

ADMINISTRATION AGREEMENT

between

THE INTER-AMERICAN DEVELOPMENT BANK

and

**THE GOVERNMENT OF SWITZERLAND, represented by the Federal
Department of Foreign Affairs, acting through**

the Swiss Agency for Development and Cooperation

regarding

a

Project Specific Grant

for the project

**“Environmental Program for Disaster Risk and Climate Change
Management”**

NI-L1048 / NI-X1011

THIS ADMINISTRATION AGREEMENT is entered into between the Inter-American Development Bank (the “Bank”) and the Government of Switzerland, represented by Swiss Agency for Development and Cooperation (“Switzerland”) (together referred to as the “Parties”).

WHEREAS, the Bank has designed, approved and signed loan number 2415/BL-NI (the “Loan”), in connection with the Project titled “Environmental Program for Disaster Risk and Climate Change Management” (the “Project”, project number NI-L1048), with the Republic of Nicaragua, as further described in the attached Project Document (the “Project Document”), Annex A;

WHEREAS, Switzerland wishes to support the execution of the Project by providing additional grant resources in the form of a project specific grant to be administered by the Bank; and

WHEREAS, the Bank is prepared to receive and administer the contribution funds to be made available by Switzerland.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Switzerland will make available to the Bank a grant contribution in the maximum amount of U.S.\$3,157,500.00 (three million one hundred fifty-seven thousand five hundred dollars of the United States of America) (the “Contribution”) which include the administrative cost, to be administered by the Bank to co-finance the Project.
2. The Contribution will be solely for the purposes indicated in the Project Document, as may be modified in a revised project document, identified as NI-X1011 (the “Amended Project Document”), to be approved by the Bank pursuant to paragraph 15 below. Any other material deviations from the objectives and activities of the Project described in the Project Document or in the Amended Project Document will require Switzerland’s written approval.
3. a) Switzerland shall transfer the Contribution to the Bank according to the following payment schedule:

<u>Date:</u>	<u>Amount:</u>
Upon signature of this Administration Agreement by the Parties:	U.S.\$2,000,000.00 (two million dollars of the United States of America)
No later than June 15, 2014:	U.S.\$750,000.00 (seven hundred fifty thousand dollars of the United States of America)
No later than June 15, 2015:	U.S.\$407,500.00 (four hundred seven thousand five hundred dollars of the United States of America)

- b) Switzerland will deposit the Contribution installments, upon the Bank's written request, into the account #04404221 "Inter-American Development Bank - Cofinancing Account" opened by the Bank at Deutsche Bank America Trust, New York (swift #BKTRUS33XXX) (the "Account"). The Account is denominated in United States dollars ("Dollars") and includes resources provided as grant funds by other donors for other Bank projects.
4. The Bank will administer the Contribution in accordance with the provisions of this Administration Agreement and the Bank's applicable policies and procedures, including those applicable to investment grant operations. The Bank will exercise the same care in the discharge of its functions, as described in this Administration Agreement, as it exercises with respect to the administration and management of resources from other donors and will have no further liability to Switzerland in respect thereof.
 5. The Contribution will be accounted for separately from the Bank's assets, and will be administered together with other contributions received by the Bank. The Bank may freely exchange the Contribution funds into other currencies as may facilitate their administration and disbursement. The Bank will not be responsible for foreign exchange risk in the receipt, conversion or administration of Contribution funds. Further, the Bank may at its discretion invest and reinvest the resources of the Contribution pending their disbursement in connection with the Project. The Contribution will be administered in the Account in Dollars without distinction from other donors' contributions. Any reporting on the use of the Contribution will be made in Dollars.
 6. To assist in the defrayment of the administrative costs in relation to the Contribution, the Bank will charge and retain:
 - a) a fee in the amount of US\$157,875.00 (one hundred fifty-seven thousand eight hundred seventy-five Dollars), equal to five percent (5%) of the total amount of the Contribution, at the time first installment of the Contribution is deposited by Switzerland into the Account; which is included in the payment schedule pursuant to paragraph 3.a) indicated above.
 - b) any investment income generated by the Contribution pending its disbursement towards the Project.
 7. The Bank's procurement policies and procedures will be applicable to the procurement of goods and services, as well as the contracting of consulting services, carried out with the Contribution, as required by the different components of the Project. Further, Switzerland accepts that:
 - a) the resources of the Contribution will be completely untied; and
 - b) the consultancy services, goods and/or works financed with the Contribution may be provided and executed by companies, specialized institutions or individuals from any Bank member country.

8. Switzerland will not be responsible for the activities of any person or third-party engaged by the Bank as a result of this Administration Agreement, nor will Switzerland be liable for any costs incurred by the Bank in terminating the engagement of any such person.
9. The Bank will provide an annual update report (“Annual Update”) on the Project at least one month before requesting from Switzerland the second and subsequent Contribution installments contemplated above in paragraph 3.a). Promptly following the completion of the Project, the Bank will also submit to Switzerland a final Project report. Switzerland may also request a copy of the audited financial statements of the Project. In addition, Switzerland may request an “agreed upon procedures” report issued by the Bank’s external auditor on the use of the Contribution resources. The cost of such auditor’s report will be borne by Switzerland and will not be deducted from the Contribution. Switzerland will reimburse the Bank for the cost of this report promptly after receiving a written request from the Bank. The Bank will not provide audited financial statements for the Account. Any reports required under this Administration Agreement may be produced in English or Spanish.
10. The Annual Update shall cover the overall results and progress achieved by the Project and also show specifically the progress related to the parts supported by the Swiss contribution. In addition to the Annual Update, the Bank shall provide copies of the “Progress Monitoring Reports” and other relevant reports, analysis or studies produced by the Project as part of its ordinary activities.
11. Switzerland will be invited to participate in Project Supervision missions and meetings organized by the Bank as well in the Project mid-term and final reviews missions. Switzerland, as an observer, may participate in those missions and meetings either through its own staff or by designating a competent consultant.
12. The Bank shall endeavor to maximize opportunities to highlight the Swiss Contribution to the Project (e.g. in documentation, public information, including the Swiss logo), and invite Switzerland to participate in key events related to the Project.
13. Switzerland shall be responsible for its own costs and any other arrangements or third-party authorizations that may be necessary with respect to any participation in meetings, missions or events.
14. As soon as possible upon completion of the Project, the Bank will return to Switzerland any remaining uncommitted Contribution funds, unless otherwise agreed to in writing by the Parties.
15. Switzerland further acknowledges that the Bank’s commitment to use the Contribution for the Project as contemplated herein will be subject to the Bank’s formalization of all internal approvals necessary for the Project and agreements with the Republic of Nicaragua. Such internal approvals by the Bank include the approval of an Amended Project Document, substantially in the form attached hereto as Annex B. In case such approvals are not obtained or if agreements with the Republic of Nicaragua are not executed, then the Bank will return to Switzerland any Contribution installment (including the fee mentioned in

paragraph 6.a) above) promptly upon final internal approvals being denied or unsuccessful conclusion of the negotiations of any agreements. Switzerland accepts that the final version of the Amended Project Document may vary from the attached Annex B, in which case the approved version will prevail, and no amendment to this Administration Agreement will be required.

16. The offices responsible for coordination of all matters and receiving any notice or request in writing in connection with this Administration Agreement or the Project are as follows:

a) For the Bank:

- i. All communications pertaining to donor relations and resource mobilization will be directed to:

Inter-American Development Bank
1300 New York Avenue, NW
Washington, D.C. 20577
UNITED STATES OF AMERICA
Attention: Manager, Office of Outreach and Partnerships (ORP)
Tel.: +1 (202) 623-1583
Fax: +1 (202) 623-2543
E-mail: partnerships@iadb.org

- ii. Day-to-day communications regarding the implementation of this Administration Arrangement will be directed to:

Inter-American Development Bank
1300 New York Avenue, NW
Washington, D.C. 20577
UNITED STATES OF AMERICA
Attention: Chief, Grants and Co-financing Management Unit
Office of Outreach and Partnerships (ORP/GCM)
Tel.: +1 (202) 623-2018
Fax: +1 (202) 623-3171
E-mail: orp-gcm@iadb.org

b) For Switzerland:

Oficina de Cooperación Suiza
Rotonda Jean Paul Genie 900 mts abajo, 150mts al lago
Managua, Nicaragua
Attention: Hubert Eisele
Country Director
Tel.: + 505 22663010;+ 505 2252 6980
Fax: + 505 2248 9139
E-mail: hubert.eisele@eda.admin.ch.

17. No offer, gift or payment, consideration or benefit of any kind, which constitutes an illegal or corrupt practice, has or will be made to anyone, either directly or indirectly, as an inducement or reward, for the award or execution of this Administration Agreement. Any such practice will be grounds for terminating this Administration Agreement or taking any other corrective action as required. The Contribution will be administered in accordance with the Bank's applicable policies and procedures, as may be amended from time to time, including its framework to prevent and combat fraud and corruption.
18. This Administration Agreement will come into force on the date of its signature by each of the Parties and remain valid till all Parties have fulfilled their obligations arising from it no later than December 31, 2016.
19. The Parties may amend any provision of this Administration Agreement in writing.
20. This Administration Agreement, including its annexes, may be publicly disclosed by the Bank upon distribution of Annex B to the Bank's Board of Executive Directors, in accordance with the Access to Information Policy of the Bank. Further, Switzerland agrees not to publicly disclose this Administration Agreement, nor its annexes, until such disclosure by the Bank.
21. Nothing in this Administration Agreement may be construed as creating an agency relationship between the Parties.
22. The Parties will seek to settle amicably any disputes that may arise from or relate to this Administration Agreement.

