

National Rural Development Program

NICARAGUA

SECTOR: Agriculture

PROJECT TITLE: National Rural Development Program
(927/SF-NI)

TOTAL COST: \$33.4 millon

FINANCING:

IDB	\$30.0 millon
LOCAL	\$ 3.4 millon

DATE OF APPROVAL: July 27, 1994

GENERAL DESCRIPTION: The objectives of this program are to: (a) improve the quality of agricultural products and increase levels of production, as well as undertake activities to modernize agricultural practices and improve access to national and international markets; and (b) establish the institutional capacity to manage rural development within the overall strategy of modernization of the public sector and territorial administration in rural areas.

The expected benefits of the program include a positive effect on the revitalization of the Nicaraguan economy: reducing the obstacles that confront small and medium producers so that they can increase productivity; and strengthening of the capacity of enterprises.

The program consists of two components: (a) institutional strengthening of the executing agency,

Programa Nacional de Desarrollo Rural (PNDR): this entails establishing the PNDR, including setting up and equipping offices, contracting and training staff, communicating and disseminating information about the activities of PNDR; and engaging consultants to carry out training and institutional strengthening for the participating entities and beneficiaries, as well as studies to support the effective execution of the

(927/SF-NI) ENGLISH

2

program; and (b) support for sustainable agricultural production: finance for the rehabilitation, installation and maintenance of public infrastructure, including rehabilitation of rural roads and irrigation systems in order to support agricultural production and finance for technical assistance programs to prepare and execute eligible projects under the program and to carry out preinvestment studies for future projects.

CONSULTANTS: Specialized consultants will be hired for the institutional strengthening component to assist in the execution of program activities and for the technical assistance components of the program.

GOODS AND EQUIPMENT: Bank funds will be used to purchase vehicles and equipment to set up the PNDR, for a total of \$400,000.

CIVIL WORKS: Civil works will be required for the agricultural production component of the project, specifically, rehabilitation of existing rural roads and irrigation and drainage systems, as well as construction of terraces and reservoirs to capture and store water.

EXECUTING AGENCY: Ministerio de la Presidencia

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