

**OUTCOME ASSESSMENT OF SWEDISH COOPERATION WITH  
NICARAGUA 2001- 2008**

(Part of Exit Project Nicaragua)

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## EXECUTIVE SUMMARY

This Outcome Assessment reviews results presented for major programs supported in Nicaragua during the period 2001-2008 in relation to the Country Program for Nicaragua 2003-2007. The Country Program defined three thematic areas of intervention.

The first thematic area was “*democratic and transparent governance through change in central government institutions*”. The support in this area has generated good results in the cooperation with the national health authorities, the police and the public universities. In other areas, and especially regarding institutions in the judicial system, obstacles have been encountered caused by political influence, and lack of transparency and independence. Also the support to the public sector in general, such as the budget support and the public sector reform, has produced less tangible results.

The support in the second thematic area of “*better governance in local institutions that can increase choice and opportunities for the poor*”, has in general reported good results. This refers to local health services, local judicial services, local infrastructure development and the support to civil society organisations. Programs implemented at the local level have managed to actively involve the local population and establish a strong ownership of the activities at this level.

The third thematic area of “*interventions to increase economic opportunities of the poor*” relates mainly to two programs - support to small scale farmers and micro- credits for housing improvements and income generation. Both of these programs have shown excellent results.

Regarding crosscutting issues, there has been a clear focus on gender equality, while other issues have been less visible in the reporting. Results of the policy dialogue on substantive development issues have been limited, while donor coordination has shown progress, at least up to 2007. Sweden has been one of the leading actors in this process.

Summarising these results in relation to the overall objective for Swedish cooperation with Central America (2001 – 2007) of “*contributing to economic and social equality and democratic development*” it can be concluded that the support to Nicaragua has made such contributions, especially at the local level.

Lessons learned from the cooperation are that support to civil society is necessary complement to cooperation with government institutions; a long term perspective building trust and confidence with the counterparts is an important, although not sufficient, aspect of achieving sustainable results; cooperation at the local level is less vulnerable to political pressure and change of governments, than support to central government institutions; when actively using windows of opportunity, new and innovative types of support can be tested and successfully developed.

## 1. INTRODUCTION

This summary outcome assessment of the results and lessons learned of Swedish development cooperation with Nicaragua 2001 – 2008 forms part of the Exit Project Nicaragua aimed at the documentation of the development cooperation between Sweden and Nicaragua during its more than 30 years of existence from 1979 to 2011. A separate outcome assessment will be produced for the phase out period 2008-2011.

The points of departure are the Regional Strategy for Central America and the Caribbean 2001- 2005 and the Country Program for Swedish Support to Nicaragua 2003 – 2005, both of them extended to 2007. Results of the programs are assessed primarily against the objectives stated in the Country Program for Nicaragua but also against the backdrop of the political, economic and social development in the country. Results are assessed by sector and within each sector for each major program. An analysis of crosscutting issues, the dialogue with the Government and donor coordination are also included. Finally, there is a section summarizing lessons learned.

The assessment is focused on major projects and programs (generally with allocations above 10 MSEK) where there is sufficient documentation available in the form of evaluations, memos and reports.

## 2. DEVELOPMENT IN NICARAGUA 2001-2008 <sup>1</sup>

Governments in Nicaragua

1997 – 2001	Arnoldo Alemán, Partido Liberal Constitucionalista (PLC)
2002 – 2006	Enrique Bolaños, Partido Liberal Constitucionalista (PLC)
2007 – 2011	Daniel Ortega, Frente Sandinista de Liberación Nacional (FSLN)

Nicaragua is the second poorest country in Latin America. The percentage of the population living in poverty (national living standard measurement) decreased during the 1990s, but increased slightly 2001 – 2005<sup>2</sup>. The inequality in the distribution of income, although slightly reduced during the period, is among the greatest in Latin America<sup>3</sup>.

Economic growth varied during the period, with lower growth rates in the beginning and at the end of the period and somewhat higher growth rates in between. The average growth rate was slightly higher than the population increase, which means small growth in income per capita<sup>4</sup>. Even after reductions of the external debt (70%) through HIPC in the beginning of the period, the national debt is still substantial<sup>5</sup>. The deficit in government spending was reduced during the period, at the same time as spending in social sectors slightly increased as a proportion of the budget. Nicaragua is heavily dependent on international cooperation, with about one third of government spending financed from external sources<sup>6</sup>.

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<sup>1</sup> Based on Sida Country Reports Nicaragua 2003-2008

<sup>2</sup> Population in poverty 48% and extreme poverty 17% 2005

<sup>3</sup> 10 % wealthiest - 41 % of the national income; 10 % poorest - less than 2 % (2005).

<sup>4</sup> 1000 USD (2007)

<sup>5</sup> 3.4 billion USD or 600 USD per capita (2007)

<sup>6</sup> 100 USD per capita (2007)

The Government of President Bolaños (2002-2006) started with high ambitions regarding macroeconomic stability, economic growth, poverty reduction and fighting of corruption. The Strategy for Poverty Reduction 2001-2005 focused on four main areas – economic growth oriented towards rural areas; investment in human capital; social safety nets for the poorest; and improved governance. Bolaños distanced himself from his predecessor, President Arnoldo Alemán (also from PLC, Partido Liberal Constitucionalista), who was sentenced for fraud and corruption (first to prison and then changed to house arrest). However, the position of the Bolaños Government was substantially weakened by the “pact” between FSLN (Frente Sandinista de Liberación Nacional) and the majority fraction of PLC, which was still in force. This fraction of the Liberal Party continued to be directed by Arnoldo Alemán, also during his time in prison and house arrest.

The pact had a strong influence on the National Assembly, where the FSLN and the Alemán fraction of the PLC held the majority of seats, which hindered approval of legislation proposed by the government. The pact also meant a politicisation of the judicial administration. Nominations to the Supreme Court, the National Audits Office and the Electoral Council were divided between FSLN and the Alemán fraction of PLC. The independence and public trust of these institutions was thereby eroded and necessary reforms of the electoral system could not be implemented.

As noted above, the ambition to fight poverty did not succeed, although some social indicators, such as infant and maternal mortality, attendance in primary school, literacy and access to water, improved during the period. With regard to the fight against corruption, the effects were negative and also the Bolaños Government was accused of mismanagement of funds. Nicaragua’s position in Transparency International’s Corruption Perception Index deteriorated during the period. Besides the corruption and politicisation of the judicial system, a major set back for human rights was the prohibition of all kinds of abortions (2006). Up to this date, Nicaraguan law had allowed abortions in cases where the life of the mother was in danger, but the new law prohibited abortion also in such cases.

Otherwise, at this time respect for civil and political rights was considered relatively good in Nicaragua in comparison with other countries in Central America, although insufficient public resources and bureaucratic administration limited the realisation of social and economic rights, especially for vulnerable groups of women, children and ethnic minorities. Civil society and media could in general freely express opinions and criticize the authorities. As the Bolaños Government was quite isolated due to the pact between Alemán and Ortega, the dialogue on poverty reductions strategies was conducted primarily with the donor community. Some efforts were made also to include civil society organisations in the consultations.

In 2007, the FSLN government assumed power after winning the elections. The change of government led to increased priority for poverty reduction and the social sectors, but also to centralisation of decision-making and information. The pact between FSLN and PLC continued to allow mismanagement of democratic rules (such in the municipal election in 2008) and limit any meaningful opposition.

The FSLN government has introduced a new forum for community participation in public administration (CPC, Consejos de Poder Ciudadano). However, there is a clear tendency of the CPCs to primarily represent the FSLN party and to use them to favour party affiliates, securing public services for them. The initiative has been criticized by civil society

organisations of violating the constitution and weakening democratic processes. In November 2008 the FSLN government and PLC were accused of manipulating the municipal elections and dividing the local governments between the two parties. Several donors, including Sweden, reduced their aid as a consequence of this situation.

### **3. SWEDISH STRATEGY FOR COOPERATION WITH NICARAGUA 2001-2008**<sup>7</sup>

The cooperation with Nicaragua has been guided by the Regional Strategy for Cooperation with Central America and the Caribbean 2001-2005 (extended to 2007), with the objectives of contributing to economic and social equality and democratic development. The Country Program for Nicaragua 2003-2005 (also extended to 2007) was prepared in 2002 after the change of government (from Alemán to Bolaños). The Country Program was based on the experiences of ongoing cooperation and the analysis of development challenges in relation to Nicaragua's poverty reduction strategy. Three thematic areas of intervention were defined:

1. Support to democratic and transparent governance through change in central government institutions.
2. Development of new models and better governance in local institutions that can increase choice and opportunities for the poor.
3. Interventions that directly or indirectly increase economic opportunities for the poor.

The Country Program envisaged an increase in support for central government institutions based on the new government's intention to improve governance. At the local level Sweden was already supporting several initiatives for increased decentralization, participation of the local community and increased economic opportunities.

Four cross cutting themes to be assessed in the preparation of support for all projects and programs were also identified: gender equality, environmental sustainability, children's rights and communication aspects. The intention of the Program was, furthermore, to focus the main part of the support on a limited number of large, long-term programs, general budget support and sector programs.

During 2006, a further concentration of the cooperation to three sectors was initiated. These sectors were: 1) good governance and human rights with emphasis on the justice system; 2) health; and 3) rural development. In these sectors Sweden had been able to identify and collaborate with national and local actors in development processes where the cooperation could make a difference. Support to the National Audit Office, the Ombudsman of Human Rights and the Anti-corruption fund were terminated due to the lack of tangible results and disturbing political influence.

In August 2007, the Swedish Government decided to phase out the cooperation with Nicaragua. A Phase-out Strategy for 2008-2011 was prepared. The objective of Swedish support during the phase out period is to improve living conditions for the poor through democratic governance, strengthen rights with regard to security, justice and health, and provide opportunities for people to earn a livelihood in rural areas.

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<sup>7</sup> Based on Country Program Nicaragua 2003-2005 and Sida Country Reports Nicaragua 2003-2008

## 4. OUTCOME OF THE COOPERATION PER SECTOR

### 4.1 GENERAL BUDGET SUPPORT

(2002-2006; 310 MSEK)

Sweden provided general budget support to Nicaragua 2002 - 2006 in total amounting to 310 MSEK. The objective of the budget support 2002- 2004 (60 MSEK per year) was to implement the Poverty Reduction Plan adopted in 2001. In 2002, Nicaragua signed a new agreement with IMF and the follow-up, monitoring and disbursements of the Swedish support was linked to the programs of IMF and the World Bank.

