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**Are Poverty Reduction
Strategy Papers Impacting
Child Poverty?**

A Nicaraguan Case Study

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A Nicaraguan Case Study

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LIST OF ACRONYMS

AMC	Christian Health Association
CCER	Civil Coordinator for Emergencies and Reconstruction
CODENI	Nicaraguan NGO Coordinator working with Children
DHS	Demographics Health Surveys
FISE	Emergency Social Investment Fund
HDR	Human Development Report
HIPC	Reinforced Initiative for Heavily Indebted Poor Countries
IMF	International Monetary Fund
IDR	Institute of Rural Development
INEC	National Institute of Statistics and Census
INTA	Nicaraguan Institute of Technological Agriculture
INVUR	Urban and Rural Housing Institute
LSMS	Living Standard Measurement Survey
MAGFOR	Ministry of Agriculture and Forestry
MECD	Ministry of Education, Culture and Sports
MIFAMILIA	Ministry of the Family
MINSA	Ministry of National Health
NDP	National Development Plan
NFPS	Non-financial Public Sector
ONDP	Operational National Development Plan
PAININ	Program of Integral Attention for Nicaraguan Children
PDDH	Program for the Defense of Human Rights
PRSP	Poverty Reduction Strategy Paper
SGPRS	Strengthened Growth Poverty Reduction
SILAIS	System of Local Healthcare Centers
SWAP	Sector Wide Approach
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
WB	World Bank
WHO/ OPS	World Health Organization/ Pan-American Health Organization

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EXECUTIVE SUMMARY

Executive Summary

In 1999, the World Bank and International Monetary Fund began requiring low-income countries to develop national Poverty Reduction Strategies (PRSP) to receive debt relief and further concessional lending. However, despite five years of PRSP implementation, one question has yet to be adequately addressed: *how have PRSPs impacted the reduction of child poverty?* Children are disproportionately affected by poverty and as such, need their own analysis.

The Child Poverty Impact Assessment Team (CPIAT), commissioned by UNICEF and coordinated by the New School University's Graduate Program in International Affairs, designed and piloted a methodology in Nicaragua, one of the first countries to implement the PRSP, to determine if child poverty has been reduced by PRSPs. In New York City, the team conducted research on the state of children in the country and designed a methodology using secondary data. CPIAT traveled to Managua, Nicaragua to conduct fieldwork and pilot the methodology in order to determine its impact on child poverty.

To develop this methodology, CPIAT employed a multi-dimensional approach relying on quantitative and qualitative methods. First, the team conducted a thorough collection of secondary data which included a literature review, a poverty-related expenditure budget analysis and a review of PRSP child indicator areas. Additionally, a stakeholder mapping was conducted. This entailed extensive research on the executors and implementers of PRSP policies, civil society working in related sectors and academics.

Secondly, primary data was gathered in the field to complement CPIAT's secondary data collection. In Managua, the team interviewed over twenty key stakeholders who are directly involved with child poverty or have been directly or indirectly affected by the PRSP. Government officials, international organizations, non-governmental organizations, community members and individual researchers were all included in the pool of stakeholders. Due to limited exposure in the field, the primary qualitative data analysis is limited but provides a backdrop for the team's research. Interviewees provided needed opinions on the PRSP process, filled gaps and provided indicator insight.

CPIAT's analysis of the collected quantitative and qualitative research revealed that the Nicaraguan PRSP's brought the poverty discourse to the forefront of the national agenda. However, the team also found that:

- Impoverished children are not a priority for the government and are sparsely included in the programs and policies of the PRSP
- Impact assessment is difficult because of the inconsistent, low-quality, reliable data and small window of time between PRSP creation and PRSP impact assessment
- PRSP child poverty indicators are lagging and not performing on target as planned
- There are competing national poverty and development strategies, causing confusion among stakeholders

- There was an increase in poverty-related expenditures but it is very difficult to establish direct causality because of the aforementioned factors

The team believes that the PRSP is not a comprehensive way to combat child poverty because of its lack of emphasis on children.

CPIAT has two key recommendations for policymakers. First, national priorities need to reflect stronger linkages between policies and children's needs. The plight of children should be further taken into account, and considered a priority, especially in the creation and implementation of poverty reduction strategies.

Second, although attempts have been made to incorporate community input into the PRSP, there are significant gaps. Civil society and community voices need to truly be integrated into policy formation and should be used to evaluate poverty reduction strategies to highlight local needs in the national agenda.

CPIAT hopes that this study will be the first of many policy impact assessments to recognize the disproportionate impact poverty has on children. According to UNICEF, *poverty reduction begins with children*. CPIAT agrees and feels that all national poverty strategies must focus on children. The team hopes this impact assessment study can be of assistance to other impact assessment teams and encourages them to apply a holistic, multidimensional, integrated approach to measure policy impact on children.

INTRODUCTION

In 2001, the government of Nicaragua submitted its national Poverty Reduction Strategy Paper (PRSP) to the World Bank and the International Monetary Fund for approval. The PRSP was a necessary step in receiving debt relief from the Highly Indebted Poor Country (HIPC) initiative and became the spark that ignited a national poverty discourse.

Nicaragua is one of the poorest countries in Latin America. According to the 2004 Human Development Report, Nicaragua's human development index was among the lowest in the region. They have endured a host of political, and economic and environmental struggles during the last thirty years that have forced them to borrow heavily from international lending institutions. Excessive loans and political polarization have prevented the country from seriously focusing on a clearly designed national poverty reduction strategy until 2000, when the PRSP became a prerequisite for concessional assistance and debt relief. Nicaragua is one of eight low-income countries to first implement this strategy. Currently, seventy other countries are at different points in the PRSP process of design and implementation.

Upon development, the World Bank emphasized that each strategy must be country-driven, comprehensive and results-oriented. Country governments were encouraged to include the opinions and suggestions of civil society and other development partners. PRSPs focus mainly on long-term, macro-economic strategies to reduce poverty. Nicaragua's PRSP is comprised of four pillars that set out to achieve this goal. Pillar one, *broad-based economic growth* and structural reform, focuses on programs and policies to increase overall sustainable economic growth. Pillar two, *investment in human capital*, looks to enhance productivity through increased funding and the expanded coverage and access to education and health programs. Pillar three, *protection for vulnerable groups*, concentrates on increasing assistance to areas affected by natural disasters, rural areas, children and the elderly. Lastly, pillar four, *good governance*, seeks to create a more trustworthy environment for investors, as well as create transparent institutions.

Since the implementation of the strategy in 2001, the Nicaraguan government has changed hands and a new national poverty strategy has been devised. In 2003, the government of Enrique Bolanos created the new National Development Plan and more recently, an updated version has been released that is more inclusive of the opinions of society, titled the Operational National Development Plan. This plan is an adaptation of the first providing an operational plan in which to increase overall economic growth. The addition of this new plan has caused confusion as to which one to prescribe to. Other participating low-income countries have begun to introduce the second generation of PRSPs as well.

The PRSPs developers and implementers define growth as an increase of overall economic wealth. However, child poverty cannot solely be determined by consumption and the increase of household income. Children are impoverished when they are deprived of basic needs and services and a stable, safe home in which to grow and develop. Often, these things are not determined by an increase in family income. Therefore, it becomes extremely difficult to determine how children are affected by a strategy that favors economic growth as the primary means of reducing poverty.

According to the State of the World's Children 2005, there are one billion children worldwide living in poverty. Children are disproportionately affected by poverty, and their mental and physical growth is stunted because of this. In 2002, 42% of Nicaragua's population was under fifteen years of age. Many of these children are living in conditions of poverty and are deprived of basic needs like healthcare, food and water. Yet, there are no specific, child-centered policies included in Nicaragua's PRSP. Children are included in the overall framework of pillar three, vulnerable groups, but they are not distinctly pulled out and addressed. Therefore, Nicaragua's lack of child centered policies has increasingly become a point of contention among civil society and critics. In fact, UNICEF reports that eight-five percent of PRSPs do not specifically address children in their poverty strategies.

The Nicaraguan government has signed the *Convention on the Rights of the Child* and has made various other attempts to incorporate children into the national poverty discourse. Yet the country has failed to translate these attempts into tangible policies that would have an effect on the overall state of children in the country. As a result, PRSP impact assessment on child poverty is arduous, because children are the indirect beneficiaries of PRSP policies. It is difficult to determine how general pro-poor policies and programs reach this sector of the population in Nicaragua's PRSP.

In the most recent independent evaluations of the PRSPs by the IMF and the World Bank, there is an acknowledgment that half a decade since PRSPs were rolled out, a fundamental question has not been answered: Are PRSPs helping to reduce child poverty? This question can be tackled from different angles. One, which has already been carried out by many others, is to evaluate how participatory the preparation of the PRSP was.

A second, and complementary, line of work is related to the astonishing lack of clear evidence on the impact of PRSPs on poverty in general. First, in most countries PRSPs have been in place for only a few years; this is not a sufficient amount of time to establish any trends. Second, assessing the evolution of income poverty requires large household income and expenditure surveys. As these are expensive and time consuming to analyze, they are only conducted every several years. Again, insufficient time has elapsed to precisely evaluate the full impact of PRSPs.

However, some countries, including Nicaragua, started the PRSP process 4-5 years ago. Surely, there should be some indication of success or failure by now. Moreover, one of the premises of the PRSPs is the need for an integrated approach to poverty reduction that incorporates all the dimensions of poverty, not just income. Thus, for countries with the oldest PRSPs, trends can be analyzed according to non-income poverty indicators. These happen to be primarily child-centered indicators, such as education and health.

Ways in which to measure the PRSP's impact on children are only recently being explored and developed. This report is our contribution to the effort.

CONCEPTUAL FRAMEWORK

Conceptual Framework

The following section outlines the conceptual framework that guided this study.

- 1) Although there is no universal *definition of a child*, for the purpose of this study, our team has chosen to define a child as any person 18 years old or younger.
- 2) Significant weaknesses have arisen when relying on income as the only measurement of poverty, especially when measuring child poverty within the overall scheme of poverty reduction strategies. Therefore, our use of *non-income indicators* was largely based on the weakness of income oriented indicators to measure child poverty. Children's needs are unlike the needs of adults, and cannot simply be calculated by consumption. Household income levels do not account for distribution of wealth within the family and as such, child poverty cannot only be measured quantitatively. Equally as important, an increase in overall income does not automatically reduce child poverty or provide children with increased access to basic services.
- 3) The *human rights based approach* to measuring child poverty is one in which poverty is considered the denial of basic rights, duties and choices such as food, health, water, sanitation, healthcare, etc. The Convention on the Rights of the Child (1989) outlines the basic rights and freedoms that children deserve and require to live healthy, fulfilling lives. This study uses the human rights based approach as a guide to determining the affects of PRSPs on children.
- 4) This study utilizes UNICEF's working *definition of child poverty* which states that "children living in poverty [are those who] experience deprivation of the material, spiritual, and emotional resources needed to survive, develop and thrive leaving them unable to enjoy their rights, achieve their full potential or participate as full and equal members of society" to guide the analysis. This definition affirms the complex nature of child poverty and as such, this study aims to assess PRSP impact on child poverty by using non-economic indicators.
- 5) In response to measurement difficulties, Child Poverty in the Developing World, a study commissioned by UNICEF and conducted by the University of Bristol and the London School of Economics, defines child poverty as the *severe deprivation of seven basic services*. The deprivation approach measures child poverty by focusing on children's access to a set of basic services on the following areas: food, safe drinking water, sanitation facilities, health, shelter, education and information.

