



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère des Affaires étrangères
et européennes

Direction de la coopération
au développement et
de l'action humanitaire

Midterm review of the Indicative Cooperation Programme (ICP III) in the Republic of Nicaragua

Final Report – Executive summary

April 2014

Observations, findings and recommendations expressed in this document only reflect the evaluator points of view and not necessarily those of the Ministry of Foreign Affairs.

The objective of the midterm review of the ICP 2011-2014 is to evaluate Luxembourg's contribution to the fulfilment of development strategies in the Republic of Nicaragua and to analyse ongoing interventions towards these strategies. The idea is to evaluate the sector and the ICP as a whole, to check whether there is a sectorial concentration and to identify potential improvements and redirections. Some recommendations have been made which contributed to the implementation of pointers for strategic opportunities in the context of the ICP III and its future. The objective of this midterm review is to assess the ICP III in accordance with the criteria of the DAC: relevance, effectiveness, efficiency, impact and durability.

The ICP III's main objective is to reduce poverty and create long term development in Nicaragua. The reinforcement of institutional and human capacities is the underlying theme of the interventions.

It is hard to measure the reduction in poverty due to a lack of an indicator matrix which constitutes a prerequisite to pursue the ICP III and eventually elaborate a ICP IV.

In the tourism and vocational training sectors, the Luxembourgish Cooperation, via its execution agency Lux-Development (LuxDev), did not succeed in developing a coherent programme to transfer the responsibilities to INTUR and INATEC. The predominant presence of LuxDev human resources prioritized mainly the execution of activities to the detriment of capacity building and institutional reinforcement.

As regards the transversal themes

The governance of the programmes conforms itself to the principles of participation, transparency and accountability. However the three sectors concerned by the ICP do not sufficiently take into account the participation of different partners during the evaluation phase.

Gender equality is not sufficiently taken into consideration in the tourism and vocational training sectors; however, it is a predominant theme in the health sector as well as in the programme executed by the Civil society.

The environmental theme is present in the vocational training sector through a specific module available on the course; however, the tourism sector has yet to formulate a specific strategy in relation to environmental issues.

Analysis of the programme based on the principles derived from the Declaration of Paris and Accra.

The **ownership** of the ICP III has been facilitated by the fact it was elaborated in tight collaboration with the Nicaraguan authorities. In the tourism sector, the focus on institutional support on a central level has caused a divide with local actors. In relation to vocational training, a lot of progress has been made, increasing the ownership of the projects. The **decentralisation** in favour of the institutions, the dissolution of the project management units (UGP) and the establishment of operational partnerships agreements (APOs) are necessary yet insufficient to allow full ownership of projects.

The **alignment** in the health sector is complete. The tourism sector also finds itself in compliance with the PNDTS in line with the PNDH. The vocational training sector has been elevated to a national priority in 2014 and is currently waiting for a strategy which will further the development of the sector.

Harmonisation is problematic in the tourism sector where four methods of implementation are used at the same time. Harmonisation is equally challenging in the vocational training

sector due to the absence of clear guidelines from the Nicaraguan authorities on the institutional responsibilities of the sector. This is also problematic due to the lack of clear and coordinated approaches from the donors, and especially from the EU. For the healthcare sector the harmonisation is completed.

None of the projects or programmes have been formulated by applying the **Result based Management** methodology.

Analysis of the ICP and its implementation

Relevance

The ICP III is coherent and relevant in relation to the objectives set by the PNDH to the extent that it was jointly created with Nicaraguan partners and takes into account the realities and development objectives of the country. This relevance is reinforced by the alignment of the ICP to national policies.

In terms of implementation the continued presence of LuxDev within the institutions INATEC and INTUR constitutes a drawback in the way that it is not putting in place the necessary actions to transfer capacities to national institutions.

The health care sector's objectives are relevant and aligned with those of the PNDH but also in its implementation methods where collective participation is combined with the capacity of MINSAs to manage itself autonomously.

The support being given to two Civil Society funds is pertinent because it complies with the different agreements on aid efficiency such as that of Busan, signed by Nicaragua. The fact that the Nicaraguan government is associated to the management of these funds reinforces their relevance.

Although the funding of United Nations agencies corresponds to Luxembourg's willingness to be part of aid coordination units at a multilateral level, it still struggles to find its relevance in Nicaragua, particularly in its current implementation scheme.

The absence of a sectorial strategy, particularly in the vocational training sector, does not easily allow for the Luxembourgish Cooperation to find clear guidelines upon which it can align its cooperation policy. The recent roadmap for the vocational training sector is a step towards the definition of a sectorial strategy which should be followed by the issue of a real strategy and subsequent concrete action plans.

Effectiveness

Vocational training and tourism sectors suffer from a low effectiveness. Significant delays have been identified in the implementation of the programme. The objectives of the institutional reinforcements of INATEC and INTUR were not met and the ownership by the Nicaraguan counterpart is not effective. However the various components in the health sector – support to the SILAIS, CONASA and FONSALUD is highly effective. The participation in the two assistance funds to the Civil Society also has a high level of effectiveness.

