

POVERTY AND SOCIAL PROTECTION NET*

**COMPARATIVE ANALYSIS ABOUT THE MONITORING AND EVALUATION SYSTEMS:
DEBATE ABOUT THE SOCIAL PROTECTION POLICY AND SYSTEM – THE CASE OF THE
SOCIAL PROTECTION NET PROGRAM FROM NICARAGUA (RPS) AND A PROPOSAL
ABOUT A SYSTEM OF UNIQUE REGISTER OF POVERTY FAMILY BENEFICIARIES -.**

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CONTENT

Chapter I : The Social Protection Policy: Conceptual frame, principles, objectives, aim groups y intervention.....	1
Social Protection Policy Syntesis	1
General Dicusion about the Policy and the Operationalization of the Social Protection	2
<i>Equality versus Equity</i>	2
<i>Aim groups of the policy and the social protection strategy</i>	2
<i>Optimizing the Social Assistance Program</i>	6.
<i>The Social Protection Programs' Grouping and Consolidation</i>	8.
<i>Resources Transference to the Social Protection</i>	10
<i>Targeting, potential anti-exclusion and detection of vulnerabilities of the Extrem</i>	13
<i>Poverty Map of Nicaragua</i>	15
<i>Impact Evaluations of relevant programs</i>	18
<i>Social Protection policy and entailment strategy with the ERCERP</i>	19
Chapter II : Definitions of the RPS Program, coverage and a brief institutional analysis about the present situation.....	19
Subsidy Payments and co-responsibilities' control.....	21
Execution Scheme, Operative and Administrative Efficiency	24
Chapter III : The Monitoring and Evaluation System of the RPS (SMEP).....	26
Conceptual Frame	28
The emtailment between the SMEP, the Impact Evaluation and other external evaluations .	28
<i>Updating of graphs and exist code tables of the Monitoring system</i>	29
Comparison of the RPS-PAININ-FONMAT Monitoring Systems.....	29

Chapter IV : Elements for the design of a Unique Register of poor Beneficiary Homes RUB)30

Proposal about the key elements that must contain the RUB System.....33
Implementation Strategy of the RUB and estimated time for each process.....34

Chapter V : Synthesis, conclusions and suggestions.....35

About the Social Protection National Policy and Strategy36
About the RPS Program.....38
About the Unique Register of Beneficiaries and the Evaluation and Monitoring System.....38

Annexes..... X

Power Point Presentation:

Can the national strategies improve the impact of the reduction poverty programs? The Nicaraguan case. IADB – Regional Policy Dialogue. VI Meeting of the Poverty Reduction and Social Protection Network. December 9-10th, 2003.

FOULDER pdf files:

- Annex-3. (B57r) Prevalent Incidence Recovery Rate RPS.pdf
- Annex-3 a. (51r) Growth Evaluation RPS.pdf
- Annex-4. (B52r) Un-accomplishment of the vaccine scheme RPS.pdf
- Annex-5. (B59r) Unsupplying of Vaccines MINSA, RPS.pdf
- Annex-6. (B60r) Desabastecimiento Micro nutrientes Antiparasitarios, MINSA, RPS.pdf
- Annex-7. (E30) Inasistencias Escolares RPS.pdf
- Annex-9. A6.pdf: Diagnóstico inicial Vacunación y VPCD niños (as) de 0-5 años RPS.
- Annex-10. A7.pdf: Registro Vacunación y VPCD niños (as) 0-2 años-Mensual. RPS.
- Annex-11. A14.pdf: Registro de atención integral a la Mujer, Niñez y Adolescencia.RPS.
- Annex-12. A13.pdf: Diagnóstico inicial de estado de salud de la Mujer, Niñez y Adolescencia por Proveedor. RPS.

CARPETA files xls:

- Annex-2. Registro de Hogares RPS.**
- Annex-13. Comparación Sistemas de Monitoreo RPS-PAININ-FONMAT.**
- Note: it includes the 1 and 2 Modules of the RPS Monitoring System.**

FOULDER Word files:

- Annex-8. Modulo2 Sistema Monitoreo por Muestreo. RPS. Archivo técnico de variables recogidas al Azar.**

Chapter I: The Social Protection Policy: Conceptual frame, principles, objectives, aim groups and intervention areas

Social Protection Policy Synthesis

Without any doubt, the country has given a fundamental step with the elaboration of a "proposal" of Social Protection National Policy¹ (PNPS) and its "operationalization"² strategy (OPNPS). The policy approaches the notion of vulnerability under a multidimensional character of the poverty, where the different risk dimensions should be managed basing on the socioeconomic development of the people, homes or communities, guaranteeing a minimum of social services for all the Nicaraguans. Therefore, it is established that the social management strategy of the risk would be based on interventions oriented to the labor market, social assistance programs, social protection networks and the private actions made by informal actors. According to that, the policy establishes to prioritize the social protection assistance in an ample range of aim groups that cover all the affected individuals and homes in a conjunctural or structural way, by some condition of vulnerability, poverty or high social risk³.

Therefore, the social assistance for groups in vulnerability situation is understood as the "set of policies, programs, and private and communitarian public actions, which prevent, qualify and rehabilitate those people, homes and communities that by its vulnerability and exclusion situation do not have basics welfare levels or are on risk of losing them, in order that they can face and manage in a better way the risks they are exposed to"^{*}.

The general mission of this policy is "to contribute to the social inclusion of the people, homes and communities in vulnerability condition, so that they participate of the development benefits in a sustainable way". In order to reach this goal, it is aspired (i) to strengthen the human, economic, productive and social capital of the vulnerable groups, by the generation of employment and an opportune access to a minimum level of social public services for a worthy life, subsidized and with acceptable quality; (ii) to increase the efficiency, the efficacy and the transparent management of programs and social protection actions, by a double targeting of the investments, according to the vulnerability and economic dynamism (high, medium, low) of the geographic area⁴, promoting a strengthening process of the family (the woman as fundamental support) and a decentralization with participation; (iii) to conform a network of flexible programs that guarantees the coordination, the joint of the local demand and the sectorial offer, and the complementariness of actions; and (IV) to reduce and to mitigate populations affected by natural disasters and socioeconomic crisis.

¹ Política Nacional de Protección Social, Nov. 2003. Gobierno de la República de Nicaragua.

² Operacionalización de la Política Nacional de Protección Social, Nov. 2003, Gobierno de Nicaragua.

³ The last vulnerability is defined in the scope of the children and adolescents victims of mistreatment, abandonment, child labor, or sexual and commercial abuse and drugs dependents; as well as poor, extreme poor disable and abandoned old people

^{*} *It is our translation. From here, the exact quotations which are between comas will be translated by us. [Translator's note]*

⁴ In order to reach this, the policy indicates that it should have an institutional system that defines parameters to prioritize beneficiaries and to assign resources.

General discussion about the Policy and the Operationalization of the Social Protection

Equality versus Equity

The Nicaraguan Constitution (State Policy) establishes that the basic services of health and education (to target in these ones) must be offered for "all" in equality conditions. Nevertheless, this old concept of an egalitarian society has actually generated the highest levels of exclusion⁵, because a country with few resources and great inequity levels cannot faithfully apply the concept of equity to the social services. According to this, a Social Protection policy with a good definition of high-priority groups, risks management instruments, targeting and beneficiaries' selection, could solve the paradigm of equity in the distribution of the social expense, by its capacity to exclude from the benefits the ones who can pay by the services.

In fact, the Social Protection policy of the Government –and on its general mission confirms this failure of the State policy— returns over the "exclusion-inclusion" concept in its multiple dimensions (risks or factors that threaten the social integration processes), and indicates that "to support the social groups with greater accumulation of vulnerabilities, the social assistance will have to offer the minimum social services for all the Nicaraguans, so that they can develop their capacities and get out from this situation by the mobilization of their human and material assets".

Aim groups of the policy and the social protection strategy

No policy and social protection strategy can be satisfactory if it is not considered its anti-exclusion potential; its power to detect vulnerabilities (like the multidimensional process that joins in the risk) of groups with high levels of deprivation of basic capacities to live a worthy life; its transparency in the pertinence of the actions and programs; and its economic viability to cover those highly marginalized groups. From this perspective, within the framework of the ERCERP and of the PND, the consultant tries to provide material to sharpen a "social assistance targeting" in the extreme poverty (as social and distributive justice foundation). This is the main exclusion form where the vicious circle of poverty is intensified because of the enormous deficit of human capital and the lack of pro-active public policies, as well as the lack of a more general approach of the Sectors and Programs' roles that provide universal benefits, in the social protection context.

The extreme and chronic poverty in Nicaragua is characterized by the great size of the family, the lowest levels of education, the worst characteristics of housing, the highest dependency of agricultural activities in farms and salaried agricultural works outside the farm, and the lowest participation in salaried non agricultural works. The poorest people in Nicaragua encircle a mixture of meager farmers and rural workers who live mainly in the Central Region. These families tend to move from the extreme poverty to the moderate one and vice versa, depending on

⁵ The concept of "exclusion" belongs to the classic sociology - Durkeim, Weber, Simmel- but it was reactivated in the developed countries (A.Sindzingre2001), particularly by René Lenoir, to whom it is attributed the credit of having introduced the term "social exclusion" when he was the Secrétaire d'Etat à l'Action Sociale of the French Government in 1974 (A. Sen 2000). By introducing it, he was trying to approach to a conjuncture that have put in danger the social cohesion of the French system, as a result of the population demands for an improvement in the social assistance systems' coverage (original reference of A. Haan, 1998, and paraphrased by M.Gupta, 2001).

the success of their subsistence strategies and feeding security. The chronic poor people tend to accumulate and to lose their assets and combine productive activities very quickly. The rural families with greater levels of welfare tend to have a higher education and dedicate themselves to non-agricultural activities (Davis and Stampini, 2002)⁶.

It is clear that the homes in extreme poverty are only a subset of a social protection national policy. But without any doubt, they are the population segment of highest social cost, where a great variety of social and economical risks, etc. join and they are transmitted in an intergenerational form and affect the future growth of the country. In the international literature, we found an interesting analysis about the diverse forms of exclusion and deprivations that suffer the poorest groups. Among other analyses, there are about: labor markets exclusion and the destruction of the entailments and social integration by the incapacity to participate (Xiberras, 1996); excluded groups or individuals and their denied demands of social justice (Barry, 1998). But still being employee is not a sufficient condition to an individual considers himself "included" in a situation where the work conditions are precarious, without an integration prospect and badly remunerated⁷. It is also the result of the intergenerational transmission of the economic status (Tony Atkinson, 1998); the line underneath which an individual no longer can participate in the society (P. Townsend); relative income deprivation that disqualifies them to the purchase of goods or services or the absolute deprivation in term of capacities that discourage them from exert certain social functions (A. Sen 1980-83-84-85-92-00/Dréze and Sen 1989 and 95/Griffin and Knighth 1990 /UNDP 1997 /Anand and Ravallion 1993); the lack of access to goods, factors of production, organization and representation (Gore 1994, the case of the African Sahara); the economic, social, and political exclusion and the necessity of reforms based on the inclusion, participation and property rights (A. Sindzingre 2001); the role of the lack of lands and credit (Griffin and Khan 1977, Bardhan 1984); the poor woman and the access to the credit in India (Kabeer and Murthy 1996); gender and exclusion of employment, education and land opportunities, (Boserup 1970, Sen 1990, Beneria 1992); access to labor markets, geographic location with mediocre educational facilities as barriers to accede to... (paraphrased by Sindzingre and taken from Gazier 1996); the lack of opportunities to satisfy the basic necessities of great population sectors (Adelman and Morris 1973, Adelman 1975, Streeten and Burki 1978, Chichilnisky 1980, Streeten 1981, Stewart 1985).

There is also an investigation made in Nicaragua by the group CERFE-ITZTANI8 (2002-2003)⁸, who developed from the sociologist point of view an analysis model of interventions⁹ to fight

⁶ In the World Bank Report No.26128-NI, Evaluación de la Pobreza. Aumentando el bienestar y reduciendo la vulnerabilidad, Nicaragua, June 27th, 2003.

⁷ Exclusion, Employment and Opportunity, 1998. London, London School of Economics, Centre for Analysis of Social Exclusion, Case paper No. 4.

⁸ Investigación-acción sobre la infancia en Nicaragua, CLOSING REPORT, March 2003.

