

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

NICARAGUA

STRENGTHENING OF NICARAGUA'S NATIONAL STATISTICAL SYSTEM

(NI-X1012)

TECHNICAL COOPERATION DOCUMENT

This document was prepared by the project team consisting of: Mario F. Sangines (ICS/CME), Project Team Leader; Priscilla Gutiérrez Juárez (CID/CNI), Alternate Project Team Leader; Gilberto Moncada, Janine Perfit, José Antonio Mejía Guerra, Raimundo Arroio, and Nathalie Hoffman (IFD/ICS); Osmin Mondragón and Santiago Castillo (FMP/CNI); Claudia X. Bone and Sonia Rojas (ICS/CNI); Priscilla Crisólogo (LEG/CLA) and Sofía Greco (LEG/SGO).

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Technical Cooperation Document

I. BASIC INFORMATION

▪ Country/Region:	Republic of Nicaragua
▪ Technical cooperation project name:	Strengthening of Nicaragua's National Statistical System
▪ Technical cooperation project number:	NI-X1012
▪ Project Team Leader/Members:	Mario F. Sangines (ICS/CME), Project Team Leader; Priscilla Gutiérrez Juárez (CID/CNI), Alternate Project Team Leader; Gilberto Moncada, Janine Perfit, José Antonio Mejía Guerra, Raimundo Arroio, and Nathalie Hoffman (IFD/ICS); Osmin Mondragón and Santiago Castillo (FMP/CNI); Claudia X. Bone and Sonia Rojas (ICS/CNI); Priscilla Crisólogo (LEG/CLA) and Sofía Greco (LEG/SGO).
▪ Taxonomy:	Client support
▪ Technical cooperation abstract approval date:	N/A
▪ Beneficiary:	Republic of Nicaragua
▪ Executing agency:	Instituto Nacional de Información de Desarrollo (INIDE)
▪ Donors providing funding:	European Union (EU)
▪ Financing requested from the IDB:	EU: €4,150,000 ¹ IDB: €29,400 ² Total: €4,179,400
▪ Local counterpart funding:	€207,500 ³
▪ Execution and disbursement periods:	48 months for execution and 54 months for disbursement
▪ Required start date:	October 2016

¹ The Bank will administer these resources through a Project Specific Grant, pursuant to the provisions of document SC-114. The funds are equivalent to US\$4,369,950, calculated with a reference exchange rate of US\$1.053 per euro as of 19 July 2016 (IMF: https://www.imf.org/external/np/fin/data/param_rms_mth.aspx). The equivalent amount in U.S. dollars may vary based on the applicable exchange rate when the funds are converted into dollars.

² The Bank provided administrative and transactional resources totaling US\$31,000 (equivalent to €29,400) to finance the project's preparatory activities.

³ The executing agency will provide contingent counterpart funding in cash, equivalent to 5% of the amount provided by the EU, to cover possible exchange losses.

▪ Types of consultants:	Individual consultants and consulting firms
▪ Prepared by unit:	Institutional Capacity of State Division (IFD/ICS)
▪ Unit of disbursement responsibility:	Country Office in Nicaragua (CID/CNI)
▪ Technical cooperation project included in Country Strategy:	No
▪ Technical cooperation project included in CPD:	No
▪ GCI-9 Sector Priority:	Institutions for growth and social welfare

II. OBJECTIVE AND RATIONALE

- 2.1 In Nicaragua, the National Statistical System (SEN) is made up of the Instituto Nacional de Información de Desarrollo (National Institute for Development Information) [INIDE]⁴ as its lead agency, government ministries and their departmental agencies, the Supreme Court, autonomous bodies and decentralized services, municipalities, state-owned enterprises, and other entities producing statistics of national interest.
- 2.2 The objective of this technical cooperation project is to improve the quantity, quality, and timeliness of statistical information in Nicaragua by strengthening and modernizing the SEN. The specific objectives are to: (i) improve the quality of major statistical data in order to monitor public policy and development support programs of cooperating institutions; (ii) improve the institutional capacity of SEN to produce and disseminate statistics from censuses, surveys, and administrative records; and (iii) improve the technical capacity of the INIDE as SEN's lead agency.
- 2.3 This initiative is part of the European Union's (EU) Technical Assistance for Nicaragua (DCI-ALA/2014/037-424), whose specific objective is to contribute to the effective and efficient implementation of the EU's public policy and cooperation activities, ensuring that priority sectors in its 2015–2020 institutional strategy with Nicaragua achieve maximum impact, outcomes, and visibility. Therefore, this initiative will facilitate the measurement of the EU's strategic objectives in Nicaragua by strengthening statistical indicators that help continuously monitor the development outcomes of the funds provided.