An evaluation of the general budget support in Nicaragua in 2006<sup>8</sup>, notes that it still was in a formative stage which is reflected in limited findings on causality. At the same time, it was pointed out that the support is taking place in a difficult institutional and political context. The support emerged from HIPC and earlier program aid, and effects were in many areas intermingled indistinguishably with these earlier forms of aid. The evaluation also noted that the budget support was part of a move towards more coordinated and country-led aid management (roundtables, program-based approaches etc). The effect so far of the support was the boost it had given to harmonisation among the donors involved the general budget support.

In 2005, Sweden entered into a more advanced system of general budget support together with six other bilateral (Finland, Norway, Germany, Holland, Switzerland, UK) and two multilateral donors (EU, WB). The support was based on a Joint Financial Arrangement and a Performance Assessment Matrix with indicators and actions as a follow-up instrument. The Swedish contribution for 2005–2006 was 130 MSEK. Results reported in mid 2006<sup>9</sup> were considered good in the areas macro-economy, public finance and productive sectors, and weak in the governance area.

In 2007, Sweden decided to discontinue the general budget support<sup>10</sup>. This decision was motivated by non-fulfilment by Nicaragua of several fundamental principles for general budget support included in the agreement. These principles include respect for human rights, democratic principles, rule of law and independence of the judiciary, macroeconomic stability, and commitment to combating poverty and corruption. The assessment made jointly by all participating donors concluded that there had been no progress in the independence of the judiciary, accountability and poverty reduction, and that there had been a set-back with respect to human rights (the issue of abortion).<sup>11</sup>

#### *Concluding remark on Budget Support*

The budget support cannot be directly linked to any of the main themes of the Country Program. It was given as a general support for poverty reduction. From the information available it is not possible to determine if the budget support contributed to the reduction of poverty. However, an effect of the support mentioned above was improved coordination and harmonisation among donors.

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<sup>8</sup> Joint Evaluation of General Budget Support 1994-2004, Nicaragua Country Report (2006)

<sup>9</sup> Sida Country Report Nicaragua 2006

<sup>10</sup> Sida Country Report Nicaragua 2007

<sup>11</sup> Ayuda Memoria, Apoyo Presupuestario Reunión Anual 2007

## **4.2 DEMOCRACY AND HUMAN RIGHTS (Government institutions)**

This section summarises results of programs related to the first thematic area of Swedish cooperation – “democratic and transparent governance through change in central government institutions”. However, the programs for Rural Judicial Facilitators, National Police and Demining also have implications for the second theme – “better local governance and increased choice of the poor”. It should be noted that support to civil society organisations (section 4.3) is also mainly related to the area of democracy and human rights. This section (4.2) includes summaries and assessments of the following programs:

1. Public Sector Reform Program (2004-2009)
2. National Police (2002 – 2011)
3. Rural Judicial Facilitators (2001 -2008)
4. Public Prosecutor’s Office (2006-2009)
5. Demining (2003-2006)

### **4.2.1 Public Sector Reform Program**

(2004-2009; 32 MSEK)

A Public Sector Reform Program initiated by a World Bank Public Sector Technical Assistance Credit (PSTAC) has been implemented 2004-2008 (extended to 2009). The aim of PSTAC has been to achieve a modern and efficient public sector with a reliable and transparent management of public expenditure and an administration of human resources based on performance and results. The total amount contributed to the Program from the World Bank and bilateral donors (Denmark, Holland, UK and Sweden) was 42 MUSD. The Swedish contribution was 32 MSEK.

A Midterm Review in 2006<sup>12</sup> noted some advances at the technical level in the form of integrated administrative and financial system (SIGFA), covering 70% of public expenditure. At the same time, the review notes weaknesses in the design of the Program, coordination between subcomponents, limited space for actors to influence procedures and the need for advances in other areas than the information system. There was criticism against the large number of consultants financed within the program, many of whom should have been included in the civil service and financed with government funds.

In 2007<sup>13</sup> the SIGFA system was consolidated and a de-concentration of the system initiated including four executing units of the Ministry of Health. The implementation of the civil service reform had been slow but the establishment of the Appeal Council was considered a significant advancement. New salary regulations for civil servants were introduced with considerable reduction in consultancy fees, which contributed to increased financial sustainability, but also to the loss of some key personnel.

An evaluation in 2009<sup>14</sup> concludes that there had been good results in terms of financial management (SIGFA), but that there were still weaknesses in financial audits and other areas.

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<sup>12</sup> Evaluación de Medio Término del Proyecto de Asistencia Técnica al Sector Público (2006)

<sup>13</sup> Sida Country Report Nicaragua 2007

<sup>14</sup> Evaluación del Proyecto “Crédito Para Asistencia Técnica Al Sector Público” PSTAC (2009)

The administration of human resources had advanced somewhat, but the problems with too much external financing of regular staff and extensive use of highly paid consultants had continued.

#### **4.2.2 National Police**

(2002 – 2011; 130 MSEK)

Sweden has given support to the National Police in Nicaragua since 1998. For the period 2002 – 2006 the amount contributed was 45 MSEK and for the period 2006 - 2011 a contribution of 85 MSEK has been agreed.

The objective of the support is to strengthen democratic governance in Nicaragua through the restructuring of the police organization, improvement of the police training system and the extension of the territorial coverage of the police services at the community level and in rural areas. The emphasis of the support since 2006 is on the implementation of the strategic plan 2005-2009 of the National Police, with special focus on improved public safety and legal security especially for poor and vulnerable groups. Technical assistance by the Swedish National Police Board (Rikspolisstyrelsen) constitutes an integrated part of the program to strengthen the preventive approach through the proactive community police model and the modernisation of the training system.

An external evaluation of the Swedish support in 2006<sup>15</sup> concluded that the objectives of the program had been achieved to a high degree. In spite of national budgetary limitations, it had been possible to lay a sound foundation for future technical assistance and better synergy among projects and resources provided by international cooperation agencies.

The program was considered to have had an important impact on the democratic development of the Police. Human rights and community participation were reflected in improved attention and training of staff attending the public, not least in relation to victims of domestic violence. Only a small percentage of the 2000 employees participating in the training had left the Police by the end of the program period. The internal control system of the Police had been strengthened through a system of regional inspectors, and a model for evaluation of the quality of police services had been developed. The special police stations for women and children (started in 1997 as a separate project), had gradually been incorporated into the regular police organisation.

In 2008<sup>16</sup>, a total of 35 special police stations for women and children were in operation at the municipal level. A system of local facilitators from civil society organisations supporting these police stations had been established. An important result of the advocacy efforts of the Police in coordination with civil society organisations was the increase in penalties for gender based violence in the new Penal Code approved by the National Assembly in 2007. The percentage of women policemen in Nicaragua (27%) is higher than in most other countries (including Sweden) and the proportion of women students at the Police Academy is even higher (34%). In 2008, the Academy started a specific postgraduate course on gender and gender based violence.

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<sup>15</sup> Sida Evaluation 06/01 - Apoyo Sueco a la Policía Nacional de Nicaragua, 2002–2005 (2006)

<sup>16</sup> Sida Country Report Nicaragua 2007 and 2008

### **4.2.3 Rural Judicial Facilitators**

(2001-2008; 46 MSEK)

From 1997 to 2002 Sweden gave support through the Organisation of American States (OAS) for the peace and democratisation process in rural conflict areas of Nicaragua through Peace Commissions (Comisiones de Paz) composed of local leaders, which also became legal and economically independent organisations. One of the activities of this program was focused on improving the judicial services. OAS subsequently provided assistance to the Supreme Court of Justice to develop the Rural Judicial Facilitators Program with support from Sweden.<sup>17</sup>

The Program is aimed at strengthening the rule of law by improving access to justice in the northern, central and Atlantic regions of Nicaragua. The Program has created a network of local community leaders and local judges. The facilitators work on a voluntary basis to address conflicts through mediation, prevent violence and give advice in the community on legal issues and the right to be assisted by local judges. Sweden has contributed 46 MSEK to the Program.

The Midterm Evaluation in 2006<sup>18</sup> concluded that the Program had achieved excellent results improving the access to justice for the rural population, reducing conflicts, preventing crimes and initiated collaboration between the formal and the traditional (indigenous) justice systems. 46 000 cases had been handled by the Facilitators since 2002, including 14,000 mediations.

In 2008<sup>19</sup>, the planned results of the Program had been surpassed. Over 1,300 facilitators had been trained and were actively serving their communities in 120 municipalities in the country. A quarter of the facilitators were women.

### **4.2.4 Public Prosecutor's Office**

(2006-2009; 10 MSEK)

Since 2006, Sweden has supported a program for strengthening the competence of public prosecutors in terms of gender violence and sexual crimes against women and children with 10 MSEK. The Program was established as a complement to the special police stations for women and children affected by violence (see under 4.2.1 above). The implementation process was slow, and in 2007 there were yet no results to be noted. The support to the Prosecutor's Office was terminated in April 2009.<sup>20</sup>

### **4.2.5 Demining**

(2003-2006; 33 MSEK)

Sweden supported the OAS (Organisation of American States) Mine Action Program in Nicaragua during two periods 1996-2002 (20 MSEK), and 2003-2006 (33 MSEK). The demining was performed by the Nicaraguan army and supervised by international observers. Other major donors to the program were Denmark, Norway, Canada and the United States.

<sup>17</sup> Sida Assessment Memo Rural Judicial Facilitators Program 2002

<sup>18</sup> Evaluación de Medio Término del Programa Facilitadores Judiciales 2006

<sup>19</sup> Sida Country Report Nicaragua 2008

<sup>20</sup> Sida Country Report Nicaragua 2006, 2007 and 2009

A tangible result of the demining program was a substantial decrease in accidents mutilating children and adults during the period 2003-2006. From the start in 1996 to the end of 2006, 95% of registered mines had been destroyed and mine risk training had been performed in 150 communities.<sup>21</sup>

### ***Concluding remark on support to government institutions related to Democracy and Human Rights***

Three of the programs referred to above (National Police, Rural Judicial Facilitators and Demining) have achieved good results in relation to their objectives and thereby contributed to *better governance*, especially at the local level. The Public Sector Reform was partly successful in improving financial management, but in other areas of the Public Sector Reform and in the support to the Public Prosecutor results were limited.

### ***4.3 CIVIL SOCIETY***

Sida has supported national civil society organisations both directly and through Swedish NGOs. In one case, a Swedish NGO, Forum Syd, has been contracted to manage a joint fund for support to civil society in Nicaragua on behalf of Sweden and other donors.