IN WITNESS WHEREOF, the Parties, each acting through its duly authorized representative, have signed this Administration Agreement in two (2) original counterparts in the English language as of the dates indicated below.

**INTER-AMERICAN
DEVELOPMENT BANK**




Bernardo Guillamon
Manager

Office of Outreach and Partnerships

Date: 21/11/2013

GOVERNMENT OF SWITZERLAND



Hubert Eisele
Country Director

Date: 15.11.2013



ANNEX A

PROJECT DOCUMENT

NI-L1048



Board of Executive Directors

Simplified Procedure

On or after: 29 September 2010

PR-3593
14 September 2010
Original: Spanish

To: The Board of Executive Directors
From: The Secretary
Subject: Nicaragua. Proposal for a loan for the “Environmental Program for Disaster Risk and Climate Change Management”

Basic Information: Loan type Specific Investment Operation (ESP)
Borrower Republic of Nicaragua
Amount up to US\$5,000,000
Source Single Currency Facility of the Ordinary Capital
Amount up to US\$5,000,000
Source Fund for Special Operations

Inquiries to: Juan de Dios Mattos (telephone at the Country Office in Guatemala 502-2-379-9393) or Duval Llaguno (telephone at the Country Office in Nicaragua 505-2-264-9135)

Remarks: This operation is included in document GN-2576 “2010 Operational Program Report (OPR)”, approved by the Board of Executive Directors on 3 August 2010. Additionally, its amount does not exceed the ceiling established for Group D countries; therefore, it qualifies for approval by simplified procedure.

The financing for this operation is under the multilateral debt relief and concessional finance reform at the Bank.

Reference: GN-1838-1(7/94), DR-398-8(7/10)

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

NICARAGUA

**ENVIRONMENTAL PROGRAM FOR DISASTER RISK AND
CLIMATE CHANGE MANAGEMENT**

(NI-L1048)

LOAN PROPOSAL

This document was prepared by the project team consisting of: Juan de Dios Mattos (RND/CGU) and Jaime Cofré (RND/CNI), Project Team Co-Leaders; Leonardo Corral (INE/RND); Sergio Lacambra (INE/RND); Hori Tsuneki (INE/RND); Luis Hernando Hintze (RND/CCR); Luis Enrique Miranda (CID/CNI); Luz Helena Sarmiento (VPS/ESG); María Cristina Landázuri-Levey (LEG/SGO); Brenda Álvarez (PDP/CNI); Juan Carlos Lazo (PDP/CNI); and Rosario Gaggero (INE/RND).

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ANNEXES

PRINTED ANNEXES

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Annex III	Procurement Plan Summary

ELECTRONIC LINKS

REQUIRED

1. Annual work plan
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35242139>
2. Monitoring and Evaluation Structure
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35242140>
3. Itemized Procurement Plan
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35242141>
4. Environmental and Social Management Report (ESMR)
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35283499>

OPTIONAL

1. Institutional Capacity Assessment of MARENA (ICAS)
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35242144>
2. Program Operating Regulations (POR)
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35242134>
3. Technical data sheets on technologies
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35242135>
4. Terms of reference – Baseline study
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35295171>
5. Terms of reference – POSAF II Impact Evaluation
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35242136>
6. PDP/CNI Fiduciary Analysis
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35242145>
7. Itemized Budget
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=352421367>
8. Economic Evaluation
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35242138>
9. Consulting report. “Assessing the feasibility of an ex post impact evaluation of POSAF II”
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35281233>
10. Consulting report. Final evaluation of POSAF II
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35281231>
11. Multiyear Execution Plan
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35292899>

ABBREVIATIONS

CAPRA	Central American Probabilistic Risk Assessment (http://ecapra.org/)
ERS	Environmental Restoration System
GEF	Global Environment Facility
ICAS	Institutional Capacity Assessment System
INAFOR	[Instituto Nacional Forestal] National Forestry Institute
INETER	[Instituto Nicaragüense de Estudios Territoriales [Nicaraguan Institute of Territorial Studies
IRR	Internal rate of return
MAGFOR	Ministry of Agriculture, Livestock, and Forestry
MARENA	Ministry of the Environment and Natural Resources
MEP	Multiyear execution plan
MES	Monitoring and Evaluation System
NDF	Nordic Development Fund
NPV	Net present value
PIMCHAS	Integrated Watershed, Water, and Sanitation Management Program
POSAF	[Programa Socio-Ambiental Forestal] Socioenvironmental and Forestry Development Program
PRVDN	[Proyecto de Reducción de la Vulnerabilidad ante Desastres Naturales] Project to Reduce Vulnerability to Natural Disasters
RMI	Risk Management Index
SE-SINAPRED	Executive Secretariat of SINAPRED
SINAPRED	[Sistema Nacional de Prevención de Desastres] National Disaster Prevention System
TCC	Technical Coordination Committee

PROJECT SUMMARY

NICARAGUA ENVIRONMENTAL PROGRAM FOR DISASTER RISK AND CLIMATE CHANGE MANAGEMENT (NI-L1048)

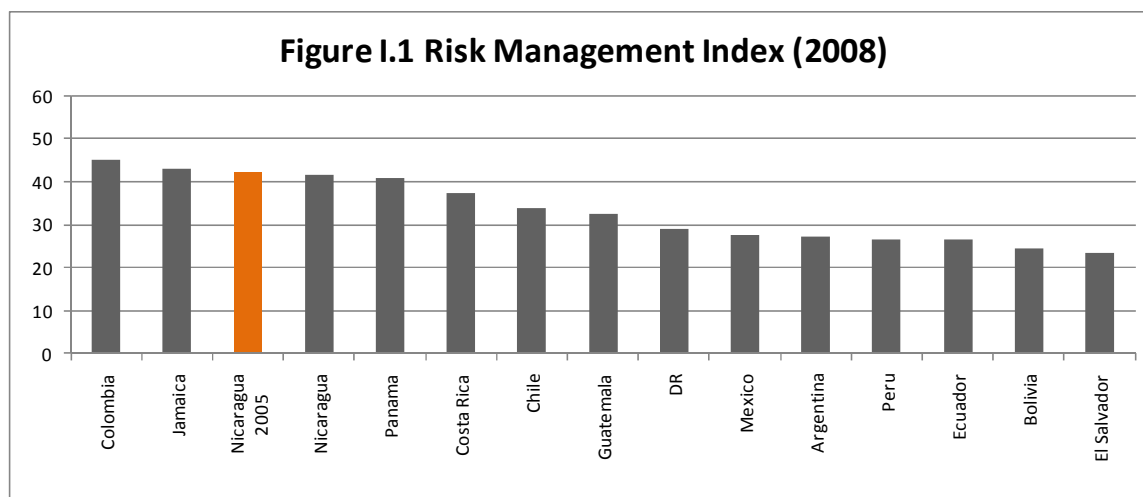
Financial Terms and Conditions					
Borrower: Republic of Nicaragua			Source of financing:		Parallel financing Concessional lending
			Executing agency: Republic of Nicaragua, through the Ministry of the Environment and Natural Resources (MARENA)		
Source	Amount (US\$ millions)				
			Grace period:	6 years	40 years
IDB (OC)	US\$ 5.0 million	36.8%	Disbursement period:	5 years	5 years
IDB (FSO)	US\$ 5.0 million	36.8%	Interest rate:	SCF-Fixed	0.25 %
Local	US\$ 0.6 million	4.4%	Inspection and supervision fee:	*	NA
Other financing	US\$ 3.0 million	22.0%	Credit fee:	*	NA
Total	US\$ 13.6 million	100%	Currency	US\$	US\$
Project at a glance					
Project objective: The purpose of the program is to reduce the vulnerability of rural communities in Nicaragua to phenomena associated with climate change through risk management actions based on the management and conservation of natural resources in watersheds prioritized based on their vulnerability.					
Special contractual conditions: Special conditions precedent to the first disbursement: (a) the hiring of the technical coordinator, a procurement specialist, and a financial specialist to form the program's technical team (paragraph 3.2); (b) the formation of the program's Technical Coordination Committee (TCC) paragraph 3.3); (c) the signing and entry into effect of the individual interagency agreements between the executing agency and the Executive Secretariat of the National Disaster Prevention System (SE-SINAPRED) and the Nicaraguan Institute for Territorial Studies (INETER) (paragraph 3.3); (d) the approval of the Program Operating Regulations by the MARENA Minister and their entry into effect (paragraph 3.4). Special execution conditions: (a) the entry into effect of a framework agreement for cooperation between the executing agency and the respective municipio will be a condition precedent necessary to begin procurement and contracting processes in that municipio (paragraph 3.7); and (b) prior to the delivery of the incentives planned in Component 1, the Socioenvironmental and Forestry Development Program (1084/SF-NI) impact evaluation will have been completed and its results will be available, in accordance with terms of reference approved by the Bank (paragraph 3.13). Special disbursement: To facilitate fulfillment of the conditions precedent to the first disbursement, a special disbursement is proposed in the amount of US\$250,000, upon fulfillment of the special conditions precedent to the first disbursement established in Clause 4.01(a), (b), and (d) of the General Conditions of the Loan Contract (paragraph 3.8).					
Exceptions to Bank policies: None					
Project consistent with country strategy:			Yes [<input checked="" type="checkbox"/>]		No [<input type="checkbox"/>]
Project qualifies as:			SEQ [<input checked="" type="checkbox"/>]	PTI [<input checked="" type="checkbox"/>]	Sector [<input type="checkbox"/>]
			Geographic [<input checked="" type="checkbox"/>]		Headcount [<input type="checkbox"/>]
Procurement: All program procurement will be undertaken in accordance with Bank policies and procedures, as defined in documents GN-2349-7 and GN-2350-7. No exceptions to Bank policies are anticipated. paragraph 3.9)					