⁴ <http://www.inide.gob.ni/>

- 2.4 According to diagnostic assessments done by several agencies,⁵ including the IDB's Tool for Assessing Statistical Capacity (TASC) evaluation,⁶ SEN and its lead agency INIDE exhibit the following:
- a. **The technical and legal regulatory framework of SEN is incomplete.** (i) There are no technical documents that support the production of statistics based on qualified standards; (ii) there are inefficiencies and duplications in statistics production due to a lack of coordination among SEN's institutions and the absence of a national statistics plan; and (iii) legal rules are outdated, were never written into regulations, and do not grant INIDE authority to access administrative records. These weaknesses have been documented in the various diagnostic assessments and are reflected in SEN's low score in the TASC's legal and regulatory environment and stakeholder coordination sections; 50 and 49 points, respectively, out of 100 points. Moreover, Nicaragua's statistical processes have never been analyzed based on international standards such as the Regional Code of Good Practices.
 - b. **Methodologies for censuses, surveys, and statistics based on administrative records are outdated.** (i) Current cartography is 11 years old and the rural portion is not georeferenced; methodologies and tools for collecting, processing, and disseminating census data have not been updated; the sampling framework that is being used is from 2004; (ii) processes are not documented and the country lacks a preestablished schedule for data collection as well as social communication policies to promote citizen participation in providing data; and (iii) major administrative records (including civil, health, education, and judicial) are seldom utilized to produce statistics due to issues that include the lack of methodology to use those databases. According to the TASC, INIDE's methodology and technical capacity to produce statistics scored only 55 out of 100 points.
 - c. **The staff of SEN's statistics offices has limited technical capacity.** (i) Training for SEN's staff, and especially for INIDE's staff,⁷ has been based more on specific offerings than on addressing particular needs, and has lacked an emphasis on new methodologies, mainly due to the scarce resources available⁸ and the lack of a human resource development policy; (ii) technicians in charge of producing statistics in various SEN institutions have not received basic statistics training; and (iii) national universities do not regularly offer applied statistics programs. According to the TASC, the score for institutional and human resources was 50 out of 100 points.

⁵ They include: INEC (2006) "*Estrategia Nacional de Desarrollo Estadístico*" [*National Strategy for the Development of Statistics*]; DFID-Oxford Policy Management (2006) "*Informe de misión para el fortalecimiento del sistema de indicadores*" [*Mission report on strengthening the indicator system*]; MC2Group (2007) "*Evaluación del Programa MECOVI-II en Nicaragua*" [*Evaluation of the MECOVI-II Program in Nicaragua*]; UNFPA Mission Report (2008) "*Plan Quinquenal para el Fortalecimiento Institucional del INIDE y del SEN (2009-2013)*" [*Five-year plan for institutional strengthening of INIDE and SEN (2009-2013)*]; IDB (2012) "*Sistema Estadístico Nacional de Nicaragua - Nota de Política*" [*Nicaragua's National Statistical System - Policy note*]; and IDB (2015) "*Aplicación del Instrumento de Evaluación de Capacidad Estadística (TASC)*" [*Applying the Tool for Assessing Statistical Capacity (TASC)*].

⁶ The purpose of the TASC is to measure and evaluate the statistical capacity of a country's National Statistical System. This tool was adopted because it measures this system's capacity to produce and disseminate basic statistics throughout the statistical process, comparing it with international standards.

⁷ INIDE has a staff of 87 employees (40% of them in support positions; 38% technical; 17% executives; and 5% open positions), plus 76 who are not permanent employees and are essentially interviewers. Of them, 3% have postgraduate studies.

⁸ INIDE has an annual budget of US\$2.5 million, and 90% of it is spent on salaries.

- d. **Technology and information systems to produce statistics are relatively obsolete.** (i) INIDE does not have its own budget to procure hardware and license software, and it fully relies on international cooperation; (ii) the institution lacks equipment to process large volumes of data using complex software; and (iii) INIDE lacks an automated and standardized information system for data collection.⁹ INIDE's very low score in the TASC's evaluation of the availability and use of technology, 20 out of 100 points, reflects these weaknesses.
 - e. **Statistical information has limited dissemination and transparency.** (i) None of SEN's institutions, especially INIDE, have a dissemination policy or staff assigned to that task; (ii) metadata (manuals, classifications, methodologies, records, technical datasheets) generated through statistical processes are not published; (iii) there is no preestablished schedule to disseminate results, and in some cases it takes more than a year to publish survey results; and (iv) INIDE's current dissemination portal is outdated and contains incomplete data. Therefore, INIDE only scored 40 out of 100 points in the TASC's dissemination module.
- 2.5 This initiative is aligned with the priorities of the Sector Strategy: Institutions for Growth and Social Welfare (Sector Strategy OP-1009) as defined under the Ninth General Increase in the Resources of the Bank (GCI-9) and the Update to the Institutional Strategy 2010-2020, particularly with respect to poverty and inequality reduction. This technical cooperation operation is also closely related to the Bank's strategic framework for statistical capacity development in Latin America and the Caribbean and contributes to the IDB Country Strategy with Nicaragua (2012-2017) (document GN-2683), under the crosscutting objective of institutional strengthening of public entities and country systems. Lastly, this project's objectives are consistent with the 2012-2016 National Human Development Plan,¹⁰ which includes among its priorities the production of quality statistical information.
- 2.6 This project will be prepared and executed according to the new Framework Agreement between the European Commission and the IDB, signed on 10 June 2015. This Framework Agreement establishes a set of terms and conditions applicable to the EU's contributions to the IDB for financing or cofinancing projects administered by the Bank. It complements, repeals, or interprets certain provisions of a version of the general conditions for the "Pillar Assessed Grant or Delegation Agreement" (PAGoDA), in order to take into account the Bank's specificities and requirements.