The support through Swedish NGOs (with 100 % financing from Sida/RELA), as well as the direct support to national NGOs, is mainly given for advocacy on governance, democracy, human rights, children's rights and gender equality. It is thus mainly related to the first thematic area of Swedish support outlined in the Country Program 2003-2005 – "*Support to democratic and transparent governance through change in central government institutions*". Through this support active participation of the population and civil society organisations is sought and encouraged.

In the following sections, the documented results of programs which have received substantial amounts of support will be summarised and commented on, as follows:

1. FED - Multidonor Fund for Gender Equality and Sexual and Reproductive Rights,
2. Forum Syd - Equality Program
3. Forum Syd - Country Program Nicaragua
4. Diakonia – Country Program Nicaragua
5. CENIDH (Centro Nicaragüense de Derechos Humanos)
6. CPDH (Comisión Permanente de Derechos Humanos)
7. Movimiento Comunal Nicaragüense

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<sup>21</sup> Sida Country Report Nicaragua 2006

### **4.3.1 FED - Multidonor Fund for Gender Equality, Sexual and Reproductive Rights** (2007-2008; 5.6 MSEK)

The overall objective of this Fund is to strengthen the capacity of civil society to promote the acknowledgement and fulfilment of the sexual and reproductive rights by the society and the state.

The multi-donor fund was established at the end of 2005 by the Netherlands, Finland and UNFPA to promote a more coordinated and harmonised support to the Nicaraguan civil society in accordance with international conventions and policies on sexual and reproductive health and rights (SRHR). Several other like-minded donors including Sweden later became members of the fund. Forum Syd Nicaragua was contracted to manage and administer the Fund. Open tenders are carried out on an annual basis and proposals from civil society organisations are evaluated according to pre-established criteria. The Swedish contribution to the Fund is 5.6 MSEK, which represents about 20% of the total.<sup>22</sup>

A Midterm Review in 2008<sup>23</sup>, notes that FED is providing flexible support to civil society organisations for their institutional strengthening and the implementation of strategies promoting sexual and reproductive rights. The program has provided opportunities for cooperation between organisations working in critical areas, such as abortion and HIV/AIDS; and has proven an effective instrument for the harmonisation and articulation between donors. The Review notes that although the time of implementation is short, some indications of impact from field interviews with women and youth involved in projects can be noted. The interviewees explained that the projects in question had helped to open up spaces for discussion of themes, such as abortion and HIV, especially among youth.

However, the tender process had not provided an opportunity to direct the support towards local actions as intended. The criteria for selection of projects had favoured well established organisations, limiting the possibilities for smaller organisations at local level to access funds. Furthermore, Forum Syd which was responsible for the administration of the Fund, had neither been able to establish a stable team, nor introduce well functioning administrative routines.

### **4.3.2 Forum Syd - Equality Program** (2000-2006; 37 MSEK)

The aim of this program was to strengthen the advocacy work for gender equality of counterpart organisations and other strategic actors. Forum Syd was initially commissioned to manage Sweden's long term support to Nicaraguan women's organisations. During the first phase (2000-2003), Forum Syd continued to support the same organisations as the Embassy had done in the past, but in addition offering project management support and training. The target group during the second phase (2003-2006) was strong women's organisations, (mainly the same as in earlier years), youth organisations and counterparts to other Swedish organisations in the country. According to the Final Report<sup>24</sup>, 24 organisations received

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<sup>22</sup> Assessment Memo Support to Multidonor Fund for Gender Equality and Sexual and Reproductive Rights, FED, Sida (2007)

<sup>23</sup> Revisión de Medio Término del Período Piloto del FED, 2006 - Abril 2008 (2008)

<sup>24</sup> Forum Syd Programa de Equidad Informe final 2003-2006 (2008)

support during the second phase. The total amount contributed for the two phases was 37 MSEK.

The program was evaluated after the first phase. It was concluded that much focus had been put on administrative issues and less on the impact of the program. The evaluation stressed the need to develop indicators, as well as strategic directions for the program.

An study in 2006<sup>25</sup> concluded that the support had provided important funding to the counterparts. The training in gender mainstreaming had been important at a personal level for those attending, and had also been very useful for the organisations in terms of developing internal policies and gender balance. At the national level one organisation receiving support had been able to influence the national employment policy; another had made contributions to the national agenda against gender based violence.

The program had however more the character of fund management than a strategic development intervention. There was a lack of strategic planning, especially in terms of gender, and the impact on public policies was modest. Furthermore, insufficient institutional capacity of Forum Syd Nicaragua and the absence of support from its headquarters in Sweden had caused problems for the program.

### **4.3.3 Forum Syd - Country Program Nicaragua**

(2004 – 2007; 10 MSEK)

The aim of the program was to strengthen the capacity of civil society organisations to promote the participation and influence of population groups with low representation in the political process. The program forms part of a Regional Democracy program in Central America (Guatemala, Honduras and Nicaragua). The total amount for Nicaragua was 10 MSEK.

An evaluation of the Program in Nicaragua<sup>26</sup> included a questionnaire to representatives of organisations receiving support. The answers showed that the organisations estimate that they had been able to influence local authorities and other organisations in about 80% of the cases where they had presented proposals or petitions. Answers to another questionnaire to participants in projects implemented by the organisations, showed that they had understood the difference between being “subjects with rights and obligations” and “objectives/beneficiaries/ clients” of policies, programs and projects. They also had gained respect for the decision of the majority, as well as for the protection of the environment.

The analysis of Forum Syd’s Country Programs in Central America (2008)<sup>27</sup> notes that these programs are the first of its kind for Forum Syd. It is concluded that the organisation had underestimated the challenge implied in making the transition from an organisation skilled at recruiting volunteers to an organisation for implementing complex development programs. As a result, implementation was delayed, and there was a mismatch between capacities, established objectives and plans, and the technical back-up from the headquarters in Stockholm was inadequate.

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<sup>25</sup> Revisión del Programa de Equidad de Forum Syd e insumos para el futuro apoyo en el tema género en Nicaragua, Wennerholm/Real (2006)

<sup>26</sup> Programa de Democracia Local en Nicaragua Evaluacion Externa (2007)

<sup>27</sup> External Analysis of Forum Syd’s Country Programs in Central America, Sida Evaluation (2008)

The evaluation points out that the termination of the support is likely to cause serious problems. Some of Forum Syd's Nicaraguan counterparts will probably find other sources of financing to consolidate their activities, but in view of the serious regression of the respect for human rights (particularly women's rights) the termination of a program deeply involved in these themes is likely to have negative consequences.

#### **4.3.4 Diakonia – Country Program Nicaragua**

(2001 – 2007; 33 MSEK)

The aim of the program was to increase the participation of the target population both in democratic institutions and civil society through activities strengthening the democratic structure and culture, based on equality. Diakonia has supported civil society organisations working with training for democracy in the Atlantic Coast regions of Nicaragua. The total amount contributed is 33 MSEK.

The Evaluation of Diakonia's Latin America Programme (2008)<sup>28</sup> found a remarkable change among the participants in the training programme in Nicaragua in terms of improved knowledge of their rights and of the workings of local governance. This change at the individual level is contributing to a strengthening of local organisations and to the innovative ways in which they are currently conquering a space for political participation. Such a process, however, cannot be attributed to Diakonia funded activities alone but must be understood in a larger context. Nevertheless it is certain that the efforts of the organisations receiving support from Diakonia have made people question and even challenge authoritarian rule by institutional means.

#### **4.3.5 CENIDH**

(2001-2009; 6.4 MSEK)

CENIDH (Centro Nicaragüense de Derechos Humanos), established in 1991, is the leading NGO promoting defence of human rights in Nicaragua. CENIDH is supporting the legal process of individual cases, produces annual reports on the situation of human rights in Nicaragua, supports the establishment of local human rights commissions and provides training of local volunteers. Sweden has supported CENIDH 2001 - 2009 with 6.4 MSEK.

The Annual Report 2007<sup>29</sup> notes that during that year 11,500 persons (4,000 men and 7,500 women) benefitted from CENIDH's services and 850 volunteers had been trained. The number of cases attended 2005 – 2007 had reached 17,000, which was well above the target (13,500) set in the strategic plan for 2005-2009.

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<sup>28</sup> Swedish Democracy Promotion through NGOs in Bolivia, Guatemala, Nicaragua and Peru; Outcome-Oriented Evaluation of Diakonia's Latin America Programme, Sida Evaluation (2008)

<sup>29</sup> CENIDH Informe Narrativo y Financiero 2007

#### **4.3.6 CPDH**

(2003 – 2007; 4.4 MSEK)

La Comisión Permanente de Derechos Humanos (CPDH) is an NGO working to protect and promote human rights in Nicaragua. The organisation was founded in 1977 and provides training and legal advice in the area of human rights. It also informs the public about the human right charter and participates in public debate.

Sida has supported CPDH 2003 – 2007 with 4.4 MSEK for activities focused on women's, adolescents' and children's human rights. The aim has been to contribute to the respect for their human rights by strengthening the capacity of women, adolescents and children to promote and protect their human rights and to increase their access to the justice system.<sup>30</sup>

During 2006<sup>31</sup> the activities of CPDH to promote human rights, coordinate with other actors and strengthen social communication increased and the results of these activities surpassed project estimation. The organisation participated actively in the national debate, presented several appeals on human rights cases and gave particular impetus to the issues of intra-familial violence.

#### **4.3.7 MCN – Movimiento Comunal Nicaragüense**

(2004 – 2007; 3.5 MSEK)

The objective of the support was to strengthen the capacity of MCN to promote the participation of citizens and an improved and extended mobilisation of the population (especially in the municipality of Managua) in their struggle for a dignified way of life. The total amount contributed by Sweden was 3.5 MSEK.

The expected results were achieved to an acceptable degree and have contributed to strengthen the capacity of MCN. There is now an organisational diagnostic study as a basis for the strategic plan; a steering system with operational plans and routines for monitoring and evaluation; strategies and forums for gender and youth; and an educational strategy with courses for community leaders. It is however difficult to assess to what extent and how the democratisation and organisational changes of MCN have contributed to the mobilisation of Nicaraguans in general.<sup>32</sup>

#### ***Concluding remark on the support to civil society organisations***

The information presented above indicates that there have been positive results of the support to civil society organisations, especially in the short term for the local organisations receiving support and to some extent for the ultimate target groups. Swedish support has contributed to civil society advocacy on governance, democracy, human rights, children's rights and gender equality. It has equally made it possible for the organisations to prepare the ground and advocate for legislation on domestic violence, the protection of children and youth, and equal opportunity. Subsequently laws in all three of these areas were passed. On the basis of the

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<sup>30</sup> Sida Assessment Memo CPHD 2007

<sup>31</sup> Sida Country Report Nicaragua 2006

<sup>32</sup> Completion of support to Movimiento Comunal Nicaragüense (MCN) for the project "Construyendo Democracia Local" Sida (2008)

information available, it is however not possible to determine the results of the Swedish support to civil society organisations in terms of their contributions to *democratic and transparent governance*.