ITZTANI (Nicaragua) CERFE (Italy). "Asistencia Técnica para la Elaboración de Diagnósticos Municipales" Project (MIFAMILIA-PAININ2-BID): This investigation concerned in the knowledge of the social exclusion phenomena and the poverty, which determine a "vulnerable condition, watching specifically the infantile vulnerability with an approach of the relevant social risks".

⁹ The model has been applied in the 2.810 territorial communities of the 68 municipalities of the PAININ, where approximately 8.600 representatives were interviewed through focal groups. The indicators to examine the studied phenomena used in the model were measured at all the territorial communities level: Social Exclusion Indicator (52 indicators according to the 10 factors of social and environmental risk); Poverty Indicator (7 indicators according to three dominant dimensions of the poverty: resources, sociability, reaction/agency); General Vulnerability Indicator

against the child vulnerability (Guide Lines), as support to define the specific strategies and objectives of intervention, for the "targeting" of the PAININ program. They were conclusive when expressing that "the extreme poverty is highly correlated with the risk factors related to the lack of services and economic opportunities or to problems related to the social disintegration, and proposed that actions of care and aid should be destined to the "extreme" poor people, accompanied by long interventions to strengthen the action capacity (empowerment). In the international literature, we found an interesting analysis on these dimensions of the "poverty" and its interrelations with the "social exclusion" and "social capital" concepts: there are from the point of view of the distributive or social justice, dignity, participation, representation and institutional reform (John Rawls, 1971; Nee, 1998; North, 1998; Stiglitz, 1998); getting out, voice, loyalty, social political power (Hirschman, 1958, 1970, 1981; M. Das Gupta, 2001); values and rights (Partha Dasgupta, 1993); social capital (Grootaert, 1998; Iliffe, 1987); the relation between social and human capital (Bourdieu, 1987).

The main limit of the long term economic growth is, without any doubt, the lowest general development level in human capital (specially education where the 71% of the labor force of the country have less than three years of schooling and in the rural area it is generalized to near two years), but more specifically the structural extreme poverty, with an average consumption of US\$ 0.56 per capita/day and without possibilities of real change in the medium term. This situation affects to the 15.1% of the national population, to the 27.4% of the rural population, unlike the 6.2% of the urban one. Therefore, the Social Protection policy must clearly have a high-priority "social assistance target" to the rural homes and a secondary target to the urban homes in extreme poverty. These homes have higher levels of exclusion and are the most vulnerable to the crises, since still in the case of a minimum reduction of the consumption; it could drastically deteriorate the well-being and cause irreversible damages that affect seriously the future growth of the country.

The country has been committed to reduce the 50% of the extreme poverty to the year 2015 (ERCERP). This is possible only if pertinent and cost-effective social protection measures are taken with the resources available in the ERCERP within the framework of the HIPC, and if the National Development Plan (PND) is successfully applied with its capacity to facilitate and to promote the productive development of the enterprise sector through the identification and development of productive axes by means of connecting the market channels, fortified with sector public actions. The PND also tries to improve the transparency and effectiveness of the legal regime and social justice. In this sense, the advantage of the productive potential is based on the development level of the human capital (Japan, Israel, the Nordic countries, etc.). Therefore, the development strategies are directed to conglomerates, according to the levels of productive capacities and tendencies of the market in the territories, but the social protections to the higher risk groups are part of the social expense that generates the present market system. Thus, the social protection policy and strategy must show its anti-exclusion potential and its power to detect the groups with the highest levels of basic capacities deprivation, to live a worthy life. This also implies that the social protection policy is a social policy subset destined to offer a normative and

(calculated with the media of the IES and IP indexes); Child Vulnerability Indicator (18 indicators regrouped in 6 factors of infantile risk); Indicator of Social Capital (measured through the Social Capital Index, as the media between four sub-indexes: Civil Society Index, Territorial Factors Index, Cognitive Capital Index, Trust/Social Action Index); Set of Child and Maternity Services Indicator (the 10 indicators regrouped in 4 types).

regulating frame for the public and private provision of the social services. The importance of the Solidarity Program belongs to it in its attempt of conforming a network of intersectorial programs at central level that incorporates private actors in order to obtain greater synergies and complements in the local level.

This explains the recommendation to reduce the thirteen categories of vulnerability that presents the Social Protection National Policy (Section VII: high-priority target groups...) in two general categories (A and B) that require a continuous public action, and another category (C) that requires a conjunctural public action, which without any doubt goes beyond the Social Protection Programs:

- A. Homes in extreme poverty, in its two dimensions (urban and rural), since the strategies of assistance for each case would be a little different.
- B. Populations that live in high poverty and low access to basic services territories.
- C. Populations affected by natural disasters and socio economic crises.

In fact, we could say that 11 prioritized vulnerabilities and social risks categories of this policy are directly and highly correlated with the "extreme poverty homes". Therefore, the target are the Homes and, from there, establishing a co-responsibilities and self-helping frame, in order to manage the risks of the familiar unit in a short and medium term, and to strengthen the probabilities of breaking the intergenerational process of poverty. This would reduce the targeting to about 145.000 homes in extreme poverty or the lowest quintile, because the categorization that presents the social protection policy is too ample and could reach until 50% of the national population, who could not be covered with the available resources.

Optimizing the Social Assistance System

The implementation strategy proposed by the Government is joined with the existing Programs. It assumes that with the conformation of a network of social protection programs and within a system of unique register of beneficiaries, through the Solidarity for the Development Program¹⁰, the problems of fragmentation, duplication of efforts, inadequate targeting and beneficiaries' selection, lack of an evaluation system, high administrative costs, multiple attention modalities, variation in the types and amounts of given benefits, clarity in its property, statistical weaknesses and of the information systems, etc., and the problems mentioned in paragraph II of the national policy of social protection will be reduced.

Although the conformation of the Programs' Network and the development of a Unique Register of Beneficiaries are fundamental elements of the social protection strategy, it could be necessary

¹⁰Operacionalización de la política nacional de protección social, Nov 2003. Government of Nicaragua. Page 2: "the mission of Solidarity will be to rationalize the public investment, in order to obtain a greater impact in the protection of the vulnerable groups and in the poverty reduction. For reaching that, it will integrate the present projects and programs of social protection to a programs' network oriented to the recovery of the minimum well-being, the diminution of the social and economic risk, and the overcoming of the vulnerability causes and poverty ". In Page 3, it is added that this network will be integrated "under a system of unique register of beneficiaries".

(given the low progress level of the public sector reform and the previously mentioned problems) to think about an optimization process of resources aimed to:

- (i) Frame the Social Protection Programs of the government entities into the strengthening areas of the normative and regulating frame of the social services; into the development of highly specialized programs of the sector; and into the supply improvement of its institutional network of the basic services in high-priority areas.
- (ii) Review the present programs and to think about a "consolidation-group" of them (there is a brief description in the following section), reducing the number "into few programs", making the social protection system more cost-effective. For example, it would be possible to think about differentiating two great executor programs of social protection and basic infrastructure, from the sectorial programs framed in targeted complementary actions:
 - (a) Social Assistance and Feeding Security Program for Extreme Poverty Homes (PASSA).
 - (b) Basic Infrastructure Program of municipal jurisdiction.
 - (c) Sectorial programs to improve the basic services supply to the poor people, especially in prioritized rural and urban areas.

Note: The program for populations affected by natural disasters and socio-economic crises is excluded from this analysis, because of its conjunctural characteristics, not without indicating before that the Social Protection policy would have to rule the activation of emergency procedures in case of occurring these co-varied risks. It would also reflect in the State Contract Law the special clauses for the State's resources manages, besides incorporating the corresponding elements of the natural disasters system that has been developing for some years. Each program must anticipate administrative, legal, institutional and budgetary mechanisms that allow them to expand when these co-varied risks appear and being contracted when they have been overcome, as a kind of economic stabilizer. In addition, it should be settle as a policy down that the external financings and annual budgets contain a small percentage for unforeseen expenses, explaining that they are for cases of officially declared emergencies, in case they were needed. The experiences of the FISE, MTI and INIFOM, among others, confirm the urgent design of these policies and its mechanisms and general and specific procedures.

- (iii) Establish, for the Program (a), a General Homes' Register (RGH) in prioritized Municipalities and communities (districts or neighborhoods) that allow the targeting and precise selection of Homes in extreme poverty. For the Program (b) and (c), establishing municipal targeting rules and other actions joined to the Program (a). See ahead the section of Unique Register of Beneficiary Homes. (RUB)
- (iv) Establish the mechanism of inter-institutional coordination and the communication norms that allow the directors to strengthen the institutional supply in the areas linked with the Program (a), as well as the coordination and norms mechanism for the

communication with the Social Assistance actions by the NGOs. In the local level, to replicate these norms and mechanisms, putting as joint axis the Local Governments. It is referred to define a mechanism that allows the Directors and other actors of the central and local level to use the Unique Register of Homes in "communities prioritized" for the implementation of complementary actions or to cover areas and homes in extreme poverty, where the actions of the Program (a) have not arrived yet, so that the Country does not count on the enough resources to cover the national territory in the medium term.

The Social Protection Programs' Grouping and Consolidation¹¹

It is suggested the consolidation of almost the 30 Programs in:

- a. Social Assistance and Feeding Security Program for Extreme Poverty Homes (PAS).

This program could have two differentiated models of assistance, for the rural and urban areas respectively. This program would be a program of direct transferences in cash and kinds conditioned to the fulfillment of the co-responsibilities on the basis of an integrated package of Feeding Security and social risks management that allow to accumulate human capital and to improve the productivity (of all the home members), and to generate future conditions for social and/or territorial mobility. The targeting and the design of the co-responsibilities of urban homes as much as rural homes would be fit to the main causes of the extreme poverty that are mentioned in the most relevant researches of the last years. The package of co-responsibilities would be based on a social contract between the program and both Householder Heads (if both exist), where each part receives a benefit on the basis of the fulfillment of the social contract. The transference in cash would be of an amount not higher than the magnitude average of the extreme poverty breach, differentiating its amount between the urban and the rural target.

This strategy is "policy and socially" justified because this group is in severe risk conditions, since still consuming all their income in feeding, they would have problems in obtaining the minimum of necessary calories for their normal development. It is not only a question of solving the extreme poverty breach or the feeding breach that has a magnitude near 2% of the GDP¹², but to determine a level of subsidy and co-responsibilities of the family, in order not to create disincentives to the remunerated work and incentives to the population growth. To determine this, it is necessary to consider the breach. Therefore, the risks' management on subsistence and feeding security for the rural homes in extreme poverty must be different from the rural strategies of the

¹¹ A typology of the main programs of social protection networks includes transferences in kinds (distribution problems, escapes and corruption; technical assistance and opportune delivery in case of improved seeds, fertilizing, etc.); conditional cash transferences to integral development of human and productive capital (problems of selection of beneficiaries and supply, administrative problems, exit strategy); general subsidies of prices to consumption products and key stuff (problems of very great escapes to the not-poor); subsidies to social services (to assure access to basic-supply services); feeding and nutritional aid; public works and feeding aid at disasters or crisis moments; micro-finances in areas of extreme poverty (mainly credit to the not-poor people and some poor people with payment potential); social insurance (unemployment pensions, cover problems by lack of payment capacity of the beneficiaries and the state).

¹² GDP calculated according to the new National Accounts System recommended by the IMF and the international cooperation to the 94-04 period. ERCERP, Segundo informe de avance, November 2003.

IDR that would have to be directed to strengthen market channels and to promote the farming development, in producers with diversification capacities and production of commercial surplus, etc.

For example, **The rural target**, where more than 75% of the extreme poor people are located, would be directed to the conformation of a co-responsibilities package related to the pre-scholar and basic education of all the children in scholar age; integral assistance in health and nutrition to the binomial mother-children under 4 years old and institutional references systems, when it corresponds; to the education of young adults of 15-24 years old; to the agricultural extension specialized for backyard or parcel economy aimed to fortify the strategies of subsistence and feeding security; to the deed of houses and parcels; to the training on the basic operation of the public institutions and its benefits, rights and citizen obligations. **See PP presentation, Annexes¹³ 3 a-b-c-d.** In addition, the game rules will be settled down so that private suppliers (NGOs, companies or individuals) could provide different services according to limitations standards of the institutional services' cover. It is clearly aspired an integrated management of the multidimensional causes (risks) that affect the poverty from the Home. In addition, the Program should count on a clear definition of the social indicators and specific responsibilities assigned by the ERCERP.