III. DESCRIPTION OF ACTIVITIES, COMPONENTS, AND BUDGET

- 3.1 **Component 1. Technical and institutional strengthening of INIDE as lead agency and coordinator of SEN.** The objective of this component is to strengthen INIDE's institutional capacity so that it can efficiently perform its technical-regulatory role within SEN as well as the priority basic statistical operations for which it is responsible. The following activities will be financed under this component: (i) designing and disseminating policy documents for SEN's statistics production; (ii) implementing and evaluating the Regional Code of Good Practices in Statistics for priority statistical operations; (iii) estimating and validating monitoring indicators in key sectors such as production, education and employment, and climate change; (iv) developing and monitoring the implementation of a national statistics plan aligned with the National Human Development

⁹ It collects data from other institutions in a variety of formats (Word, Excel, e-mail, printed documents).

¹⁰ <http://www.pndh.gob.ni/>. See paragraphs 748–755 regarding strengthening SEN.

Plan, and the corresponding statistics timeline; (v) preparing a new draft bill for INIDE and SEN, as well as its proposed regulations; (vi) preparing a diagnostic assessment of the statistical information produced based on priority administrative records;¹¹ (vii) updating and disseminating methodologies for censuses, surveys,¹² and administrative records; (viii) defining the monitoring indicators for post-2015 sustainable development goals; (ix) preparing and implementing a training plan to strengthen the statistical and information-technology capacities of SEN's institutions;¹³ (x) training technical staff of INIDE and SEN on new methodologies and information-technology techniques for subjects including: information quality control, indicator development and analysis, multivariate statistical analysis, econometrics, demographics, sampling techniques, data analysis with statistical software, statistical processing of administrative records, statistical planning, development of applications for mobile data capture devices, collection of georeferenced information with mobile data capture equipment (GPS, tablet, etc.), standardization of the sampling framework for surveys and censuses with a geographic information system, and standardization of basic data to structure a mapping elements table; and (ix) promoting the sharing of experiences by INIDE and peer institutions.¹⁴

- 3.2 **Component 2. Strengthening of technological capacities to produce and disseminate statistical information.** The objective of this component is to modernize the technology and information systems to produce and disseminate statistics. The following activities will be financed under this component: (i) developing information-technology tools to facilitate the transmission of information between INIDE and the rest of SEN; (ii) establishing a data center and updating INIDE's technology infrastructure; (iii) designing and implementing a pilot test for data collection with mobile devices that capture georeferenced data;¹⁵ (iv) designing and implementing a communications strategy to promote citizen participation in collecting statistical data; (v) encouraging researchers to perform statistical studies and research;¹⁶ (vi) modernizing INIDE's web portal to expand the dissemination and transparency of statistics; and (vii) conducting workshops to disseminate information generated by SEN and promote statistical culture and transparency, aimed at public- and private-sector users.
- 3.3 The sustainability of investments in human resources will be supported with high-quality training, intended to strengthen technical education for INIDE/SEN. Regarding investments in information technology, the modernization planned for these tools anticipates a relatively long useful lifespan. Moreover, within the project's framework,

¹¹ Nationwide records, such as those regarding population (vital, education, health, and social security records), will be prioritized.

¹² Surveys such as: population and housing census; standard of living measurement survey; demographics and health survey; ongoing household survey (labor market); agricultural census; and economic census. Dissemination will be through INIDE's website and will target government users and local educators and researchers.

¹³ Includes training of approximately 600 employees of SEN/INIDE.

¹⁴ This activity will finance travel and lodging for employees of INIDE or SEN to national or international events, on subjects related to strengthening the statistical system. Employees will be selected based on criteria such as their responsibilities or skills in those subjects.

¹⁵ The objective of the pilot test is to prove the effectiveness of using mobile devices for data capture and transmission, as a replacement for paper-based questionnaires. During the execution of the technical cooperation project, the household sample size, spatial distribution, and duration will be defined.

¹⁶ Researchers from public and private institutions will receive access to databases from INIDE and other SEN institutions in order to conduct research. Moreover, INIDE will recognize and disseminate research results following a protocol to be defined during project execution.

there will be coordination with the government to ensure the continuity of the activities that this project promotes and that require financing.