In relation to this, it is worth noting that reports by ten Swedish NGOs on the results of their of programs in Central America (2006)<sup>33</sup> do not mention any kind of objectives of the programs and projects (overall or specific) to which results could be related. Surprisingly, the organisations seem to have no intent to follow up, in qualitative and/or quantitative terms, the results of their development interventions.

However, the summary quoted above also points out that there are many levels in the hierarchical structure involved in development interventions through NGOs, the most important ones being the Swedish umbrella or frame organisations (ramorganisation), their member organisations, their national partners which sometimes operate through a local or municipal partner, and finally the beneficiaries. The use and understanding of planning tools, terminology and even basic concepts like results and impact can be quite different. This may naturally cause considerable communication problems.

#### **4.4 SOCIAL SECTORS**

Cooperation in social sectors is related to the second thematic area for Swedish support outlined in the Country Program (2003-2005) – “development of new models and better governance in local institutions that can increase choice and opportunities for the poor”.

Swedish cooperation in this area has mainly been concentrated to the health sector through the Ministry of Health (MINSA). However, support has also been given to UNICEF’s Country Program, which includes activities related to water and sanitation and education, as well as to the Fund for Social Investment (FISE).

In this section, the following programs are summarised and assessed:

1. PROSILAIS III (2000 – 2005)
2. Health Sector Program Support (2005 – 2009)
3. UNICEF’s Country Program (2003 – 2010)
4. Training Program for Midwives (2005 – 2010)
5. FISE (2000-2003)

##### **4.4.1 PROSILAIS III**

(2000 – 2005; 93 MSEK)

The overall aim of the program was to improve the health situation of the population in six departments through strengthened capacities of the decentralised health care system, with a special focus on vulnerable groups and areas with special health problems. The program supported the primary health care organisation (SILAIS) in six out of 17 departments in the country, with MINSA as counterpart and PAHO and UNICEF as channels for the support and

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<sup>33</sup> Summary of ten Swedish Organisations’ assessments of results in supported programs and projects in Central America and the Caribbean (2006)

technical advisors. Sweden had supported the program in three phases since 1992. The total amount contributed 2000-2005 was 93 MSEK.

The Draft Outcome Assessment made in 2007<sup>34</sup> notes that planned results of the program were achieved to a high degree and seems to have had an impact on the health situation in the areas receiving support. Maternal mortality and death caused by malaria decreased in five of the departments and infant mortality in four departments, with three of them reaching levels below the national average. Important results of the program are the strengthened institutional framework for planning, implementation, monitoring and financial follow-up of the services, and improved coordination between the health services, local governments and civil society.

The positive results demonstrate the possibilities of a decentralised primary health care system. The program has served as a model at the national level and as an important input into the National Health Plan 2005-2015. Another result with national implications is the institutional strengthening of the Ministry of Health, which was important for the establishment of the Sector Program Support in 2005. The results and experiences gained have been instrumental for the development of national planning and guidelines, which strengthens the sustainability of the achievements.

#### **4.4.2 Health Sector Program Support**

(2005-2009; 216 MSEK)

The aims of the Health Sector Program/Five-Year Health Plan are to 1) increase the quality and access to health services; 2) strengthen the network of services in targeted areas; and 3) improve governance, build institutional capacities and strengthen decentralization and participation.

Support to the Five-Year Health Plan is given by several donors through a pool funding mechanism (FONSALUD), where participating donors transfer their contributions to a national Treasury Account. The monitoring of the implementation of the Health Plan take place within the framework of the health sector round table, which includes the government, civil society organisations, private sector entities and the donors. Donors supporting the Five-Year Health Plan through the FONSALUD follow joint procedures for financial monitoring and related issues. The total amount contributed by Sweden is 216 MSEK.<sup>35</sup>

The Midterm Evaluation of the Five-Year Health Plan (2008)<sup>36</sup> notes, regarding the main indicators of impact, that maternal and infant mortality has decreased in general, although not quite to the target levels set in the plan. There were substantial variations among departments, but the decrease in most of the prioritised departments (12 out of 17) was greater than in the non-prioritised departments. The percentage of births taking place at institutions increased above the target (76% as compared to a target of 60%)

The Midterm Evaluation concludes that the first main objective of the Plan has been achieved to a higher degree than the two other objectives. However, the Plan is still not perceived as an effective guiding instrument for the work of the health sector by the different actors outside the central functions of the Ministry of Health. The interaction between the Ministry and other

<sup>34</sup> From Draft Outcome Assessment 2001-2005 (2007)

<sup>35</sup> From Assessment Memo Health Sector Support in Nicaragua 2005-2009 (2005)

<sup>36</sup> Evaluación de Medio Término del Plan Quinquenal de Salud 2004 - 2009 (2008)

actors is not sufficient (i.e. NGOs participate in implementation but not in the planning of activities). There is also a lack of progress in decentralisation (especially in relation to capacities in Atlantic Regions) and deficiencies in the information and management systems (lack of coherence between planning and budgeting).

The Evaluation of the Processes of Appropriation, Alignment and Harmonisation of the international cooperation (2008)<sup>37</sup> notes that there is some progress in these processes in the health sector but that they need to be further strengthened. There are still great variations in the view and understanding of the sector program approach among the actors in the sector. With regard to ownership (appropriation), it is noted that the Ministry of Health has improved its role as leader of the sector program process also after the change of government in 2007.

However, further development of institutional capacities is needed, as well as improved linkages between planning and budgeting. With regard to alignment and harmonisation, it is noted that national systems and procedures are being increasingly utilised, although the major multilateral agencies still use their own procedures and do not form part of the joint fund (FONSALUD).

It should be noted that the health sector was affected by a five months strike of the medical staff in 2006 and by policy changes introduced by the newly elected government in 2007 (i.e. universal rights to health services free of charge). Although the process of sector program support and cooperation seems to be slow, there have been advances, especially in terms of quality and access to health services.

A study in 2009<sup>38</sup> summarising 30 years of Swedish support to the health sector in Nicaragua confirms the important role of the Swedish support for the development of public health in the country. This refers especially to the introduction of new models of basic services, planning and community participations at the local level, but also to the fact that Sweden has been actively promoting the donor coordination and establishment of a sector program support. The Swedish support for organisations promoting sexual and reproductive health and rights and for the training of midwives are also considered important contributions to the development of the health sector.

#### **4.4.3 UNICEF's Country Program**

(2003-2010; 80 MSEK)

The overall aim of the program was to advocate and contribute to the progressive consolidation of a culture that respects the rights of children, adolescents and women. The Swedish support to the program was directed at strengthening national and local health systems, water and healthy environment and education for citizenship. The total amount contributed by Sweden was 60 MSEK.

A Draft Outcome Assessment made in 2007<sup>39</sup> notes that UNICEF reports mainly give information regarding the implementation of activities, but do not present an analysis of the

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<sup>37</sup> Evaluación de los Procesos de Apropiación, Alineamiento y Armonización de la Cooperación Internacional en el Ministerio de Salud (2008)

<sup>38</sup> Suecia - Treinta años de Cooperación con el Sector Salud en Nicaragua (2009)

<sup>39</sup> From Draft Outcome Assessment 2001-2005 (2007)

of results or problems encountered. The Country Report 2008<sup>40</sup> notes that planned activities have been implemented to a high degree and that the objectives set for the different components were in general reached. The monitoring team<sup>41</sup> contracted by Sida notes that the program covered a wide range of needs within the sectors of health, education, sanitation and social protection in municipalities highly affected by poverty, that the program was well received, and that it had managed to establish effective inter-institutional collaboration and coordination. What was needed however was an improvement of the formulation of objectives, results, effects and indicators.

#### **4.4.4 Training Program for Midwives**

(2005-2010; 27 MSEK)

The program aim is to give 540 midwives a one year training course. The target group is nurses who have already graduated from seven nursing schools. Upon completion of the training course the midwives are expected to return to their respective health centres for at least two years. The training is organised in cooperation between the Ministry of Health and the university UNAN-Managua. The total amount to be contributed by Sweden is 27 MSEK.

The Midterm Evaluation (2008)<sup>42</sup> concluded that the program had strengthened capacities both for the training of midwives in the nursing schools and for the maternal health services in the health centres. Most of the midwives who had received training had returned to their health centres as expected. The evaluation points out that there were weaknesses in the organisation of the practical work of the students during the training, as well as in terms of monitoring and communication of activities and results of the program. The Midterm Evaluation concludes that the first years of the program had established a basis for the training of midwives, but that financing would have to be secured and different modalities of training promoted. By mid-2008, 265 midwives had graduated from the program<sup>43</sup>.

#### **4.4.5 FISE**

(2000-2003; 28 MSEK)

The aim of the Social Investment Fund (FISE) has been to meet the demands of the poor population through financing of basic social infrastructure in education (school buildings), health (health centres), water and sanitation (water pipes, latrines). Sida has supported FISE in two phases since 1995. The specific aim of the Swedish support 2000-2003 was to strengthen the decentralisation of planning, implementation and follow-up of the investments to the municipalities and the communities, which had been initiated during the previous period. The planning procedures was influenced by the positive experiences of participatory planning in the program for local development PRODEL (see 4.5.1 below)<sup>44</sup>. The amount contributed 2000-2003 was 28 MSEK.

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<sup>40</sup> Sida Country Report, January-August 2008

<sup>41</sup> Monitoreo del apoyo sueco al programa país UNICEF en Nicaragua 2003-2006 (2006)

<sup>42</sup> Evaluación Medio Término MINSAs/ ASDI /POLISAL 2005-2007 (2008)

<sup>43</sup> Sida Country Report Nicaragua 2008

<sup>44</sup> Sida Assessment Memo Support to the Social Investment Fund (FISE) 2000-2003 (2000)

The Final Report from FISE 2004 <sup>45</sup> notes that the support 2000-2003 had financed 35 investment projects in eight municipalities benefitting 17,000 persons living in poverty, and had created 2,500 jobs. The support had also helped FISE to change its procedures and working methods, i.e. by involving communities in the planning of the projects and increasing the responsibilities of the municipalities in planning and implementation.