Main Principles of the PRSP

In 1996, the World Bank and the International Monetary Fund announced the Highly Indebted Poor Country (HIPC) initiative, a process aimed at easing the pressure of loan repayment on indebted countries. Initially, if a country wished to qualify for debt relief, they had to first follow a set of World Bank and IMF structural adjustment policies for a period of three years. Then in 1999, the World Bank and the International Monetary Fund announced a new prerequisite for

HIPC debt relief. Countries that wish to qualify for this relief are required to develop a national **Poverty Reduction Strategy (PRS)**, which would focus on government-led sustainable growth and development. Upon successful completion of three years of structural adjustment, the participating country reaches “decision point,” and is required to create and implement a national PRS. After one year of satisfactory implementation, countries reach “completion point” and begin to receive debt relief. It is expected that debt relief will allow countries to direct portions of the national budget previously allocated to servicing debt to investment in social programs.

PRSPs provide an assessment and analysis of the implementing government’s current poverty reduction strategies. This extensive process assesses current national poverty priorities and designs pro-poor strategies so that the budget can be reallocated accordingly. Included in each PRSP are: (1) medium and long term goals for poverty reduction, structural reforms, sectoral strategies and action plans, (2) strategic policy and budget priorities, (3) associated domestic and external funding need and (4) performance indicators.

Nicaragua

According to UNICEF, Nicaragua is the third poorest country in Latin America. Poverty is pervasive and concentrated in coastal and rural areas. Inequality has created a rift in the population as well. In 2001, the poorest ten percent of the population had 1.2% of the nation’s wealth while the richest ten percent of the nation had 45%.¹ By 2003, Nicaragua’s GNI was \$730, and 48% of the country’s inhabitants were living below the national poverty line.²

In the last 30 years, Nicaragua has faced many political, economic and environmental challenges to its development. High levels of inequality and poverty led to a successful revolution in 1979 by the Sandinistas against the nation’s elite. During the 1980’s, the Sandinistas fought a US sponsored Contra war that challenged their legitimacy. In 1990, the Nicaraguan public democratically voted out the Sandinista party in exchange for a US-backed center-right-wing party. The economic situation was bleak after the Sandinista party was voted out and was only made worse in 1998 when Hurricane Mitch ravaged the country killing 3,000 people and leaving thousands homeless. The hurricane upset the country’s already fragile economic balance and infrastructure. Equally as devastating, the country has been paralyzed by a coffee crisis because of Vietnam’s overproduction of coffee. Coffee prices have plummeted and farmers have been thrown into poverty. To alleviate these social and economic disasters, Nicaragua was forced to borrow excessively from international lending institutions and as a result, continues to struggle with “major macroeconomic problems, principally unsustainably large fiscal deficits and debt levels” These challenges have created a fragile, divided institutional capacity and have become a major impetus for the reduction of poverty in Nicaragua.

¹ 2004 Human Development Report

² Nicaragua at a Glance, World Bank Group.

Nicaragua: Timeline of Important Events

- 1979:** FSLN Revolution, Somoza ousted from government
- 1980:** Somoza Assassinated
- 1984:** FSLNs Daniel Ortega elected president
- 1990:** United States backed center-right National Opposition Union defeats FSLN
- 1992:** Earthquake leaves 16,000 people homeless
- 1994:** Initial phase of IMF/WB backed structural adjustment policies
- 1996:** Arnaldo Aleman elected president
- 1998:** Hurricane Mitch kills 3,000 people
- 2001:** PRSP developed
- 2002:** Enrique Bolanos elected president
- 2004:** World Bank relieves Nicaragua of 80% of debt owed to the institution

The aforementioned factors have severely curtailed country efforts at reducing poverty, but Nicaragua has continued to develop numerous national development and poverty strategies during the course of recent political history. In 1994, the country underwent an IMF and World Bank-backed initial phase of structural adjustment policies aimed at restructuring, liberalizing and privatizing the economy. In 1997, this period of IMF-backed adjustments segued into another national strategy that attempted to incorporate the institutional level in order to avoid corruption. The strategy lasted until 2000 and set out to reduce the public sector and advance previous efforts at privatizing state owned firms.

The third national poverty reduction strategy was engineered by the Arnaldo Aleman presidential administration in 2001. This strategy, called the Strengthened Poverty Reduction Strategy, distinctly focused on sustainable economic growth and poverty alleviation. The Nicaraguan SGPRSP consisted of four pillars: (1) Broad Based Economic Growth, (2) Investment in Human Capital, (3) Protection of Vulnerable Groups and (4) Governance. Emphasis was significantly placed on pillar number one. "The Nicaraguan PRSP assesses past policies and compares the current situation with the situation 30 years ago. There is particular emphasis on, the evolution of GDP per capita and external debt, the process of transition, the adjustments implemented during the 1990s, and an identification of constraints to economic growth. The document also describes ways in which these constraints might have become causes of poverty and low human capital development, and how vulnerable groups have been excluded." (2001 JSA)

In Nicaragua, when a new political party's administration comes into office, they often discontinue the policies and strategies of past presidencies. When Enrique Bolaños was elected into office in 2002, he began forging a new poverty reduction strategy. The Bolaños government based its 2003 budget plan on the existing PRS, but "simultaneously began revising it almost immediately upon entering office" (Evans and Driscoll 13). This new plan, called the Second Generation PRSP/National Development Plan (PND) focuses solely on economic growth and investment. Due to Nicaragua's past problems with policy continuity, most Nicaraguans assume that after the Bolaños administration leaves office, this strategy will once again be ignored or replaced.

According to an independent study carried out by the Swedish International Development Cooperation Agency, Bolaños' PND "shows a clear bias towards support to the enterprise sector rather than social welfare" and "argues that sustainability depends on GDP growth and on the growth of exports" (Guimarães et al. 3). In response to donor and civil society outcry about the applicability of the National Development Plan, the government created the Operational National Development Plan (OPND). The OPND aims to address the lack of pro-poor initiatives that the PND fails to recognize.

In 2004, the World Bank and the IMF agreed that Nicaragua had taken the necessary steps to secure 4.5 billion dollars in HIPC debt relief. They accomplished this by adhering to strict World Bank and IMF inspired macroeconomic policies and structural reforms. The creation of the Nicaraguan PRSP made this pursuit tenable. It is widely known that the PRSP's relationship to the HIPC initiative has been the "underlying motivation [that] appears to have driven many subsequent processes and decisions, including the depth and scope of policy debate" (World Bank Independent Evaluation 5). The debt relief that Nicaragua received from HIPC should have been earmarked for poverty-related expenditures. However, only a portion of the funds released were used towards pro-poor policies.

Child Poverty in Nicaragua and the SGPRS

According to the UNDP's Human Development Report, the total population of Nicaragua in 2004 was 5.3 million. In 2002, 41.9% of the population was under the age of 15.³ As a result, a very large sector of Nicaragua's population is made up of socially and economically vulnerable children. For that reason, it is essential to examine the ways in which Nicaragua has chosen to deal with the issue of child poverty.

The State of Children in Nicaragua¹

- **Population under 18:** 2.6 million
- **Population under 5:** 814,000
- **Orphans (due to all causes):** 150,000
- **% of under-fives who are severely or moderately underweight (1995-2003):** 10%
- **% of under-fives who are severely or moderately suffering from stunting (1995-2003):** 20%
- **% of infants with low birth-weight (1998-2003):** 12%
- **Annual number of under-five deaths:** 6,000
- **Under 5 mortality rate:** 38 per 1,000
- **Infant mortality rate (under 1):** 30 per 1,000
- **% of population using adequate sanitation facilities (2002):** rural 51%, urban 78%
- **% of population using approved water sources (2002):** rural 65%, urban 93%

³ 2004 Human Development Report

The advancement of child rights in Nicaragua has advanced in theory and on paper but there has been little practical application or implementation of child-centered policy initiatives. Nicaragua has made various, incomplete efforts to include children and adolescents in their national strategies. These efforts include, but are not limited to, the creation of a national commission to eradicate child labor (CNEPTI), the National Commission for the Promotion and Defense of the Rights of Children, the signing of the Convention on the Rights of the Child and the Convention on the Worst Forms of Child Labor. Nicaragua has also devised a national policy of Integral Attention to Childhood and Adolescence and created the Children and Adolescent Code in 1989.

One of the main arguments waged against Nicaragua's PRSP is its negligent discussion of the reduction of child poverty. In fact, the term "child poverty" was not even mentioned in Nicaragua's Strengthened Growth and Poverty Reduction Strategy. Nicaragua's PRSP treats children as a cross-cutting theme and they are included in broader strategies that are not child-centered. Marcus and Wilkinson point out that in the PRSP a child's well-being "can be taken care of via 'add-ons' to mainstream policy, and the ways in which mainstream policy may lead to or entrench child poverty virtually ignored" (1).

Overall it has been a struggle to measure the impact of PRSPs on child poverty in Nicaragua. The Nicaraguan PRSP uses multiple surveys to assess national poverty and measure indicators. These include the following: (1) Living Standards Measurement (2) Demographic and Health Surveys and (3) the Nicaragua Qualitative Poverty and Exclusion Study. These studies do not specifically focus on the situation of children; instead they focus on society as a whole and the family unit. Various studies have been conducted which examine more than one PRSP to find common themes. Generally, this method has only provided a basic overview of PRSP impact on child poverty. In the Marcus, Wilkinson and Marshall study, Nicaragua was included. However, the report failed to draw any specific conclusions. Another possible reason for the lack of PRSP impact assessment studies on children in Nicaragua might be due to the sheer lack of child-centered policies.

PART I

METHODOLOGY

HOW TO MEASURE PRSP IMPACT

Impact Assessment

The methodology is designed to provide a sequential guide to link SGPRS strategies to implementation and their effect on child poverty. To do so, a combination of qualitative and quantitative methods were used, based on the collection of primary and secondary data.

From the onset of the study, the team identified secondary data collection as the first step of our methodology (*see Annex II for detailed information on data collection tools*). Collecting secondary data helped us obtain information on the progress of the PRSP in Nicaragua, better understand the state of child poverty, analyze the best indicators to use for our analysis and conduct a policy and stakeholder mapping. Specifically, we will highlight how the stakeholder and policy mapping can be used to identify inputs in the form of policies, programs, activities, SGPRS budget allocations and their impact in child poverty.

1) Policy Mapping

The Policy mapping was used by the team to identify policies, programs and activities undertaken by the PRSP which affected child poverty in Nicaragua. The policy mapping was conducted for four indicators: health, education, water and sanitation. Although it would be preferable to map all the programs and activities specific to each indicator area studied to better track the proposed strategies to implementation, the mapping for food, shelter and information indicators was not conducted due to time and data limitations. Below is an example of a policy matrix.

Policy Matrix

Program	Objectives	Implementing Agency	Actions/ Activities	Implementation areas	Allocated Budget	Current Spending	Status
Laws							
Policies							

Once PRSP policies and programs geared towards children and/ or families policies are identified, a matrix is developed outlining the policies and programs, which agency was designated for implementation, where the policy activities were carried out, how much funding was allocated, and whether the policy was being implemented or not. Policy identification and

verification should be conducted early on in the impact assessment process. A further explanation is provided in the implementation section of this report.