(*)The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provisions of the Bank's policy on lending rate methodology for Ordinary Capital loans. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

I. FRAME OF REFERENCE

A. Background

- 1.1 Among Central American countries, Nicaragua stands out for the frequency and severity of the weather events affecting it. Between 1974 and 2003, after Honduras, Nicaragua was the country hardest hit by hydrometeorological disasters in the region, with a total of 25 events (Centre for Research on the Epidemiology of Disasters, 2009). These disasters left an annual average of 1,880 victims (deaths and injuries) per 100,000 inhabitants. Munich Re (2009) estimated that these disasters caused more than US\$2 billion in economic losses over the last 30 years, including rural areas. Using statistics from the last 50 years, the International Institute for Applied Systems Analysis calculated that if mitigation measures are not implemented, Nicaragua could lose 0.4% of its assets annually to disasters. Furthermore, such risks may be greater when considering the effects of climate change. The Intergovernmental Panel on Climate Change indicated in 2008 that in Central America there had been a 240% increase in the number of natural disasters related to climate change between the 1970-1999 and 2000-2005 periods ([electronic link](#)).
- 1.2 Nicaragua's mountainous geography, comprising 21 watersheds, contributes to its high vulnerability to natural threats. This vulnerability is magnified by the conversion of forest lands in the upper watersheds to agricultural or livestock use, which, coupled with the lack of access among producers to appropriate productive technologies for hillside farming, increases the risk of on-farm landslides and erosion problems. Moreover, the felling of trees contributes to changes in the streamflow regime of the affected watersheds, increasing the probability of floods in low-lying areas. According to the Food and Agriculture Organization of the United Nations (FAO) (2006), between 2000 and 2005, 350,000 hectares of forest were lost, representing an annual deforestation rate of 1.3%, one of the highest in the hemisphere.
- 1.3 Risk management is essential to reducing a country's vulnerability and exposure to risk. The Risk Management Index (RMI) is one of the four indicators in the System of Disaster Risk and Risk Management Indicators developed by the Bank since 1990 for 14 countries in the region. The RMI measures institutional capacity on a scale from 0 (minimum) to 100 (maximum) for: (i) risk identification; (ii) risk reduction; (iii) disaster management; and (iv) financial protection and governance. The RMI for Nicaragua fell from 42.25 in 2005 to 41.58 in 2008. Despite the fact that Nicaragua has an acceptable RMI level, compared to countries in the study, the situation at the municipal level is quite different. Only 50 municipios, of the 110 identified as those running the highest risk, have municipal plans with a risk management approach.



Source: IDB (2009)

B. Country actions in the sector

- 1.4 In response to the country's high vulnerability to disasters and the devastation caused by Hurricane Mitch, in 2000, the government created the National Disaster Prevention System (SINAPRED), establishing an appropriate institutional framework for comprehensive risk management. The Executive Secretariat of SINAPRED (SE-SINAPRED) is the technical agency responsible for coordination among SINAPRED members, in accordance with the National Response Plan of May 2008. This plan is based on the National Risk Management Policy that establishes working guidelines including a financial protection and risk transfer strategy, an information system, social participation and auditing, and disaster management. SINAPRED maintains a National Disaster Fund as a financial mechanism to mitigate risk.
- 1.5 The Ministry of the Environment and Natural Resources (MARENA), the lead agency for environmental management, protection, and sustainable use of natural resources and the environment, and leader in the national dialogue on climate change, is an integral part of SINAPRED. MARENA participates on SINAPRED's Environmental Commission. The National Environmental and Climate Change Strategy, developed under MARENA's leadership, includes as one of its strategic guidelines mitigation, adaptation, and risk management in response to climate change. The strategy stresses the need to build local capacities to address disaster risks associated with climate change.
- 1.6 SINAPRED and its Executive Secretariat have been strengthened with support from international cooperation agencies. In 2001, with US\$13.5 million in financing from the World Bank, the Project to Reduce Vulnerability to Natural Disasters (PRVDN) was approved. Executed by SE-SINAPRED, the project was able, among other things, to: (i) consolidate SE-SINAPRED as a coordination and planning agency; (ii) develop national emergency plans; (iii) implement the mitigation information system, and seismic and watershed vulnerability studies; and

- (iv) update building codes and consolidate disaster management committees. This project identified 110 of 153 municipios in the country as the most vulnerable and prepared municipal risk management plans for 30 of them on the Pacific coast. Project execution was completed in 2009.
- 1.7 For its part, the Bank has supported the government's efforts to mitigate risk and reduce the effects of climate change since 1996, with the approval of two Socioenvironmental and Forestry Development Programs (POSAF) (970/SF-NI and 1084/SF-NI, ending in 2009). With total Bank financing of US\$48 million and parallel financing from the Nordic Development Fund (NDF) of US\$8 million, both operations had the objective of improving the socioeconomic conditions of the population and reducing the impact of disasters on priority watersheds through the sustainable use of their natural resources. Both operations facilitated the establishment of agroforestry and silvopastoral systems on more than 140,000 hectares in 23 municipios, serving 25,739 producers. Operation 970/SF-NI undertook community works for natural disaster prevention and mitigation in 12 municipios, while operation 1084/SF-NI developed risk management plans and multithreat maps for 16 municipios.
- 1.8 Moreover, in a joint strategic action, the Bank, the World Bank, the Central American Coordination Center for Natural Disaster Prevention (CEPREDENAC), and the United Nations International Strategy for Disaster Reduction are supporting the government in the development of disaster risk assessments for the country under the Central American Probabilistic Risk Assessment (CAPRA) initiative. CAPRA is an information technology platform that will allow the government to model components prior to risk analysis (threat, exposure, and vulnerability), as well as to calculate probabilistic risk based on these inputs. At the same time, other bilateral agencies have provided their support to the government in the implementation of projects related to climate change and risk management. The Integrated Watershed, Water, and Sanitation Management Project (PIMCHAS), executed by MARENA (financed by Swedish development cooperation in the amount of US\$8 million), is implementing environmentally sustainable practices based on the experience of operation 1084/SF-NI. These actions are coordinated by a Disaster Management Cooperation Panel, on which the Bank participates.

C. Lessons learned

- 1.9 The final evaluations of the PRVDN and 1084/SF-NI recommended: (i) the need to define a baseline for proper measurement of targets and impacts; (ii) an increase in participation by local authorities and producers; and (iii) an increase in participation by municipios in the identification and construction of mitigation infrastructure. The evaluation of PRVDN also recommended that any prevention strategy (whether for disaster risks or climate change) entail a change in behavior, whereby a combination of analytical work (municipal plan preparation) and concrete actions (fieldwork and infrastructure investment) will facilitate the involvement of beneficiaries throughout the entire project cycle. The recommendations from these operations have been incorporated into the proposed program.

D. Rationale and strategy

- 1.10 The proposed program has been designed to continue the efforts already made under operations 970/SF-NI and 1084/SF-NI, within a long-term strategy that seeks to promote comprehensive disaster risk management, focused on highly vulnerable priority watersheds. Interventions under this strategy are aimed at reducing damage to the population and basic and productive infrastructure in these watersheds as follows: (i) in upper watersheds, the promotion of profitable agronomic practices for soil management and erosion control that reduce risks of landslides and adapt producers to climate change; and (ii) in lower watersheds, sustainable investments for flood control and protection of waterways to reduce risks of damages and losses. Interventions are coupled with actions to strengthen the national institutional framework for disaster risk management to provide sustainability.
- 1.11 The program's design considers the lessons learned from prior operations in the sector. In lower watersheds, the program will promote municipal planning processes, using methods developed through these operations for the preparation of local risk management plans and the identification of mitigation projects. In upper watersheds, the technology packages to be implemented by hillside producers will consider, among other things, the agroforestry and silvopastoral systems developed in operations 974/SF-NI and 1084/SF-NI that have proven to be environmentally effective. Its execution mechanism considers the design of the Program to Support Agrifood Production (2055/BL-NI).
- 1.12 Geographically, the program's actions will be focused on municipios identified as the most vulnerable in the PRVDN, with emphasis on those that have risk management plans. As in previous projects, the process for selecting these municipios used multivariate analysis based on the analysis of eight indexes including productive factors, the level of poverty and human development, biophysics, and vulnerability to climate change. The selected municipios are part of the subwatersheds of the Viejo River and Lake Apanás. At least 21 municipios in addition to the 30 covered by the PRVDN will have municipal plans with a risk management approach, covering 50% of the municipios with the highest disaster risk. With this investment, the entire Pacific coast area and almost all of these subwatersheds, home to more than 70% of the country's population (especially the rural population), will have risk management tools.
- 1.13 The program's actions will be complemented by the development of systems to assess environmental services, which will be explored through the project to be financed by the Global Environment Facility (GEF), NI-X1005. This project will channel investments in the Lake Apanás watershed. Its objective is to protect biodiversity and support the conservation of this subwatershed. MARENA will take part in the execution of this GEF project.
- 1.14 The program uses one of the instruments promoted by the Bank through its integrated disaster risk management strategy (document GN-2354-7): investments to prevent or reduce probable losses from highly recurrent events, particularly in

prevention and mitigation. The government is exploring alternatives for the design of fiscal provisions to finance emergencies and transfer risks associated with catastrophic events to third parties through regional technical-cooperation projects RG-T1541, RG-T1590, and RG-T1478. Moreover, the program will contribute to the generation of information to be fed into the platform being developed under the CAPRA initiative.