### ***Concluding remark on the support to Social Sectors***

Summarising the results reported above, it can be concluded that there has been substantial progress in the programs supported by Sweden. In most cases, these results have been in line with the plans and set targets, although in the case of the Health Sector Support, some results seemed to have been somewhat more modest than expected. Summing up, the programs have definitely contributed to the *“development of new models and better governance in local institutions that can increase choice and opportunities for the poor”*.

## **4.5 LOCAL AND REGIONAL DEVELOPMENT**

In this section, the results of two major programs are summarised: the Program of Local Development (PRODEL) and the Program for strengthening of capacities of the Autonomous Regions at the Atlantic coast (PROCARIBE). Both programs have been supported in successive phases since the middle of the 1990s and are related to the second theme in the Country Program - *“development of new models for better governance in local institutions”*. PRODEL is also related to the third theme – *“increase of economic opportunities for the poor”*.

### **4.5.1 PRODEL**

(2004-2008; 90 MSEK)

The support for local urban development through the Program for Local Development (PRODEL) started in 1994 as a government program by the Institute for Municipal Development (INIFOM) in poor neighbourhoods in five municipal centres. It has gradually been spread to 80 municipalities throughout the country, including rural areas. PRODEL has been supported by Sida in three phases 1994-97, 1998-2003 and 2004-2008, in a total amount of 200 MSEK.

In 2004, PRODEL became an independent Nicaraguan foundation, with the aim of improving the living conditions of low income households in poor settlements and to develop sustainable institutional capacity for itself and its partners to pursue this objective. PRODEL is offering loans to micro-finance institutions aimed at improved housing and increased business opportunities for low-income families in poor communities. PRODEL also contributes to the financing of basic infrastructure in some of these communities. Projects regarding improved drainage channels, latrines, sewerage, water, electricity etc have been implemented in 11 municipalities

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<sup>45</sup> Informe final Proyecto ASDI-FISE III (2004)

Technical assistance is also provided by PRODEL to strengthen the capacity of micro-finance institutions (micro-credits) and municipalities (infrastructure). In the case of infrastructure improvements, costs are shared between PRODEL, the local government and the local community. The Swedish support for the third phase is 90 MSEK.

During the period 2004-2008, PRODEL provided 21,000 households with loans for housing improvements and 34,000 with microenterprise loans. In both cases, there were often consecutive loans to the same household for gradual housing improvements and business development. The loans for housing improvements are also combined with basic technical assistance for the design and implementation of the improvement. 15,000 households have benefitted from local infrastructure projects.<sup>46</sup>

The specific objectives of the third phase of PRODEL included the achievement of financial sustainability and growth of the revolving fund. In this respect targets have not only been met, they have been surpassed, with an annual capitalisation of the revolving fund of 6 % (or more) for each of the years 2004, 2005 and 2006. This means that the fund has already reached financial sustainability at a volume of credits of about USD 18 million. The targets for the period 2004-2008, with regard to number of households benefiting from credits and infrastructure projects, had already been surpassed at the end of 2006. Based on this positive development, in 2008, Sida decided to convert a conditional loan to PRODEL of 60 MSEK to a contribution to the Foundation<sup>47</sup>.

An evaluation of the third phase of PRODEL in 2009<sup>48</sup> notes that the program has a strong identity, efficient organisation and has contributed important innovations both with regard to credits for housing improvements and participatory communal planning. The innovations and experiences of PRODEL have influenced both the microcredit sector and the municipal planning in Nicaragua (see 4.4.5 and 4.5.2), as well as in other countries in Central America. The evaluation further notes that the program is sustainable with regard to the revolving fund. An aspect to be considered in the longer perspective is whether the program must expand its activities outside Nicaragua due to the limited size of the microfinance market in the country. Another aspect for future consideration is the long term financing of the infrastructure component.

#### **4.5.2 PROCARIBE**

(2002-2009; 54 MSEK)

Since 1994, Sweden has given support to a program for institutional capacity building in the two Autonomous Regions at the Atlantic coast. The third phase of support covered the period 2002-2006 (45 MSEK) and was followed by a transitory phase 2007-2009 (9 MSEK).

The aim of the support 2007-2009 is to strengthen the management capacities of the regional administrations to enable an effective implementation of the Regional Autonomous System in accordance with the legal framework and regional development plans. Besides support to management, the program includes contributions to priority sectors, such as health, natural resources, environment and territorial demarcation.

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<sup>46</sup> PRODEL, Informe Ejecución de la III Fase 2004 – 2008 (2009)

<sup>47</sup> Sida Assessment Memo, Conversion of a conditional loan to equity for PRODEL, Nicaragua (2008)

<sup>48</sup> Evaluación de la Tercera Fase de Prodel, Borrador final (2009)

The evaluation of the third phase 2005<sup>49</sup> noted a significant impact of the program with regard to increased capacities at the regional and municipal levels. At the same time there were weaknesses in the design of the program and a lack of coherence between objectives, activities and results. The Program had deviated from its main objective to strengthen the process of autonomy.

A study commissioned by Sida in 2009<sup>50</sup> on how basic community infrastructure works can trigger livelihood improvements and good governance (comparing experiences of PROCARIBE, PRODEL and another similar program in Guatemala) noted that PROCARIBE during its third phase had generated 600 community works of tangible improvements for the local population in 10 municipalities. Staff, initially subsidised by the program, had been permanently integrated into technical units; the participatory approach applied for community work is still in use.

In 2007<sup>51</sup>, the transition phase of the program was recognised for its innovative and unique model of support from within the institutions and its practical construction of knowledge through “learning by doing”. This had allowed the creation of institutional service units in different governmental areas, such as finance, production and health. In 2008<sup>52</sup>, it was considered as an impact of the Program that the budget and planning secretariats had been reinforced and that increased technical capacity to demand and use financial resources had been achieved. Advances had been made in the regionalisation of the health sector, including the approval of an autonomous health service delivery model. Finally, a comprehensive gender policy had been issued and approved, with participation of civil society organisations.

### ***Concluding remark on Local and Regional Development***

The positive results reported from PRODEL indicate substantial contributions both to “*increased economic opportunities for the poor*” and “*better governance in local institutions*”. There are similar positive results from municipal projects in PROCARIBE, including clear indications of increased institutional capacities at the regional and municipal levels contributing to the better governance in local institutions.

## **4.6 RURAL DEVELOPMENT**

The support to rural development has basically contributed to the third thematic area in the Country Program – “*increased economic opportunities of the poor*”. The support has been focused on two main programs, FondeAgro and PRORURAL.

### **4.6.1 FondeAgro**

(2001-2008; 260 MSEK)

FondeAgro was designed by the Ministry of Agriculture and Forestry (MAGFOR) and Sida on the basis of previous cooperation in the agricultural sector. The Program started in 2001

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<sup>49</sup> Sida Assessment Memo PROCARIBE Preparatory Stage (2006)

<sup>50</sup> When local empowerment and livelihood improvements converge (2009)

<sup>51</sup> Sida Country Report Nicaragua 2007

<sup>52</sup> Sida Country Report Nicaragua 2008

with the main objective to increase incomes of small and medium-sized agricultural producers of coffee and milk in six municipalities in two northern departments of Nicaragua. The Program has been guided by a Steering Committee with representatives from MAGFOR and implemented by a Coordinating Unit. This unit manages the funds of the program with international and national staff contracted by a Swedish consulting company. The first phase of the Program lasted from 2001 to 2004 with a contribution of 70 MSEK. The amount contributed to the second phase 2004-2008 was 190 MSEK.

An evaluation of the first phase in 2003<sup>53</sup> concluded in summary that the program had attained its main goals, including better cultivation practices, improved household economy and an increase in the supply of credits. A midterm evaluation of the second phase in 2006<sup>54</sup> noted that the program and its components had been well and constantly adjusted to the reality of the target group in response to their demands and needs. An example is the promotion of household garden production by women. The impact in form of better income and reduced poverty was already measurable. The different components of the program were furthermore considered as innovations that ought to be disseminated at the national level.

An external summary of the experiences of FondeAgro commissioned by Sida in 2008<sup>55</sup> noted that the Program had developed gradually and had a flexibility that allowed it to adapt to changing circumstances. It had operated close to the target group and reached different levels – farms, producers' organisations, municipalities and the Ministry of Agriculture and Forestry.

A presentation of FondeAgro at a seminar on successful experiences of market development in agriculture at Sida in 2009<sup>56</sup> summarised the result of the program in the period 2001-2008, as follows. 13,000 small farmers with families had benefitted directly, on an average nearly doubling their income since 2001. The farmers reached by the program constituted about 80% of the target group of small farmers with an initial income around the poverty line in the area of intervention (six municipalities). The results in terms of established cooperation among farmers, credit systems and contacts between small farmers and the market (big producers/processing plants and buyers) were estimated to be sustainable in the longer term.

#### **4.6.2 PRORURAL**

(2007-2008; 66 MSEK)

PRORURAL is a national program formulated in 2005 as an attempt to create a sector wide program for Productive Rural Development. The overall aim of the program is to increase production, productivity and competitiveness in agricultural and forest production, which is environmentally sustainable and contributes to the reduction of rural poverty. The program includes ongoing activities at the time of its start (specific projects and programs), as well new initiatives, with a total budget of 400 MUS\$ over a five year period. So far, only a smaller portion of the budget is in the form of a Common Fund (30 MUS\$) which has been provided by some of the donors under a joint Memo of Understanding with Nicaragua. Sida contributed 66 MSEK to the Common Fund for the period 2007-2008.

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<sup>53</sup> Referred to in Sida Assessment Memo regarding support to FondeAgro phase II (2004)

<sup>54</sup> Evaluación de Medio Término de la Segunda Fase de FondeAgro (2006)

<sup>55</sup> Abriendo Puertas de Confianza, Reconstrucción y Análisis de la Experiencia de FondeAgro, CATIE (2008)

<sup>56</sup> FondeAgro Agricultural Development Program 2001-2011, Orgut (2009)

The Midterm Evaluation in 2008<sup>57</sup> notes that the limited time of implementation, together with the change of government in 2007 and related changes in policies, limits the possibilities to measure results and impact of the program. However, there are positive signs in the form of improved access for small farmers to markets (construction of roads), water supply, credits and technical assistance. The coordination between the seven public institutions in the rural sector has improved to some extent, and the coordination between public institutions and private sector/civil society is also improving, especially at the local level. Coordination between donors, as well as between donors and national institutions is still deficient.

### ***Concluding remark on the support to Rural Development***

The information summarised above indicates that the Swedish support to rural development has contributed to “*increase the economic opportunities of the poor*” in the case of the target groups of FondeAgro. The process of creating a sector wide program PRORURAL is still at an early stage and therefore difficult to assess. There seems, however, to be possibilities for the positive experiences of FondeAgro to be replicated in other parts of Nicaragua by being recognised within PRORURAL as a model for promotion of small scale coffee and milk farming.