At least 16 of the more than 30 programs of basic social assistance and human and productive capital development, that appear in the document Operacionalización de la Política de Protección Social (Annex 3: Solidaridad para el Desarrollo: Programas vinculados a la protección social), could be consolidated within this program. Logically this requires first to develop the whole strategic and conceptual frame, besides to strengthen a solid institutional team, in order to pass later through a negotiation process with the financial organisms and some programs that by its high level of disbursed resources is better to let them finish¹⁴. It is very common to find in a same institution a great amount of projects with duplicated actions, models of assistance, evaluation, targeting and administration, different but directed to the same target groups, territorialized according to the donor's interest or to the discretion of public officials¹⁵.

Another characteristic is that the public administrators assume that the coordination is good when the territories are divided, arriving at the communities with partial and highly expensive solutions, each one with its own strategies and operation norms, targeting, evaluation methods, etc. This generates an enormous fragmentation of micro programs with the same objectives. This disjunction makes difficult the coordination, definition, control and evaluation frame of the policy

¹³ The most relevant data about the social indexes that characterize the extreme rural poverty come from the World Bank report N°26128-NI, Evaluación de la Pobreza. Aumentando el bienestar y reduciendo la vulnerabilidad, Nicaragua, June 27th, 2003. The synthesis has been done by this consultor.

¹⁴ This, in order to avoid what happened when the National Development Program (PNDR) –today, Rural Development Institute— was created, when the first wave of projects of rural development, maintaining a fragmented structure of "programs and projects" and debilitating the new Institution –the one that until today continues trying to reorganize itself as a single Program with a vision of country—, were transferred during years 95-96, without having completed its conceptualization and strengthening process.

¹⁵ The most important thing is to stop this level of historical fragmentation and to present a reduced portfolio of programs, each one with a vision, mission, goals and objectives, components, procedures and norms, everything within a unique operative strategic frame, where a financial pull could be made to buy the whole program or some of its components. One of the few public organisms in Nicaragua which has approached to this design concept has been the FISE and because of that, its comparative advantages.

decisions, strategy and expected impacts. It also makes difficult the definition of the resources demand (external and internal), of the SNIP administration. In addition, it enormously increases in price the public administration and the HIPC pursuit.

The first candidates programs because of their integrating characteristics would be those of the Social Protection Network (RPS), the PAININ, PAEBANIC, PINE, PAINAR, EBACIT, and another series of programs of women and vulnerable children Assistance and of feeding security, only to mention some of them. There is no doubt that a joint offer of these programs directed to the lowest quintile of the population would have an enormous potential to obtain a much greater impact and in a cost-efficient way, where the coordination between Executor Programs and Sectors would be much more fluid and effective.

b. Basic Infrastructure Program of municipal jurisdiction

In this case, it is possible to think about a specialization process framed in the scope of basic infrastructures (social and economic) of municipal jurisdiction¹⁶. An alternative that, besides of being cost-efficient, would allow the SNIP to initiate a national process of methodologies and a technical processes standardization between the central level and the municipal area. It would also facilitate the decentralization processes of municipal jurisdiction infrastructures and the coordination among the international cooperators. On the other hand, it would facilitate a better analysis of the distributive impact of the local investments and the public finances; in the elaboration of the budget to the ERCERP and the definition of its social indicators; in the information systems, entailment of the local investment programs with the central level (SNIP) and in the application of the resources associated to the support for releasing the HIPC.

In theory, it would be sought the unification of the Central Government programs in the same specialization level, in this case, framed in the scope of municipal jurisdiction infrastructures, putting apart those infrastructures of regional cover, since these contain externalities in their costs and benefits that must be negotiated by special agreements¹⁷. The jurisdiction of the services' coverage that lends those municipal jurisdiction infrastructures has a strategic relevance in the context of the national decentralization policy, where besides infrastructures, the corresponding services will be also decentralized. This is consistent with the Oates' theorem (1972), which proposes to incorporate the services and costs at the government level, which controls the smallest geographic area, which establishes a better relation of co-responsibility with the benefited

¹⁶ The unification of executor programs of the Central Government according to its specialization level, for example, municipal jurisdiction infrastructure; regional infrastructure; targeted social protection assistance (to differentiate the universal services and key functions of the governing entities); agricultural or technological development programs, etc. could not only solve the paradigm of the inter-institutional coordination under the present multiplicity of interventions, but they are also an indispensable element to manage a greater impact in the implementation of the ERCERP and the PND, in its intention to reduce the poverty and to promote the local development, facilitating the complementation of actions and the design of the specific monitoring and evaluation systems of the strategic programs. For example, to improve the complement of actions in a conglomerate area within a specific jurisdiction, entailing the infrastructure (economic and social) and its maintenance, with the promotion of farming production, and a package of social protection assistance targeted to the poorest families.

¹⁷ For example in the case of a social infrastructure whose benefits cover several municipalities, the local government where the work is located would not have incentives to establish counterparts to the investment costs and the maintenance (including the services administration). That is why this strategy of infrastructure decentralization with regional covers must be taken under other rules and conditionings.

population. This medium and long term vision is relevant for the design of a monitoring system of the public actions' performance, because it would allow us to relate the investment operation and maintenance cost and the level of use of the services, as well as to frame the distributive impacts in the ERCERP context and monitoring the decentralization process as a transverse axis of the strategy.

If this program would have its own targeting mechanism, in theory, it would have to be coincident with the one of the previous program in the phase of municipalities' selection. In addition, it will be necessary to establish a normative to precisely prioritize the infrastructure rehabilitation (social and economic), in the communities (regions) prioritized by the program (a).

The candidate programs to the integration-consolidation process are all the programs that execute basic municipal jurisdiction infrastructure (social and economic). In the case of potable water, it should be excluded the primary networks of the great cities, as well as in the case of the primary and trunk networks of inter-municipal highways and ways, targeting only to the inter-connectors secondary roads. The SNIP already counts with an extensive classification of these infrastructures and, from them it would be possible to define the list in a precise way. Most of the programs and entities of the public sector execute infrastructures under a great diversity of targeting concepts. This operation has as a result the problems before mentioned. Logically, the Social Investment Fund would be the indicated to assume this process by its comparative advantages. Without any doubt, it would also make agile the decentralization process and would facilitate the implantation of co-financing schemes, in order to raise resources in the strategic axes of the ERCERP with the resources of the municipal governments.

In this context, the direct transferences to the Municipal Governments must be aimed to correct inequalities in the territories, but from the development point of view, the fiscal decentralization must be the fundamental element to promote the local development in the long term, because of its capacity to generate own resources, competitions empowerment, competitiveness promotion, institutional development and co-responsibility with the local voters¹⁸. For that reason, the transferences from the central level based on an automatic formulate, politically negotiated, that does not assure the equity in the territories, neither link the national strategies and policies with the local ones, nor offer the proper incentives to generate an institutional and organizational development at local level. Moreover, it means an enormous risk for the decentralization process and for the ERCERP. In order to decrease this risk, it is necessary to conditionate the program (b)'s resources, with greater levels of co-financing and incentives to improve the efficiency and the cost-effectiveness of the public investments by the municipalities¹⁹. The most important thing is that this norm must be part of the social protection policy and strategy.

¹⁸ In the present system in Latin America, the dominant receiver is still the Central Government and therefore the greatest distributor of the cost (Wiesner 2003). This is a result of a centralist historical tradition (Veliz 1980) that reflects the political negotiation (Bird 2000). It is determining of the freedom level allowed to the second levels of government (McLure 2001).

¹⁹ If the local governments suddenly receive non-conditioned transferences or little conditional transferences (in a context of a weak supervision by Control Organism) by amounts that oscillate between 30% - 3000% of their current income and in the present context of development of the local systems of public investment, it would be an illusion to wait for a rational use of the resources and it would be possible to be fomenting negative incentives to the ERCERP and the decentralization process, among others: non-justified increases in the operative payments of the political civil employees and municipal expenses; increase of non-high-priority investments in proportion of strategic investments

- c. Sectorial Programs to improve the basic services supply to poor people, especially in prioritized rural and urban areas

Logically, both previous programs will have an enormous impact in the increase of the basic services demand to the poor people, mainly of the poorest that by multiple causes did not have access to a mediocre service or to the institutional networks of education, health, specialized agricultural extension (technical assistance and qualification), assistance for the properties' deed and other types of assistance and qualification, as it is mentioned in the co-responsibilities package of the program (a). For that reason, it is intended to assure, as a pivot, the complementariness of the actions, specifically in the rural and urban communities of the Program (a). In this sense, it should be established norms for the prioritization of directed actions to improve the quality and access of the basic services offered in those communities, differentiating clearly the target and national cover from the programs that provide universal goods and services with the focus of the Program (a) targeted to the poorest people. That is why it is so important the complementariness of actions between the three great programs and the uses and applications of the Unique Register, the one that is discussed forward.

The country has accumulated experience in detecting and quantifying the additional necessities that must be covered by the offer (for example, services and infrastructures of education and health), as a result of the increase of the social assistance programs' demand. This is the concrete case of the Social Protection Network Program (RPS), where there have been identified in the communities (regions) of intervention the additional necessities of teachers and materials (Education sector), as well as the infrastructure rehabilitation and expansion and its team (Health and Education), of the populations without access to basic social services. Nevertheless, it is necessary to mention that the former SETEC has not made a proper monitoring, in some cases because of the lack of resources, mainly programming, aspects that with the new Social Protection National Policy are in process of been solving.

It is necessary to define a frame that allows the Directors and other actors of the central and local level, to use the Unique Register of Homes in "communities prioritized by the Program (a)". In addition, it will have to include the register of the additional necessities that must be solved by the institutional supply, for the implementation of complementary actions and their monitoring.

Given the enormous fiscal pressure, it is also fundamental to define and to regulate the cases in which the Program (a) could use private services to provide basic services, as well as their basic schemes of sectorial coordination, for example, in territorial segments where the homes do not have access or where it exists more than 40% of deficit to these universal services of the sectorial institutional network. This is important because it is not possible to expect that the sectors could solve this deficit in the short term. For example, in the cases of agricultural extension, deed, adults' education and other trainings would have to be provided in a 100% by the private sector. In the cases of VPCD and assistance to the binomial mother-children, the respective norms should be established, as well as in the cases of education. Although this service is very good in all the territory, there are some cases where many communities do not have this access or it is very

of the ERCERP; increase of projects executed by direct administration in comparison with projects executed via auctions processes; reduction or decreasing in the growth rate of the Current Income from the taxes captivations, etc.

limited. Thus, territorial packages can be designed to obtain certain scale economies. It also can create participation of the private sector spaces, in the provision of public services in a competitive atmosphere.

In the case of the RPS' experience, there have not been made economic researches yet in order to determine the advantages and disadvantages, and the cost-effectiveness of the provided services by the private sector or NGOs in dispersed rural areas, compared with the services provided by the public sector, where definitively do not exist scale economies to establish infrastructure and public services (education and health). This future research would be an important component to define exit strategies of the Program (a), which has a limited duration of 3-5 years, and of the later actions of the Sectors. However, the last researches on the exit strategies of the extreme poverty are reveler when indicating that the education level is the main determinant, not only to leave the extreme poverty (Report BM- No 26128), but also for social and/or territorial mobility.

Resources Transference to the Social Protection

Among the benefits that Nicaragua will receive, as a part of the HIPC process, it is the "cash - relief destined to the expense in poverty", which is calculated as an annual average of US\$ 216.6 million²⁰. From 2001, when started the ERCERP, the poverty cost has been around US\$ 326 annual million (excluding temporary HIPC relief), of which a 46% is financed with Treasury resources, a 28% come from loans and a 26% from donations. If it is assumed the same financing structure of the ERCERP, it is expected that the poverty cost, including the relief (in cash), will be of US\$ 520 million average, supposing that the donations could be reduced in a 6%, according to a long term sustained economic growth.

One of the norms that should be defined in the Policy and Operation of the Social Protection Strategy is the process of resources transference, to the ERCERP programs within the HIPC framework. Maintaining the same line of discussion and assuming that the poverty cost is high-priority assigned to the three proposed Programs, how many resources will have to be destined to each Program? In theory, it is a question of maintaining an adequate balance between Social Assistance for Homes in Extreme Poverty (a), Infrastructures (b) and improvement of the basic services supply for the poor people by the Sectors, specifically in prioritized rural and urban areas where greater breaches of poverty were mounted up (c)?