- 1.15 The proposed program is consistent with the Bank's 2008-2012 Strategy with Nicaragua (document GN-2499), strategic area V: institutional management for disaster prevention, which seeks to mitigate the vulnerability to natural threats and strengthen institutional management for disaster prevention. The program will contribute directly to improving the country's Risk Management Index, the indicator established in the Country Strategy, to measure performance in such areas as risk identification and reduction, disaster management, and financial protection and governance.
- 1.16 The program will also contribute to the sector priority—protect the environment, respond to climate change, promote renewable energy, ensure food security—established in the Report on the Ninth General Increase in the Resources of the Bank (document AB-2764), by including both investments for the mitigation of impacts associated with climate change and incentives for the adoption of technologies allowing adaptation to this change. Thus, the program supports climate change and environmental sustainability initiatives as defined in the Results Framework 2012-2015 of that report.

E. Objectives, components, and costs

- 1.17 The program's objective is to reduce the vulnerability of rural communities in Nicaragua to phenomena associated with climate change through risk management actions based on the management and conservation of natural resources in watersheds prioritized based on their vulnerability. The expected outcomes are related to improvement in risk management, primarily at the municipal level, in the areas of risk identification and reduction and the strengthening of governance, as well as the generation of synergies with agricultural producers to facilitate their adaptation to climate change.
- 1.18 **Program components:** The program will finance activities in three components: (i) support for the adoption of environmental restoration systems; (ii) infrastructure to reduce losses caused by climatic events; and (iii) capacity building and development of instruments for risk management, local compensation mechanisms for environmental services, and adaptation to climate change.
- 1.19 **Component 1: Support for the adoption of environmental restoration systems (US\$4.45 million).** This component includes the delivery of incentives for conservation of natural resources to the program's eligible producers to partially cover the cost of the goods and/or services that make up a technological package called an Environmental Restoration System (ERS). These ERSs will be selected from a menu of eligible options defined annually by the executing agency. The

ERSs will increase output at the farm and facilitate the collection and infiltration of water. The financial support for the implementation of each ERS will consist of a fixed amount per technology and up to an average aggregate maximum per producer of US\$830 throughout the life of the program. These values will be defined prior to the selection of the ERSs and will be included in the program's Operating Regulations. The component will also provide financing for technical assistance.

- 1.20 A producer will be eligible to receive program support if he or she: (i) owns or has good faith possession of his or her farm; (ii) has a farm located in the selected watersheds; and (iii) has not been a beneficiary of state productive support programs including, but not limited to, 1084/SF-NI, the Food Production Program, 2055/SF-NI, and PIMCHAS. A maximum of one beneficiary per nuclear family will be established. Beneficiaries will sign an agreement with the executing agency for the implementation of the ERS, which will establish the technical evaluation criteria. Eligible ERSs will meet the following criteria: (i) they will contribute to the objective of sustainable natural resources management; (ii) they will contribute to increasing the farm's productivity; (iii) they will be compatible with the agroecological conditions of the farm; (iv) their environmental impact will be neutral or positive; (v) ease of objective verification of adoption; and (vi) certification of the quality of inputs and goods associated with each ERS will be provided by the competent authority. For each ERS, the executing agency will have a set of technical specifications, which will include the description, the expected impacts on productivity, the list of items included in the technologies, the minimum area required for their application, and the expected cost of their implementation.
- 1.21 **Component 2: Infrastructure for disaster loss reduction (US\$4.97 million).** This component includes preinvestment studies, supervision, and construction (including the relevant socioenvironmental studies) of minor works in the selected municipios, aimed at limiting atypical flow volumes in order to protect public and private assets from floods or landslides (e.g., reinforcement of riverbanks, modification of river courses, landslide control, and protection of specific works) in the middle and lower levels of these watersheds. Initially, 117 critical sites have been identified in seven priority municipios in the Viejo River and Lake Apanás subwatersheds.
- 1.22 **Component 3: Capacity building (US\$1.65 million).** This component's activities will complement the work of SE-SINAPRED in the preparation of municipal risk management plans, threat maps, instruments, or mechanisms related to the maintenance of the environmental services identified in the two subwatersheds, and municipal planning processes. The component will develop specific climate change models, in collaboration with INETER to deepen knowledge of the effects of climate change in Nicaragua and develop municipal plans for adaptation to climate change.

- 1.23 The program includes resources to cover administrative and supervision expenses associated with the establishment of the program’s Technical Team, consisting of the hiring of individual specialists, the procurement of goods, equipment, and operating expenses. It also includes resources to design and implement a system to monitor the program’s results, based on a detailed evaluation of 1084/SF-NI and the establishment of the baseline for results indicators, as well as the preparation of midterm and final evaluations, and audits.

F. Key results indicators

- 1.24 The main benefits of the program are related to improvement in the risk management indicators at the municipal level in seven municipios and the increase in the value of the production of 3,600 program beneficiaries.

Key indicators	Time of measurement	Selection rationale
Improved risk management indexes at the municipal level	End of program	It measures the progress in planning, risk identification; risk reduction; disaster management; and financial management and governance at the municipal level. The municipal index contributes to the national index (Baseline 2007).
Increase in the gross value of the farm’s production	End of program	It measures the improvement in the living conditions of the beneficiaries due to the adoption of the environmental restoration systems, which facilitates adaptation to climate change and reduction of runoff.

II. FINANCING STRUCTURE AND RISKS

A. Financing instrument

- 2.1 The program will finance specific activities and investments for the achievement of its objectives, through an investment loan drawn from the Bank’s Ordinary Capital under the Single Currency Facility and the Fund for Special Operations, for up to an amount of US\$10 million. The program will also have parallel financing from the NDF for €2.5 million (approximately US\$3 million). The local contribution of US\$0.6 million will come from the Nicaraguan government.

Table II-1: Program cost and financing (US\$ million)

	IDB	NDF	Nicaraguan government	Total	%
I. Support for the adoption of ERSs	4.40	0.05		4.45	32.7%
II. Infrastructure for loss reduction	3.62	1.35		4.97	36.5%
III. Capacity building	0.45	1.20		1.65	12.1%
Administration and monitoring	0.74		0.5	1.24	9.1%
Audits	0.10	0.02		0.12	0.9%
Evaluation and contingencies	0.04	0.38		0.42	3.1%
Interest	0.65			0.65	4.8%
Credit fee			0.1	0.10	0.7%
Total	10.00	3.00	0.60	13.60	100.0%

2.2 The execution period will be five years. For disbursement purposes, a preliminary financial program has been established to estimate the following flow of funds.

Table II-2: Disbursement schedule (millions of US\$)

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Total
IDB	0.80	2.10	4.10	2.40	0.60	10.0
NDF	0.50	1.20	0.50	0.50	0.30	3.0
Gov. of Nicaragua	0.05	0.05	0.10	0.20	0.20	0.6
Total	1.35	3.35	4.70	3.10	1.10	13.6

B. Technical and economic viability

2.3 MARENA, with the Bank's support, prepared the technical studies for the program's design through technical cooperation project ATN/FW-11737-NI, including: (i) the program's Operating Regulations, which include a detailed description of the mechanism for implementing Component 1; (ii) the Multiyear Execution Plan, which includes the steps and timeframes for the procurement processes; (iii) terms of reference for commissioning the ex post evaluation of operation 1084/SF-NI and the program's baseline, including survey forms and size of sample; (iv) technical data sheets for the ERSs, including the targets and behavioral changes expected in producers; (v) annual work plan for the first year of execution; (vi) budgets itemized by component and source of financing; (vii) list of the 117 critical sites and the type of works to be financed by Component 2; and (viii) databases and registration forms for beneficiaries (see [Electronic Links](#)). Moreover, operation NI-T1090, with resources from the Disaster Prevention Fund, will finance the production of municipal plans with a risk management approach to validate the preliminary identification of critical sites, as well as the design of an initial set of works to be subsequently financed by the program.