Table 1. Indicator results matrix

Indicators	Unit of measure	Baseline	Final target (2020)
Expected outcome 1: Increase the quality of major statistical data in order to monitor key sectors of Nicaragua's economy			
Key statistics produced, with external validation from the Regional Code of Good Practices*	Number of indicators validated externally	0 (2016)	9
Expected outcome 2: Increase the institutional capacity of SEN to produce and disseminate statistics from censuses, surveys, and administrative records			
Value from the TASC's first module ¹⁷	Score	47.9 (2015)	55.0
Expected outcome 3: Increase the technical capacity of INIDE as SEN's lead agency			
Average value from the TASC's modules 2–10	Score	53.2 (2015)	61.0

* For more information, see details in the Results Matrix.

- 3.4 The total cost of this technical cooperation project is €4,386,900, of which €4,150,000 will be provided by the EU under the Framework Agreement signed by the Bank and the EU, including a 5.8% administrative fee; the equivalent of €29,400 will be provided by the IDB for financing of the project's preparatory activities; and €207,500 will be provided by the executing agency as contingent local counterpart funds to cover possible exchange losses.¹⁸
- 3.5 The EU will provide its contribution to the Bank through a Project Specific Grant. The Bank manages these projects pursuant to the provisions of document SC-114. The EU's commitment will be established under a separate delegation agreement, pursuant to the terms of the Framework Agreement between the European Commission and the IDB, signed on 10 June 2015. Under this agreement, the Bank will administer this project's resources and charge an administrative fee of 5.8% of the contributed amount. Resources provided by the EU will be contingent upon the signature of the delegation agreement between the Bank and the EU, based on the general terms and conditions of the Framework Agreement. The amount in euros (€) that the Bank receives will be converted into U.S. dollars (US\$) in order to be transferred to the Government of Nicaragua for project execution. Supporting documentation for expenses for the U.S. dollars disbursed by the Bank to the executing agency will be converted with the same exchange rate used for the conversion into dollars.
- 3.6 Table 2 contains the indicative budget with equivalents in U.S. dollars using a reference exchange rate of US\$1.053 per euro (see Footnote 1).

¹⁷ See [Resultados de la Aplicación del TASC al SEN/INIDE 2015](#) (Results from applying TASC to SEN/INIDE 2015) and [Resumen Nota Metodológica - TASC](#) (Summary methodology note - TASC). The targets established for the end of the project were estimated based on the forecast impact of the actions planned and are consistent with other international projects that used the TASC as a benchmark.

¹⁸ A visibility plan is required when preparing EU-funded projects. This project is part of a broader EU technical assistance program for Nicaragua, known as NITA. The EU's delegation in Managua informed the Bank in writing that a specific visibility plan for this project is not required, since that issue will be addressed for the NITA program as a whole.

Table 2. Indicative Budget

Component	Financing		Counterpart		IDB		Total	
	EU		Country		(€in 000s)	(US\$ in 000s)	(€in 000s)	(US\$ in 000s)
	(€in 000s)	(US\$ in 000s)	(€in 000s)	(US\$ in 000s)				
Component 1	1,497.5	1,576.9	0	0	0	0	1,497.5	1,576.9
Component 2	2,134.4	2,247.5	0	0	0	0	2,134.4	2,247.5
Project management	290.6	306.0	0	0	0	0	290.6	306.0
Administrative support	186.9	196.8	0	0	0	0	186.9	196.8
Audits (4 audits)	38.0	40.0	0	0	0	0	38.0	40.0
Midterm and final evaluations	65.7	69.2	0	0	0	0	65.7	69.2
Administrative fee: 5.8% IDB	227.5	239.6	0	0	0	0	227.5	239.6
Preparatory activities¹⁹	0	0	0	0	29.4	31.0	29.4	31.0
5% contingency for exchange risk	0	0	207.5	218.5	0	0	207.5	218.5
Total	4,150.0	4,370.0	207.5	218.5	29.4	31.0	4,386.9	4,619.4

Note: For more information, see [Itemized budget](#).

- 3.7 In turn, the Bank will enter into a grant funding agreement with the Republic of Nicaragua, represented by the Ministry of Finance, pursuant to the terms and conditions that are generally applicable to this type of project, which will include specific obligations for the executing agency in accordance with the provisions of the aforementioned Framework Agreement. The Ministry of Finance will also enter into an agreement with the executing agency regarding the transfer of loan proceeds and the execution of obligations, in compliance with local regulations. The executing agency will open a financial control account for the project in U.S. dollars, under the single treasury account, managed by the Central Bank of Nicaragua. Likewise, commitments, contracts, and payments to international vendors and consultants will be denominated in U.S. dollars; commitments and contracts of local origin will be denominated in U.S. dollars, and payments will be made in their equivalent in local currency (Nicaraguan córdobas), with the same value. These payments will only be made from a specific financial control account in the Treasury or from a special account at a commercial bank.
- 3.8 Since the Bank will receive the EU's financing in euros and will disburse proceeds to the executing agency in U.S. dollars, a possible devaluation of the euro would cause exchange losses that could jeopardize the full financing of project activities. To address this possibility, the budget includes a contingency from the local counterpart equivalent to 5% of the EU's financing. This contribution would be made during the last year of execution, only if cumulative exchange fluctuations cause net exchange losses that jeopardize the achievement of the project's objectives. It will be disbursed after prior written authorization from the EU. The contingent nature of local counterpart funds will be properly reflected in the project's grant funding agreement.