## **4.7 RESEARCH COOPERATION**

(2001 – 2011; 300 MSEK)

Research cooperation with Nicaragua started in the early 1980s through the Swedish Agency for Research Cooperation, SAREC. Since 1995, SAREC is integrated into Sida as the department for research cooperation. In contrast to other parts of Swedish bilateral cooperation, which are increasingly handled by Swedish embassies abroad, research cooperation continues to be administered from Stockholm.

The general objective of Swedish research cooperation is to empower knowledge systems and create institutional analytical capacity, i.e. domestic capacity to generate scientific knowledge of international quality that may contribute to the global production of knowledge and to provide solutions to national needs and priorities in terms of reducing poverty and improving living conditions. The Regional Strategy for Central America and the Caribbean 2001-2005 and the Country Program for Nicaragua 2003-2005 view research cooperation as an essential element to achieve economic and social equality and democratic development. Research is considered to play a special role in national and regional capacity building. Well trained researchers have the ability to draw on globally produced knowledge and to formulate appropriate national and regional development policies.

Nicaragua’s research capacity is still very limited and research is poorly supported by its Government.<sup>58</sup> There is no national strategy on how to use science and technology to enhance development, and the National Development Plan adopted in 2005 does not directly address issues of higher education and research and their relevance for development and poverty reduction. In an attempt to take a holistic approach to research, the Nicaraguan Council for Science and Technology (CONICYT) was created in 1995.

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<sup>57</sup> Evaluación de Medio Término de ProRural (2008)

<sup>58</sup> Sida Assessment Memo 9 May 2008. Phasing out bilateral research cooperation with Nicaragua July 2008 – June 2011 (section 1.3.2).

Since 1999, Swedish cooperation has included support to the development of national research policies and priorities, reforms of the system of higher education, research management and administration at university level, and the building of platforms to facilitate interaction of national innovation systems.

#### 4.7.1 Universities and entities supported

In the period under review, 2001 – 2008, Swedish research support has been directed at Nicaragua's four public universities, and two research related entities, as follows:

- The National Agricultural University (UNA),
- The National University of Technology (UNI),
- The National Autonomous University in León (UNAN-León),
- The National Autonomous University in Managua (UNAN-Managua),
- The National Council of Universities (CNU).
- The Nicaraguan government's liaison office for science, technology and innovation (CONICYT). This support did not commence until 2006.

At the *National Agricultural University, UNA*, research cooperation is primarily oriented towards Agronomy, Plant Breeding; Crop Protection, Animal Science, Soil Science and Forestry. They are grouped into three research lines covering Biodiversity, Sustainable Agrarian Production, and the Assessment of Goods and Environmental Services. The Swedish partner is the Swedish University of Agricultural Sciences (SLU).

Key research areas of the *National University of Technology, UNI*, are Electrical and Computing Engineering and Research in Chemical Engineering. Swedish partners are the Dept. of Industrial Information Control Systems and Dept. of Signals, Sensors and Systems at the Royal Institute of Technology (KTH), and Dept. of Electro science at Lund University

The *University UNAN-León* focuses on research in Demographic and Health Research, Occupational and Environmental Health, and Infectious Diseases. Swedish partners are the Dept. of Health and Clinical Medicine at Umeå University; and the Dept. of Women's and Children's Health at Uppsala University, the National Institute for Working Life, and the Microbiology and Tumour Biology Centre at the Karolinska Institute.

The *University UNAN-Managua* is giving priority to an Environmental Research Multidisciplinary Program. Swedish partners are the Departments of Geotechnology, Biotechnology, and Ecology at Lund University, and the Department of Occupational and Environmental Medicine, University Hospital, Lund.

The *National Council of Universities, CNU*, is responsible for developing a national policy for higher education and has a key role in the reformation and modernisation of the university system. The CNU is independent of the Government but channels state funds to the universities. Swedish cooperation includes support to the universities for the implementation of strategic research plans in accordance with National System for Higher Education (SINIÉS), and the national system for research and postgraduate training (SINAP), improvement of information systems on statistics on higher education, implementation of

evaluation and accreditation systems of universities and research centres, and a small grant research fund.

*The Council for Science, Technology and Innovation, CONICYT*, is a government entity created in 1995 with the aim of developing a national system of science and technology (SINACYT). Since 2006 Sida supports CONICYT in the development of a legal platform to facilitate interaction in science, technology and innovation between different actors in society.

To sum up, Swedish research cooperation is composed of support to research training (PhD) and building research environments, a small grant research fund; improved university research management and administration, library and ICT infrastructure at the four universities, and institutional support for policy development/reform of higher education.

Total Swedish support to research cooperation 2001 – 2008 amounted to 190 MSEK<sup>59</sup>. The universities themselves contribute an increasing share research funding, and there are also a few other sources of financing. In 2006, Sida contributed 48 %, the public Nicaraguan universities 42 %, and other donors and organizations about 10% of research funding.

#### **4.7.2 Results of the research cooperation**

*Results of the support to research training.* As of 2008, through the Swedish PhD training support 34 individuals had received their PhD degree and 21 students a licentiate (Lic) degree. 50 more PhD students were being trained. There is unfortunately no gender based data on researchers. Retention has been very good. A majority of researchers remain at the public universities and there is no sign of them looking for better jobs abroad. It can be concluded that there has been a significant increase in the research capacity at the public universities. This has also improved the quality of university education at the undergraduate level.<sup>60</sup>

There has been a notable increase in study pace as a result of improvements in different areas in the universities. Whereas in the past PhD students at the UNA obtained their degree after 7 – 9 years, the time of study is now reduced to 4 – 5 years. Students are now better prepared thanks to the availability of courses in English, access to local tutors and research groups, easier access to information, modernized laboratories and ICT facilities. These improvements are directly related to the Swedish cooperation.

Thanks to the growing number of PhD holders, all four public universities have started or initiated local training programs for MSc students. The programs have been developed in close cooperation with Swedish universities. In the period 2004 – 2008 four out of seven planned MSc courses were successfully implemented: at the UNAN-León in the areas of occupational health, infectious diseases, and epidemiology, and at the UNAN-Managua in disaster mitigation. The remaining three MSc programs (in ICT, chemical engineering and ecological agriculture) were delayed due to the lack of human resources and physical space. Researchers at the four universities have together published more than 130 papers in scientific journals. It deserves to be mentioned that an article on rota virus vaccine written by a PhD student at UNAN-León was published in the *Lancet* and selected as the best article in 2006.<sup>61</sup>

<sup>59</sup> For the agreement period 2001- 2003 60 MSEK, and for 2004 – 2008 130 MSEK.

<sup>60</sup> Figures are based on a tracer study commissioned by Sida in 2008 and Sida Assessment Memo 9 May 2008. Phasing out bilateral research cooperation with Nicaragua July 2008 – June 2011(section 2.1.1)..

<sup>61</sup> Sida Assessment Memo, Phasing out bilateral research cooperation with Nicaragua, 2008 – 2011 (2008).

*Results of the support to research management.* Research administration has been an area of concern for a long time, but according to an external evaluation in 2006, the situation has improved significantly.<sup>62</sup> Administration has become more effective and audit systems have improved. The universities now have a vice-rector for research and a research council or commission. Work on research policy is progressing. At the UNAN-León, three research centres have been established representing a new stage in the evolution of the research groups supported by Sweden since the 1980s. Transparent systems for managing a small research grants scheme have been successfully implemented at all four universities and at the CNU.<sup>63</sup>

*Results in terms of stronger links to society.* The Sida supported research teams have on many occasions responded to national priority needs in their respective areas. Researchers have been invited as experts in their field to take part in working groups or national commissions, i.a. to draft new legislation. They are also asked to undertake consultancies and extension services. An example of a research project that is giving significant contributions to society is the Demographic and Health Surveillance System developed by a team at the UNAN-León in cooperation with Umeå University. Through this system the health status of more than 54,000 people in León is continuously monitored. Other examples of projects benefitting society are the development of a vaccine against the rota virus (infant diarrhoea), the development of a methodology to identify exposure to pesticides, and the training of staff of the National Social Security Institute in standardized diagnostics of asbestos. Yet another example is the pivotal role in the rapid development of infrastructure for ICT in Nicaragua played by the research team at the Faculty of Computer and Electrical Engineering of the UNI.<sup>64</sup>

*Results in terms of research infrastructure.* Sida's support to the development and implementation of a Policy and Master Plan for ICT has been of importance for students and researchers at the universities. They now have much improved access to international scientific publications, can retrieve and disseminate research results, take online courses and participate in discussions in their respective research communities. An external evaluation in 2007<sup>65</sup> concluded that Sida support had allowed the four universities to accelerate their transition from a situation of almost no ICT to a position of each university having a comprehensive campus network with a sufficient number of computers to make a difference in education, research and administration. Swedish cooperation has also contributed to the strengthening of laboratory facilities at all four universities.

During the period 2001 – 2008, a major evaluation of Sida's bilateral research cooperation was undertaken in four countries including Nicaragua.<sup>66</sup> The Country Report on Nicaragua<sup>67</sup> concludes that overall the past five years (2001 – 2006) had seen a qualitative leap in terms of efficiency and results in most of the programs; some research groups were even approaching a level where they could attract other sources of competitive funds for research activities. The universities had made good use of the capacity and experience gained, for example in terms of reform, enhanced quality of educational programs, and increased efficiency. Efficiency gains were perceived as the result of improved management structures and administration of the research programs, detailed yearly planning and follow up. There is also positive progress

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<sup>62</sup> Evaluation of the Sida/SAREC Bilateral Research Cooperation Program - Country Report Nicaragua (2006).

<sup>63</sup> Sida Assessment Memo, Phasing out bilateral research cooperation with Nicaragua, 2008 – 2011 (2008).

<sup>64</sup> Chart elaborated by Sida/SAREC on research results (2009).

<sup>65</sup> Evaluation ICT Services (2007).

<sup>66</sup> Sida/SAREC Bilateral Research Cooperation: Lessons Learned, Sida Evaluation Series 06/17 (2006).

<sup>67</sup> Country Report on research cooperation with Nicaragua (2006).

towards recognition of the role of researchers as equal to other duties, such as teaching, among university staff and faculty leaders.

One of the reasons for this positive development was considered to be the delegation of responsibilities to the Nicaraguan counterparts in terms of project planning, administration of funds, and the selection of counterparts. As a result, the sense of ownership by the Nicaraguan counterparts had increased. Other positive factors were Sida's support to capacity building in research management and administration, improved monitoring and financial control, and the strengthening of the Council of Universities in its coordinating function and its role of promoting reforms of higher education.