At present, the resources amount destined to the Social Assistance and Feeding Security to the Homes in Extreme Poverty is really insufficient to make agile behavior changes in a massive form and to break the intergenerational transmission of the extreme poverty process. There is no a precise number, because the pertinence of many programs incorporated in the ERCERP cannot be measured (it is relevant to count on a unique register and targeting and selection by type of program normative). Nevertheless, own estimations indicate that these homes in extreme poverty benefits could be below the 2% of the total poverty cost, while the proportion of the extreme poverty breach in relation to the national poverty breach is near 16%. By the consultant's criterion, a 15% of the total poverty cost should be established for the Program (a); 20% for the Program (c), considering that its coverage of human capital development is through universal

²⁰ ERCERP, Segundo Informe de Avance, Nov 2003.

services; 55% for the Program (b); and a 9% for other programs non-contemplated among the previous, but that could be directed to complementary actions; the rest should be directed for coordination costs of the ERCERP. This distribution would allow the Program (a) to cover in a direct form about 120,000 homes in the lowest quintile, every four years, if we assumed that the benefits will stay by four years²¹ and the processes of selection of municipalities, communities and homes are made according to the recommended procedures. During the four years period, the provision of basic services systems in those communities would be strengthened on the basis of an exit strategy.

Other additional measures to push national resources to the ERCERP and that could be considered within the strategic frame of the social protection policy, could be:

(i) The setting up of norms to target the social cost of the main line ministries, not necessarily using only this poverty breach concept, which can be complemented with own variables of each sector. The most important thing is that the Social Protection National Policy had also to establish a distribution norm for the rest of the social cost (not included in the ERCERP) for each ministry or corresponding public organization. These policies measures could improve in a significant form the equity in the social cost transference, which at present time is still far from reaching this objective (see Graph 3 and 3 b in attached PP presentation).

(ii) The promotion in Municipalities of Severe Poverty (according to the stratification of the Extreme Poverty Map of Nicaragua) of:

- (a) Mechanisms of non-conventional credit (micro-finances), mainly credit to the not-poor people and some poor with potential payment;
- (b) The creation of receiving financial houses of remittances sent from the exterior;
- (c) The promotion of strategies of farming development by the IDR, in areas that show this potential, as the central zone of the country, where a great part of the extreme poor people is concentrated.

Targeting, potential anti-exclusion and detection of vulnerabilities of the Extreme Poverty Map of Nicaragua²²

An important observation on the definition proposed by the social protection policy (strategic lines), in relation to the "double targeting on the social protection investment"²³, is that it could

²¹ It is important to consider the impact in the Aggregated Demand of a cash transferences program, which in theory must have a multiplying impact in the consumption much greater than in the infrastructure programs. If we considered that near 75% of the program resources circulate in the municipality and for each dollar given in the communities, 70% are consumed in feeding and the rest in basic products with high added value. Unlike infrastructures, where less of 20% of the program resources circulate in the municipality, and for each inverted dollar, near 65% of the materials are imported.

²² Mapa de Pobreza Extrema de Nicaragua (censo 95-EMNV98), Marzo, 2001. Last official version.

²³ PNPS Proposal, Nov.2003, page 18, paragraph 71: "The geographic conditions of the country determine significant differences, as in the social necessities of their inhabitants, as in the economic and development conditions of the different areas. The existence of areas with high, medium and low economic dynamism brings the necessity to define different development strategies for each one. To target under the geographic and vulnerability concept helps to the efficiency aim in the use of the resources."

reduce potential anti-exclusion and power to detect the territories with greater indices of extreme poverty²⁴ and homes with high deprivation levels of basic capacities to live a worthy life by its double intention to mix territories with economic dynamism and poverty levels (vulnerabilities). The Social Protection target is independent of the territories' economic dynamism. And the poverty levels and vulnerability types generated by them are a result of the market faults and the absence of pro-active public policies, not only in the scope of the social protection, but also in the scope of the policies directed to a better market operation and the economic policy. Therefore, from the Social Protection point of view, a definition of the "targeting" concept is suggested as the diverse mechanisms to identify municipalities, communities²⁵ and homes where the public resources of the social protection system must indeed be distributed to the poorest people.

One of the main objectives of the research made by CERFE-ITZTANI (2002-2003) was to support the program PAININ 2 in the selection of the territorial areas for the fight against the infantile vulnerability, through the design and implementation of a sociological model based on criteria of greater exposition to the social exclusion, poverty and social capital phenomena. This model was applied in the 68 municipalities of PAININ 2 (almost half of the country) and involved the 36.3% of the national population in 2810 communities.

The main results and suggestions of the research about targeting, confirm in a solid way that the "Extreme Poverty Map of Nicaragua" is an ideal and cost-efficient guide for the targeting of social protection interventions at municipal level. The investigation concludes that 24 of the 68 municipalities are at the moment covered by the program, that present a greater predominance (respecting to the general situation) of combinations, which are difficult for the projects, where the viability is low and the demand is high or medium. The high correlation level with the Poverty Map confirms its anti-exclusion potential and power to detect multiple vulnerabilities. **See Table-1.** The study suggests prioritizing 2 of the 20 municipalities in the lowest poverty levels (medium and low) and 22 of the 48 municipalities in highest poverty levels (severe and high). The areas of difficult access; lack of citizen security, civil society, social protection networks (private or public) and of little or null access to basic services are without any doubt the predominant in this type of studies.

²⁴ When benefiting territories with greater economic dynamism and lower indices of extreme poverty, the agreement with the objective to reduce the extreme poverty in a 50% (ERCERP-MDSM) to year 2015 is lost, besides the additional effort that would imply to make flexible this HIPC goal, the present level of inefficiency and ineffectiveness of the public sector in general and the public cost transference in particular.

²⁵ In the whole document the communities' concept talks about census areas: it is the smallest territorial expression, its dimension is ruled by INEC and it can be represented by regions or districts defined according to name and codes of the census segments that compose the national cartography.

TABLE-1. 24 OF THE 68 PAININ MUNICIPALITIES PRIORITIZED IN CERFE-ITZTANI RESEARCH. March 2003. MIFAMILIA-PANIN 2-BID.

Municipality	Stratum according to the Extreme Poverty Map of Nicaragua (a)EMNV 1998. March, 2001.	Ranking according to the National Order 151 municipalities
Puerto Cabezas	Severe Poverty	5
El Cúa (b)	Severe Poverty	6
Bocay (c)	Severe Poverty	6
Wiwilí	Severe Poverty	7
Waslala	Severe Poverty	12
El Castillo	Severe Poverty	16
Paiwas	Severe Poverty	19
Wiwilí N. Segovia	Severe Poverty	27
Rancho Grande	Severe Poverty	30
Santo Domingo	Severe Poverty	31
Matiguás	High Poverty	32
Muy Muy	High Poverty	36
Tuma la Dalia	High Poverty	38
La Libertad	High Poverty	39
San Dionisio	High Poverty	43
Río Blanco	High Poverty	44
El Coral	High Poverty	48
San Sebastián Yalí	High Poverty	51
San José de Remates	High Poverty	55
Terrabona	High Poverty	56
Nueva Guinea	High Poverty	58
El Rama	High Poverty	60
Cárdenas	Mid Poverty	67
El Sauce	Mid Poverty	93
(a): Mapa de Pobreza Extrema de Nicaragua. Censo 1995-EMNV1998. Marzo 2001. Banco Mundial-MECOVI-INEC-FISE-SETEC. Number of Municipalities with Sever Poverty: 31; High: 34; Medium: 34; Low: 52. (b-c): The municipalities (b-c) were just one when the Map has been built. At present, Nicaragua has 152 Municipalities.		

The

recommendation (CERFE-ITZTANI) of "paying attention to the municipalities where the extreme poverty has turned out to a percentage superior than the average" practically takes us directly to the use of the Extreme Poverty Map of Nicaragua and to the use of proxy mean test for the selection of beneficiary homes.

In fact, since seven years ago, national efforts have been made, in order to anchor the use of Poverty Maps for the prioritization of social sectors' interventions²⁶, specially those programs of social protection and rural development, directed to fight the multidimensional causes of the poverty. Nevertheless, the monitoring and evaluation of the policies have been insufficient by the relevant actors. This could have contributed to des-accelerate the reduction of the extreme rural poverty rate, associated with high social risks and low labor productivity, in spite of greater levels of availability and public investment during the period 98-01, compared with the previous periods. **See PP Presentation, Graph 1.**

In practice, each public program continues to assign its resources discretionally when funds are local and according to own negotiation with the donor source, or when funds are external. The enormous costs and efforts that the establishment of a transparent Poverty Map with technical solidity and transparent procedures has meant to the country, have not given the results expected because of the lack of political will and supervision. The regional inequalities are increased, while the municipalities with greater poverty breaches continue receiving insufficient benefits. Managua²⁷ (the federal district) continues receiving benefits disproportionately. [See **PP Presentation, Graph 3a**, it compares the proportion of the Public Investment in relation to the proportion of the Extreme Poverty Breach at Departments level for years 2001-2003]. An analysis at municipal level confirms in a more drastic form how the present transference of the public resources is an important factor in the generation of inequalities. Surely, with the recent entrance to the HIPC initiative, there will be a more precise monitoring to the aspects of transference of resources to fight the poverty, since the established conditions to enter to this initiative were made flexible, under the conditionality that the relief resources of the debt, plus an additional effort with own resources, will have to be invested in the combat of the poverty. Because of it, probably the severe existing regional inequalities of the country will be improved.

It is necessary, therefore, that the Social Protection policy and strategy defines in a more precise way the norms respecting to the targeting of resources to fight the poverty and specially the extreme poverty, besides to the monitoring and evaluation systems. Certainly, the implantation of the RUHB will bring important benefits to the country.

Impact Evaluations of relevant programs

Actually, the great majority of the programs that comprise the social protection system suffer the lack of evaluation schemes that allow us to estimate the pertinence, efficiency and effectiveness of the public actions.

²⁶ ERCERP July 2001, Annex-II, Principales reformas estructurales y acciones implementadas: Redes de seguridad social, desarrollo rural y control de la pobreza: "In 1997, the Poverty Map was settled down as main criterion for the determination of objectives of the social policy. In December, 2000, the Poverty Map was finished" and it was made official in March 2001. In Annex-IV of the same document it was settled down that "as general rule, when deciding between municipalities showing at the same time low cover rates and high poverty levels, those with greater breaches of poverty will be a priority." Moreover, in Annex-V: Matriz de acciones de política, it was established that from 2001, "all the sectors would use the Poverty Map to target municipalities, families and vulnerable groups".

²⁷ In addition, out of the National System of Public Investment, the municipality of Managua get around 51% of the total income of the 152 municipalities of the country and 12 municipalities get the 72%.

At the present moment, the only program that has been rigorously evaluated under an experimental design has been the conditional transferences program of the RPS, whose results served as a base for its continuation and expansion. The PAININ Program for its phase 2 has also incorporated an experimental design and has completed its base line²⁸ to make an evaluation in the next years. In addition, the PAININ has been successful in the monitoring of the development processes of children and the qualifications results, as in the Cicos, as of the pre school children. Respecting to the new experimental impact evaluation design, most of the variables that are being evaluated are practically identical²⁹ to the variables that will be evaluated for the Program of the RPS, except for some sub-variables on the children development and others related to social capital. In this sense, the fusion of both programs and other similar programs could result important scale economies and savings from operative costs for the country. Besides, its complementariness would help to increase the impact in the most vulnerable populations. Commentaries of other similar programs do not appear because these ones do not count on experimental designs of impact evaluation.

It is important to observe that the poverty measuring proposed for the PAININ is on the basis of the NBI, while the RPS uses the consumption aggregates which are used to define the poverty lines. This methodology that, besides being more sensible to the conditions of life, changes in short and medium term, is the one used officially by the Country to measure the progress of the indices agreed in the ERCERP and the Millennium Development Goals. Therefore, it is also recommendable that the social protection policy incorporates norms for the impact evaluation of all its programs and power to evaluate the pertinence under the same standards.

Social Protection policy and entailment strategy with the ERCERP

We have been framing the ERCERP in all the discussion, so it is suggested that the Social Protection Policy must be strongly linked to the ERCERP and its respective social goals. That is why a conceptual frame description of this policy and its strategy, in relation to the form in which it is inserted in the ERCERP and the binding aspects with the established social goals for the several programs, could enrich the objectives, principles and strategies of Social Protection.