2) Stakeholder Identification

The identification of government, civil society, and institutional PRSP stakeholders was conducted through the mapping method. This method was useful to identify the policies, programs and/ or activities stakeholders executed in relation to the PRSP or child poverty in general. The stakeholder mapping also identified secondary stakeholders (the implementers of the PRSP) and the key stakeholders (the funding agencies/donors). Institutions, groups or individuals that had any levy over any aspect of the project were also identified. By doing so, the team linked key actors involved in child poverty reduction to the PRSP in Nicaragua.

Based on findings from the stakeholder mapping, a list of potential organizations to contact emerged. A set of questions for each study area was developed asking specific questions according to the type of work each group performed (*for a full list of stakeholders and interview questions, refer to Annex IV*). An in depth discussion on how the stakeholder analysis and subsequent interviews supported our impact assessment can be found under the qualitative data analysis.

3) Indicator analysis

Another aspect of our methodology included the analysis of indicators based on the seven areas selected according to the Basic Needs approach. Some of the indicators selected were also used on the SGPRS to measure progress. Additionally, the team also found data and information from local sources on the most culturally specific indicators to measure child poverty. Data collected from stakeholders through semi-structured interviews proved to be most useful in this area.

Through quantitative research, data was analyzed and collected from various local and international sources. Indicator trends were analyzed before and after the implementation of the PRSP enabling the examination of fluctuations of child poverty indicators from 1993 to 2004. Multiple sources were used to analyze information on the fluctuations of similar sets of indicators.

4) Budget Analysis

The purpose of conducting a budget analysis is two-fold:

1) The SGPRS specified budget allocations for certain policies and programs. Conducting a budget analysis would help cross reference the proposed activity, how much funding was allocated for implementation, and how much was spent to date.

2) Conducting a budget breakdown to explore shifts in the government's budget priorities, with a particular focus on its social expenditures in areas such as education and health. Conducting this exercise revealed the expenditures specifically allotted for poverty reduction. This established the percentage of the total budgetary expenditure outlays for PRSP priorities, determining whether specific priorities within the framework have changed. The analysis also included a sector expenditure review. Examining expenditures by sector allowed for conducting a deeper analysis of the government's budget priorities related to child poverty indicators. As information of this nature was not readily available, the sector expenditure review focused solely on the areas of

education. As such, it served as a methodological example of an assessment tool which can be used to obtain detailed budget priority insights.

Overall, the examination of the budget provided an insight on the effects of HIPC debt relief on the national budget and the increase in poverty related expenditures.

5) Primary Data

The next step in our study, based on the mapping exercise, was to examine and select stakeholders to aid in the collection of primary data (*See Annex III*). These stakeholders were selected carefully so as to obtain feedback from an adequate sample representing a wide network of institutions.

PART II

IMPACT ASSESSMENT

IMPACT ASSESSMENT

To understand the impact of the PRSP on child poverty, two questions need to be answered: 1) Have there been changes in child poverty since the implementation of the PRSP? and 2) Are changes in child poverty the result of PRSP initiatives? For the first question, indicator trends are used, which illustrate positive and negative changes in child poverty. For the second question, PRSP programs, policies, and budget expenditures, taken from the PRSP mapping method discussed further in the following methodological section, provide a link by which to evaluate whether changes in child poverty are a result of PRSP initiatives. The analysis shows that child poverty reduction has not seen much success in Nicaragua since the implementation of the PRSP in 2001. This evaluation, explained in detail below, illustrates weak causal links between the PRSP document and implementation of policies/programs.

The following is a brief explanation of the indicator trends, separated by topic. Although the data are not sufficient or recent enough to assess, changes in all the dimensions of child poverty, from the indicators available after 2003, some changes are noted. The second section discusses the PRSP programs, goals, policies and budgetary allocations. This section compares the indicator trends and seeks to find correlation and causation between these indicators and the PRSP using the PRSP mapping method. The final section provides some possible reasons why the PRSP has been ineffective in the reduction of child poverty in Nicaragua.

I) The Human Rights Approach to Child Poverty

The definition of child poverty used in this study is taken from a human-rights based approach. UNICEF, UNDP, Office Commissioner for Human Rights, Save the Children and many other international organizations have strongly advocated for a human rights-based approach to understanding poverty and development. This approach highlights the linkage between child poverty and human rights deprivations. It also brings forth human rights principles such as universality, non-discrimination, child participation and the empowerment of the poor.

The human rights approach recognizes not only rights but also duties, namely (1) the duty to respect which compels the duty bearer to respect and not violate human rights; (2) the duty to protect, which requires the duty bearer to act and take measures that oblige the third party to respect the rights and takes measures towards those that violate human rights, and (3) the duty to fulfill, which requires the appropriate adoption of the measures which will lead to the realization of human rights⁴. In pursuing the human rights approach, national governments

⁴ Office of the High Commissioner for Human Rights, 2

have the duty not only to alleviate child poverty by directing attention, commitment and resources to children, but also to provide opportunities for children to express their view and voice their concerns.

Using the human-rights framework, UNICEF's working definition of child poverty, presented in *The State of the Worlds' Children 2005*, is:

Children living in poverty [are those who] experience deprivation of the material, spiritual and emotional resources needed to survive, develop and thrive, leaving them unable to enjoy their rights, achieve their full potential or participate as full and equal members of society

This definition reinforces basic capabilities and elements of the human rights approach to child poverty. According to Office of the High Commissioner for Human Rights, poverty refers to the absence of a person's human rights to a array of basic capabilities; "a poor person the one who is deprived of basic capabilities."⁵ Examples of these capabilities are: Adequate Nutrition, Shelter, Basic Education, among others.⁶

Under the human-rights approach, constitutive rights and are related to rights that help implement basic capabilities and are considered as instrumental rights. This approach integrates many areas of rights and offers a holistic understanding of child poverty that encompasses much more than income or consumption levels. For example, the right to work will help realize the right to food.

The human rights approach to poverty is operationalized through the study commissioned by UNICEF and conducted by the University of Bristol and the London School of Economics,. In this study, child poverty was identified and measured by focusing on children's access to the following measures (deprivations) of child poverty:

1. Access to food
2. Access to clean water
3. Access to sanitation facilities
4. Access to healthcare services
5. Access to shelter
6. Access to formal education
7. Access to information⁷

Thus child poverty, or severe deprivation of basic needs, is considered the absence of any of the above measurements.

⁵ Ibid.

⁶ The Office of the High Commissioner for Human Rights also highlights that each country uses different measurement of capabilities according to the specific context.

⁷ Gordon, et al, 2003, pg. 7-8

Our study uses the operational definition from the Bristol study to understand changes in child poverty. Child poverty is defined by the absence of the above human rights and measured through social indicators.

II) Trends in Child Poverty Indicators

Overall, the trends for the chosen indicators⁸ show little or no progress in the reduction of child poverty in Nicaragua. The majority of the data is available up until 2001/ 2002. From 1998 to 2001/ 2002, indicators for child immunization, shelter, access to information and children who fall ill due to diarrhea, showed noticeable worsening. Education indicators showed improvement in this timeframe, as well as water and sanitation coverage.

Data available after 2003, and the most useful data for measuring impact of the PRSP since its 2001 implementation, is for water, sanitation, immunization and education. These indicators are especially important for children because immunization and diarrhea, largely caused by poor water and sanitation, are the leading causes of death for children in Nicaragua; education is a major component for building the capacities of children. It should be noted that there was also a visible drop in the amount of child and infant mortality from 1993 to 2003.

The following explains the trends in these indicators.

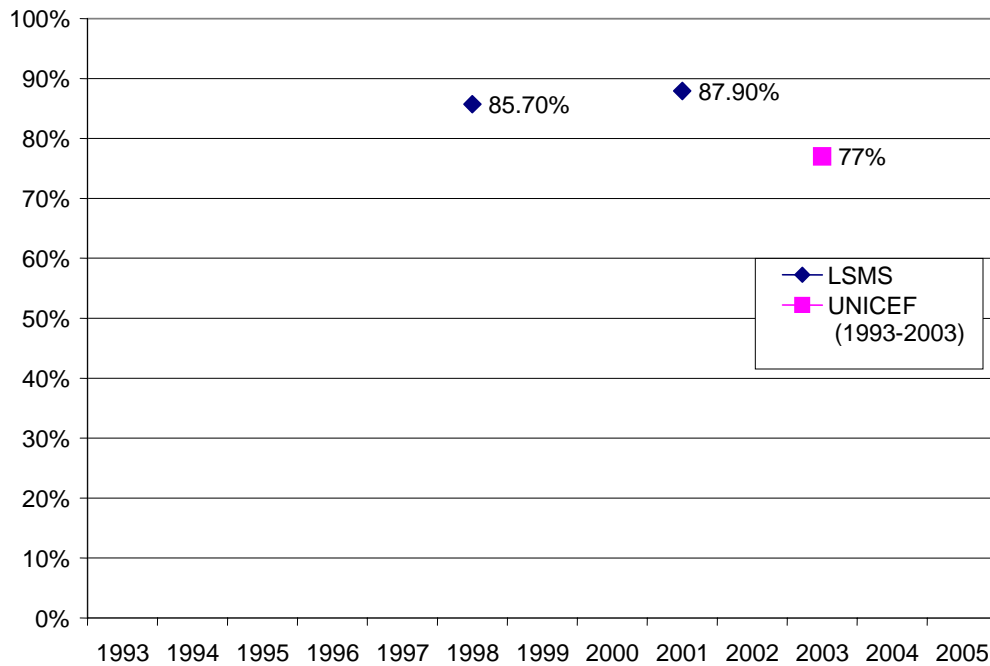
Education

In education, two indicators provided data after 2001, both showing positive changes. UNICEF data states that enrollment for males and females in primary schooling, from 1998 to 2002, is over 100%. Therefore, looking at the data for children attending primary school is a more accurate reflection the amount of children that are actually attending school.

For the percentage of children attending primary school (See chart below), UNICEF shows the percentage has averaged at around 77% until 2003, while the LSMS shows slight improvement from 85.7% to 87.9% for the period between 1998 and 2001/2002. Although the LSMS and UNICEF are credible in themselves, the instruments they used for measurement were possibly dissimilar. Therefore, valid comparisons cannot be made between the two agencies. What is notable however, is the small change in the percentage of children attending primary school over the year.

⁸ The indicators used were: Health: child mortality rate, infant mortality rate, maternal mortality rate, immunization coverage; Education: percentage who complete primary schooling, primary school enrollment rates; Nutrition: chronic malnutrition; Water and Sanitation: percentage of national coverage, percentage of children who fall ill due to diarrhea; Shelter: percentage of homes with mud flooring or more than 5 people per room; Information: percentage of households with access to TV, radio, newspapers and books. Infant and maternal mortality rates are indicators of a child's well-being, while the other indicators are a measurement of child poverty.