¹⁹ The preparatory activities that constitute the IDB's contribution include the diagnostic assessment of the executing agency's institutional capacity, the application of the TASC to define the baseline, and several technical support activities for INIDE during the project's design phase.

IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 4.1 The executing agency will be INIDE, whose mission is to coordinate SEN and provide timely, accessible statistical information to support decision-making and facilitate the formulation and execution of policies and programs of national interest.²⁰ INIDE has experience executing IDB-financed projects.²¹ However, an institutional capacity analysis²² revealed that certain capacities critical to the project's execution need to be strengthened. A planning and monitoring specialist will be hired for the project's four years of execution, as well as a financial management specialist and a procurement specialist for two of the project's four years or their part-time equivalent. These consulting services are eligible expenses for the EU and will be financed with project resources instead of being paid for from the 5.8% administrative fee. INIDE will appoint an employee as project coordinator,²³ to be the Bank's contact person and responsible for the technical and fiduciary aspects of the project's execution.
- 4.2 The executing agency will procure goods, works, services, and consulting services pursuant to the Policies for the procurement of works and goods financed by the IDB (document GN-2349-9) and the Policies for the selection and contracting of consultants financed by the IDB (document GN-2350-9), with the exception established in the Proposal for the Amendment and Restatement of the Framework Agreement between the European Commission and the IDB (document GN-2605-2) regarding the origin of goods and nationality of firms and consultants, which may come from non-IDB member countries that the EU recognizes as eligible,²⁴ and regarding the required documentation retention period, whereby the executing agency will retain project and procurement documentation for purposes of verification and audits for a period of five years after the last disbursement.
- 4.3 The technical cooperation project's financial management will be based on the Financial management guidelines for IDB-financed projects (document OP-273-6), and loan proceeds will be transferred to an account handled by the Central Bank of Nicaragua under the single treasury account. The Bank can provide an advance of funds based on the project's liquidity needs to finance expenses for up to six months pursuant to a financial plan. Once at least 80% of the advance has been justified, a new disbursement can be made. For justification of expenses submitted to the Bank by the executing agency, the exchange rate to be used will be the one in effect when the U.S. dollars were converted into local currency. The executing agency will submit annual financial statements audited by an independent firm acceptable to the Bank, within 90 days after the fiscal year-end and the date of the last disbursement. The executing agency will also submit, within 30 days following the closing date of Nicaragua's fiscal year: (i) a preliminary conclusion report from audited financial statements; and (ii) an internal control

²⁰ Law 612 of 2007 created INIDE as a decentralized, autonomous agency that reports to the President's Office. INIDE took on the powers, authority, and resources of the National Institute of Statistics and Census, created in 1979.

²¹ The main projects are: 2005 Population Census (1535/SF-NI); National Account System (ATN/SF-11156-NI); Urban Economic Census (1545/SF-NI); and IV Agricultural Census (ATN/OC-12819-NI). One of the most important lessons learned during these operations is that close coordination and technical assistance are essential to accomplish project objectives; this is related to the risk and mitigation actions in section 5.1 (a).

²² See institutional capacity analysis of INIDE.

²³ The project coordinator will be an employee of INIDE (the director of methodology and statistical planning) and will not be paid from project resources.

²⁴ The EU publishes a list of eligible countries as an Annex to the "Practical Guide to Contract Procedures for EU External Actions." This list will be included in bidding documents in addition to the list of Bank member countries.

assurance report. These reports will serve as inputs for the management statement that the Bank will submit to the EU.²⁵

- 4.4 Special contractual conditions precedent to the first disbursement require evidence that: (i) the Bank has given its no objection to the program Operating Regulations; (ii) the project coordinator and three specialists in the areas of financial management, procurement, and planning and monitoring, who will be part of the executing agency, have been appointed; and (iii) an agreement regarding the transfer of loan proceeds and the execution of obligations, as described in section 3.6, has been entered into by the Ministry of Finance and the executing agency.
- 4.5 The IDB will request payments from the EU on an annual basis, as follows: (i) a first payment for prefinancing within 30 days after receiving the Delegation Agreement signed by the Bank and the EU; (ii) subsequent payments, to be made as long as at least 70% of the immediately preceding installment has been committed and 100% of the installment prior to that has been justified; (iii) a descriptive report, a financial report, and a disbursement request will accompany every subsequent payment. These reports will include a 12-month work plan.
- 4.6 If at the end of the execution period, the project closes with a positive balance, and with expenditure items not committed or spent, the executing agency will be responsible for informing the Bank in order to transfer the unspent balance, as agreed by the EU and the Bank under the terms of the Delegation Agreement. Likewise, the project team will be responsible for preparing and submitting to the EU annual execution reports and an end-of-project report, which will be based on input from the executing agency. The executing agency will be responsible for contracting experts to conduct midterm and final evaluations;²⁶ funds contributed by the EU will be used to cover the cost of these evaluations. The IDB will supervise this process as far as its no objection to terms of reference and review of the contracting process and deliverables, which will be on an ex ante basis, given the importance of these consulting services to the Bank.