Efficiency

The global efficiency of the ' III is relative; there have been many delays in the execution of activities in the various sectors. A main cause of concern is the transfer to the national institutions INTUR and INATEC, not forgetting MINSAs and CONASA.

Impact

Based on factors relating to the implementation, the delays in execution, and not taking into account the ownership objectives, the programme's impact is likely to be weak if measures are not taken to refocus the activities on the objectives that were consensually defined during the ICP elaboration.

Sustainability

The sustainability of the ICP results depend on the capacity of Nicaraguan National Institutions to structure and reinforce themselves in order to face the challenges of the respective sectors, not only those linked with the implementation of the ICP III activities but also the undertakings as defined in their missions. The viability also depends on LuxDev's capacity to support the institutional reinforcement of its partners and to organise knowledge transfer.

In relation to the ICP's objective to reduce poverty

Clarification of the concepts

It would be ideal if the concepts elaborated for the ICP were to be more precise, especially those regarding poverty and sustainable development, local development and tourism. It would be useful to clarify the concepts in the form of detailed studies in order to expand the general descriptions underlying the PNDH and consequently to implement the different objectives of the ICP.

Elaboration of a specific matrix of indicators for poverty reduction

The ICP III does not possess a matrix of sufficiently precise indicators to measure the achievement of set objectives. In order to have more specific indicators related to poverty alleviation, the eventual ICP IV will have to elaborate a precise conceptual framework, with detailed baselines founded on specific studies, and define valid and consensual objectives. In order not to waste time reaching this fundamental objective, the activities of the ICP III could be finalised as soon as possible, and the preparation of the eventual ICP IV could be launched in the near future.

In relation to sector's priorities and synergies between actors

The Nicaraguan context and the evolution of public aid in the form of donations plead in favour of the continuation of the support of the Luxembourgish Cooperation in the three sectors, i.e. local development through tourism, vocational training and health services under its different components. The support to different funds in favour of Civil Society organisations should also be pursued. The financing of programmes by the intermediary of the United Nations should be reviewed.

In relation to transversal themes

The **governance** of the ICP should be improved, especially in relation to the implementation of the institutional reinforcement of INATUR and INATEC.

In relation to the **gender equality** there are no particular recommendations within the vocational training and health sectors. For the tourism sector, the gender strategic elements that INATUR needs to develop should be integrated into the sector projects (existing or future).

It is urgent and imperative that INATUR obtains a specific programme linked to the **environment** in the local development framework linked to the ICP III but also on a more global level, in the specific framework of its own mission implementation.

In relation to the principles of aid efficiency

As regards harmonisation, due to the decrease in the number of Cooperations present in Nicaragua, the Luxembourg Cooperation is obligated to play a central role, which can be operated in its sectors of excellence, i.e. vocational trainings and tourism. Regarding the tourism sector, the many different methods of implementing touristic routes should be standardized through a dialogue with INTUR and the different donors involved.

The Ministry and LuxDev must coordinate their resources as soon as possible in order to implement in an effective manner the **Result based Management methodology**.

Future leads

The open question related to **relevance** is an argument to question the intervention continuation in the tourism and vocational training sectors if no action plan related to the institutional capacity is elaborated. Considering the current state of progress made in ICP III, it would be preferable to accelerate finalising the current programme, and, if possible, carry any remaining budget into an eventual ICP IV which would, in practice, include institutional reinforcement objectives based on an in-depth analysis of the partner's institutions.

The support to the two Civil Society funds should be continued. The support modalities by the various thematic funds – in which the Nicaraguan authorities participate – have demonstrated their effectiveness and could be continued. It would be useful to potentially examine the Civil Society and private sector's inclusion mechanisms in the tourism and vocational training sectors. The presence of a microfinance component within the ICP is not called into question. The financing via United Nations agencies should be debated internally within the Ministry of Foreign Affairs, prior to discussions with the Nicaraguan authorities.

As regards **effectiveness**, considering the progress of the ICP and the little time which remains before its completion, the recommendation is to close the various parts of the ICP which do not have any major strategic implications as soon as possible. It is also advised to concentrate immediately on the identification of an eventual ICP IV on the basis of the intermediary evaluation report.

In terms of organisations, considering the small presence of European Cooperation's in Managua, Luxembourg is lead to assume more responsibilities for which the means are lacking. The Luxembourgish embassy in Nicaragua should be subsidized in line with its objectives and the future opportunities. It is also apparent that the hiatus between the Luxembourgish Cooperation and its execution agency should be openly discussed.

Linked to **efficiency**, the finalisation of ICP III should be organised very soon in order to accelerate the creation of an eventual ICP IV especially the incorporation of an institutional support component.

The ICP III, in a global manner, contributed to the development of the sectors which it assists in the framework of the PNDH, in accordance with the different institutions in charge of its implementation. The improvements to be made to the identification and implementation of an eventual ICP IV are in the reach of the concerned actors, in first place the Luxembourgish Cooperation and its Cooperation Agency.