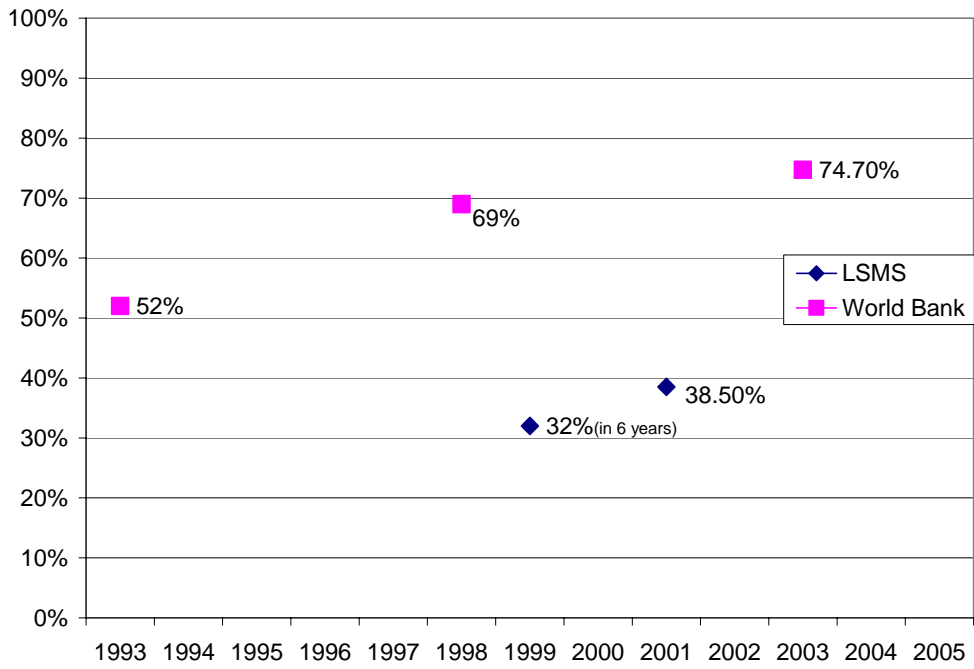
Percentage of Children Attending Primary School



The percentage of children that completed primary schooling increased, however based on the nature of the indicator, this progress is due to efforts in the past. World Bank data show improvement in the amount of children completing primary school from 69% to 74.7% in the period of 1998 to 2003. However, MECD claims that the percentage of children completing primary school in 2004 was only at 69.9%, substantially lower than World Bank estimates.

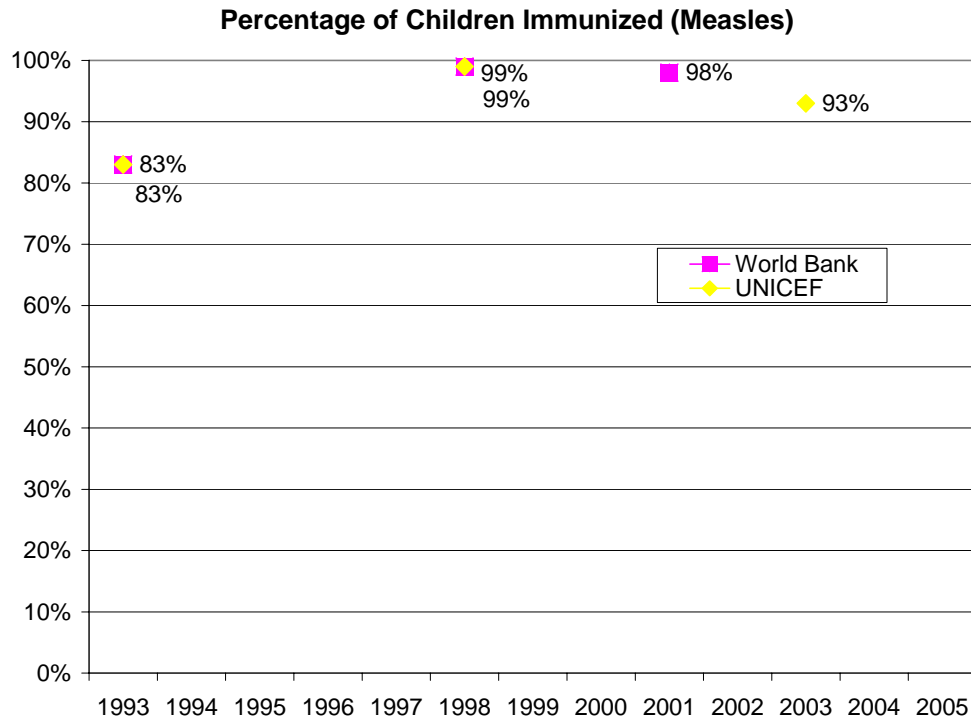
The World Bank evidence shows that the increase from 1993 to 1998 is 17%, while the increase from 1998 to 2003 is only 5%. Improvements in the percentage of children completing primary school has slowed since 1998 compared to the five year period prior.

Percentage of Children Completing Primary Education



Immunization

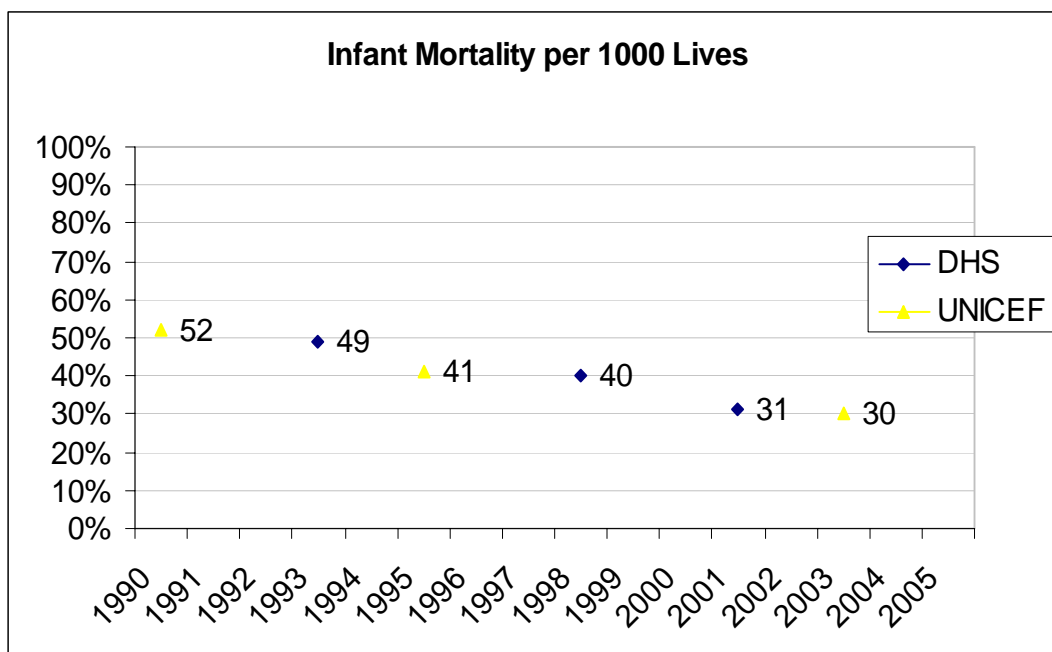
The available data after 2001 in the area of health was for immunizations and infant mortality.



Based on the available data, immunization coverage for measles (See above chart), polio and BCG have decreased. UNICEF data reveals an increase in immunization coverage for measles from 83% in 1998 to 99% in 2001. However, from 2001 to 2003, this number decreases by six percentage points down to 93% in 2003. INEC data shows a decrease from 96.3% to 95.5% from 1998 to 2001, and a drop again is shown by INEC data down to 93% by 2003. Similarly, data on polio immunizations show little or no improvement from 2001 to 2003.

Although infant, child and maternal mortality are not constitutive of child poverty per se, they are still a measurement of well being and do shed light on the state of children in Nicaragua⁹. The results for infant mortality are positive since they show a decrease in the infant mortality rate over the years.

⁹ R. Kanbur. (2002). "Conceptual challenges in poverty and inequality: One development economist's perspective."



Four different sources, UNICEF, the World Bank, the DHS and the INEC show that the infant mortality rate dropped from 40 to 31 per 1000 lives between 1998 and 2001, before the PRSP. A slowdown in this trend occurred between 2001 and 2003, as data shows slight decrease from 31 to 30 per 1000 lives, which is not as statistically significant. Of course, only two years elapsed, but there was almost a 10 point reduction (from 40 to 31) in the three years between 1998 and 2001 compared to only a one point reduction after the PRSP implementation.

From the indicators that show improvement, there is little evidence that links changes in these indicators to the PRSP. The Second SGPRS Progress Report from 2003 states that the majority of water and sanitation projects, as well as education initiatives, are “underway,” or partially implemented. There is no strong evidence to support that the PRSP had an impact on national expenditures or that PRSP programs were partially or totally funded. The challenge remains in attributing the social indicator improvements to the PRSP.

II) Changes in Indicator Trends and Nicaragua’s PRSP

To attribute the changes that occurred in the indicator trends to the PRSP, the available data was compared to the information accumulated through the PRSP matrix mapping. The policies and programs in the PRSP, along with the available budget information, were used to find links between child poverty and the PRSP. What was found was that certain PRSP programs did have tangible results, especially in infrastructure, but direct links for assessing impact remain a challenge.

The national budget is used to determine the possibility of the government to improve spending on areas which affect children directly, such as social spending. The government has made promises, in accordance with the IMF, to improve certain poverty conditions. However, if

government spending is constrained by a weak macroeconomic situation, there are notable alterations to this spending. The budget enables a comparison between what the government said it would do and what was actually done in the form of budget expenditures and the implementation of programs.

Health and Education

For education, the objectives laid out in Nicaragua's PRSP involve increasing coverage of education, including increasing net primary enrollment and reducing illiteracy, improving the quality of education, decentralizing schools by improving participation of families and communities and modernizing the sector in general. Similarly, the goals for the health sector stated in the PRSP involve a reduction in child and maternal mortality, access to reproductive health care services, reduced chronic malnutrition and the creation of national health plans.

The poverty expenditures for Pillar II, *Investment in Human Capital*, include health, education, nutrition and population. Poverty expenditures refer to expenditures aimed at reducing poverty and are only a part of total education spending. For example, poverty spending for education does not include expenditures for university.

For the execution of *current* expenditures in 2002, eighty-five percent of the total *current* expenditures went towards the investment in human capital (162.5 \$US million), increasing to \$172.4 million in 2003; the majority of this was used for health and education. The *current* spending for health and education was used to improve programs and extend coverage in the education and health sectors, mostly referring to salaries for the sectors. Thus, teacher and health clinic practitioners have seen an increase in income.¹⁰

Table 1: Poverty Spending by Pillars and Cross cutting Themes, US\$ Millions

	2001			2002			2003**		
	Expenditures			Expenditures			Expenditures		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Total SGPRS	177.3	184.5	361.8	194.2	206.9	401.1	196.5	253.5	450
Pillars	170.4	152.6	323	185.9	172.2	358.1	190.6	217.7	408.2
Economic Growth	15.3	72.9	88.2	14.3	85.5	99.9	13.0	105.4	118.4
Investment in Human Capital	148	46.2	194.2	165.2	58.9	224.1	172.4	70.3	242.8
Education	61.1	41.6	102.7	74.9	37.8	112.7	75.7	37.6	113.3
Health	86.9	1.9	88.8	90.3	18.1	108.4	96.7	25.2	121.9
Population		1.8	1.8		0.1	0.1		2.5	2.5
Nutrition		0.8	0.8		2.8	2.8		5.1	5.1
Social Protection	5.9	32.7	38.6	5.1	24.5	29.6	4.0	40.1	44.1
Governance	1.2	0.9	2	1.3	3.3	4.6	1.2	1.9	3.1
Cross-cutting Themes	6.9	31.9	38.8	8.3	34.8	43	5.9	35.8	41.8

¹⁰ Increases in budget allocation may be a result of local actions to increase living wage.