Chapter II: Definition of the RPS Program, coverage and a brief institutional analysis about the present situation

The aim of the Network of Social Protection Program, Phase II (RPS) is to improve the welfare levels of the population in extreme poverty, supporting its accumulation of human capital. The

²⁸ Diseño e implementación del sistema de evaluación de PAININ 2 Estudio de Línea de Base (Borrador), April 2003. ESA consultores.

²⁹ The general variables to be evaluated are: growth, development, vaccines and nutritional levels of the children between 0-6 years old; scholarship of children of 6 years old; familiar planning, time between pregnancy and use of women time; women's knowledge, and attitudes and practices (CAP) about health and schooling; attendance to the (institutional) health services and rates of the use of the programs' services; activity targeting in high vulnerability population; structural and cognitive social capital. The sub-variables or specific indexes are also the same in their great majority.

Program has four components: (i) Institutional Strengthening; (ii) Health and Feeding Security; (iii) Education; (iv) Targeting and Evaluation. This is a program of conditioned cash transferences to the families, submitted to the accomplishment of aspects related to scholar attendance of children in scholar age of the 1-4 courses and support to the schools' committees; the monitoring, promotion of growth, development and vaccinations of children of 0-5 years old (VPCD), as well as to those of 6-9 years old regarding to the anti- tetanus vaccine (DT); prenatal and puerperal controls and familiar planning; adolescents' training including VIH-SIDA prevention; epidemiologist monitoring; training for holders in care of children, familiar hygiene, water handling and others related to the generation of subsistence instruments as animal hygiene and backyard economy, among others.

The Program counts on two credits, one from the IADB for US\$ 22.2 million (including 11% of local contributions) and another one of the BCIE of US\$ 5 million. In addition, it has a smaller support of the World Bank for the targeting aspects. At this moment, the Program covers 7 municipalities and according to the poverty stratum of the Extreme Poverty Map, there are two municipalities of severe poverty, 4 of high poverty, 1 of medium poverty and no one of low poverty. The number of active homes is 14,358, composed by a total amount of 86,646 people. 13,541 of them are children of 0-5 years old, 26,771 children of 5-13 years old and 20,552 young people of 14-25 years old, the rest are elder people. The beneficiary homes have nominated 967 promoters as voluntary representatives for the operative coordination of the program in the communities.

Six of the municipalities benefited at the moment were selected during phase I (pilot phase): Tuma la Dalia, Terrabona, Ciudad Dario, Esquipulas and Yalaguina. In these, a group of families are being benefited with the BCIE resources, who during phase I belonged to the control groups, while with the IADB resources, the families of phase I, which have accomplished 3 years in the program, will not receive the subsidies to the demand (Feeding Security bond, and Scholar sack and bond), but they will continue receiving bonds for the Health and Education Supply.

The new municipality incorporated nowadays is Wiwilí (severe poverty). It was selected on the basis of the criteria established in the IADB credit, such as: extreme rural poverty rates over 35% and a minimum number of 500 extremely poor rural homes; a variable of productive potential; and the lowest index of net and gross register. Within the municipality, the regions with a considered extreme poverty rate higher than a certain threshold (according to a methodology developed by IFPRI) all the homes could be elected by the program, but if it is inferior to that "threshold", it will be applied the targeting by home, where it is used the method of proxy mean test³⁰. "Nevertheless, only the homes selected by means of the target by home will be elected to receive the BSA, the BE and the Scholar sack" (Annex A - IADB credit, no. 1109/SF-NI, Phase II).

It is also important to mention that a little more than 72% of the 14,358 holders (female leaders or householder heads), a 42% of the promoters and a 50% of the 14-25 years old groups, have respectively up to two years of schooling (illiterate functional). Given the time restriction of the

³⁰ This consists of a statistical algorithm to determine the variables that have the discriminatory power highest to predict the well-being level of the person. It is used the regression analysis to predict the poverty level and the automatic selection of the home.

consultancy, neither the percentage of homes that do not have deed of their houses and/or parcels have been not quantified, nor the size of it, as well as the economic activities and other existing assets (small animals, etc). The ticket of the Beneficiaries' Register of the RPS allows quantifying most of these elements, including the deed of the house, except the property title of the parcel, when it exists. **See Annex-2 in file XLS.**

From here, it is inferred the previous recommendation of designing a "tailored" program for these homes in extreme poverty, according to the main determinants of the poverty mentioned in the researches of the last years, and from there offer a proper support adapted for "an integral" risk management, acting in a complementary form with the infrastructure and sectorial programs directed to improve its institutional network of basic services. At the moment, more than 16 of the 30 programs in the projects' portfolio linked to the Social Protection Policy manage the diverse risks in a fragmented way and also territorial and administratively atomized. Nevertheless, it is indicated that the RPS at the moment is the one that integrally covers the greater number of risks, but it is insufficient because it does not incorporate the aspects of agricultural extension and backyard economy, to mention an example. If a single program is designed in an integral form, surely much greater and more cost-effective would be the impact obtained.

Subsidy Payments and co-responsibilities' control

The following table includes the subsidies that the Program provides as by the offer so as the demand:

Subsidies	Demand		Offer		Observations
	G r o u p 1	Group2	Group1	Group2	
Feeding Security (by home year)	Year1: US\$ 168 Year 2: US\$ 145 Year 3: US\$ 126				The payment is done every two month proportionally (bimonthly).

Health Services (by family year) Services provided by Private Suppliers			US\$ 90	US\$ 90	MINSA: biological, micro-nutrients, anti-parasitic, oral salts, contraception methods.
E d u c a t i o n (by family year)	Years 1-3: US\$ 90				The payment is done every two month proportionally
S c h o l a r S a c k (by child year)	Years 1-3: US\$ 25				
Schools Committees (by child year)			US\$ 8	US\$ 8	It is delivered to the family to the school. The payment is every two- month proportionally.
Notes: (i) The group 2 is the homes of the Phase I (pilot) that accomplished three years and stop receiving the subsidy to the demand. The group 1 are the new beneficiary homes. (ii) The assistance and Health training pack is provided by private suppliers, mainly NGOs.					
Source: Anexx A, IADB credit, N° 1109/SF-NI.					

The co-responsibilities are framed in the "social pact" that sign the families with the Program, where in other words are included the conditions to receive the payments. In this case, it is signed mainly by the woman, but also by the men when the woman does not exist.

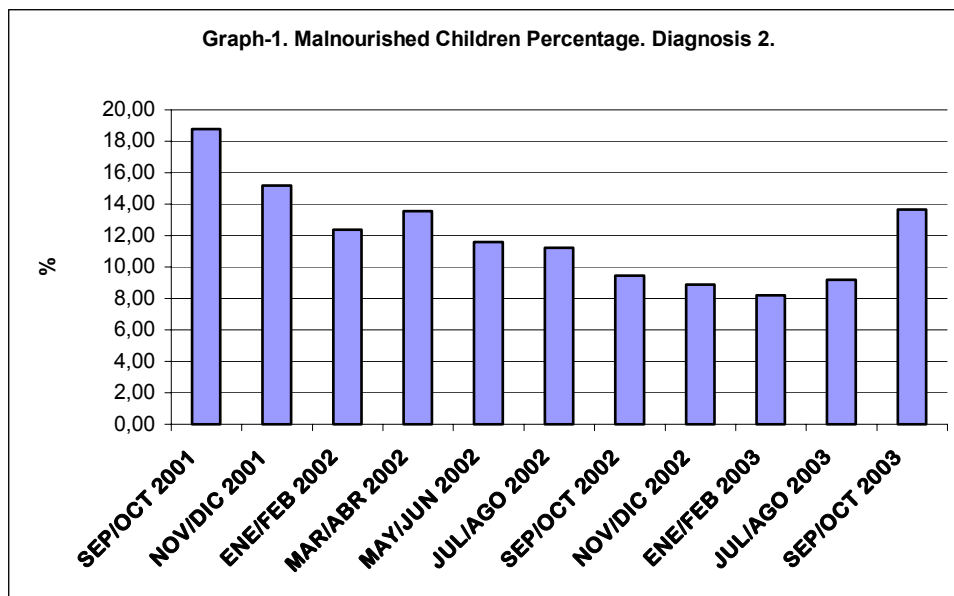
The family receives every two months (bimonthly) the subsidies of Feeding Security, if: (i) the 0-5 years old children attend the services of VPCD; (ii) the pregnant women receive the prenatal, puerperal and familiar planning services; (iii) the householder heads, attend the corresponding training courses; (iv) the teenagers of the home attend the training courses. The payment every two months stimulates the family to accomplish the consistent co-responsibilities during that period.

The family also receives the education subsidy and the payment to the school's committee, if: (i) all the children (excluded disable people) in scholar age of 1-4 courses attend the school and have less than 6 presence faults in a period of two months.

A family is suspended of the Program if: (i) the householder head does not receive the payment during two consecutive bimonthly periods; (ii) some of the family members fails to accomplish the following co-responsibilities during two consecutive bimonthly periods: VPCD, training courses, educative bond; (iii) the age group of 6-9 years old fails to fulfill the DT vaccine (anti-tetanus) during two consecutive bimonthly periods; (iv) it is verified that the family gave false information about its socio-economic conditions.

An important observation is that for the second phase of the Program (January and February, 2003) the conditionality on risk management was eliminated by the families, in relation to that if

children of 0-5 years old that did not present a "suitable growth" (according to MINSA norms) during two consecutive bimonthly periods, the subsidy of Feeding Security would be suspended. Logically it is a debatable situation (the case of an acute disease in the child is argued), but this is verifiable and therefore a controllable fact. In addition, eliminating this conditionality leaves open the possibility that the family does not invest in the proper care of the children, fundamental intention of this aid. For example, the consultant argues that after the release of this measure, in all the cases, the undernourishment percentage present a significant tendency to increase from the measuring (July-August and September-October, 2003), comparing with the rest of the measures of the previous periods since it was initiated the program. In **Graph-1**, is presented the group of diagnosis 2 as illustrative of the general tendency. In **Annex-3 and 3a, PDF file**, can be also observed the tendency of all the groups with regard to Incidence, Prevalence and Recovery rate; as well as the Growth Evaluation, respectively. Therefore, the RPS must think about to reestablish the corresponding measures as to the beneficiary homes (demand subsidy) as to the services' suppliers (offer).



On the other hand, it is also required to strengthen the supervision measures in relation to the families' accomplishment of the vaccination schemes of the children, of the health suppliers in the accomplishment of the norms of "sweepings" the homes that do not appear to the assistance centers, and especially of the shortage of vaccines and micronutrients levels. These levels have revealed negative effects to the general performance of the Program since the performance measuring of the Sector began, in spite of having sent in time the vaccine requirement and the results of supplies shortage by the RPS. [See **Annex-4, PDF file**, not to accomplish the vaccinations' scheme]. It is observed from April 2002 a deterioration tendency of the "daily schemes" of children's vaccinations up to 12 months old. Nevertheless, it is important to indicate that the top points observed for all the groups in the period May-June 2003 are not real, because they are affected by the 3 and 4 incorporations of families who were control groups during Phase I (pilot) and now receive the benefits of the Program. But it is important to consider the tendencies. This deterioration in the schemes is neither the responsibility of the Program, nor of the private suppliers of health services, because the shortage levels of supplies in general by

Sector (MINSA), but specially of the BCG and PENTA vaccine, have been extremely unacceptable and it is necessary to maintain a more strict supervision on this matter, by the Technical Committee and Coordinating Advice of the FSS. It is still more remarkable to observe that from the period July-August, 2003, the Sector (MINSA) has improved drastically the supplying levels and has a better territorial coordination of its cold network, in order to answer the demand generated by the Program. [See **Annex-5, PDF file**]. Nevertheless, the shortage of the micronutrients and the anti-parasitic supplies continues extremely high. [See **Annex-6, PDF file**].