The evaluation concludes that the impact on the Nicaraguan society of the enhanced national research capacity is still relatively small, but there are nevertheless some good examples. A majority of the Sida supported research teams have established good links with stakeholders in society, such as governmental organisations, private companies, and NGOs. These contacts have been used to identify and find solutions to problems where elements of research are needed. CONICYT and its efforts to create a legal base for platforms to promote innovation systems are important and well worth supporting. In this connection, the instability of political institutions in Nicaragua is however a cause of concern.

#### ***Concluding remark on the support to research cooperation***

The overall conclusion of the evaluation is that there has been a substantial progress in the program in the period 2001 – 2008. The Swedish strategy to support the entire research environment, and not only individual research projects and researchers, has started to pay off. The impact of the investment is visible, though still on a small scale, both within the university and in society. Generally all programs are progressing well towards their long term objectives. Today all programs have well established contacts with other sectors of society, and researchers are increasingly participating as experts in national commissions and other situations where specific expertise is required.

#### ***4.8 POST MITCH ROAD REHABILITATION PROJECT*** (1999-2003; 350 MSEK)<sup>68</sup>

The aim of the project was the rehabilitation of a road in northern Nicaragua leading to the border with Honduras (Yalaquina –Las Manos, 43 km), which had been severely damaged by the hurricane Mitch in October 1998. The total cost of the project amounted to 350 MSEK.

In view of the urgency to repair the road, the project was set up to be implemented by a Swedish contractor, with a Swedish consultant responsible for design and control and with a limited role for the responsible ministry in Nicaragua. The guiding principles for the procurement and implementation of the Swedish Mitch support were only partly applied. The reason for this was the lack of a long term perspective and insufficient capacity on the recipient side in Nicaragua. This was also noted in a review of the special Mitch support

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<sup>68</sup> Emergency Road Rehabilitation Project in Nicaragua, Experience from planning and implementation (Sida Infrastructure Division, 2008) and interview with Anders Hagwall, former Head of Infrastructure Division at Sida (Sept 2009)

commissioned by Sida in 2002<sup>69</sup>. The rehabilitation work started in the beginning of 2000 and was finally completed in the beginning of 2003. The work was also affected by the fact that the road had to be kept open for traffic while during the reconstruction.

In 2001, the project encountered technical construction problems. At the same time, the initial organisation of the project, with built in conflicts of interest, led to problems in the cooperation between the contractor and the consultant. Due to this situation, the project was renegotiated in early 2002, as a turn key project with the Swedish contractor. Partly because of these problems, partly because of substantial changes in exchange rates (USD/SEK), the initial cost, estimated to 200 MSEK, increased by 150 MSEK.

### ***Concluding remark***

This project forms part of the special Swedish support to reconstruction after the hurricane Mitch which caused major destruction in Nicaragua. It was started before the Country Program 2003 – 2005 was adopted and had no relation to the themes of this Program. To sum up, the aim of the project was achieved, although at a substantially higher cost than expected.

### **4.9 EXPORT PROMOTION CEI (2000-2003; 10 MSEK)**

Sweden provided institutional support to the Centre for Export and Investment (Centro de Exportaciones e Inversiones, CEI) through UNDP in two periods; 1996 – 2000 (20 MSEK) and 2000 – 2003 (10 MSEK). The aim of the support 2000 - 2003 was to consolidate the work and financial sustainability of CEI.

The Final Report from UNDP in 2003<sup>70</sup> gives details about the activities performed. Regarding the impact of the work of CEI, the report notes that the organisations of small and medium producers express demand for the services of CEI in order to establish contacts and reach out to market their products, as well as to overcome problems with national procedures on taxes, licenses etc. The Report also comments on factors that limited the work of the Centre, such as lack of a national strategy for production and exports, and reduction of the national budget contribution to CEI (for salaries and operative costs). Another limitation was the establishment of a similar government Agency for Promotion of Investments.

### ***Concluding remark***

CEI was started before the adoption of the Country Program 2003 - 2005. There was no evaluation conducted at the end of the Swedish support, but the Centre is still functioning as private non-profit corporation with government representation promoting small and medium export industries in Nicaragua<sup>71</sup>.

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<sup>69</sup> Turning Disasters into Opportunities, Swedish Contributions to Reconstruction & Transformation in Central America after Disaster Mitch (2002)

<sup>70</sup> Informe Final “Apoyo Institucional hacia la Consolidacion y Sostenibilidad Financiera del CEI”, PNUD (2003)

<sup>71</sup> [www.cei.org.ni](http://www.cei.org.ni)

## 5. CROSSCUTTING ISSUES <sup>72</sup>

The Swedish Country Strategy for Nicaragua (2003) identifies four crosscutting themes that should be given special attention in the preparation of all projects and programs supported: gender equality; environmental sustainability; child rights and communication. These aspects should to the extent possible be mainstreamed and given priority in Sweden's dialogue with Nicaraguan counterparts. The perspectives of the poor and the rights perspective are also guiding Swedish development cooperation in Nicaragua, as elsewhere.

Gender equality is the crosscutting issue most frequently mentioned in the Country Reports 2003 - 2008. This issue has become a sort of trademark for Sweden. It is being mainstreamed in all programs and is brought up as a topic in the dialogue at all levels. A special contribution is the Gender Equality Program administered by Forum Syd (see 4.3.2). This program is aimed at strengthening the gender perspective in public policy through support to civil society organisations working with promotion of gender equality. Special efforts have been made to enhance the communication capacity of the Nicaraguan organisations. The Swedish support has been used for lobbying activities in relation to new laws and policies defending and promoting gender equality and women's rights, as well as for projects to influence public opinion.

The external analysis of the Gender Equality Program of Forum Syd (2006) concluded that the results had been good on a micro level, particularly among those participating in the training in mainstreaming. At the organizational level several participating organizations are now implementing gender policies. At the macro level, one of them has had an impact on the national policy of employment (Movimiento de Mujeres María Elena Cuadra, MEC), and another one on the national agenda against gender based violence (Asociación de Mujeres de Nicaragua Luisa Amanda Espinosa, AMNLAE).

To promote the rights of the child as a transversal issue in development cooperation, Sida sponsored a study on Swedish development cooperation from the perspective of the rights of the child and the adolescent in Nicaragua. The study was presented in 2004 in connection with a week of seminars on the rights of the child hosted by the Embassy together with the Inter-American Development Bank, the Ministry of the Family, UNICEF and the Association of Municipalities. Sexual and reproductive health and rights is another priority area where seminars and exchanges have been organised.

While the staff of the Swedish Embassy are fully aware of the obligation to mainstream and advocate Swedish priority issues, they often feel a lack of capacity and useful, strategic instruments. Another problem is that the current emphasis on harmonization and alignment and the new types of cooperation mechanisms (sector wide approaches and budget support) make it more difficult to pursue specific Swedish key issues. There are now so many donors and such a range of perspectives to be applied in relation to each contribution that Swedish perspectives cannot always be raised or accommodated in a meaningful way.

Regarding the crosscutting issues, it can be concluded that there has been a clear focus on gender equality, while the other issues has been less apparent in the reporting. Communication and environmental sustainability are not mentioned in the Country Reports, although the latter is an issue considered in the support for rural development.

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<sup>72</sup> Sections 5, 6 and 7 are all based on Sida Country Reports Nicaragua 2003-2009

## 6. DIALOGUE WITH THE GOVERNMENT

The Regional Strategy for Central America (2001 – 2005) highlights democratic governance and poverty alleviation as focal issues in the policy dialogue with Nicaragua. At the same time, efforts should be made to extend the dialogue to include decentralisation, environmental sustainability and improved donor coordination. The Country Program for Nicaragua (2003 – 2005) identifies gender equality as the primary advocacy and dialogue issue. Environmental sustainability and child rights are also mentioned as important transversal issues. It is pointed out that Sweden plays an important role as a dialogue partner of the Government given its long presence in the country and solid support irrespective of the government in power in Nicaragua. Swedish official representatives enjoy trust and credibility.

In 2003, the most important dialogue issues were Nicaragua's poverty reduction strategy, anti-corruption issues, and donor coordination. At the Consultative Group meeting this year Nicaragua was urged to reduce the political influence in the judicial system, reform the electoral system and create a modern and merit-based civil service. The need to elaborate policies to address inequality was also advocated by the donor community. The minority position of the Government in the National Assembly made it however difficult to find support for such reforms. Progress was nevertheless being made in terms of the agenda on harmonization and coordination of aid flows to Nicaragua.

Since 2005, apart from the political struggle between the Government and the opposition (but partly related to it), impunity and corruption affected the human rights situation. Donor dialogue with the Government continued to focus on the need to de-politicise the judicial system and to formulate policies addressing inequality.

As an active participant in sector round tables and in the budget support group, Sweden stressed the need for an open dialogue between the different branches of government and the donors. Thematic issues raised were: corruption, national audit, the independence of the judiciary, human rights and gender equality, and sexual and reproductive health and rights – with special emphasis on this last issue in 2006. Sweden also promoted the participation of civil society in the dialogue. Swedish standpoints and the focus on the perspectives of the poor and the rights perspective were well known, and increasingly shared by other donors. Especially the Swedish ambassador was regarded as a respected representative of the international community and was often interviewed by the media.

It is noted in the Country Reports that the focus on sector-wide approaches and budget support, as well as the emphasis on harmonization and alignment, have in some ways restricted the dialogue with the Government. The joint dialogue of the donor community tends to focus on coordination and the exchange of information, and on general issues on which all donors agree. In comparison with the bilateral dialogue that Sweden and Nicaragua used to conduct, the joint donor dialogue limits the opportunity to bring up specific (Swedish) dialogue issues and to influence national policy.

With the FSLN's return to power in early 2007, dialogue opportunities for the donor community on a national level were diminishing, but dialogue was still possible in some sectors. While in the rural productive sector dialogue spaces were sustained, the democracy

and human rights sector was left without its dialogue mechanism. In this area there was a virtual elimination of the round table system that was set up during the previous government. Issues raised during 2007 were corruption, national audit, the independence of the judiciary, human rights, gender equality, and sexual and reproductive health and rights – with a special emphasis on the last issue which became increasingly sensitive. At the same time, the Government complained about the strict demands on human rights made by the EU.

Following Sweden's decision in August 2007 to phase out development cooperation with Nicaragua and to close the Embassy in Managua, the opportunities of a close dialogue based on trust and confidence were drastically reduced. The fact that Sweden had decided to leave the budget support group further diminished its influence.