- 2.4 As part of the program's evaluation, an economic viability analysis was conducted for the activities planned under Component 1. The annual incremental benefits included the value of the goods produced at the farm due to the increase in productivity and the environmental services (i.e., marginal change in coffee, fruit, and/or coverage crop production; production of firewood and other forest products; and production of environmental assets, especially water) associated with seven identified ERSs. To calculate these benefits, the number of beneficiaries was considered (3,600 families, approximately 22,135 ha) along with the implementation cycles (818, 1,648, and 1,134 families in the first, second, and third implementation cycles, respectively). The annual incremental costs included the cost of labor (maintenance and harvest), tools, and plant material. For a 15-year horizon, the net present value (NPV) of the flow of net benefits, discounted at a rate of 12%, was estimated at US\$8 million (or US\$2,223 per beneficiary family). The internal rate of return (IRR) was estimated at 25%. A sensitivity analysis corroborates the strength of the results, demonstrating the viability of the investments ([Optional Electronic Link 8](#)).
- 2.5 In the case of the mitigation works planned under Component 2, the program's Operating Regulations detail the requirements, absolute cost thresholds, and cost/beneficiary for which a prefeasibility study is required. In general, the works considered are small-scale, and in most cases do not exceed US\$100,000. For larger works projects, a cost-benefit analysis will be applied, including the calculation of the NPV discounted at 12% and/or the IRR of the flow of net benefits over a horizon of no less than 10 years. The annual benefits will be calculated based on the average economic losses avoided, in accordance with the pertinent distribution function or periods of recurrence of the event to be mitigated by the work(s). The costs will include investment costs, as well as the annual maintenance costs for the works. Simulation exercises will be used in every case. In these cases, only works with a positive NPV or an IRR greater than 12% will be eligible.

C. Socioenvironmental safeguard risks

- 2.6 Given its nature, the project is expected to generate positive impacts on the environment and the beneficiaries. The incentives for optimizing natural resource management, prevention works, and the development of mechanisms to acknowledge the importance of environmental services will translate into lower rates of deforestation, erosion, and losses due to extreme climatic events. During the design phase, a socioenvironmental analysis of the program was conducted. The results show that the environmental impacts are minimal, and the proposed mitigation measures will reduce environmental risks. The following recommendations were made: (i) designs for the works should explicitly include environmental and social analyses; (ii) supervision should verify implementation of the prevention and mitigation measures; (iii) technical assistance and training for producers should include topics related to climate change, adaptation to it, and prevention of child labor; and (iv) municipal planning should explicitly include vulnerable groups and specific risk management activities should be designed with

a gender focus. The operation's design incorporates these recommendations, which are reflected in the Operating Regulations. In accordance with policy OP-703, the operation is classified as category "B."

D. Fiduciary risks

2.7 MARENA has successfully executed two loans with the Bank and several projects with financing from international cooperation agencies. Its technical and administrative team also prepared and managed a complementary grant to this program with the NDF. MARENA is in the process of approving administrative and financial manuals, prepared with a grant from the United Nations Development Programme. Moreover, an institutional, financial, and risk assessment was undertaken using the Institutional Capacity Assessment System (ICAS) to identify MARENA's strengths and weaknesses as an executing agency (see electronic links), which was complemented by a fiduciary analysis done by the Bank's fiduciary specialists in Nicaragua. The results show that MARENA is a stable institution, with execution capacity, and strengths, especially in the areas of planning and execution, posing a medium risk in execution. MARENA is working on improving financial management and internal control. The recommendations of the ICAS analysis were incorporated into the program's design and will be financed through the loan.

2.8 **Audits.** The program will be subject to periodic oversight in the form of internal and external audits. MARENA has a specific internal auditing unit, which reports to MARENA's Minister. Using program funds, MARENA will also engage the services of an independent auditing firm to perform the external audit of the program's financial statements. The scope of the external audit will be established in accordance with the rules for the selection and contracting of auditing firms (OP-273-1). The external audit report will be submitted annually to the Bank within 120 days following the close of the fiscal year. The program will also be subject to audits by the Office of the Comptroller General of the Republic of Nicaragua, as required.

E. Other issues and risks

2.9 The risks the program may pose are of a technical and operational nature, related to specific considerations of execution in Nicaragua.

Risk	Mitigation measures
There may be technical and political constraints on the selection of beneficiaries and implementation of natural resource management technologies.	MARENA will work very closely with the departmental delegations and municipal authorities to ensure implementation of the program strategy, which establishes that MARENA will start activities in the municipios located in the upper part of the watershed and then continue with those in the lower section.
Delay in execution due to a lack of coordination among institutional partners in the program (MAGFOR, INAFOR, INETER, municipios, and SE-SINAPRED)	MARENA will make its best efforts to have the technical assistance, municipal planning, and works designs, for example, completed on the established schedule. Execution of all components assumes close coordination among the various institutions involved, so the institutions deliver the expected outputs with the necessary quality on time.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Program execution and administration

- 3.1 The program's borrower will be the Republic of Nicaragua, and the executing agency will be MARENA. For these purposes, the borrower will transfer, through the national budget to the executing agency, on a nonreimbursable basis, the loan proceeds and the local counterpart for the execution of program activities.
- 3.2 MARENA will carry out the administration, supervision, and evaluation of the program through the Bureau of Climate Change. Its duties will include: (i) ensuring fulfillment of the program's contractual conditions; (ii) requesting disbursements from the Bank and coordinating, implementing, and monitoring the activities; (iii) planning, preparing, and organizing the work plans and program activities; and (iv) preparing the required reports. The General Director of this bureau will be responsible for these duties and will report directly to the Minister. The General Director will be supported by a technical team made up of a technical coordinator, two procurement specialists, one financial specialist, one specialist in monitoring and evaluation, one information technology technician, and three departmental coordinators, who will work through the functional agencies of MARENA. **The hiring of the technical coordinator, one procurement specialist, and one financial specialist will be a special condition precedent to the first disbursement.**
- 3.3 **Interagency coordination.** The required interagency technical coordination will be undertaken through a Technical Coordination Committee (TCC). Its members will be: MARENA, SE-SINAPRED, the Ministry of Agriculture, Livestock, and Forestry (MAGFOR), INETER, the National Forestry Institute (INAFOR), and a representative from the municipal governments participating in the program. This committee's duties will be: (i) coordinating joint activities within the framework of the program; (ii) providing institutional support for achieving the targets and objectives; and (iii) supporting and monitoring the proposed and implemented activities. To agree on the execution obligations related to the program, both for

INETER and for SE-SINAPRED, specific interagency agreements will be signed between MARENA and INETER, and between MARENA and SE-SINAPRED. No transfer of loan proceeds to these institutions is anticipated. **The formation of the TCC and the signing and entry into effect of the agreements referred to in this paragraph will be a special condition precedent to the first disbursement.**

- 3.4 **Program Operating Regulations.** Program administration will be governed by Program Operating Regulations. These regulations establish the rules and procedures for the executing agency for programming activities, financial-accounting management, procurement and contracting, audits, and monitoring and evaluation of the program. They also describe the execution mechanisms for the program's three components, including pertinent socioenvironmental methodologies (section II.C). Any significant modification of the regulations will be agreed upon with the Bank and submitted for consideration by the Minister of MARENA. **The approval of the Program Operating Regulations by the Minister of MARENA and their entry into effect will be special conditions precedent to the first disbursement.**
- 3.5 **Execution mechanism for the component involving support for the adoption of environmental restoration systems.** Based on the execution schedule, the executing agency will disseminate the objectives, scope, and requirements for access to the incentives, stressing the eligibility criteria, the operational-financial mechanisms, and the ERSs included in the menu of eligible options, with details of the financial and technical incentives corresponding to each ERS. The executing agency will have the support of financial institutions to make associated payments, upon prior identification of the beneficiaries. The financial institutions will be subject to the relevant oversight and regulation and will have experience in providing services to rural populations, adequate geographic coverage, and computer networks in their branches for customer service. The duties of the participating financial institutions are described in the Program Operating Regulations. These institutions will be selected through a competitive process, based on the terms established in those regulations. Their participation will be formalized in each case by the signing of an agreement with the executing agency.

Box 1. Specific aspects of the operational-financial mechanism for support

Features of the incentive. It will have a unique serial number and protection code (bar code). The voucher's detachable coupons, in duplicate, will detail the ERSs to be acquired by the beneficiary. They will have the same serial number as the voucher plus a unique identifier. Once the beneficiaries are declared eligible, they will be registered in the Monitoring and Evaluation System (MES), along with the details of the coupons to be delivered to them during program execution.

Plant material suppliers. The executing agency will prepare a list of plant material suppliers included in the menu of technological options for the voucher. The list of suppliers will contain relevant information so the supplier can be contacted directly by the beneficiaries of the incentive. The list of suppliers will be provided to the beneficiaries in a timely manner and will be available on the executing agency's website and at all its offices. MARENA will establish a service contract with the suppliers to ensure the quality and timely delivery of the plant material.

ERS provision. Beneficiaries, individually or jointly, will contact the plant material suppliers to begin the process of negotiating the acquisition and transfer of each ERS to the beneficiary farm. Beneficiaries will have the support of MARENA technicians to contact, negotiate, and/or determine the characteristics of the plant material of each supplier. It will be the beneficiaries' responsibility to make the final decision on accepting the ERS to be acquired.

Payment to suppliers. Once the ERS is at the beneficiary farm, the beneficiary will sign the applicable coupon together with the field technician, certifying that the technology has been transferred. The coupon signed by the beneficiary and field technician will be submitted to the supplier and a copy will be sent to the departmental office of MARENA so it can be input, validated, authorized, and sent to the financial institution, electronically, through the program's monitoring system. The supplier will cash the coupon at the institution indicated to it by MARENA.