Environment	3.3	19.5	22.8	3.5	15.2	18.7	2.3	14.7	17
Decentralization	3.6	12.4	15.9	4.8	19.5	24.4	3.6	21.1	24.8
SGPRS Structure									
Total SGPRS	100	100	100	100	100	100	100	100	100
Pillars	96.1	82.7	89.3	95.7	83.2	97	97	85.9	90.7
Economic Growth	8.6	39.5	24.4	7.4	41.3	6.6	6.6	41.6	26.3
Investment in Human Capital	83.5	25	53.7	85.1	28.4	87.7	87.7	27.7	53.9
Education	34.5	22.6	28.4	38.6	18.3	38.5	38.5	14.8	25.2
Health	49	1.1	24.5	46.5	8.8	49.2	49.2	9.9	27.1
Population		1	0.5		0.1			1	0.6
Nutrition		0.4	0.2		1.4			2	1.1
Social Protection	3.3	17.7	10.7	2.6	11.8	2	2	15.8	9.8
Cross-cutting Themes	0.7	0.5	0.6	0.7	1.6	0.6	0.6	0.7	0.7
Cross-cutting Themes	3.9	17.3	10.7	4.3	16.8	3	3	14.1	9.3
Environment	1.9	10.6	6.3	1.8	7.4	1.2	1.2	5.8	3.8
Decentralization	2.0	6.7	4.4	2.5	9.4	1.8	1.8	8.3	5.5

Source: Second SGPRS Progress Report

*2001-2002 exclude spending caused by hurricane Mitch and Special Programs and Support for Health, Education and Housing.

**IV PRGF review.

The *capital* spending refers to resources allocated towards the building, equipping and rehabilitation of education and health centers. For education, capital spending resulted in the construction of 815 classrooms in 2002 and an additional 380 in 2003. Overall we see an increase of ten million \$US dollars for total expenditures (including current and capital) in the education sector from 2001 to 2002. However, from 2002 to 2003 there was only a total increase of one million \$US dollars. From 2001 to 2002 there is an increase of about twenty million \$US dollars in the total expenditure for the health sector. From 2002 to 2003 there was an increase of about twelve million \$US dollars.

The Second SGPRS Progress Report stated that the government spent thirteen \$US million dollars in 2001 for renovation and construction of new health centers, including seven in the Atlantic Coast. The government supported 15 SILAIS around the country improving the access to health quality provided to patients. More personnel and community volunteers were trained. More equipment and rehabilitation of infrastructures were provided. In 2002, the government allocated another 13 million dollars for health centers.

Based on the available data, immunization coverage for measles, polio and BCG have decreased, meaning that the addition of health centers and budgets expenditures for health have not improved the amount of children with proper immunizations. Again, we see negative effects on child poverty reduction at the same time the PRSP programs are being implemented. The Second SGPRS Progress Report stated that based on the high expenditure in the health sector there were reductions in the infant and child mortality rate.

Overall, for health and education there does seem to be tangible results in the form of infrastructure. These improvements increase the access to health and education, however the effectiveness of such structures is uncertain. Many interviewees claimed that some of the schools are vacant and that there is no money for teachers. More time will allow a stronger impact to arise as to the usefulness of such infrastructure. Pick this important point up later, in the implementation section

The Second SGPRS Progress Report from 2003 also claims that there was a policy aimed at strengthening health care centers for children, which focused on immunization programs. However, if more money is being allocated for the health sector, why are fewer children being immunized? The percentage of children immunized from 1998 to 2002 actually decreased as seen in the below charts. Data in the near future will be better able to predict the impact of PRSP immunization programs.

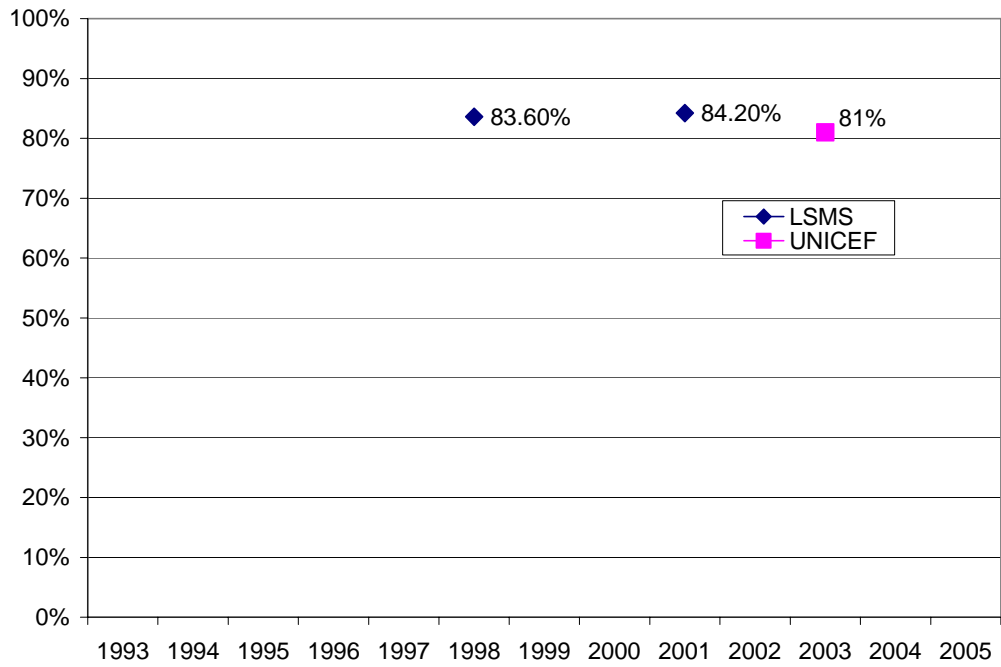
Water and Sanitation

The LSMS reports that the percentage of water coverage and the percentage of sanitation coverage have increased; water coverage moved from 83.6% in 1998 to 84.2% in 2001 and sanitation also increased about 4 percentage points from 82.6% in 1993 to 86.2% in 2001. UNICEF estimates that in 2003 the national water coverage is actually less, at 81% and also the sanitation coverage too was less in 2003, at 66%.

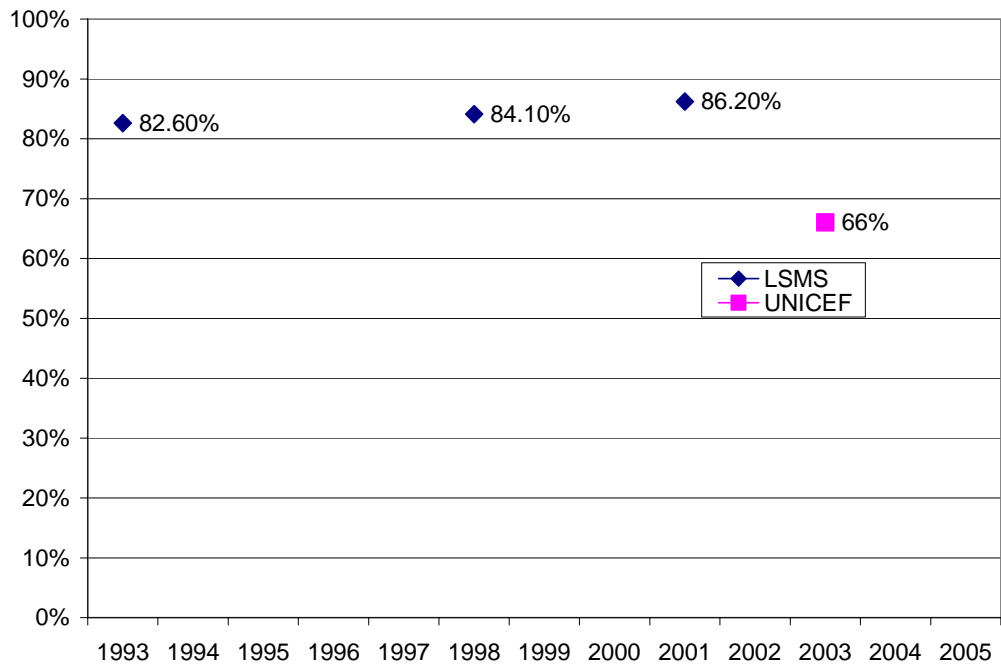
The national budget does not specifically state the amount of money allocated to water and sanitation programs. It does state that it would cost \$240.3 million dollars from 2001 to 2005 to increase the national coverage of access to water to 75.4% from 65.5%. However, it is not certain how much money actually went towards this goal.

In the PRSP, ENACAL is largely responsible for the setting new rates and subsidies for water, and implementing a comprehensive water and sanitation program. Their main focus, according to the Second SGPRS Progress Report, is in the areas in and around Managua, Jinotea, Matagalpa and Nueva Guinea. INIFOM is responsible for improving systems for gathering, transporting and treating solid wastes and building 2,000 septic tanks in 40 municipalities across the country. MINSA is working on educational programs to complement infrastructure for water and sanitation. As of the Second SGPRS Progress Report in 2003, all of the above mentioned programs are currently underway. It is not certain if the water and sanitation initiatives from the PRSP have had an effect on children in poverty, because the implementation is questionable. Furthermore, disaggregated data was not available, which would allow more precise indication for impact assessment.

Percentage of Water Coverage



Percentage of Sanitation Coverage



Nutrition

Nutrition expenditures increased from .8 \$US million to over 9 \$US million from 2001 to 2004. MINSA was the executor for most of the PRSP nutrition programs including fostering education programs based on promoting behavioral changes in families and communities to promote hygiene, preventative health, and practices for caring for children among pregnant women and breastfeeding mothers. The Second SPGRS Progress Report stated that Phase I and Phase II of the Communal Health and Nutrition Program were completed and Phase III began in 2003. MINSA, at the community level, was also responsible for promoting healthy growth and development strategies for children, monitoring weight during pregnancy, support actions and develop social communication strategy for promoting breastfeeding. This program had a scheduled execution of April- December 2001, however by 2003, as reported by the Second SGPRS Progress Report, the program was “underway.”

Some aspects of malnourishment are the result of long term processes, usually many years of insufficient food. Unfortunately, data after 2001 is not available for chronic malnourishment. Therefore, policies from the PRSP, and the associated expenditures, cannot be evaluated.

Possible Impact Factors

In September of 2003, the government of Nicaragua proposed the National Development Plan as a way to increase national economic growth. During our interview sessions, it was clear that there was confusion regarding whether the government ministries are using the PRSP plan or the National Development Plan as a way of poverty reduction. Furthermore, allocated funds for PRSP programs and policies were not easily found and progress in terms of implementation for many PRSP initiatives is unknown.

The failure to meet the expected targets is partially due to the underachievement of projected economic growth (table 2). In 2003, economic growth was only half of what the PRSP had expected, with only 2.3% growth when the estimation was at 4.3%. Increasing population and slow GDP growth caused negative per capita real GDP growth between 2001 and 2003, substantially lower than SGPRS estimations (table 2).