Overall, during the period under review the results of the policy dialogue on substantive development issues were limited. On the other hand, in terms of issues related to coordination, such as alignment and harmonization between donors and the government, progress was undoubtedly made (see below).

## **7. DONOR COORDINATION**

Nicaragua is one of the most donor-dependent countries in the world, with about one third of government spending financed from external sources (approximately USD 100 per capita) and with quite a number of bilateral donors and multilateral organizations present in the country. In the Swedish Country Strategy for Nicaragua (2003 – 2005), the need for donor coordination is stressed and Sweden's intention to support coordination processes emphasized. It is pointed out that given our credibility in Nicaragua, Sweden is well placed to play a prominent role.

Already in 2003, the Government of Nicaragua presented a framework on how to improve the co-ordination and harmonization of the resources obtained from cooperation. The stated objective was to make more effective use of external resources to achieve maximum impact on poverty reduction. A system of sectoral round tables was introduced with representatives of the Government, donor community and civil society (in some sectors) to provide opportunities for coordination and dialogue. Starting in 2004, a group of bilateral and multilateral donors, including Sweden, effectively coordinated the general budget support with the Government.

The Paris Declaration on Aid Effectiveness, adopted in 2005 by bilateral donor governments, multilateral organisations and partner countries, has had a significant impact on Nicaragua. One of the key factors of the Declaration, "country ownership", was at the time particularly relevant to Nicaragua due to the lead role taken by the Government in the preparations for the Declaration. The National Action Plan for donor coordination and harmonization developed in 2005 included participation by civil society, since much development work was done outside the Government. In accordance with this Plan, an important part of the harmonization and alignment takes place in a structure of round tables consisting of representatives of the Government, donors and in some cases civil society, both at a general level (Global Roundtable) and at the sector level.

Nicaragua was selected as a pilot country to be included in an OECD evaluation of the initiative in 2006. The evaluation concluded that it was one of the countries that had advanced the most in the implementation of the Paris Agenda.

Sweden has actively promoted donor coordination and urged the Government of Nicaragua to take the lead. Priority has been given to sector coordination, ensuring alignment of Swedish cooperation with Nicaraguan priorities and policies, and adopting mechanisms, such as sector-wide approaches and budget support. As one of the dominant bilateral donors, Sweden took an active part in the special working group to monitor the National Implementation Plan. During 2006-2007, Sweden co-chaired the Global Roundtable making it a more relevant dialogue forum. In addition, Sweden has been the lead donor in the round table on health care and has played a prominent role in the rural development and justice sectors. In all these fora Sweden has stressed the need for an open dialogue between the different branches of Government and the donors.

A good example of the results of donor coordination at the sector level where Sweden has been active is the establishment of the health sector program related to the Five-Year Health Plan 2005-2009. Several donors including Sweden have contributed pool funding to the budget of the Ministry of Health and agreed on joint procedures for follow up based on indicators defined in the Health Plan (see 4.4.2 above).

Although all donors are invited to participate, some are not taking part in the coordinating structures. There are still bilateral donors and multilateral organizations that insist on the “project mode” and separate administrative requirements.

Since the FLSN came back to power in 2007, there has been a general setback for coordination. The Government has preferred not to use the established mechanisms, such as the Global Roundtable. Instead it has dialogued with group of only five donors, who are meant to represent the donor community. Democracy and human rights have been eliminated as an area for dialogue and coordination. An evaluation of the Paris Declaration indicators conducted in 2008 showed that Nicaragua’s advances in harmonization, alignment and ownership were modest, while the progress in management for results and mutual responsibility were slightly better (moderate).

In summary it can be concluded that donor coordination progressed in Nicaragua until 2007 and that Sweden was been one of the leading donors in this process.

## **8. CONCLUSIONS OF THE ASSESSMENT**

In Chapter 4, we have summarized the results in the different sectors and major programs that have received Swedish support in the period 2001 – 2008. The results are based on assessments made in independent evaluations and in reports by Sida and the Embassy of Sweden in Managua. Chapters 5 – 7 summarized the results of Sida’s efforts to pay special attention to selected crosscutting issues, the dialogue with the Government of Nicaragua, and donor coordination. These assessments are mainly based on Sida Country Reports.

Based on the above, we have drawn the following conclusions with regard to the three thematic areas of Swedish cooperation as specified in the Swedish Country Program for Nicaragua (see Chapter 3):

The support to the first thematic area of “*democratic and transparent governance through change in central government institutions*” has generated good results in the cooperation with the national health authorities, the police and the public universities. In other areas, and especially regarding institutions in the judicial system, obstacles have been encountered caused by political influence, and lack of transparency and independence. Also the support to the public sector in general, such as the budget support and the public sector reform, has produced less tangible results.

The support aimed at strengthening the involvement of civil society organisations in national development and their contacts with central government institutions has resulted in enhanced capacities of such organisations. In a few cases they have also been able to influence legislation (see 4.3.2). But, overall, with the exception of the police and the health authorities, central government institutions do not seem to have encouraged or improved relations with the civil society.

The support in the second thematic area of “*better governance in local institutions that can increase choice and opportunities for the poor*”, has in general reported good results. This refers to local health services, local judicial services, local infrastructure development and the support to civil society organisations. Programs implemented at the local level have managed to actively involve the local population and establish a strong ownership of the activities at this level (Rural Judicial Facilitators, PRODEL, PROCARIBE, FondeAgro). This will be important for their sustainability in the future. The active involvement is also an important contribution to the process of democratic development in general. It is worth pointing out, however, that the autonomy of local governments is threatened by the interference of the central government. In particular, the local councils for popular participation (CPCs) established by the current Ortega Government, tend to interfere with local decision making.

The third thematic area of “*interventions to increase economic opportunities of the poor*” relates mainly to two programs - support to small scale farmers through FondeAgro and micro-credits for housing improvements and income generation through PRODEL. Both of these programs have shown excellent results.

Regarding crosscutting issues, it can be concluded that there has been a clear focus on gender equality, while other issues have been less visible in the reporting. Results of the policy dialogue on substantive development issues have been limited, while donor coordination has shown progress, at least up to 2007. Sweden has been one of the leading actors in this process.

Summarising these results in relation to the overall objective for Swedish cooperation with Central America (2001 – 2007) of “*contributing to economic and social equality and democratic development*” it can be concluded that the support to Nicaragua has made such contributions, especially at the local level. However, the extent of these contributions can not be assessed based on the objectives and targets formulated on the one hand, and the evaluations and reports from the programs on the other.

## 9. LESSONS LEARNED

Based on the assessments presented above and on interviews with a number of individuals with a long term perspective and a thorough experience of Swedish development cooperation in Nicaragua, we would like to bring out the following aspects of the experiences in Nicaragua that possibly could be relevant also in the cooperation with other countries.

- Support to civil society could be an effective and necessary complement to cooperation with government institutions. Civil society can play a significant role in promoting change and in engaging and empowering citizens in public affairs.
- A long term perspective building trust and confidence with the counterparts and ability to adapt to changing conditions are important, although not sufficient, aspects of achieving sustainable results.
- Cooperation at the local level with active community participation seem to be less vulnerable to political pressure and change of governments, than support to central government institutions. The support to health care (PROSILAIS) and local development (PRODEL) are excellent examples of programs with a long term perspective and active local involvement.
- The government of the partner country and the politics it conducts has a decisive influence on what can be achieved with the support of donors. It is a challenging situation for major donors when the policies of the partner government are changing in a direction that the donors find counterproductive, especially as the Paris Agenda and its principle of alignment are based on mutual confidence and trust between donors and partner governments.
- The experiences in Nicaragua show that new and innovative types of support can be tested and successfully developed by using windows of opportunity, as they appear. PRODEL is an example of using the opportunity in the early 1990s to increase support to social development, reconciliation and promotion of democracy at local level by introducing new forms of micro credits (housing improvements) together with participatory planning (based on similar initial experiences in El Salvador and Costa Rica). The result is a sustainable program and a model that has been successfully disseminated to neighbouring countries. The support to small scale farming through FondeAgro is a similar successful experience utilising the window of opportunity after the hurricane Mitch (1998) to test new forms of support to farmers and to build strong ownership at the local level.

A third example of successful use of opportunities is the support to the police, which was a new area for Swedish cooperation in the 1990s when it started in Nicaragua on a limited scale. The opportunity in this case was the special situation in Nicaragua, where the police (and the armed forces) was a relatively modern and democratic institution without links to an oppressing past before the revolution 1979. When the professional and democratic character of the police was confirmed after the change of governments in the 1990s, there was an opportunity to support the institutional development of the police, as a contribution to the improvement of justice and security.

**ANNEX – List of programs assessed**

	<i>Sectors and programs</i>	<i>Period</i>	<i>MSEK</i>
4.1	GENERAL BUDGET SUPPORT	2002-2006	310
4.2	DEMOCRACY AND HUMAN RIGHTS		
4.2.1	Public Sector Reform Program	2004-2009	32
4.2.2	National Police	2002-2011	130
4.2.3	Rural Judicial Facilitators	2001-2008	46
4.2.4	Public Prosecutor's Office	2006-2009	10
4.2.5	Demining	2003-2006	33
4.3	CIVIL SOCIETY		
4.3.1	Multidonor Fund for Gender Equality and SRR	2007-2008	6
4.3.2	Forum Syd - Equality Program	2000-2006	37
4.3.3	Forum Syd - Country Program Nicaragua	2004-2007	10
4.3.4	Diakonia – Country Program Nicaragua	2001-2007	33
4.3.5	CENIDH	2001-2009	6
4.3.6	CPDH	2003-2007	4
4.3.7	Movimiento Communal Nicaragüense	2004-2007	4
4.4	SOCIAL SECTORS		
4.4.1	PROSILAIS III	2000-2005	93
4.4.2	Health Sector Program Support	2005-2009	216
4.4.3	UNICEF's Country Program	2003-2010	80
4.4.4	Training Program for Midwives	2005-2010	27
4.4.5	FISE (Social Investment Fund)	2000-2003	28
4.5	LOCAL AND REGIONAL DEVELOPMENT		
4.5.1	PRODEL	2004-2008	90
4.5.2	PROCARIBE	2002-2009	54
4.6	RURAL DEVELOPMENT		
4.6.1	FondeAgro	2001-2008	260
4.6.2	PRORURAL	2007-2008	66
4.7	RESEARCH COOPERATION	2001-2011	300
4.8	POST MITCH ROAD REHABILITATION	1999-2003	350
4.9	EXPORT PROMOTION CEI	2000-2003	10