V. MAJOR RISKS

- 5.1 The following risks have been identified:
 - a. The executing agency's lack of experience implementing institutional-strengthening projects under the new Framework Agreement between the EU and the IDB. Other issues include: (i) its limited annual budget; (ii) few existing human resources; (iii) the potential turnover of trained staff, which will adversely impact the outcomes sought by the project; and (iv) the limited use of statistics in the management of public entities, not only in INIDE but in the entire public sector. To mitigate this risk, the IDB will provide intensive training to the executing agency on PAGoDA rules and coordination in the field with the EU's delegation in Nicaragua. In addition, the project will finance a full-time planning and monitoring consultant during the four years of execution, as well as two consultants for the procurement and financial management areas during two of the project's four years or their part-time equivalent. Execution processes will be evaluated at the end of the first year of

²⁵ All reports and communication between INIDE, the IDB, and the EU will be in Spanish. This will be reflected in the Delegation Agreement between the IDB and the EU.

²⁶ There will be a midterm evaluation after disbursement of 50% of the resources from the contribution or after 24 months of project execution, whichever occurs first. There will be a final evaluation after disbursement of 90% of the contribution.

execution, and if necessary, the possibility of increasing project support in these areas will be explored with the financing body.

- b. The possibility that the EU subsequently finds that certain operating expenses included in the project's budget are ineligible. In other countries, problems have arisen during audits for some EU-funded and IDB-administered projects, regarding the eligibility of certain operating expenses. This project will specifically establish the nature of these expenses and will seek to clarify the Delegation Agreement between the EU and the IDB as much as possible on this issue, to prevent subsequent eligibility problems.

VI. EXCEPTIONS TO BANK POLICIES

- 6.1 No exceptions to any Bank policies are anticipated.

VII. ENVIRONMENTAL SAFEGUARDS

- 7.1 Given the nature of the program, no adverse environmental or social impacts are expected. The program has been classified as a category "C" operation pursuant to the Environment and Safeguards Compliance Policy (Operational Policy OP-703) (see [Environmental filters](#)).

Required Annex

- [Procurement Plan](#)

Required electronic links:

- [Government request letter](#)
- [Terms of Reference](#)

1.053 Exchange rate US\$ per € as of 18 July 2016. Source: IMF

https://www.imf.org/external/np/fin/data/param_rms_mth.aspx

PROCUREMENT PLAN FOR NONREIMBURSABLE TECHNICAL-COOPERATION PROJECTS										
Country: Nicaragua			Executing agency: Instituto Nacional de Información de Desarrollo (INIDE)				Public sector			
Project number: NI-X1012			Project name: STRENGTHENING OF THE NATIONAL STATISTICAL SYSTEM							
Plan period: October 2016 - April 2018										
Threshold amount for ex ante procurement review:			Goods and services (amount in US\$):			1,434,941		Consulting services (amount in US\$):		1,725,150
Item	Ref. AWP	Description of procurement (1)	Estimated contract cost US\$	Procurement method (2)	Procurement review (3)	Sources of financing and percentage		Estimated date of the procurement notice or start of the contract	Technical review by the PTL (4)	Comments
						IDB/EU %	Local/Other %			
1		COMPONENT 1	965,207							
		Consulting services	872,076							
1		Contracting of an international consultant to standardize the concept, methodology, and policies for SEN's institutions to produce priority statistics. Year 1.	9,426	NICQ	Ex ante	100%		Jul-17		Subsequent single-source selection based on performance evaluation results will take place, pursuant to document GN-2350-9, subsection (a).
2		Contracting of international experts from peer institutions for consulting services, to provide technical advice for evaluation of the Regional Code of Good Practices in Statistics. Year 1.	16,967	NICQ	Ex ante	100%		Oct-16		Subsequent single-source selection based on performance evaluation results will take place, pursuant to document GN-2350-9, subsection (a).
3		Contracting of a consulting firm to design the methodology of the new sampling framework for agricultural surveys.	157,511	QCBS	Ex ante	100%		Oct-17		
4		Contracting of technical assistance to implement the strengthening plan for the development process of priority indicators. Year 1.	7,070	NICQ	Ex ante	100%		Apr-17		Subsequent single-source selection based on performance evaluation results will take place, pursuant to document GN-2350-9, subsection (a).
5		Contracting of 2 local consultants to update the methodology and concept of the standard of living measurement survey.	29,409	NICQ	Ex ante	100%		Apr-17		
6		Contracting of an international consultant to provide technical assistance in updating the methodology and concept of the standard of living measurement survey.	15,082	NICQ	Ex ante	100%		Apr-17		
7		Contracting of an international consultant to provide technical assistance in formulating the national statistics plan. Year 1.	18,852	NICQ	Ex ante	100%		Oct-18		Subsequent single-source selection based on performance evaluation results will take place, pursuant to document GN-2350-9, subsection (a).
8		Contracting of 2 local consultants to provide statistics methodology training to institutions (2 consultants for 6 months)	14,705	NICQ	Ex ante	100%		Oct-18		