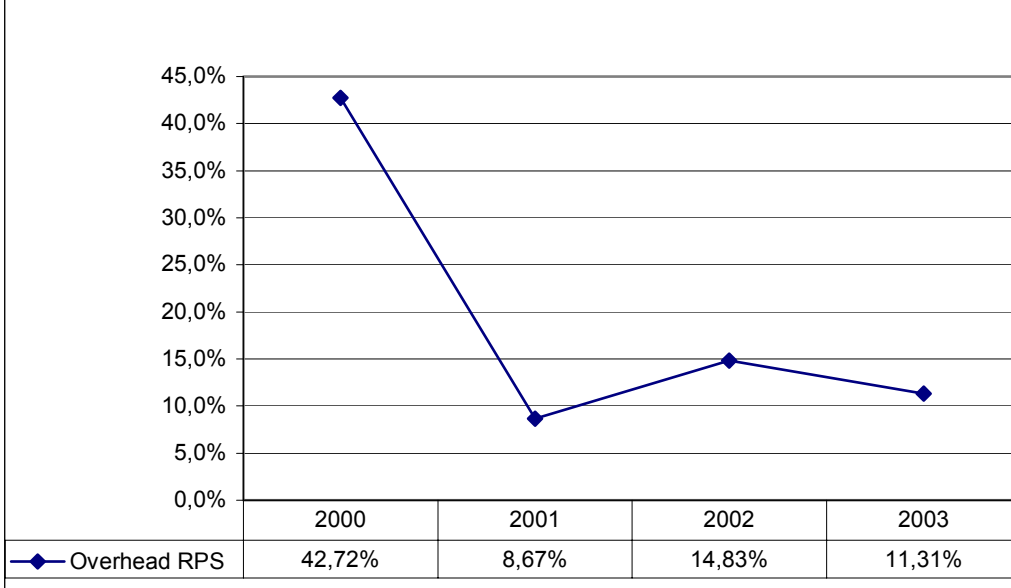
The scholar presence faults of the children of 1-4 courses (6-13 years) show mainly an increasing tendency in the 4-6 ranks presence faults, from the January-February, 2003 period. The Program punishes the homes when the children have more than 6 faults in two consecutive bimonthly periods. In this sense, it is recommended to reduce the number of acceptable faults and to implement the punishments when there are 4 or more faults. It is also required greater supervision to the accomplishment of the teachers of their class schedules by the MECD. **See Annex-7, PDF file.**

Execution Scheme, Operative and Administrative Efficiency

The execution scheme preserves the same characteristics of the pilot phase, a Coordinating Advice and Technical Committee and the Executor Unit of the Program, excepting that now the executor entity is MIFAMILIA. The scheme of the UEP remains just the same as in the pilot phase, but now it has added the general functions of accounting, treasury and internal auditory that before were responsibilities of whom performed the program. Also the structures and functions of the local (Municipality) and communitarian (Regions) level stayed practically the same to the pilot phase.

In relation to the operative costs, it was considered the code account 1.02 of the Institutional Strengthening component, which reflects the "Operative Expenses" payments of the program and there were taken the "total payments" corresponding to the Health, Feeding Security and Education components. The percentage relation between both of them is a measure that reflects the program's operative efficiency. In **Graph -2**, it can be observed this "operative efficiency index" of the Program, during the 4 years since the program started to operate.

Graph - 2. Operative Expenses Index / Educ-Nut. & Health payments.



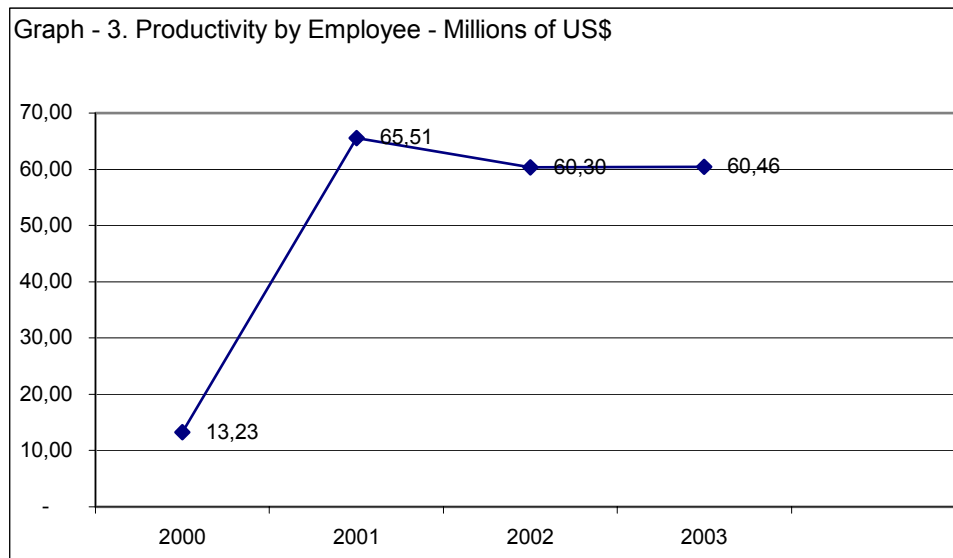
The beginning year was a year of montage and institutional development, establishing the organizational structure as at the central level, as at the local and communitarian level, as well as the development of systems, mechanisms, procedures, etc. The Base Line for the Program's Evaluation was also made and it was initiated the first homes' register, the beneficiaries' selection and the services installation, firstly the Education and later the Health one. By 2001, there were already two incorporations with the 10,000-programmed families and the system was stabilized. There stayed almost until 2003. During 2002, the payments grew to a 16%, but the operative expenses grew to a 98%. That is why the graph shows this net increase. During 2003, the payments grew near 20%, as a result of the expansion of homes beneficiaries (credit BCIE), and the operative expenses also decreased near to a 9%, reflecting an improvement in the operative efficiency.

The RPS was out of phase for several months because of the new IADB credit. That is why the program could not be expanded to new municipalities. Nevertheless, at the moment, the Program has installed capacity to manage between 30,000 and 50,000 families, with very small adjustments in the information technology area and field employees. This indicates that the operative costs could be lowered drastically and there would stay between the 5% and the 6%, if the new policy of social protection assigns more resources to it. Otherwise, it is possible to expect greater deterioration levels of the operative efficiency index, since during 2004 it is expected the exit of more than 6000 families beneficiaries while an equal number is just being incorporated (Wiwili), but in a territory of greater complexity than Ciudad Dario, for example.

The following table shows the payments and human resources structure. These data are also used to review a productivity index that is related to the "administrative efficiency" measured in terms of payments by employee.

Description	2000	2001	2002	2003
Operative expenses	209086	244389	482733	444563
Edu-Nut & Health Payments	489450	2816873	3256179	3930220
Total Employees	37	43	54	65

The **Graph - 3** shows us a reduction and stagnation of the productivity by employee, in spite of the payments increase, as a result of a continuous increase of personnel, mainly in the central level. That is why it is necessary to continue increasing payments, reviewing operative costs and/or scaling systems' technology.



Chapter III: The Monitoring and Evaluation System of the RPS (SMEP)

Conceptual frame

The aim of the Monitoring and Performance Evaluation System (SMEP) is the monitoring of observable and pertinent variables of the social impacts, the performance in risks' management by the homes and by the services suppliers' management and of the executor unit of the Program, emphasizing the indicators of the evaluative frame and the established development goals. The Intention is to identify bottlenecks during the Program and to support the decision-making and the account renderings.

The development strategy of the SMEP is based on the premise that to achieve the accumulating human capital aim, to foresee and to mitigate risks of the families in extreme poverty, is indispensable to count on with an instrument that allows to verify and to evaluate "in short periods of two months" the following aspects:

- (i) The accomplishment of the co-responsibilities by the families and the application of incentives or correspondent punishments by the Program. The co-responsibilities are

referred to the incorporation and regular attendance of the children to the educative centers; to the attendance of the children under 5 years old to the health centers for the monitoring and control of growth and development, vaccination and advice to the mother; to the attendance and familiar planning of the pregnant and nursing woman; and to the attendance of the woman to training sessions, oriented to improve healthful styles of life, health education and home economy. In addition, the system would have to provide information about the homes' perception, in relation to its knowledge of the several aspects of the program and about the pertinence of the several expected impacts.

- (ii) The performance of health suppliers in terms of the services provision, according to the norms and protocols established for each service and of the unitary application of the payments, incentives and corresponding punishments by the Program. The SMEP should provide a verification tool for the application in time of the respective protocols; of the services coverage and the suitable location of the assistance points, where the pregnant or nursing woman could accede by a distance non-greater than one hour walking from her home; of the professional quality norms of the technical teams; and of the services and the conditions in the assistance points. In addition, the system would have to provide, during the same period of time, information on the perception of the householder heads (home female leaders) and voluntary promoters of the community, respecting to the quality of the services and the assistance received by the supplier.
- (iii) The performance of the Sectorial Directors on the supplying of biologics, micro nutrients, anti-parasitic and materials for the familiar planning, in the Health Centers of the municipal heads, in order to guarantee the proper provision of the services by the private suppliers, in the MINSA case. The teachers' performance, referred to the perception of the homes in relation to several aspects on the pedagogical manage and relations between them, the child and the parents; the efficacy of the family parents' committees to promote a greater participation and involvement of the parents in the solution of the scholar problems. In addition, the system allows to construct parameters about the "equality of learning opportunities" of the children in extreme poverty, since it monitors variables related to the existence of educative materials, teaching formation, infrastructures and furniture conditions, access and other relevant variables that grouped could parametrically be comparable with other schools in rural areas with better development conditions. Even more, the system collects information about the additional necessities of the supply, which is a valuable material to precise the complementariness of actions and to monitor the fulfillment of them.
- (iv) The Program's Executor Unit's performance and institutional development, in terms of the accomplishment of the program's development objectives, the products and expected results. The financial-countable and administrative information automated systems allow monitoring the financial objectives, since it has a budgetary module that allows transforming the strategic planning and the POAS into execution indicators. In addition, these systems let determine the processes time of the projects cycle. For example, the accomplishment of the two-months cycle for the opportune delivery of

the subsidies; the execution percentages of the components, subcomponents or budget activities in a global form, but also for each financial source, as well as the monitoring of the operative costs of the program, among others.

- (v) Additionally, the system allows to measure the performance of the companies in charge to pay the subsidies to the benefited householder heads, in terms of time to complete the payments cycle, according to norms. It also allow to valuate the beneficiaries' perceptions about the attendance, payment branches' conditions and delay times in the rows.

Once established the objective and intention (or protocols) of each indicator, it was determined the de-aggregation level, how and where it is captured, its frequency, separating the stuff-process-product indicators. There were separated by groups, in order to take advantage from all the possible participants to capture information: Companies, NGOs, Other institutions, the Community and the Program. For their systematization and automation, there were designed formats according to the capture technology (Bar Code or Objects Scanner), and validation processes and tests were carried out. It was clear the operation, interpretation and use of each indicator by each functional level of the Program. **[See examples of capture formats in Annex 9-12, PDF archives, and Annex-8, Word file].**

It can be observed that the precision level of the SMEP is really remarkable and the RPS counts on a Management Information System of high technology and low cost, which is perhaps between the best ones of its type in Latin America. The program takes an automated and rigorous control of each member of the home, who must accomplish these co-responsibilities, which is an essential condition for the success of this type of Programs. For example, in the case of the children who receive VPCD, the automated information systems of the Program updates the ages of the children permanently and takes an automatic control of the type of vaccine that corresponds to them according to their ages. Thus, the system can offer in a few minutes a "report of vaccine programming for each boy", for each health services supplier, according to its coverage area, to each technique team and to the distributed assistance centers in the region. This report is also globalizing for each respective Health Center (MINSA), which is responsible to give the vaccines supplier, micronutrients, de-parasites, etc. This report is sent also to the MINSA's central level, with a consolidating to support the logistic and operative function supply of the Director. The same is made for each co-responsibility that the beneficiaries must accomplish according to the "social pact" between the home and the Program.

This SMEP offers to the Coordinating Council and Technical Committee of the FSS the relevant information, technically solid and transparent criteria to the identification of bottlenecks and the decision-making on the aspects that improve the efficiency and efficacy of the poverty reduction. Logically, the present relatively small size of the Program compete for the time that is necessary to dedicate to the other similar programs, but with different attendance and monitoring levels modalities, that reach the same aim groups. From here comes the importance of targeting on the proposal of programs' grouping-consolidation, in a great Program (a). With the precision level of the monitoring systems of the present RPS, this one would be, without any doubt, a fundamental step in the of social protection strategy of the country.

The entailment between the SMEP, the Impact Evaluation and other external evaluations

The SMEP allows to evaluate every two months how close it is from the main goals expected for the Impact Evaluation (of course, about the goals easy to observe in the short term), besides showing the performance of the key actors of the Program. But a performance index that rises and lows "by itself" does not say much about the reason of this increase or reduction. For that reason, several monitoring instruments for variables crossing are used, as for example those of beneficiaries' perceptions and other observation techniques, described above.

