evaluation Report on studies 	<ul style="list-style-type: none"> Progress is made in implementing the studies.
<i>Governance:</i> <ul style="list-style-type: none"> Management of the modernization and decentralization of MIFAMILIA. 	<ul style="list-style-type: none"> Quality standards for the production of social and special protection services adopted by agencies. 	<ul style="list-style-type: none"> Midterm evaluation Progress reports Annual work plans Design of quality standards 	<ul style="list-style-type: none"> The government maintains its commitment to deconcentrate the services and move ahead with decentralization.
<ul style="list-style-type: none"> Awareness-building regarding the constitutional allocation to third-level education. 	<ul style="list-style-type: none"> About 300 stakeholders are aware of the social costs of the allocation. 	<ul style="list-style-type: none"> Midterm evaluation 	<ul style="list-style-type: none"> Government and sectors involved maintain commitment to dialogue

Activities			
<ul style="list-style-type: none"> Implementation of DMFAS 5.3 and technical and managerial training in debt management 	<ul style="list-style-type: none"> Contract signed within the first six months after the operation is declared eligible 	<ul style="list-style-type: none"> Technical cooperation operation progress report 	
<ul style="list-style-type: none"> Two economic feasibility studies in support of cluster competitiveness 	<ul style="list-style-type: none"> Contract for each study signed and work begun within the first three months after the operation is declared eligible 	<ul style="list-style-type: none"> Technical cooperation operation progress report 	
<ul style="list-style-type: none"> Design of the system for implementing, monitoring, and evaluating social protection and special services 	<ul style="list-style-type: none"> Contract for the study signed within the first six months after the operation is declared eligible 	<ul style="list-style-type: none"> Technical cooperation operation progress report 	
<ul style="list-style-type: none"> Design of service quality standards and monitoring of special social protection cases 	<ul style="list-style-type: none"> Contract for the study signed within the first six months after the operation is declared eligible. Contract commissioned 	<ul style="list-style-type: none"> Technical cooperation operation progress report 	
<ul style="list-style-type: none"> Five forums on education 	<ul style="list-style-type: none"> Preparation of forum agendas and logistics 	<ul style="list-style-type: none"> Technical cooperation operation progress report 	