Item	Ref. AWP	Description of procurement (1)	Estimated contract cost US\$	Procurement method (2)	Procurement review (3)	Sources of financing and percentage		Estimated date of the procurement notice or start of the contract	Technical review by the PTL (4)	Comments
						IDB/EU %	Local/Other %			
9		Contracting of an individual consultant to prepare the national statistics plan.	28,278	NICQ	Ex ante	100%		Nov-18		
10		Contracting of a legal specialist to prepare a draft bill for INIDE and SEN.	7,070	NICQ	Ex ante	100%		Apr-17		
11		Contracting of a field research coordinator.	6,787	NICQ	Ex ante	100%		May-17		
12		Contracting of 4 field research facilitators.	22,623	NICQ	Ex ante	100%		Jun-17		
13		Contracting of 2 local consultants to implement and evaluate statistical research methodologies (2 consultants for 12 months).	30,540	NICQ	Ex ante	100%		Sep-17		
14		Contracting of 5 information-technology consultants to develop methodologies for data capture with mobile devices (5 consultants for 6 months).	31,107	NICQ	Ex ante	100%		Jan-18		
15		Contracting of a consultant specialized in technology infrastructure (1 consultant for 6 months)	8,484	NICQ	Ex ante	100%		Jan-18		
16		Contracting of consulting services to prepare a conceptual framework to monitor the country's international commitments regarding statistics (SDG).	9,426	NICQ	Ex ante	100%		Oct-17		
17		Contracting of a consultant to formulate the training plan.	7,070	NICQ	Ex ante	100%		Apr-17		
18		Contracting of a consulting firm to develop statistics training and specialization courses for SEN's institutions.	310,277	QCBS	Ex ante	100%		Apr-17		
19		Contracting of a consulting firm for training and specialization in information systems.	141,392	QCBS	Ex ante	100%		Oct-17		
		Nonconsulting services	46,659							
20		Contracting of editing services for an instructional video.	28,278	NCB	Ex ante	100%		Feb-18		
21		Contracting of reproduction services for pocket manuals.	18,381	PC	Ex ante	100%		Feb-18		
		Goods	46,471							
22		Procurement of information-technology equipment and office supplies for database management in order to develop priority indicators and update the methodology and concept of the standard of living measurement survey.	46,471	PC	Ex ante	100%		Oct-17		Approved by the Project Team Leader (PTL) following the new technical procurement guidelines on the use of the shopping method.

Item	Ref. AWP	Description of procurement (1)	Estimated contract cost US\$	Procurement method (2)	Procurement review (3)	Sources of financing and percentage		Estimated date of the procurement notice or start of the contract	Technical review by the PTL (4)	Comments
						IDB/EU %	Local/Other %			
		COMPONENT 2	2,135,678							
		Consulting services	793,867							
23		Contracting of a consulting firm to prepare an information-technology diagnostic assessment of SEN and a conceptual design, and gather requirements and terms of reference for an information-technology system for INIDE/SEN.	22,623	CQS	Ex ante	100%		Oct-18		
24		Contracting of a consulting firm to develop tools for an information-technology system for INIDE/SEN.	150,818	QCBS	Ex ante	100%		May-19		
25		Contracting of a consultant specialized in the development, implementation, and monitoring of technology projects.	22,623	NICQ	Ex ante	100%		Nov-16		
26		Contracting of an information-technology consultant to update and modernize the institutional portal.	18,098	NICQ	Ex ante	100%		Oct-18		
27		Contracting of consultants to design the methodology for data capture with mobile devices.	33,934	NICQ	Ex ante	100%		Oct-17		
28		Contracting of consultants to supervise and provide technical assistance in field operations.	14,705	NICQ	Ex ante	100%		Oct-17		
29		Contracting of a consultant as departmental facilitator.	1,131	NICQ	Ex ante	100%		Oct-17		
30		Contracting of a municipal technical consultant.	942	NICQ	Ex ante	100%		Oct-17		
31		Contracting of a consultant as municipal facilitator.	942	NICQ	Ex ante	100%		Oct-17		
32		Contracting of 10 consultants as field supervisors.	8,484	NICQ	Ex ante	100%		Oct-17		
33		Contracting of 40 census takers.	23,754	NICQ	Ex ante	100%		Oct-17		
34		Contracting of 2 technical consultants for data collection.	2,639	NICQ	Ex ante	100%		Oct-17		
35		Contracting of a consulting firm to prepare and implement a strategy to promote and disseminate statistical research information on topics of national interest (meetings and seminars for users and indigenous community members).	188,523	QCBS	Ex ante	100%		Feb-17		
36		Contracting of a consulting firm to prepare and implement a plan to raise awareness and promote statistical culture nationwide.	282,783	QCBS	Ex ante	100%		Apr-17		
37		Contracting of a consultant to develop online reference systems.	6,787	NICQ	Ex ante	100%		Oct-19		
38		Contracting of a consultant to design the concept and update the institutional web portal.	11,311	NICQ	Ex ante	100%		Oct-19		
39		Contracting of a consultant to design and implement a statistics fair (1 consultant for 8 months; 4 months per year)	3,771	NICQ	Ex ante	100%		Nov-17		