Technology verification. The executing agency will randomly verify the implementation of the technologies. The verification work will be done independently, using a procedure agreed upon with the Bank. After the verification process, verification reports will be prepared. The reports will contain information related to: (i) certifying that the technology in question has been implemented on the beneficiary's land; (ii) that the technology meets the technical specifications of the program; and (iii) fulfillment of the agreed upon activities. The verification reports will be attached to the supporting documentation for Component 1 expenses to be submitted by MARENA to the Bank.

- 3.6 Eligible beneficiaries will be registered through the departmental offices of MARENA. The request for the technologies will be recorded in the MES. Once eligibility is verified, the executing agency will proceed to draft a voucher in the name of each beneficiary. This voucher will contain the basic information on the beneficiary and the total value of support for acquiring the technologies. Each voucher will have a set of detachable coupons that will specify the technologies and/or technological services to be acquired by the beneficiary and the amount to which the person is entitled for each selected technology.
- 3.7 **Execution mechanism for the infrastructure component for disaster loss reduction.** The executing agency will have the support of the municipios for those works located under their jurisdiction. The participatory municipal planning processes with a risk management approach will validate the preliminary identification of the critical sites. The municipios will prioritize the works at these critical sites, based on criteria of vulnerability, economic return (paragraph 2.5), and complementarity with the investments under Component 1, as described in the

Operating Regulations. The municipios participating in the program will be responsible for demonstrating that they hold the title to the land where the works are to be executed and delivering them unoccupied; collaborating in the processing of authorizations, permits, and any other local matter, as required; endorsing the terms of reference for the studies and final designs of the works under their jurisdiction; allowing free access to the construction sites of the works to the executing agency, contractors, external auditors, and the Bank, throughout program execution; operating and properly maintaining the works under their jurisdiction, and reporting annually to the executing agency on the status of this work. The participating municipio must demonstrate that it has sufficient financial capacity to assume the annual maintenance costs for the works under its jurisdiction. These responsibilities will be formalized in agreements to be signed with the executing agency. The entry into effect of the framework agreement for cooperation between the executing agency and the respective municipio, in the terms agreed upon with the Bank, will be a condition necessary to begin the procurement and contracting processes in that municipio.

- 3.8 **Special disbursement.** To facilitate fulfillment of the conditions precedent to the first disbursement, a special disbursement is proposed for up to the amount of US\$250,000, upon fulfillment of the special conditions precedent to the first disbursement established in Clause 4.01(a), (b), and (d) of the General Conditions of the Loan Contract.

B. Procurement

- 3.9 Goods and services will be procured with program resources in accordance with the Policies for the Procurement of Works and Goods Financed by the IDB (document GN-2349-7), and consulting services will be selected and contracted with program resources in accordance with the Policies for the Selection and Contracting of Consultants Financed by the IDB (GN-2350-7), as established in the loan contract and the procurement plan. The procurement of goods and the selection and contracting of consultants will be carried out by MARENA. In accordance with Bank policies, MARENA agreed with the Bank on a procurement plan for at least the first 18 months of execution (Annex (III)). The borrower must update the procurement plan annually or whenever substantial changes arise. Any proposal to revise the plan must be agreed upon with the Bank. The Bank's supervision of program procurement and contracting will be conducted on an ex ante basis during the first 12 months of execution. At the request of the Nicaraguan government, and after a new assessment of the executing agency's capacities and performance, subsequent processes may be subject to ex post supervision.

C. Monitoring and evaluation

- 3.10 **Monitoring.** With the Bank's support, MARENA has prepared a multiyear execution plan (MEP) that includes budgets, outcomes, and a procurement plan for the program's entire execution period. The executing agency will prepare and send to the Bank, within 60 days following the end of each six-month period for each

- year of program execution, a monitoring report on the progress of program activities and an updated MEP. The reports will be based on the MEP and will be focused on fulfillment of the output indicators and progress toward the outcomes specified in the Results Framework (Annex (II)).
- 3.11 The program's design and the system for measuring outcomes consider the use of a computerized monitoring and evaluation system. This system will contain the program's databases and will be password-protected. The control codes for the incentives and the beneficiaries thereof will be recorded in the MES databases. System modules were developed during program preparation and include three sections: (i) record of eligible beneficiaries; (ii) record of random evaluations; and (iii) record of ERS implementation.
- 3.12 **Evaluation.** MARENA will conduct a baseline study, to be submitted at the same time as the first semiannual report, or earlier. This study will use the MES methodology, which includes, among other things: (i) identification of a control group for Component 1; (ii) design of a representative sample of beneficiaries eligible for Component 1; (iii) measurement of the risk management index for disasters and vulnerability at the municipal level; and (iv) measurement and calculation of damages prevented with the works in Component 2. The executing agency will submit a midterm evaluation report on the program to the Bank within 90 days after 50% of the loan proceeds are committed and a final evaluation report within 90 days after 90% of the loan proceeds are disbursed. These reports will include: (i) an evaluation of the quality of the MES data; (ii) field data for the information necessary to measure outcomes and impacts; (iii) the degree of fulfillment of annual targets; and (iv) expected outcomes established in the Results Framework. The program has reserved US\$400,000 for these activities. The outcomes of program components and annual targets will be measured in accordance with the MES.
- 3.13 To strengthen the design of Component 1, MARENA will perform an impact assessment of 1084/SF-NI, which will focus on measuring the rates of adoption and marginal changes in income. The terms of reference for this evaluation, including the details on the methodology to be used, appear in the [optional electronic links](#). The completion and submission of the findings of the impact assessment of program 1084/SF-NI, in accordance with the specifications described in the Monitoring and Evaluation System will be a condition necessary for delivery of the incentives under Component 1 of the program.

**Development Effectiveness Matrix
Summary**

Indicator	Score	Maximum Score
<i>I. Strategic Relevance</i>	High	
1. IDB Strategic Development Objectives	6.5	10
Country Diversification	2.0	2
Corporate Initiatives	2.5	2.5
Harmonization and Alignment	0.0	3.5
Beneficiary Target Population	2.0	2
2. Country Strategy Development Objectives	9.0	10
Country Strategy Sector Diagnosis	5.4	6
Country Strategy sector objective & indicator	3.6	4
<i>II. Development Outcomes - Evaluability</i>	Highly Satisfactory	
3. Evidence-based Assessment & Solution	9.3	10
4. Evaluation & Monitoring Plan	9.3	10
5. Cost-Benefit or Cost-Effectiveness	10.0	10
6. Risks & Mitigation Monitoring Matrix	10.0	10
<i>III. IDB's Role - Additionality</i>		
7. Additionality	10.0	10
Technical Assistance provided prior the project	3.0	3
Improvements in management of financial, procurement, monitoring or statistics internal controls	4.0	4
Improvements in environmental, health and labor performance	3.0	3

I. Strategic Relevance: This operation is implemented in Nicaragua, a country group C/D, in Central America. The program geographically targets poverty through working in one of the poorer regions of the country. The project improves natural resource management and the management of risks associated with climate change and is linked with the Climate Change initiative. The program is aligned with the Country Strategy sector objectives and indicators.

II. Evaluability: The program has a good diagnosis which identifies main deficiencies and their magnitudes. There is a monitoring plan which identifies responsibilities, means of verification and frequency of measurement for each and every indicator. There is a detailed evaluation plan for this project. There is a cost-benefit analysis which provides a detailed analysis of project benefits for recipient farmers and finds a positive rate of return to the project using reasonable assumptions. The project focuses on managing environmental risks and has identified the principal environmental and social risks, as well as mitigation measures required.

III. Additionality: It is expected that this project will help improve the management of risk due to climate change and will help improve the evaluation methods employed by the government.

RESULTS FRAMEWORK¹

Purpose: To reduce the vulnerability of rural communities in Nicaragua to disasters associated with climate change through risk management actions based on the management and conservation of natural resources in watersheds prioritized based on their vulnerability.

Results	Baseline 2010	Target level	Comments
Improved risk management indicators at the municipal level	Index of risk management and vulnerability at the municipal level based on measurements obtained at the start of the program. National Risk Management Index: 41.58 at last measurement (2008)	Reduction in the risk management indexes at the municipal level compared to the initial level.	A municipal risk management index has been proposed. There is also a Risk Management Index at the national level, which serves as the basis for development of the national index. The index is being studied for government use.
Increase in the gross value of the farm's production	Value of the farm's production according to baseline.	Increase in the gross value of the farm's production compared to baseline levels.	Information from the Monitoring and Evaluation System (MES). The data are collected through records and surveys of random samples, the baseline, and program evaluations.

Component/final expected outcomes by activity	Baseline ²	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Comments
Component 1. Natural resources management to reduce vulnerability to disasters								
OUTCOMES								
1. M ³ of water collected	0		39,750	79,350	54,750		176,850	Reported in field reports and stored in the database.
2. Increased productivity of on-farm natural resources (measured as MT/Ha)	0			5%		10%	10%	Reported in field reports and stored in the database. Validated through evaluation surveys.

¹ Targets are those expected for each year of program execution. They are not incremental data. The total is the sum of the targets expected for each year.

² As described in [required electronic link 3](#), the baseline will be determined in the first six months of execution, once the list of beneficiaries is prepared. This will make it possible to use the proposed impact assessment methodology.