Table 2: Nicaraguan Real GDP Growth Rate and Real Per Capita GDP Growth, 1996-2004

	1996	1997	1998	1999	2000	2001	2002	2003	2004
Observed Real GDP Growth	6.3	4.0	3.7	7.0	4.2	3.0	1.0	2.3	3.7
SGPRS Estimated Real GDP Growth	6.3	4.0	3.7	7.0	4.3	3.0	3.7	4.5	5.0
Observed Real Per Capita Growth	1.3	-0.9	2.8	1.9	2.8	-1.6	-2.3	-0.2	1.5
SGPRS Estimated Real Per Capita GDP Growth	1.3	-0.9	2.8	1.9	2.8	0.4	1.1	1.9	2.4

Source: Second SGRSP Progress Report

The Second SGPRS Progress Report from 2003 stated that “9 out of 19 intermediate indicators have been fulfilled.” The inability to fulfill the intermediate indicators is possibly due to the limited national budget. Since the implementation of the SGPRS in August 2001, the national budget has allocated more funds toward poverty related expenditures. However, the limited budget has not sufficiently fulfilled the needs of the poor, especially in terms of children. Public spending has been affected directly by the stagnant economic situation in Nicaragua.

Nicaragua successfully reached the culmination point of Heavily Indebted Poor Countries on January 23rd, 2004; the PRSP was a requirement for the debt relief. Under the stipulations for the debt relief, Nicaragua was supposed to reallocate resources to poverty reduction programs; however, only a portion actually went to poverty related expenditures. The rest went towards the payment of internal debt. Although these resources were not all directed to poverty related expenditures, the fulfillment of internal debt may have prevented an increase in taxes or an increase in the percentage of GDP spent on debt relief, allowing other budgetary needs to remain intact. As a result, social service spending has remained relatively constant, about forty percent of the GDP. Nevertheless, funds were initially going towards poverty expenditures and became reallocated to stabilize the macroeconomic situation. This may be another reason for the inability to successfully reach the PRSP targets.

A breakdown of the national budget shows increases in total spending from US\$ million 1,128 in 2000 to US\$ million 1,1413.3 in 2004. Total poverty spending also rose from 457 in 2000 to \$US million 488.2 in 2004, almost 43% of total spending.

Table 3: Nicaragua: NFPS Resources and HIPC Relief Additionality, 2000-2004
US\$ Millions

Items	2000	2001	2002	2003	2004	<i>Cumulative variation relative to 2000</i>			
						2001	2002-2003	2001-2003	2001-2004
Total Revenue	791.1	785.0	814.8	900.1	938.1	-6.1	132.6	126.5	273.5
Total Spending	1,128.0	1,284.7	1,157.9	1,175.4	1,141.3	156.7	77.4	234.1	247.5
Total Poverty Spending	457.0	455.3	409.1	450.0	488.2	-1.7	-54.9	-56.6	-25.4
Domestic Resources	251.9	175.9	160.9	143.2	144.4	-76.1	-199.8	-275.9	-383.5
External Resources	205.0	279.4	248.1	306.8	343.8	74.4	145.0	219.3	358.1
HIPC relief	--	63.3	70.8	100.9	125.5	63.3	171.7	235.0	360.5
Other	205.0	216.1	177.4	205.9	218.4	11.1	-26.7	-15.7	-2.3
	349.3	361.8	401.1	450.0	488.2	12.4	152.5	164.9	303.8
Adjusted Poverty Spending*									
Domestic Resources	216.7	152.4	158.6	143.2	144.4	-64.3	-131.7	-196.0	-268.3
External Resources	132.6	209.3	242.6	306.8	343.8	76.7	284.2	360.9	572.2
HIPC relief	--	63.3	70.8	100.9	125.5	63.3	171.7	235.0	360.5
Other	132.6	146.0	171.8	205.9	218.4	13.4	112.5	125.9	211.7
	107.7	93.5	8.0	0.0	0.0	-14.1	-207.4	-221.5	-329.2
Mitch Poverty Spending									
Domestic Resources	35.2	23.4	2.3	0.0	0.0	-11.8	-68.1	-79.9	-115.1
External Resources	72.5	70.1	5.7	0.0	0.0	-2.3	-139.2	-141.6	-214.0
	-336.8	-499.7	-343.1	-275.3	-203.2	-162.9	55.3	-107.6	26.0
Global Balance b/g									
Financing	336.8	499.7	343.1	275.3	203.2	162.9	-55.3	107.6	-26.0
Net External Financing	333.2	305.7	368.9	426.2	605.8	-27.5	128.7	101.3	373.8
Net Internal Financing	-111.5	156.8	-41.7	-192.1	-419.2	268.3	-10.8	257.5	-50.2

Revenue from Privatization	115.1	37.2	15.9	41.2	16.7	-78.0	-173.2	-251.2	-349.6
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Source: Second SGPRS Progress Report

Overall national and outside spending on poverty does provide evidence of increased priority on poverty related expenditures. However, the indicator trends do not show that the increased poverty related spending is making real improvements for children in poverty. Crucial variables for the success of improvements for children still need to be identified and examined.

As seen, there has been little reduction of child poverty since PRSP implementation in 2001, at least in terms of the dimensions for which there is area data. This may be a result of the inability to properly carry out programs and policies, the limited national budget, the poor macroeconomic environment and the fact that the PRSP may not be the country's leading poverty plan.

PART III

POLICY IMPLEMENTATION

IMPLEMENTATION

As previously noted, the purpose of the study is to assess the impact of PRSPs on reducing child poverty in Nicaragua. The previous section revealed how during the PRSP implementation time period, child poverty indicator trends decreased, remained constant or increased minimally. This section (1) maps key policies, programs and activities related to child poverty and well-being in Nicaragua and (2) examines the implementation status and highlights some of the obstacles involved in the implementation of PRSP programs. The implementation status is complemented by primary data collection from interviews with key stakeholders in Nicaragua.

Overall, the mapping and analysis of the PRSP policies/programs/activities/budget indicate that the PRSP process does not highlight issues around child poverty. The general policy framework of the Nicaraguan strategy tends to emphasize growth as the hallmark feature of poverty reduction. There is increased social sector expenditure geared towards the health, education, and water and sanitation sectors. However, fiscal policies and debt relief programs are allocated more financing and resources than poverty related expenditures. As this section along the recommendation emphasize, in order to reduce child poverty, it is crucial that the Nicaraguan PRSP focus on the development of healthcare, education, and other social services that directly impact child poverty. In addition, good governance, gender, decentralization and other social issues should be more highlight in the Nicaraguan PRSP.

I. Formulation of PRSPs

The first question to be examined in this impact assessment study is finding: *Where are Children in the PRSP?* In order to assess the impact of PRSP in child poverty reduction, it is important to analyze to what extent are children represented in the PRSPs. By examining the PRSP of Nicaragua, in the overall principles, categories, policies and programs one can immediately notice the marginal place children take in this process. Children are equated with marginal aspects of policy, rather than seen as an essential element of reducing poverty.

Children are not mentioned until the Second Pillar of Nicaragua's PRSP, *Investment in Human Capital*. Subsequently, in the PRSP Third Pillar, children are referred to as a "vulnerable group," along with ethnic groups, the handicapped and the disabled, and the elderly. Education for girls is emphasized under the Gender Inequality section, but there is

no mention of street children, orphans or child laborers, which are all major problems children in Nicaragua face. Thus, the most vulnerable children are not referred to in the PRSP.

The Nicaraguan PRSP highlighted the following goals:

- Reduce Extreme Poverty
- Increase Access to Primary Education
- Reduce Maternal Mortality
- Reduce Infant and under 5 mortality
- Achieve universal access to reproductive healthcare services
- Sustainable Development
- Reduce Chronic Malnutrition
- Increase Access to Water and Sanitation
- Reduce Illiteracy Rates

Although these goals do not explicitly mention child poverty, they all can assist in the alleviation of child poverty or promotion of child well-being. One of the goals which is completely missing that directly affects children is the empowerment of women.¹¹ Many development scholars have made a direct link between women's empowerment and poverty alleviation. Given that women are mostly closely related to children, their empowerment can ultimately affect child poverty. Women are mentioned mostly in the cross-cutting themes section of the Nicaraguan PRSP under Social Equity. However, this section is very limited and does not provide any cohesive actions, indicators, or funding to promote gender equity.

POLICIES

Mapping Matrix

The first step of policy mapping consists in identifying PRSP policies and programs geared towards children and/or family. Further, we determined the implementation status nationwide, urban or rural, regionally or in specific municipalities or cities. A policy table was developed outlining the policies and programs, which agency was designated for implementation, where the policy activities were carried out, how much funding was allocated, and whether the policy was being implemented or not. The mapping matrix was designed for four of the deprivation indicators of child poverty: water and sanitation, education and health.

¹¹ Another goal that is not included is also the HIV/AIDS; this is often justified by the low prevalence of HIV/AIDS rate in Nicaragua on a regional scale. However, this shows the lack of preventive measures in the PRSP.

POLICY MAPPING

WATER AND SANITATION

Program	Description	Implementing Tool/ Agency	Actions/ Activities	Implementation areas	Budget
Communication and community action strategy (2002)	Strategy to increase knowledge, attitudes and practices to improve capacity of households and communities to prevent and treat the most common illnesses	MINSA (Ministry of Health)		Strategy for six SILAIS (expected to extend to all SILAIS in 03-04 depending on financing)	
MAGFOR (Ministry of Agriculture and Forestry) and IDR (Rural Development Institute)	Central activities: sanitary and phyto sanitary services (as well as agricultural and forestry services)				
ENACAL (Nicaraguan Water and Sewerage Company)	Program aimed to improve and extend water and sanitation systems			Marginal urban zones and rural areas	
Social Safety Net Program				- Expanded to 7 municipalities and served 13,170 families - More than three thousand households in 21 communities joined the program -	\$29.5
PAININ (Program for Integral Attention for Children and Adolescents)				Expanded from 33 to 65 municipalities in the country's Autonomous Regions (?), reaching more than 50,000 children	
Laws	Description	Implementing Tool/ Agency	Actions/ Activities	Implementation areas	Budget \$US M
General Health Law (relevant?)	To streamline resources, improve efficiency and equity, decrease transaction costs, and support the sustainability of the sector	-MINSA -Consulting firm (public/private?) -National Health Council (advisory body)	1997-2001 health policy will be evaluated		
Policies	Description	Implementing Tool/ Agency	Actions/ Activities	Implementation areas	Budget \$US M
Social Protection Policy (Pillar III: Protection of vulnerable groups)	National System for Social Protection "SOLIDARITY": to connect, coordinate and complement programs and projects oriented towards	Government	-The plan has a Single Registry of Beneficiaries of the programs and projects that deliver direct		

	protection of the most vulnerable		benefits to the population -Studies describing vulnerable groups and types of intervention were completed -Methodological base for common intervention constructed -Analysis of the program of public investment		
MIFAMILIA	Structured to administer the social protection policy and norms	Ministry of the Family	The ministry is developing policy and normative instruments for integrated attention for children under six (as well as people with disabilities and senior citizens)		\$5.1
Social Infrastructure*					
Set new rates and revised subsidies		ENACAL	Scheduled execution for June 2001 - Currently underway	Extremely poor neighborhoods	
Implement water and sanitation project		ENACAL	Scheduled execution for 2001 - Currently underway	Marginal sectors Managua	
Implement comprehensive water and sanitation program plus training		-ENACALA/ FISE -ENACAL -ENACAL -MINSAL/ FISE	-Underway -Underway -Done -2000-2004 (pending, final FISE report)	-Potable water in rural high-density areas -Matagalpa and Jinotea -Nueva Guinea -Partial transfers and training programs (latrines, training in preventive health, water chlorination)	
Improve systems for gathering, transporting and treating solid wastes		INIFOM	2001-2004 – currently underway	40 municipalities across the country	
Build 2,000 septic tanks	To treat liquid waste dumped directly into surface waters, including the provision of the equipment and machinery necessary for the transport and	INIFOM	2001-2004 – currently underway		

	final disposal of garbage, and 2,200 additional tanks in marginal urban zones of 25 municipalities				
Nicaraguan Initiative for Care and Rehabilitation of the Environment	Program to provide information about sustainable water usage and associated costs	ENACAL	Underway		
Improve capacity of households to care for their own health*					
Prevent and control epidemics through monitoring, control, basic sanitation and epidemiological investigation		MINSA	2001-2003 – currently underway		
Design and disseminate educational, informational and communications campaigns to promote healthy lifestyles		MINSA	Under formulation		
Support maternal mortality monitoring system		MINSA	2000-2003 – In process elaboration of monitoring manual for comprehensive primary care		