The utility of the SMEP for the decision-making during the Programs' execution is obvious. However, it does not say much about the "real impact of the program", because it is necessary to evaluate by "double differences" between the groups that receive the program's benefits and those that do not receive them (control groups), in order to determine the net impacts and to be able to answer us the question: What would have happened in the absence of the Program? From here comes the importance of the impact evaluations and other medium and long-term evaluations, and other relevant aspects about the efficiency, efficacy and pertinence of the program.

The external evaluations of the Program have five lines: an Impact Evaluation, based on an experimental design and panel data about the impacts of education, nutrition and health variables; an Evaluation of beneficiaries' perception and targeting methods, through the use of sociological tools; an Institutional evaluation and concurrent auditions. This one is incorporated because it includes the procedural aspects of the Program Operative Regulation, which assures the application of the respective processes and protocols.

Updating of graphs and exit code tables of the Monitoring system

The new Phase II of the Program enlarges the co-responsibilities of the homes in Education and Health areas. For example, in Education, the conditions are now extended to all the children of 1-6 courses, instead of 1-4 courses, during the phase I. For the health cases, there are also added a series of new co-responsibilities, related to the pregnant women and familiar planning assistance. The RPS Management has taken some measures in order to incorporate these new conditions, but they are still insufficient. Therefore, it will be necessary to update and to redesign the graphs and exit pictures of the Monitoring System about the performance in all its dimensions (Executor Unit at central and local level; Health suppliers; Directors; and Homes). Other important element is that with the implementation of the new module of the "random monitoring subsystem with three levels crossing" (the schools, the assistance centers of the health suppliers and the homes), the number of observable variables is impressive, and it is already registering valuable information. Therefore, it is also necessary to generate the graphs and exit pictures for the decision-making and the improvement of the inter-institutional coordination with the directors.

Comparison of the RPS-PAININ-FONMAT Monitoring Systems

A detailed comparison about the variables of the monitoring systems of three relevant programs appears in the **Annex-13, XLS file**, where it can be observed the SMEP magnitude of the RPS program. For reasons of time, the variables on the monitoring of the financial-accountant-administrative aspects of the three programs were not included in the comparison. Nevertheless, it

is indicated that the RPS information system incorporates not only the SAFOBID variables, but also the main variables required for the Programs that are financed by the World Bank, BCIE and other financing sources, besides incorporating the information necessities of the SNIP and those that belong to the Program.

It is important to observe that recently the PAININ program decided to receive the transference of the RPS' financial-accountant-administrative system, with very small adjustments. At the moment, it counts on a big team of programmers and information technology specialists to make this transference process. In addition, it has initiated the development of a monitoring system that will have to be similar in several aspects to the one of the RPS, since both programs have very similar development aims. Both Programs are executed by MIFAMILIA and its main financial source is also the IADB. The Safe Maternity and Childhood Found Program (FONMAT) of the MINSA, also financed by the IADB, has some components very similar and complementary (prenatal and puerperal period assistance, assistance to the child until a year old) to the previous programs and other programs financed by the World Bank within the same Ministry, and that are executing health services through NGOs. Although both programs belong to the same Ministry, they have different assistance models.

From the comparison between the RPS' data bases and the information that capture the programs, only to mention an example, we can observe that for the first case the variables are collected at each person and home level. These ones are specifically tied to geographic locations in nodules that initiate with the department, municipality, censal districts and point of service lending and supplier, which allows to measure the performance at territories, homes and suppliers levels. In addition, for the cases of VPCD's services, vaccinations, pre-post birth assistance, the RPS System makes automatically the evaluation of the nutritional states, growth and development, types of vaccines, etc., depending on the age of the children and based on the respective protocols and on the dates of services' application. For this reason, in the case of the FONMAT, the information is not comparable because this program gathers global statistics. As for the case of the PAININ, the details level of the services and evaluation of the protocols is not automated. That is why the data is provided at consolidated level. Therefore, it cannot precise the homes' performance in terms of these risks management. It does not measure the levels of shortage of supplies of stuffs either, which has demonstrated to be a key element to guarantee the adapted benefit of the services.

Chapter IV: Elements for the design of a Unique Register of poor Beneficiary Homes (RUB)

Some specialists argue that one of the main problems for the suitable selection of the most vulnerable and poorest Municipalities, communities and homes, is the lack of statistical information and administrative capacities to manage logistic aspects and control systems. Nevertheless, it is not insignificant the experience accumulated by the Country, as in mechanisms of territorial targeting (FISE-INEC) so as in communities (censal areas) and homes in extreme

poverty (RPS) targeting, still comparing it with the experience from other countries at international level³¹.

The general concept of Unique Register of Beneficiaries (RUB), shaped in the Social Protection Policy and its Operation³², is without any doubt a fundamental step to define a transparent, equitable and technical system (mechanisms, norms, etc.) to select the beneficiary homes of the public programs (those of the highest poverty and vulnerability), who compose the Social Protection Country System, as well as to promote the coordination and complementariness of actions with other private and public programs, at central and local level.

At present time, it was designed a file Register of Beneficiaries (RUB) and its instructive manual³³, and its implementation started on February 7th, 2003. The file has a total of 20 variables related with geographical location of the home, general data of the direct beneficiary, and data of the different home members and given benefit. The objectives of this register are confused, firstly because it only refers to a social-productive Action Plan that attends the coffee industry crisis of Matagalpa department, financed with funds of the Norwegian Government and the UNDP. Secondly, because the objective of filling the file is to “compile information about the beneficiaries of the different social and economic development programs, executing in four selected municipalities in order to establish a beneficiaries’ pattern uniformed to all the institutions of the Central Government”. On the other hand, the operation policy³⁴ talks about two big groups, which give origin to different targeting systems and beneficiaries selection, besides using an index for its selections.

The general observations about the RUB are: firstly, the designed data card does not help to the intentions established in the policy (to identify demand, to target and select beneficiaries for the different programs), because the design does not contain the necessary variables for such intentions; and secondly, it is necessary to establish more clearly the objectives, norms, mechanisms and other necessary procedures for the implementation of an unique register. [See the **General Register of Homes that uses the RPS for the selection of beneficiary homes, Annex-2 XLS file**]. Actually, the present RUB is trying to capture the type of benefits that the home is receiving in a general form, according to the code of 26 types of categories of benefits in

³¹ The local experiences are documented in Informes sobre perfiles de la pobreza y construcción de Mapas de Pobreza en Nicaragua del Banco Mundial-INEC-FISE (01-03); Arcia, Mendoza, Iachan (1996); Lacayo (1996); Evaluaciones de la RPS por el IFPRI (02-03); Reglamento Operativo y archivos técnicos RPS (00 y 03). An international comparison between groups of countries is in the book *Where are the poor? Experiences with the development and uses of poverty maps*. By Norbert Henninger and Mathilde Snel (2003), Published by WRI of Washington DC-UNEP/GRID-ARENDAL, Arendal Norway, available in www.population.wri.org

³² Operacionalización de la Política Nacional de Protección Social, Nov. 2003, GOB de Nicaragua: "10. The registry is an instrument that will allow to identify the demand, and at the same time to target and to select beneficiaries for the different social protection programs. The information base that is generated there will be constituted in the register of beneficiaries and the benefits that they receive..."

³³ Manual de instrucciones para el llenado de la ficha de Registro de Beneficiarios, Ministerio de la Familia. Without date.

³⁴ "12. Two great groups are distinguished, that will give origin to different targeting and beneficiaries’ selection systems, these are: i) People and families who live in vulnerability condition and who must be assisted in their own familiar groups and communities; ii) People in high social risk who must be assisted by the social protection programs out of their familiar surroundings. In order to reach this, the beneficiaries’ selection will be made on the base of an index that uses a set of variables, which aim is to identify those more sensible aspects of the vulnerable population".

the areas of education, health, production, housing and infrastructure, social protection and security. However, it is impossible to determine the poverty level of the homes, because the proxy variables are not captured. It is not possible to determine the total amounts per date of the benefits or the types of services, either.

On the other hand, the requested information in the RUB aspires that each institution registers independently the variables related to the geographic location, and general data (names, ages, certificates, etc.) of the home members for each beneficiary home. Still more important is the mixture that becomes from the benefits that the home receives of those programs that do not target by home and the specialized programs that use home targeting. For example, the implications for the MECD, MINSA, MAGFOR, IDR, FCR, FISE, INTA, INIFOM, etc. would be highly expensive in terms of operation, because they are asked to offer the mentioned information every time the home receives some benefit.

There is also the problem of a suitable register of the benefits (demand and offer) that receives the homes from the social protection programs. In the present conditions of atomization and fragmentation of the programs, it is indispensable to pass through a previous process of designs and processes standardization, etc., for the data collection of the received benefits. This process would take a very long time and a great effort, in order to reach this conceptualization level, and it would increase even more the already high operative costs of most of these programs.

From here comes the importance of valuing the several proposals that appears in this consultancy and the approach to consolidate and separate the social protection programs according to their objectives, intentions and operative strategies. The social protection requires of actions whose benefits are universal and gratuitous for all (political constitution) and have national cover, although the resources (ERCERP) are assigned with a higher proportion to the areas of highest poverty and with the lowest indices of social services coverage. According to this, it is neither cost-efficient nor effective to implement a Unique Register of Beneficiary Homes to all the Programs included in the Social Protection System. Nevertheless, in our proposal it is indicated that the homes benefited by the proposed Program (a) could totalize a little more than 120.000 homes in cycles of 3-5 years. These are a relevant amount of homes to monitoring the management of social risks and an enormous amount of variables, which would be without any doubt a success for the social protection strategy of a country as large as Nicaragua. Just observe the variables at present managed by the RPS in **Annex-13, XLS file**.

The "Opportunities" Program from Mexico, for example, takes a monitoring of near 10% of the total homes of the country, and for Nicaragua we are speaking about near 13% of the total homes, with a number of variables included in the monitoring system much larger than those that, at the moment, controls the successful Mexican program. This greater number of variables is because the coverage of the sectorial networks services and the access to ways and transport demand, in the case of Nicaragua, the services supplying by the private sector.

Even more, it is also remarkable that arriving at the RUB of homes requires the implementation of a General Register of Homes (RGH) in prioritized territories that could be greater than 30% to the

number of homes in the RUB³⁵, since from there, we must arrive to a unique beneficiaries' pattern.

Proposal about the key elements that must contain the RUB System

- i. The General Register of Homes that gathers the socio-economic and location characteristics, etc., of all the homes in a prioritized area. It is understood that the prioritization of municipalities is made on the basis of a unique instrument of priority municipalities' selection (Extreme Poverty Map). Its respective guide of definitions and procedures for its application.
- ii. The training guides of the surveyors and the procedures for data collection, field supervision (critiques), etc. including the official cartography.
- iii. The computer systems (software) and procedures for data registering, filtration systems, error detection and correction methods.
- iv. The computer systems, criteria and procedures to consider the extreme poverty rates at community level (censual areas).
- v. The computer systems, criteria and procedures for the application of the proxy mean test at level of all the homes of the RGH. From there, it will raise the preliminary selection of the RUB.
- vi. The activation procedures of communitarian assemblies for the verification of the preliminary RUB' homes by the own communities; the training guide for facilitators; the final verification of key operative data; the establishment of the social pact between the program and the home; the answer to possible claims, etc.
- vii. The computer systems, criteria and procedures for the correction and registering of final data.
- viii. The computer systems and procedures for final constitution of the Unique Register of Beneficiary Homes (RUB); the data migration to other public entities; the procedures for the update of population dynamics (Pattern management: automatic discharges, losses, changes in the ages of the people, etc.) of the beneficiary homes.
- ix. The norms and procedures of the overseeing systems and procedural overseeing.
- x. The RUB should also contain a module to register the additional necessities that should be provided by the supplying of the Programs (b) and (c). That is why it also will be

³⁵ This one could also be useful for some public programs with aims different from those of selection of the poorest homes, but whose impacts could complement the social protections, in the benefited territories. From here comes the importance of establishing strategies of productive conglomerates at level of municipalities, where the information of RGH and RUB would be very valuable.

necessary to define the respective criteria and procedures. **In this sense, the additional necessities of the supplying at communities level (increase and improve the basic services and infrastructure rehabilitation and/or expansion) that result from this process are itself an automatic targeting device to both programs (b-c) that provide universal benefits.** This would allow a precise complementariness between the several programs and the provision of an integral pack (demand and offer) for the homes in extreme poverty, optimizing this way the program's expected impact (a).