Component/final expected outcomes by activity	Baseline ²	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Comments
OUTPUTS								
1. Area with tree cover regenerated / enriched / conserved / increased	0		1,069	6,128	9,810	4,753	21,760	Hectares. Reported in field reports and stored in the database.
2. Increased area under eco-forestry and soil conservation management	0		188	187			375	Hectares. Reported in field reports and stored in the database.
3. Increased number of water collection works established and operating	0		530	1,058	730		2,318	Reported in field reports and stored in the database.
4. Number of beneficiaries trained in ERS management	0		818	1,648	1,134		3,600	Reported in field reports and stored in the database.
Component 2. Reduction of risk of losses caused by climatic events								
OUTCOMES								Information from the MES
1. Increase in the number of men and women protected with mitigation works	0	1,716	10,299	8,582	10,299	3,433	34,329	The data will be obtained from the designs of the works. Reported in field reports and stored in the database.
OUTPUTS								Information from the MES
1. Works in critical sites constructed and operating	0	6	35	35	30	12	118	Works in critical sites. Each critical site may have multiple types of works. Reported in field reports and stored in the database.
2. Number of days' work generated	0	350	2,036	2,036	1,745	698	6,865	The data will be obtained from works supervision reports. Reported in field reports and stored in the database.

Component/final expected outcomes by activity	Baseline ²	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Comments
Component 3. Building local capacities for risk management and administration of payments for environmental services								
OUTCOMES								
1. Municipal Disaster Prevention, Mitigation, and Response Committees (COMUPRED) in all seven municipios strengthened and operating with approved regulations	0		1	3	3		7	Number of COMUPREDS. Reported in semiannual reports and stored in the database.
2. Local Disaster Prevention, Mitigation, and Response Committees (COLOPRED) strengthened and operating with approved regulations.	0		15	15	5		35	Number of COLOPREDS. At least 5 COLOPREDS per municipio. Reported in semiannual reports and stored in the database.
3. Legislation approved by the environmental authorities	0			2	2		4	Reported in semiannual reports and stored in the database.
OUTPUTS								
1. Approved municipal risk management plans	0		3	4			7	Number of plans. Reported in field reports and stored in the database.
2. Men and women trained in risk management and climate change	0	50	150	150	50		400	Staff of MARENA, SE-SINAPRED, INETER, MAGFOR, INAFOR, and municipios. Reported in field reports and stored in the database.
3. Local compensation instruments designed for environmental services	0		1	2	1		4	Number of instruments. Reported in semiannual reports and stored in the database.

Procurement Plan Summary

Code	Name	Total	Method	Review	Financing			Estimated dates		Comments
					IDB	NDF	Nicaraguan gov.	Publication	Completion	
Total program investment		13,500,000			10,000,000	3,000,000	500,000			
Consulting services										
AS-2	POSAF II ex post evaluation study	100,000	QBS	ex ante	0	100,000	0	25-Aug-10	23-Jun-11	Condition precedent, financed through the NDF
C1-2	Technical assistance	1,228,640	CQIN	ex ante	1,228,640	0	0	19-Oct-10	24-Aug-15	Contracting of several individual consultants in various periods of the program (three cycles)
C2-1	Design of infrastructure works 1	120,000	QCBS	ex ante	0	120,000	0	19-Oct-10	18-Aug-11	
C2-2	Design of infrastructure works 2	271,820	QCBS	ex ante	271,820	0	0	19-Aug-11	15-Jun-12	
C2-3	Supervision of infrastructure works 1	100,000	QCBS	ex ante	0	100,000	0	19-Aug-11	10-Oct-13	
C3-2	Training of municipios, MARENA, and partners	315,000	QCBS	ex ante	80,000	235,000	0	24-Jun-11	17-Nov-11	Various consulting assignments (firms)
C3-3	Development of policies and strategies	165,000	CQIN	ex ante	0	165,000	0	24-Jun-11	11-Apr-12	Various individual consulting assignments
C3-6	Updating of POSAF II ratios	80,000	QBS	ex ante	0	80,000	0	25-Aug-10	16-Jan-13	Various consulting assignments (firms and universities)
C3-7	Preparation of municipal risk management plans	485,000	QCBS	ex ante	150,000	335,000	0	28-Apr-11	21-Aug-12	Various consulting assignments
C3-8	Training of municipal technicians	30,000	CQIN	ex ante	30,000	0	0	12-Apr-11	19-Aug-11	
C3-13	Climate change models (INETER)	350,000	QCBS	ex ante	150,000	200,000	0	18-Nov-10	4-Sep-12	Various consulting assignments (firms)
C3-14	Verification of implementation of ERS (1)	25,000	CQII	ex ante	0	25,000	0	29-Oct-12	9-Jan-13	
AS-4	Baseline	100,000	QCBS	ex ante	0	100,000	0	19-Oct-10	5-Jul-11	
AS-5	Midterm evaluation	100,000	QCBS	ex ante	20,000	80,000	0	11-Oct-13	12-Aug-14	
AS-7	Audits	120,000	PC	ex ante	100,000	20,000	0	19-Oct-10	18-Dec-15	
AS-2	Administration	1,235,150	CQIN	ex ante	735,150	0	500,000	19-Oct-10	8-Dec-15	Several ETP contracts, over five years of the program (approximately 7 consultants)
Works										
C2-4	Construction of infrastructure works 1	2,001,000	NCB	ex ante	1,501,000	500,000	0	19-Aug-11	21-Aug-13	Multiple contracts
Goods										
C1-3	Vehicles	252,000	NCB	ex ante	252,000	0	0	16-Feb-11	5-Apr-11	Motorcycles
C1-4	Communication and materials	39,360			39,360	0	0	12-Apr-11	5-Jul-11	
C3-4	Purchase of computer equipment (10 PCs) and 4 photocopiers	18,000	PC	ex ante	18,000	0	0	24-Jun-11	17-Nov-11	
C3-5	Purchase of MARENA vehicle	35,000	PC	ex ante	0	35,000	0	24-Jun-10	17-Nov-11	
C3-9	Outfitting of municipal offices	120,000	PC	ex ante	120,000	0	0	22-Aug-11	15-Nov-11	Multiple procurement processes
C3-11	Municipal Response Brigade (BRIMUR) equipment	85,000	PC	ex ante	0	85,000	0	16-Nov-11	9-Feb-12	
C3-12	BRIMUR training	25,000	PC	ex ante	0	25,000	0	16-Nov-11	2-Aug-12	
AS-3	Purchase of central and regional office equipment	290,150	PC - NCB	ex ante	234,150	0	56,000	28-Apr-11	6-Jun-11	Multiple procurement processes
Nonconsulting services										
C1-5	Contracting of plant material production services	1,533,200	PC - NCB	ex ante	0	0	0	7-Jul-11	28-Jun-13	Multiple contracting processes, based on program cycles

CQIN, list may consist entirely of national consultants

CQII, list includes national and international consultants

QBS: Quality-based selection; NICQ: National individual consultant selection based on qualifications; QCBS: Quality- and cost-based selection; IICQ: International individual consultant selection based on qualifications; PC: price comparison;

NCB: National competitive bidding.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/10

Nicaragua. Loan ____/BL-NI to the Republic of Nicaragua
Environmental Climate Change and Disaster
Risk Management Program

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Nicaragua, as Borrower, for the purpose of granting it a financing to environmental climate change and disaster risk management program . Such financing will be for the amount of up to US\$5,000,000 from the resources of the Single Currency Facility of the Bank's Ordinary Capital, corresponds to a parallel loan within the framework of the multilateral debt relief and concessional finance reform of the Bank, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on __ _____ 2010)

LEG/SGO/CID/IDBDOC#35333712
NI-L1048

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-__/_/10

Nicaragua. Loan ____/BL-NI to the Republic of Nicaragua
Environmental Climate Change and Disaster
Risk Management Program

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Nicaragua, as Borrower, for the purpose of granting it a financing to environmental climate change and disaster risk management. Such financing will be for the amount of up to US\$5,000,000 from the resources of the Bank's Fund for Special Operations, corresponds to a parallel loan within the framework of the multilateral debt relief and concessional finance reform of the Bank, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on __ _____ 2010)

LEG/SGO/CID/IDBDOC#35333859
NI-L1048

ANNEX B

AMMENDED PROJECT DOCUMENT

NI-X1011

DOCUMENTO DEL BANCO INTERAMERICANO DE DESARROLLO

NICARAGUA

PROGRAMA AMBIENTAL DE GESTIÓN DE RIESGOS DE DESASTRES Y CAMBIO CLIMÁTICO

(NI-L1048) (PRÉSTAMO 2415/BL-NI)

ENMIENDA A LA PROPUESTA DE PRÉSTAMO

(NI-X1011)

Este documento fue preparado por el equipo de proyecto integrado por: Duval Llaguno Ribadeneira (RND/CNI) Jefe de Equipo; Luis Enrique Miranda (CID/CNI); María Cristina Landázuri-Levey (LEG/SGO); Alonso Chaverri-Suarez (LEG/CLA); Heleno Gouvea (ORP/ORP); Claudia Ogliagloro (ORP/GCM); Santiago Alejandro Castillo (FMP/CNI); Jorge Osmin Mondragón (FMP/CNI); y Rosario Gaggero (INE/RND).