*Policies in Pillars 1 and 2 are listed on the Progress Report Annex I

HEALTH

Programs Description	Description	Implementing Agency	Actions/ Activities	Implementation Areas	Budget/ Financing
SILAIS support	Support the 15 SILAIS to improve the quality of healthcare by providing medical equipment, inputs, rehabilitation of infrastructure, and training of staff and community volunteers	MINSA 2000-2002			
Primary Network	Repair the primary network, equipment, furnishing, health centers and post.	MINSA/FISE 2000-2002		7 on the Atlantic coast	
Comprehensive Health care system	Strengthen comprehensive healthcare system for children	MINSA 2002-2003	Provide vaccines, medicines and		

	through the Strategic Plan for Comprehensive Attention to Disease Prevalent during infancy- AIEPI		inputs for immunization program and for comprehensive attention to women and children (project began late 2003)		
Reproductive care services	Implement model for comprehensive reproductive health care services	MINSA 2001			
Youth reproductive health services	Support for organizing reproductive health services and work with adolescents in 40 municipalities	MINSA/PSS/ FISE 2001-2003		40 municipalities	
Laws	Description	Implementing Tool/ Agency	Actions/ Activities	Implementation areas	Budget/ Financing
General Health Law	Strengthen MINSA in its role of setting norms and financing and promoting a pluralistic offer of services	-MINSA - NA	Approved March 2002		
Policies	Description	Implementing Tool/ Agency	Actions/ Activities	Implementation areas	Budget/ Financing
National Health Plan	Design National Health Plan and basic packages of health services	MINSA	- In formulation 2001		

Education

Program	Description	Implementing Agency	Implementation areas	Originally Scheduled execution	Status	Budget/ Financing
Vacation Pre-School Education		MECD		Dropped	Dropped	IDB
Rehabilitate/ Replace/Build over 6,000 classrooms		MECD, FISE, PRRAC	2000-2005	Underway	Underway	Sweden, Germany, KFW, USAID, CATIE, WB, IDB, OPEC, EU, Japan, Budget
Functional Literacy Program	Expand program	PAEBANIC, MECD	2001	Underway	Underway	Spain, under-neg: EU, partly financed
Build Homes for Teachers in Rural Areas		MECD, ASEN		Underway	Underway	EU, Korea, Budget
Situational Analysis	Coverage plan @ the municipal level and define strategies, financial requirements and develop physical facilities		2001-2002	Underway	Underway	

From this matrix, it is evident that in the period of three years since PRSP implementation, few policies have been completed and most of the scheduled execution deadlines have not been fulfilled.

Water and Sanitation

Many of the policies in the water and sanitation mapping matrix are underway. The only policy completed for social infrastructure was the implementation of water and sanitation programs plus the training in Nueva Guinea; the other rural areas were still underway. The policies in the water and sanitation area include mainly establishing infrastructure, correcting rates and training in sanitation and water system monitoring and evaluation. In this case all the projects were established for marginal sectors both in Managua and other rural areas. Policies designed specifically for children lacked.

Education

As noted in the impact assessment section, the progress report of the PRPS recognizes major success in the area of education as related to the increase in poverty spending during the 2001—2003. The second SGPRS Progress Report highlights that the increase in “the net rate of primary schooling from 81.1 to 84.7 percent from 2001 to 2002 based partly on the construction and rehabilitation of classrooms, adding 815 in 2002. As of June 2003, the government has been building classrooms at a similar rate, adding 380 or more. There has also been an increase in preschool enrollment by 7.0 and 3.0 percent for 2002 and 2003” (Second SGPRS Progress Report 10).

In the area of education the policies completed by 2004, were incentives given to 14,000 and 18,000 teachers. The purpose of this policy was to increase the salaries of teachers; therefore, they will perform better in the classroom lead to improving education quality. Having this policy completed one might think that the children are been positively affected; nonetheless we must acknowledge that this policy is not designed specifically for children. Other policies completed in this area were the generalization of primary school standards and modernization of tertiary education.

Throughout the policies there are programs for the teachers, infrastructure and parents. There are no policies that would grant scholarships to children to go to school. According to the qualitative interviews with parents, children and NGO representatives, we found out that although education is said to be free in Nicaragua, there are extra expenses that the parents have to cover in order to be able to send their children to school. School meals for children are also lacking in the policies. One might think that when education is being discussed at the national level, policies including children directly would appear, however in the case of the PRSP education also include children indirectly, through their teachers and parents. Poverty was one of the main reasons why children were not going to school. Moreover, children in poverty were also more likely to drop out than non-poor children. Children who

were poor often abandoned school because it interfered with their job aimed at maintaining themselves and family. The Human Development Report in Nicaragua stated that 27.2% of the total household income is brought in by children and young adult workers.

Another barrier is the quality of education provided in schools. Lack of classroom space, well-trained teachers, school material, and poorly designed curricula deter children from attending school. Rural families are also reluctant to send their girls long distances to get to school. Given that Nicaraguan young population is growing, more resources and direct assistance have to be invested in the quality of education, enrollment and completion.

Health

According to the Second SGRPS:

In the health sector, the government was able to overcome the medical shortage crisis in the country's healthcare centers, channeling US \$13.0 million in 2002 and an additional US \$ 13.0 million as of September 2003, surpassing the 2002 expenditure. This helped reduce the maternal mortality rate from 114 to 100 per 100,000 live births between 2001 and 2002, a 12.2 percent improvement. The mortality rate for children under 5 also improved, dropping from 50 to 40 per thousand live births, a 20.0 percent improvement during 2002. The infant mortality rate improved from 40 to 31 per thousand live births, a 22.5 percent improvement during 2002. Access to reproductive healthcare services also improved going from 24.5 to 24.7 percent over 2001-2002 period.

As the mapping matrix reveals, none of the policies in the health sector were completed, however, they were advancing. Many of the policies included the construction and renovation of health centers, including rehabilitation of infrastructure and training of staff and volunteers. FONMAT and the Social Protection Safety Net designed and implemented programs for pregnant women and infants under one year old. In 2001, under MINSAs, a program to strengthen comprehensive healthcare system for children was implemented. Under this policy immunization programs, medicines and attention to children and women health was emphasized. One perfect example is the SILAIS immunization program. Every year SILAIS holds its annual immunization campaign where children throughout Managua get free immunizations. Only in this area, we see direct attention to children and also programs for adolescents. There are also policies underway for the change in family sanitary behavior and habits. Under this policy, educational and informational campaigns were also designed.

Policy Financing

Looking at the budget and the expenditure as associated with the policies related to child poverty illustrates the priorities of the government in ensuring that resources are directed towards child poverty policies. Overall national and autonomous spending does provide evidence of increased priority on poverty related expenditures.

The majority of HIPC interim resources have been used to finance other domestic priorities, including the internal debt, rather than poverty reducing programs as was planned in the enhanced HIPC initiative and its links with the PRSP. External resources have increased in their support of total poverty spending. Funds have ensured that spending on health, education and other prioritized areas has not decreased too much rather than representing an increase in spending in these areas. This indicates the government's support of the NDP and the international community's priority towards poverty spending. However, the fact that many policies remain unimplemented and that indicators trends have decreased shows that more resources have to be dedicated on implementing the policies related to child policies. Debt alleviation should add to public spending, not take the place of spending.

	2001			2002			2003**		
	Expenditures			Expenditures			Expenditures		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Total SGPRS	177.3	184.5	361.8	194.2	206.9	401.1	196.5	253.5	450
Pillars	170.4	152.6	323	185.9	172.2	358.1	190.6	217.7	408.2
Economic Growth	15.3	72.9	88.2	14.3	85.5	99.9	13.0	105.4	118.4
Investment in Human Capital	148	46.2	194.2	165.2	58.9	224.1	172.4	70.3	242.8
Education	61.1	41.6	102.7	74.9	37.8	112.7	75.7	37.6	113.3
Health	86.9	1.9	88.8	90.3	18.1	108.4	96.7	25.2	121.9
Population		1.8	1.8		0.1	0.1		2.5	2.5
Nutrition		0.8	0.8		2.8	2.8		5.1	5.1
Social Protection	5.9	32.7	38.6	5.1	24.5	29.6	4.0	40.1	44.1
Governance	1.2	0.9	2	1.3	3.3	4.6	1.2	1.9	3.1
Cross-cutting Themes	6.9	31.9	38.8	8.3	34.8	43	5.9	35.8	41.8
Environment	3.3	19.5	22.8	3.5	15.2	18.7	2.3	14.7	17
Decentralization	3.6	12.4	15.9	4.8	19.5	24.4	3.6	21.1	24.8

The Nicaraguan government deems economic growth as fundamental for poverty reduction. Focusing on economic growth rather than human development leaves untouched many aspects of childhood poverty. It highlights that “the government can speed up this process (decrease poverty) through more economic growth, an objective emphasized in the proposed NDP presented in September 2003” (SGPRS 10).

INTERVENING VARIABLES

Governance

Good governance is essential for both macro-economic stability and poverty reduction. According to Nicaragua's 2003 SGPRS Progress Report:

The government has also lacked emphasis in the transparency of the public administration and its open and decisive fight against corruption, commitments with the Nicaraguan population and the international community. State institutions have adopted measures for administering resources with increased transparency and accountability. Among other actions, the Government has gone further with investigations into acts of corruption; it has created an anti-corruption Fund with support from the international community; it has implemented the single account system for the Government. It has started the work of the office for transparency and public ethics and implemented the program for efficiency and transparency in State contacts and procurements.

However, while good governance is essential for promoting economic growth, it has received very limited attention in the overall PRSP budget. Further, according to the Progress Report, indicators for governance programs are also lacking.

Decentralization

Decentralization of power and decision-making is important to remedy the efficiency of public institutions. Local and community based institutions are more equipped to target the poor, to enhance the sustainability of social protection and include relevant civil society groups into strategy dialogues.

