

Recommendations:	Responses of Commission Services:	Follow-up (one year later):
Sectoral Support		
<p>1. Make sure that the focal sectors chosen are those in which the EC can offer recognised expertise and in which other donors are less active.</p>	<p>This assessment is accepted by the services and recognized to be a key criteria to choose the focal sectors.</p> <p>In Nicaragua, EC has recognised expertise in more than 3 sectors (max. nb of focal sectors) and despite efforts, clear division of labour between donors was not attained and the rural sector was abandoned as a focal sector.</p> <p>Although the budget support was suspended, the dialogue with national authorities persists and EC is presently assuming a leading role among donors in what concern rural development.</p>	
<p>2. Consider returning to rural development as a focal sector and maintain a multi-actor and multilevel approach. Concentrate interventions on a thematic rather than geographical basis.</p>	<p>Services share in general terms this recommendation, but the implementation is facing specific difficulties linked to aid modalities (budget support suspended, institutions capacities...etc).</p> <p>The Annual Action Plan 2010 already focuses on the rural economy by supporting the development of rural tourism, and in any case support to rural development has to be seen as a whole, including the numerous EC actions under thematic programmes.</p>	

Coordination		
<p>3. Make sure that coordination goes beyond mere information-sharing and that it yields more concrete results linked to collective action and complementarities. This implies indentifying EC regulations which hamper this type of coordination and rendering them more flexible so as to promote delegated cooperation, joint financing schemes, other joint measures and a common agenda between the Member States.</p>	<p>Agreed under conditions: As services pinpointed, the possibility to participate in joint measures largely depends on EC procedures. Some of the most established joint financing schemes in Nicaragua are 'Common Funds' which broadly correspond to targeted budget support, not allowed by the EC procedures –unless revision of Guidelines and Financial Regulation.</p> <p>Nevertheless Commission is leading the group in charge of determining the common agenda in the context of implementation of the Code of Conduct.</p>	
Modalities		
<p>4. Do not abandon Budget Support but avoid concentrating more resources on this modality. This implies that the option of the “project approach” should be maintained but mainly through other forms of collective cooperation (see recommendation on coordination) so as to diversify the modalities used. These modalities should be chosen according to the local context and in coordination with other donors</p>	<p>Services share in general terms this recommendation also recognising that there is no ideal balance between the different modalities.</p> <p>Regarding the rural development recommendation 2, the project approach is indeed an option seriously considered.</p>	

<p>5. Simplify budget support and make it more effective as an important development modality: for each BS intervention and in coordination with other donors, choose carefully a few targeted indicators which present no measurement problems or error margins that will invalidate their use.</p>	<p>The services fully share this recommendation, and DG Aidco is already working on a new BS guide. The team in charge for Nicaragua is particularly involved in this exercise.</p> <p>In particular, a minded choice of indicators has to insure their measurability, and statistical base changes have no to be allowed during the course of a BS programme.</p>	
<p>Linkage between relief, rehabilitation and development</p>		
<p>6. Draw on the very diverse experience from post-Mitch interventions in Nicaragua in order to draw out the lessons and improve future similar interventions in order to draw out the lessons and improve future similar interventions in Nicaragua and in other countries.</p>	<p>Services agree with this rather obvious recommendation while noting that the PRAAC experience may be considered as quite positive.</p> <p>DG ECHO would even include specific recommendations on encouraging systemic desk to desk interaction between DG's involved and Del., in particular at the design stage in proposed intervention; and exploring potential for aid articulation with existing medium-term instruments such as the Stability Instrument, the FSTP and the Food and Water Facilities.</p>	