ENMIENDA A LA PROPUESTA DE PRÉSTAMO
NICARAGUA
PROGRAMA AMBIENTAL DE GESTIÓN DE RIESGOS DE DESASTRES Y CAMBIO
CLIMÁTICO

Agencia ejecutora:	Ministerio de Ambiente y Recursos Naturales (MARENA)
Monto de la donación:	US\$3.157.500
Fuente:	Agencia Suiza para el Desarrollo y la Cooperación (“COSUDE”)

I. ANTECEDENTES

- 1.1 El Programa Ambiental de Gestión de Riesgos de Desastres y Cambio Climático (NI-L1048) (en adelante el “Programa”) fue aprobado por el Directorio el 29 de septiembre de 2010, con un monto de financiamiento del Banco de hasta diez millones de dólares. El contrato de préstamo (2415/BL-NI) fue suscrito entre el BID y el Gobierno de Nicaragua (GdN) el 3 de diciembre del 2010 y fue ratificado por el Asamblea Nacional de la República de Nicaragua el 3 de febrero del 2011. Dicho contrato fue publicado en La Gaceta, Diario Oficial, el 18 de febrero del 2011. El Organismo Ejecutor de este Programa es el Ministerio de Ambiente y Recursos Naturales. Desde su aprobación, el Programa cuenta con un cofinanciamiento no reembolsable del Fondo Nórdico de Desarrollo (FND), por un monto equivalente a tres millones de dólares.
- 1.2 Con posterioridad a la aprobación del Directorio Ejecutivo, durante la ejecución del Programa, la Agencia Suiza para el Desarrollo y la Cooperación (COSUDE) anunció su interés y disposición a cofinanciar las actividades de este Programa, hasta por un monto de tres millones ciento cincuenta y siete mil quinientos dólares, adicionales, sujeto a que dichos recursos fuesen administrados por el Banco. En tal sentido, el presente documento se presenta a efectos de solicitar la autorización del Directorio Ejecutivo para administrar dichos recursos y señalar la manera en que los mismos serán incorporados al Programa.
- 1.3 El objetivo del Programa es reducir la vulnerabilidad de poblaciones rurales de Nicaragua ante fenómenos asociados al cambio climático, a través de acciones de gestión de riesgos, basadas en el manejo y conservación de recursos naturales en cuencas priorizadas por su vulnerabilidad. Los resultados esperados están relacionados a la mejora en la gestión del riesgo, principalmente a nivel municipal, en los ámbitos de identificación y reducción de riesgos y fortalecimiento de la gobernabilidad, así como la generación de sinergias con productores agrícolas para facilitar la adaptación al cambio climático.
- 1.4 El Programa financia actividades en tres componentes: i) apoyos para la adopción de sistemas de restauración ambiental; ii) infraestructura para la reducción de pérdidas por eventos climáticos; y iii) desarrollo de capacidades e instrumentos para la gestión del riesgo, mecanismos de retribución local por servicios ambientales y adaptación al cambio climático.

II. ANÁLISIS

- 2.1 La Cooperación Suiza cofinanciará las actividades del Programa, hasta por un monto de tres millones ciento cincuenta y siete mil quinientos dólares americanos. Este aporte financiero estará distribuido en los tres componentes del Programa y sería todo recursos nuevos (no sustituiría recursos de contrapartida en el presupuesto original). El plazo de desembolsos original del Programa se mantiene en cinco años (vence el 18 de febrero del 2016). Al momento (septiembre, 2013), se ha desembolsado el 57.4% de los recursos del préstamo. Los recursos adicionales previstos se ejecutarán en el cuarto y quinto año de ejecución de este Programa.
- 2.2 En el **componente 1** (Apoyos para la adopción de sistemas de restauración ambiental), se incrementarán los incentivos para la conservación de recursos naturales para productores elegibles del Programa, para cubrir parcialmente los costos de bienes y servicios que formen parte del paquete tecnológico denominado Sistema de Restauración Ambiental (“SRA”). Además, se financiará la asistencia técnica correspondiente. Actualmente, están previstos 3.600 beneficiarios de los SRA; con el nuevo cofinanciamiento se sumarán al menos 1.000 adicionales; con lo cual la meta total ascenderá a 4.600 beneficiarios.
- 2.3 En el **componente 2** (Infraestructura para la reducción de pérdidas por desastres), se aumentará el financiamiento para los estudios de pre inversión, supervisión y construcción (que incluye los estudios socio-ambientales pertinentes) de obras menores en los municipios seleccionados, destinadas a limitar caudales atípicos, con el fin de proteger bienes públicos y privados de inundaciones o deslizamientos, en las partes medias y bajas de las sub cuentas del Río Viejo y del lago de Apanás. Actualmente, se tiene previsto financiar obras en 118 sitios críticos, y con el cofinanciamiento de Suiza se sumarán recursos para obras en 29 sitios.
- 2.4 En el **componente 3** (Desarrollo de capacidades) se fortalecerá la “Comunicación para el Desarrollo”. Las actividades que se financien serán para apoyar una estrategia de comunicación y creación de valores, que involucre a los beneficiarios, técnicos de campo y delegaciones territoriales del MARENA, entre otros. Se promoverá los sensibilización y concientización, para promover los cambios que se requieren en las unidades productivas, en las micro cuencas y sub cuencas de intervención del Programa.
- 2.5 El alcance del Programa cambia únicamente en cuanto a la entrega de un mayor número de productos, como resultado de la contribución por parte de COSUDE. Los cambios en las actividades mencionadas han sido reflejados apropiadamente en la versión actualizada de la Matriz de Resultados del Programa ajustada (ver [IDBDOCS-#38210918](#)).
- 2.6 Los recursos de la contribución del Gobierno de Suiza, a través de la Agencia Suiza para el Desarrollo y la Cooperación (“COSUDE”) para este Programa serán provistos a través de una contribución no reembolsable para un proyecto específico (Project Specific Grant, “PSG”). El Banco administra un PSG de acuerdo a lo establecido en el documento SC-114.1 Según lo ahí dispuesto, el compromiso de COSUDE se ha establecido en un acuerdo administrativo entre el Banco y COSUDE. Según dicho acuerdo, el Banco administrará los recursos de este proyecto y cobrará una comisión administrativa de 5% de la contribución, la cual se identificará debidamente en el presupuesto del proyecto. Dicho acuerdo establece que el uso de la

¹ “Report on COFABS, Ad-Hocs and CLFGS and a Proposal to Unify Them as Project Specific Grants (PSG)”.

contribución suiza para este Programa está sujeto a la formalización de todas las aprobaciones internas necesarias del Banco y a la suscripción de los respectivos acuerdos con la República de Nicaragua. Las aprobaciones internas incluyen la aprobación de la presente propuesta por parte del Directorio Ejecutivo. En caso de que dichas aprobaciones no sean obtenidas, o si no se suscriben los acuerdos necesarios con la República de Nicaragua, el Banco reintegrará a COSUDE cualquier desembolso recibido por el Banco de la contribución.

2.7 A continuación se presenta el presupuesto con los componentes que serán fortalecidos por la contribución del Gobierno de Suiza:

Cuadro: Costo y financiamiento del Programa (US\$)

Componentes/categorías de inversión	BID	FND	GdN	COSUDE	Total
1. Apoyos para la adopción de sistemas de restauración ambiental	4.400.000	50.000		1.499.625	5.949.625
2. Infraestructura para la reducción de pérdidas por desastres	3.620.000	1.350.000		900.000	5.870.000
3. Desarrollo de capacidades	450.000	1.200.000		600.000	2.250.000
Administración y seguimiento	740.000		500.000		1.240.000
Auditorías	100.000	20.000			120.000
Evaluación e imprevistos	40.000	380.000			420.000
Intereses	650.000				650.000
Comisión de crédito			100.000		100.000
Comisión de gastos administrativos (5% de la contribución de COSUDE)				157.875	157.875
Total	10.000.000	3.000.000	600.000	3.157.500	16.757.500

III. RECOMENDACIÓN

3.1 En vista de que los recursos de la contribución del Gobierno de Suiza no estaban previstos en la formulación original del Programa aprobada por el Directorio Ejecutivo, y teniendo en cuenta que dichos recursos van a ser administrados por el Banco a través de un PSG, se recomienda complementar las Resoluciones que aprobaron el Programa (Resoluciones DE-115/10 y DE-116/10) con el texto de la Propuesta de Resolución adjunta, en virtud de la cual se autoriza al Presidente del Banco, o al representante que él designe, para que en nombre y representación del Banco: i) tome las medidas pertinentes para que el Banco administre una contribución no reembolsable otorgada por el Gobierno de Suiza, hasta por la suma de US\$3.157.500, que incluye los costos administrativos del Banco, de conformidad con lo establecido en este

documento; ii) suscriba los acuerdos que sean necesarios con la República de Nicaragua como Beneficiario, para otorgarle un financiamiento no reembolsable con cargo a la contribución otorgada por el Gobierno de Suiza para la ejecución del Programa, según se describe en este documento; y iii) adopte las demás medidas necesarias para la ejecución del Programa con cargo a los recursos de la contribución no reembolsable otorgada por el Gobierno de Suiza y administrada por el Banco.

- 3.2 Esta recomendación se presenta para su aprobación por procedimiento corto de conformidad con lo dispuesto en el Reglamento del Directorio Ejecutivo del Banco Interamericano de Desarrollo (documento DR-398-14 – CS-3953), que permite presentar por dicho procedimiento: “6. Las modificaciones de las resoluciones y de los contratos correspondientes a: préstamos de inversión y sectoriales, de cooperaciones técnicas y pequeños proyectos, siempre y cuando la autoridad para aprobar dichas modificaciones no haya sido delegada en el Presidente”.