Decentralization is mentioned in the Nicaraguan PRSP as very important in empowering and improving the quality of the local government. Decentralization can improve the quality of government and the representation of local business and citizen interests. And completion among provinces, cities and localities can spur the development of more effective policies and programs. However decentralization in the context of Nicaragua is also complicated due to the overall concern of passing difficult problems from the central government to the local level. In addition, more resources rather than responsibilities have to be transferred to the local level.

CROSS-CHECKING IMPLEMENTATION RESULTS¹²

One of the challenges was finding specific data on proposed policies and programs. While information on programs and activities are available in the SGPRS, information on the specific locations certain programs took place, the budget allocations to support these activities and actions to date was not always available. Progress on PRSP implementation is further complicated by poor evaluation mechanisms, data gathering and inter-sectoral cooperation. Considering the political complexities surrounding the implementation of PRSP, Progress Report updates on policy and program implementation should be cross-referenced with other sources whenever possible. Doing so will likely confirm implementation status of specific policies and or programs. Confirming the existence of these policies could increase the study's ability to assess PRSP impact on child poverty.

The extent of the impact of the PRSP and associated policies/projects remains to be seen since many of the activities as the matrix table shows have not been implemented yet. Another challenge associated with identifying policies and programs that affect children is that, with the exception of health and education, some PRSP policies may benefit children but are not specifically earmarked for that specific group. Policies geared towards families and in most instances towards maternal care, are likely to affect children, however, this is not always the case. The reason behind it is that impact assessment on children as a distinct group is quite complex. Consequently, close attention must be paid to the policies and programs selected in order to ensure they guide the selection of indicators needed to measure progress.

Due to limited data in this area, it is important to complement this process with primary data collection methods such as stakeholder interviews.

SPECIFIC PROGRAMS

One of the programs found while collecting primary data was The Social Protection Network (Red de Protection Social). In the first two years of the PRSP very few programs have been implemented. One of these programs which is mentioned in the PRSP is: The Social Protection Network which aimed at improving the well-being of population who lived in extreme poverty and also promoting human capital including changing behaviors and attitudes of families. This project ran in two phases: Phase 1 from 2000 to 2002 (managed by FISE) and Phase 2 from 2002 to 2004 (managed by MIFAMILA). By interviewing key stakeholders and executive representatives of MIFAMILA and FISE, and brochures provided by them, we found that the first phase aimed at: institutional strengthening, education, health and food security.

¹² The verification process, however, proved to be particularly difficult since there was limited information on policy progress. The best source to obtain implementation information on policies and programs was the Second SGPRS Progress Report. Even so, the document provided limited information on policy updates and spending to date. While PRSP progress reports are useful to look up policies, we were not able to properly assess progress based solely on this document. Therefore, it is necessary to obtain information on these policies from the executing agencies directly, review other reports available in the field and conduct site visits of the projects implemented.

In order to benefit financially, the PRSP placed conditionality on families to send their children to school and health centers in order to receive their vaccinations. In addition, parents had to commit to attend educational trainings about health, vaccinations, reproductive and sexual health, family hygiene, and child breast feeding. In return families would receive grants and a school pack. Financial incentives were also offered to teachers and materials. Additional grants were offered for food, vaccinations and vitamins. Overall these grants and packages were offered as a financial incentive geared towards supplementing the incomes of families on basic needs expenditure, increasing the care of children under five and reducing the primary education school drops.

Due to the success during the first phase, the RSP began the second phase with additional funding and expanded coverage (SGPRS 41). According to the representatives of the program from MiFamilia, this program has been very successful in reducing child poverty, however they emphasized that the resources were not sufficient to address the bleak situation of child poverty in Nicaragua.

Key Findings related to child policies in the PRSP

Low Participation of Child Poverty Advocates and Children

Some of the main reasons why PRSP policies do not emphasize child poverty are because they were designed without child participation and without childhood agency. Although PRSP highlights participation as one of the key operating principles, civil society organizations we interviewed expressed disappointment at the weak participatory approach of the PRSP. Ninety percent of the NGOs and community groups interviewed said that they were not involved in the development or execution of the SGPRS. Out of all the organizations interviewed, only two international organizations mentioned involvement during the PRSP formulation. However, they also highlighted that their involvement was more or less useless since their input was not taken into consideration at the final PRSP.

Although the national stakeholders participated actively in the consultation process, their participation in the strategy's definition and elaboration was limited. The participation of the children's advocates and children themselves is significant. Not only does it contribute to ensuring that PRSP include child-friendly policies, but it also leads to providing practical suggestions on activities that should be undertaken to reduce child poverty. Suggestions from development practitioners and civil society in general that work with child poverty could be useful in tackling the main causes of child poverty in Nicaragua.

Lack of clarity among stakeholders on the implementation of the strategy

Another major finding of interest was the discrepancy between major stakeholders as to the effect the SGPRS on children and whether the PRSP is being implemented. Our qualitative interviews confirmed that there is no clear consensus on a national plan for child poverty reduction. It is assumed that a decrease in overall poverty will simultaneously decrease child poverty, however without a clear understanding of which plan is the leading strategy; it is difficult attribute impact to approach.

The interviews conducted with government ministries and civil society yielded differing opinions on the implementation of SGPRS. While the ministries and government institutions interviewed were identified as executors of the strategy, it was unclear whether the poverty reduction programs currently executed fell under the SGPRS or the National Development Plan. For instance, three out of the four SGPRS executing ministries expressed optimism about the impact of the strategy on the country. According to these ministries, positive impact can be seen on physical improvements, such as infrastructure development, access to health services, school enrollment, access to water and sanitation services and the construction of new schools. Additionally, the Ministry of Health mentioned that counseling and intervention programs have been successfully implemented, which have led to early maternal intervention and education. However, even though the Ministries stated that these areas have been directly impacted by the SGPRS, it is important to note that we did not find clear evidence as to which projects were directly created or implemented as a result of the SGPRS.

Currently, SWAPS, or Sector-Wide Approaches, the National Development Plan (NDP) and the SGPRS are all being used as part of the nation's poverty reduction strategy. FISE explained that the SGPRS transitioned into the National Development Plan because it was a stronger document. Similarly, the MECD Social Communications department introduced the National Development Plan as a "substitute," and so it is unclear if FISE and MECD are currently working under SGPRS or the National Plan policies. A representative from UNICEF explained that after a new government is elected in the next elections, the NDP may change, and there is a possibility of another national plan.

The National Development Plan, proposed in September of 2003, places a greater emphasis on economic growth and the development of economic clusters. The SGPRS proposes more resources towards social capital investment (health, education, nutrition and population) and the SWAPS promote individual sectoral improvements. As a result of the confusion around using multiple approaches for poverty reduction, there is poor sectoral communication and commitment. An analysis of the national budget expenditures shows that the government is working towards the NDP, while the international community supports the SGPRS and SWAPS.

Child poverty, although a major concern for Nicaragua, is not a priority in the SGPRS

The majority of stakeholders interviewed felt the state of children in Nicaragua is bleak. Nicaragua has a large young population and much of the poor population is composed of children and adolescents. In 2002, forty-two percent of Nicaragua's population was under fifteen years of age (UNDP). Among the major issues of concern for children include illiteracy, child labor, teenage pregnancy, malnourishment and shelter. Similarly, immigration is an increasing concern since many families are separated because of the need to migrate to other countries to earn money. Children are left without the protection of their parents and are required to care for their siblings and support their family. Economic pressures also affect the familial structure and increases inter-family violence which also has damaging effects on child development. In addition, inadequate access to basic service delivery was identified as another major problem families confront, which directly impacts children.

Even though child poverty is a pressing problem, overwhelmingly, interviewees stated that children, as a specific group with specific needs, are not a priority for the government. SOYNICA argued that children, as a vulnerable group, are difficult to reach due to the complexity of their condition. The difficulties involved with child poverty reduction may largely be the reason that children are not at the forefront of the national agenda.

Section IV – Conclusions and Recommendations

Although the impact of PRSP's on child poverty remains very limited, the findings have shed some light on a number of opportunities that should be considered to create stronger linkages between PRSP and child poverty reduction. The following recommendations reflect action items that policy makers can consider to improve the impact of poverty reduction strategies on children.

Poverty reduction begins with children

The PRSPs seek to decrease poverty levels in developing countries. Children represent a large part of the vulnerable population; therefore, PRSP attempts to reduce poverty should focus on specific child – centered policies. The Nicaraguan PRSP does not reflect a comprehensive plan to combat child poverty. PRSP programs, policies and budget highlight that economic growth remains the focus of the government and poverty secondary.

Clear Monitoring and Evaluation Tools

Analyzing Nicaragua's SGPRS it became evident that the strategies have inherent difficulties tied to formulation and implementation. Increased coherence in monitoring and evaluation systems that measure progress of PRSPs in general, and prioritize the development of mechanisms that enable direct impact assessment of child poverty levels are needed. PRSP policies and programs should be clearly outlined in order to differentiate initiatives undertaken under PRSP. There should be a clear understanding of the nation's leading development strategy in order to align the work of all sectors and make practices more efficient.

Although there are improvements in some non-economic indicators and budgetary spending, it is difficult to assess whether children are reached proportionately within the familial unit. It is important to conduct specific studies and establish assessment mechanisms geared towards understanding the direct effect of PRSPs on children.

A multi-dimensional approach to child poverty

Although the Nicaraguan PRSP highlights that multi-dimensional nature of poverty, in reality it lacks policies that provide a coherent framework for various approaches. For example, Nicaraguan PRPS lacks policies on human rights approach to poverty. Building a

PRSP that takes human rights into account could bring together diverse social actors to promote wider debate and empower the poor, rather than simply directing development efforts at poor people.

The perception of children and youth's social reality is fundamental for child poverty. Children themselves are able to recognize areas and policies that directly affect them. They need to feel holders of rights and not simply objects. Children and young people need more policies that recognize their needs and rights to survival, protection, development and participation - without discrimination. Children's voice should be reflected in the development of these strategies so that policy recommendations accurately depict their needs and priorities.

Participatory and country-driven

Nicaraguan SGPRS presented an extensive participatory strategy, which claimed to include input from all stakeholders involved. However, this study revealed discontent at the lack of involvement of the community, especially with civil society organizations working with children.

Although there are attempts by the government of Nicaragua to make the PRSP an inclusive process, there are significant gaps that need to be addressed. It is important to increase community input in the development and evaluation of poverty reduction strategies in order to highlight local needs in national agendas. On a conceptual level, the most positive aspect of the SGPRS was the attempt to create a national strategy that addressed poverty reduction. This seems to reflect the need and willingness to develop comprehensive strategies that integrate needs and feedback from all society levels. Hence, it is basic to promote broad-based participation of the poor, of civil society organizations, of governmental institutions at national and sub-national levels and by the private sector at all operational stages to design, implement and monitor the PRSP process.

Finally, improving local capacity building of both civil society organizations and local government within the PRSP process are essential to ensure fuller participation and local execution in the management of project resources.

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Additional Resources:

<http://www.childinfo.org>

<http://hdr.undp.org/statistics/data/>

<http://www.inec.gob.ni/>

<http://www.measuredhs.com>

<http://www.unicef.org>

<http://www.who.int/countries/nic/en/>

<http://www.worldbank.org/data>

<http://www.worldbank.org/lsms/country/>