- xi. For that reason the RUB should contain, in addition, the procedures and the Centers and Positions of Health and Schools Register and its location, according to the INEC Cartography, censal segments, its respective codes and name of censal segments, personnel and Installed Capacity (in terms of number of consultations and attendances per days or students per classroom and per teacher, etc).
- xii. In addition, another relevant information to complement the actions by the side of the offer.

Implementation Strategy of the RUB and estimated time of each process

- i. Final decision (potential advantages and disadvantages) about the rationalization process of programs and projects, specifically the ones that refer to the Program (a), including consultations to financial sources. That implies the development of a strategy and a chronogram for the consolidation of the referred programs. (4 months).
- ii. Definition of the Program (a)'s design with costs and financing table, projections according to HIPC-ERCERP, etc. and conformation of the technical team. (4 months).
- iii. Definition of the RGH voucher. Putting under the responsibility of the Protection and Social Development Coordinating Unit and of the Inter-ministerial Technical Committee, the final design of the Homes' Register, supported by the design of the present RPS Register (**Annex-2, XLS file**), on the comparison of the variables of the monitoring systems (**Annex-13, XLS file**) and on the additional requirements and evaluation frame that result from the new Program (a). (2 months).
- iv. Definition of the points (b-i) of RUB System. Starting from what already exists in the RPS and other programs that with the rationalization process will be now part of the Program (a). It requires the additional development of new modules, and information and communications technology, etc. (8 months).
- v. Strategy design and implementation for the incorporation of families of existing programs into the RUB System. In order to incorporate a Home, it will be necessary to count on the information of complete RGH's voucher and on the condition that it will stay in the new Program by at least 2 years. That is why it would be required to make sweepings of the existing homes, for example in the RPS programs (only Wiwili) and PAININ. This process requires to have completed (a-d). (4 months).

- vi. Program (a), expansion, according to the new design and to the existing resources until reach a minimum of 100.000 homes. This process requires to have completed all the previous processes. (12 months)

Note: It is estimated that the complete process until reaching to incorporate a minimum of 100.000 beneficiary homes in the Program (a) could requires 24 total months. The processes (a-d) can be made in parallel.

Chapter V: Synthesis, conclusions and suggestions.

The country has given a fundamental step with the elaboration of a "proposal" of Social Protection National Policy (PNPS) and its operation strategy (OPNPS). The policy established to prioritize the social protection assistance to all the individuals that are affected by 10 specific categories of social risk and to all the poor homes affected by co-varied risks, and those without access to potable water, cleaning and adequate houses. In order to manage the general mission "to contribute to the social inclusion of the people, homes and communities in condition of vulnerability for which they participate in a sustainable way of the development benefits", it aspires (i) to strengthen human, economic, productive and social capital of vulnerable groups, trough employment generation and opportune access, subsidized and with acceptable quality, to a minimum level of public social services for a worthy life; (ii) to increase the efficiency, efficacy and the transparent management of programs and social protections, through a double targeting of the investments, according to vulnerability and economic dynamism (high, medium, low) of the geographic area³⁶, promoting a process of strengthening of the family (the woman as fundamental support) and a decentralization with participation; (iii) to conform a network of flexible programs that guarantees the coordination, the articulation of the local demand and the sectorial offer, and the complementariness of actions; and (IV) to reduce and to mitigate populations affected by natural disasters and socio-economic crisis.

The report presents in Chapter I a discussion about the social protection policy focusing in its anti-exclusion potential; its power to capture vulnerabilities (as a multidimensional process that comes together the risk) of groups with high levels of deprivation of basic capacities to live a worthy life; its transparency in the pertinence of the actions and programs; and its economic viability to cover those highly marginalized groups. Chapter II presents a description of the RPS's Program, its coverage and a brief institutional analysis targeted on the performance indices of the key actors and on the operative and administrative efficiency of the institution. Chapter III describes the conceptual frame of the Monitoring and Evaluation System of the RPS and a revision of it, and presents a comparison between three relevant Programs, the RPS and PAININ managed by the director MIFAMILIA, and FONMAT managed by director MINSA. Chapter IV proposes the fundamental elements for the design of a Unique Register of Beneficiary Homes and its strategy of implementation.

The most relevant conclusions and suggestions are:

³⁶ In order to obtain this, the policy indicates that it is necessary to have an institutional system that defines parameters to prioritize beneficiaries and to assign resources.

About the Social Protection National Policy and Strategy

The categories of vulnerable groups and high-priority goals that are aspired to attend with the social protection policy and strategy are still too ample (almost the 50% of the national population) for the available resources of the Country. It is proposed to reduce its approach to homes in extreme poverty or to the lowest quintile, especially in the rural area. Firstly, because this group is the one of greatest vulnerability where a great variety of social and economic risks, etc. come together, that are transmitted in an intergenerational way and affect the future growth of the country; and secondly because this is the group that imputes the greatest social cost in the long term, with a magnitude estimated in 145,000 families or near 25% of the national population.

The atomization and fragmentation of the targeted Programs of social assistance cause a high administrative cost, it makes difficult the coordination to all levels and it does not allow a suitable managing of the diverse risks that affect the poorest homes. It is proposed the reordering of the social protection programs, reducing the number of programs "to few specialized programs", making the system more cost-effective, differentiating the approaches of two great Programs executors of "social assistance" and "basic infrastructure", from the "sectorial Programs", responsible for the services' supplying at national level and for the complementary actions; to develop an approach and co-responsibilities design (social pact) of the targeted social assistance program to homes in extreme poverty, based on the main risks that are mentioned in the most relevant researches of the last years. The risks management must be integral to all the Home members with an exit strategy that guarantee the auto-sustainable feeding and a higher capacity to manage the idiosyncratic risks.

It must be more precise in the approaches differences between the targeted Programs of social assistance and the sectorial programs and specialized programs that focus their investments to universal services at national level (education, health and infrastructures, for example). The proposed Targeted Program of social assistance will have an enormous impact in the increase of the basic services demand to the poorest people. By multiple causes, they did not have a mediocre service access of the institutional networks of education, health, specialized agricultural extension, and attendance for the properties' deed and other types of attendance and qualification, as it is mentioned in the co-responsibilities package. That is why it is necessary to assure the complementariness of the targeted actions directed to improve the quality and access of the basic services supply in those communities, differentiating clearly the approach and national coverage of the programs that provide universal goods and services from the approach of this Program targeted to the poorest people. That is why it is so important the complementariness of actions between the great three proposed programs and of the uses and applications of the Unique Register of Beneficiaries (RUB).

It is suggested to establish an amount for the subsidy to the demand (transference in cash and in kinds), on the basis of a percentage of the extreme poverty breach or nourishing breach that does not create de-incentives to the remunerated work and incentives to the population growth. This subsidy must be tied to a clear definition of co-responsibilities by the selected homes, where the integrated package of Feeding Security and social risks management must be designed to accumulate human capital and to improve the productivity (of all the home members) and to generate future conditions for social and/or territorial mobility. Therefore, the management of

risks on subsistence and feeding security for the rural homes in extreme poverty must be different from the rural strategies of the IDR that would be directed to strengthen market channels and to promote the farming development, in producers with diversification capacities and production of commercial exceeding, etc. In this sense, it is recommended to separate the actions of the IDR from the targeted social assistance to extreme poverty homes in the social protection framework, not without mentioning before the relevance of the complementariness of actions in coincident territories with high breaches of extreme poverty and agro-economical potentialities.

It is recommendable to precise in a transparent form, the assignation norms and criteria of the ERCERP' resources within the framework of social protection, maintaining a proper balance between Social Assistance for Homes in Extreme Poverty, Infrastructures and improvement of the basic services supply for the poor people, specially in prioritized rural and urban areas where greater breaches of poverty are accumulated.

The definition proposed by the social protection policy in relation to the "double targeting in the social protection investment", by its double intention to mix areas with levels of economic dynamism and poverty (vulnerabilities), could reduce anti-exclusion potential and power to captivate the territories with greater indices of extreme poverty and homes with high levels of deprivation of basic capacities to live a worthy life. The target of the Social Protection is independent to the economic dynamism of the territories, and the levels of poverty and types of vulnerabilities that are generated in them are a result of the faults of the market and the absence of pro-active public policies, not only in the scope of the social protection, but also in the scope of the public policies directed to a better operation of the market and the political economy. Therefore and from the point of view of the Social Protection, it is suggested a definition of the "targeting" concept as the diverse mechanisms to identify municipalities, communities and homes where the system of social protection's public resources must indeed be distributed among the poorest people.

The evidences that appear in the "Extreme Poverty Map of Nicaragua", in relation to its anti-exclusion potential and its capacity to detect areas with higher indexes of vulnerabilities that converge in the extreme poverty, strongly confirm that this tool is an ideal and cost-efficient guide for the targeting of social protection interventions at municipal level. In addition, it has been the tool negotiated to measure one of the most important goals of the ERCERP. It is argued and evidences are presented that to continue discretionally assigning territorial resources could be contributing to decelerate the extreme poverty reduction rates, mainly in the rural area, which is a generating factor of the regional inequalities. Therefore, it is suggested to anchor this tool to the framework of social protection policy.

About the RPS Program

The RPS has confirmed that one of the most effective instruments to carry out social protection interventions are the conditional transferences to human capital development and social risks management of the families in extreme poverty. A Program under these conditions is far from being an assistencialist program and, on the contrary, provides an operative frame with low high-technology cost, for the systematic control of the social risks management. Besides its temporality (3 years), it allows to establish the minimum conditions to create capacities on risks management by the natural communitarian networks. However, the Program needs a more integral design

under the proposed scheme of Programs' consolidation and to complement itself with other actions to assure a sustainable exit and associated with a better managing of the production strategies for the subsistence and feeding security of the extreme poverty rural homes. Without any doubt this increases in these homes the probability of getting out from the extreme poverty and of extending the coverage of the Program to new localities where have not arrived the benefits of the economic development yet. The Program requires of some small adjustments to improve its indices of operative and administrative efficiency and a closer monitoring of the council and coordinating technical committee.

About the Unique Register of Beneficiaries and the Evaluation and Monitoring System

The general concept of Unique Register of Beneficiaries (RUB), shaped in the Social protection Policy and its operability, is without any doubt a fundamental step in order to define a transparent, technical and equalitarian system to select the beneficiary homes that form the Country's Social Protection System, and to promote the co-ordination and complementariness of actions with other public and private programs, at central and local level. At present, it has been designed a Register of Beneficiaries' (RUB) file and its instructive manual. Its implementation started on February 7th, 2003. The file has a total of 20 variables related to the home's geographical location, general data of the direct beneficiary, home members' data and given benefit.

The objectives of this register are confused. It does not help to reach the intentions established in the policy and, in addition, it is not operational in the present atomization and fragmentation context of the social assistance programs. That is why it is suggested to discontinue its implantation. The arguments indicate that it is neither cost-efficient nor effective to implement a RUB to all the Programs included in the Social Protection System. It is also indicated that with the proposed targeted social assistance Program it would be required of a RUB that could incorporate 120.000 homes by each cycle of 3 years, which is a relevant amount of homes (near 13% of the national total), in order to monitor the social risks management and an enormous amount of variables. Without any doubt, this would be a success for the social protection strategy of a country as large as Nicaragua. It is presented a proposal of the key elements that must contain the RUB System and an implementation strategy.

The present evaluation and monitoring systems of most of the social assistance programs of the social protection System are insufficient. It is presented a comparison between the information systems of the three more relevant Programs of the country (RPS-PAININ-FONMAT). The RPS has an integrality and dimension of several years of institutional development, while the other two samples have just initiated its development process. On the basis of these experiences, it is suggested to initiate a development process of the Monitoring and Evaluation National System, as soon as the process of consolidation-grouping of the more relevant programs of social assistance is completed and it has completed the evaluation design ex-post. While it would not significantly reduce the number of social assistance programs to the poorest and in the absence of national norms of the Public Systems of Information and Communication Technology, the isolated efforts on institutional developing directed to establish parallel home registers and Monitoring and Evaluation systems of the targeted programs of social assistance will continue to be non-efficient for the country.