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						IDB/EU %	Local/Other %			
		Nonconsulting services	406,737							
40		Contracting of services to update the fiber-optic network and communications equipment connecting the buildings.	75,408	NCB	Ex ante	100%		May-17		
41		Contracting of services to upgrade 150 network points to category 6.	31,107	NCB	Ex ante	100%		Jun-17		
42		Contracting of services to improve and update the electricity network (structured wiring, fiber optics).	152,703	ICB	Ex ante	100%		Jul-17		
43		Contracting of services to reproduce reports on statistical research results.	24,979	NCB	Ex ante	100%		Oct-18		
44		Contracting of services to reproduce reports, census publications, banners, and awareness materials.	122,540	NCB	Ex ante	100%		Oct-18		
		Goods	935,074							
45		Procurement of backpacks, shirts, hats, notebooks, pens, etc.	5,150	PC	Ex ante	100%		Oct-17		
46		Procurement of Data Processing Center equipment (servers, storage systems, networks, communications, electrical system, HVAC, electrical backup, etc.).	511,367	ICB	Ex ante	100%		Nov-16		
47		Procurement of software licenses (operating systems, database engine, virtualization, development tools).	132,909	PC	Ex ante	100%		Nov-16		Approved by the PTL following the new technical procurement guidelines on the use of the shopping method.
48		Procurement of information-technology equipment: computers and accessories; portable devices, mobile data capture devices, portable workstations; laptops; videoconferencing room equipment; fingerprinting system (video camera, fingerprint scanner).	136,603	PC	Ex ante	100%		Oct-17		Approved by the PTL following the new technical procurement guidelines on the use of the shopping method.
49		Procurement of office furniture and equipment.	149,045	PC	Ex ante	100%		Nov-16		Approved by the PTL following the new technical procurement guidelines on the use of the shopping method.
		PROGRAM MANAGEMENT	59,207							
		Consulting services	59,207							
50		Contracting of consulting services to provide technical advice for project planning and monitoring. Year 1.	15,795	NICQ	Ex ante	100%		Nov-16		Subsequent single-source selection based on performance evaluation results will take place, pursuant to document GN-2350-9, subsection (a).
51		Contracting of consulting services to provide advice for the project's financial management. Year 1.	21,300	NICQ	Ex ante	100%		Nov-16		Subsequent single-source selection based on performance evaluation results will take place, pursuant to document GN-2350-9, subsection (a).

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						IDB/EU %	Local/Other %			
52		Contracting of consulting services to provide technical advice for the project's procurement processes. Year 1.	12,110	NICQ	Ex ante	100%		Nov-16		Subsequent single-source selection based on performance evaluation results will take place, pursuant to document GN-2350-9, subsection (a).
53		Contracting of audit firm. Year 1.	10,002	QCBS	Ex ante	100%		Jul-17		
54		Midterm evaluation	34,596	NICQ	Ex ante	100%		Jul-18		
Total			3,160,092		Prepared by: Mario Sanginés				Date: 2 August 2016	

(1) Grouping together of procurement is recommended for items of a similar nature such as information-technology equipment, furniture, publications, travel, etc. If there are a number of similar individual contracts to be executed at different times, they can be grouped together under a single heading, with an explanation in the comments column indicating the average individual amount and the period during which the contract would be executed. For example: an export promotion project that includes travel to participate in fairs would include an item called "airfare for fairs," an estimated total value of US\$5,000, and an explanation in the comments column: "This is for approximately four different airfares to participate in fairs in the region in years X and X1."

(2) **Goods and works:** **CB:** competitive bidding; **PC:** price comparison/shopping; **DC:** direct contracting.

(2) **Consulting firms:** **CQS:** selection based on the consultants' qualifications; **QCBS:** quality- and cost-based selection; **LCS:** least-cost selection; **FBS:** selection under a fixed budget; **SSS:** single-source selection; **QBS:** quality-based selection.

(2) **Individual consultants:** **NICQ:** national individual consultant selection based on qualifications; **SSS:** single-source selection.

(2) **National system:** **NS:** For public sector nonreimbursable technical-cooperation projects when the national system is approved for the method associated with the procurement.

(3) **Ex ante review/ex post review/NS.** In general, depending on the institutional capacity and level of risk associated with the procurement, ex post review is the standard modality. Ex ante review can be specified for critical or complex processes. If the national system is approved for the method associated with the procurement, monitoring will be performed through the national system.

(4) **Technical review:** The PTL will use this column to define the procurement considered "critical" or "complex" and requiring ex ante review of the terms of reference, technical specifications, reports, outputs, or other items.