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**COUNTRY BRIEFING  
ON REGIONAL COOPERATION PROGRAMMES**

**NICARAGUA**



**PROGRAMME REVIEW — JULY 2011**

# I - NICARAGUA – COUNTRY PROFILE

<b>Capital</b>	<b>Managua</b>
<b>Population</b>	<b>5 677 million</b> (ECLAC 2008)
<b>Surface Area</b>	<b>130 thousand sq km</b> (WDI)
<b>Population Density</b>	<b>44 people per sq km</b>



## People (ECLAC)\*

Urban Population (2010).....	<b>58.3%</b>
Population Growth rate.....	<b>1.3%</b>
Life Expectancy at birth .....	<b>72.9 years</b>
Fertility rate .....	<b>2.8 children per woman</b>
Illiteracy rate in over 15 year olds (2010).....	<b>30.3%</b>
Unemployment rate – urban areas.....	<b>6.9%</b>
Population in poverty** (2005).....	<b>61.9%</b>

## Economy (WDI 2009 and ECLAC)\*

Economic Sectors (value added, % of GDP)	
Agriculture.....	<b>19.0%</b>
Industry .....	<b>30.0%</b>
Services.....	<b>51.0%</b>
GDP Growth (2008).....	<b>3.0%</b>

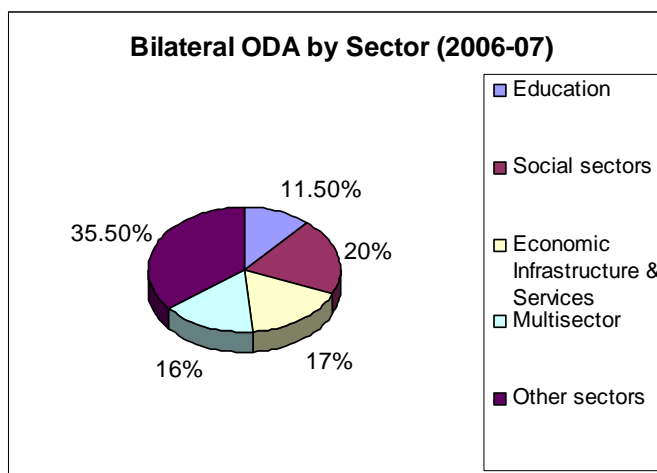
## Trade and Finance (WDI 2009 and ECLAC)\*

Currency.....	<b>Cordoba (NIO)</b>
GNI per capita (Atlas method, 2008).....	<b>US\$ 1.080</b>
Total external debt .....	<b>US\$ 3.4 billion</b>
Total debt service .....	<b>11.7%</b>
Net Foreign Direct Investment (FDI).....	<b>US\$ 335.3 million</b>

<b>Official Development Assistance (ODA)***</b>			
	2005	2006	2007
Net ODA /GNI	16.1%	14.1%	15.1%

**Aid per capita\*\*\* (2007): 149 USD**

<b>Top 10 Donors of gross ODA (2005-2006 average in USD m)***</b>	
1 IDB Sp. Fund	709
2 IDA	545
3 IMF (SAF,ESAF,PRGF)	143
4 EC	87
5 Spain	77
6 United States	72
7 Denmark	43
8 Sweden	41
9 Netherlands	36
10 Japan	33



*Note: Here social sectors do not include ODA towards Education and Health and Population\*\*\**

\* Data refer to 2007, unless otherwise indicated. Source: statistics taken from ECLAC 2008 (mainly the 2008 Statistical Yearbook for Latin America and the Caribbean) and from the 2009 World Bank World Development Indicators (WDI), unless otherwise stated.

\*\* Percentage of population having incomes amounting to less than twice the cost of a basic food basket.

\*\*\* Sources: OECD and 2009 World Bank World Development Indicators (WDI), unless otherwise stated.

## II- CONTEXT OF REGIONAL COOPERATION – AIMS & OBJECTIVES

### **How are the Centralised Programmes of Regional Cooperation structured and why are they relevant in the present context?**

The characteristics of regional cooperation (*centralised co-operation programmes*) can be summarised as follows:

- Strategy of Influence; a privileged tool to promote mutual interests;
- Interventions on priority areas of regional strategic importance or in response to shared concerns, such as trade and investment promotion, regional integration (*economic as well as social and cultural*), education and training, social cohesion, information society, governance and civil society, sustainable use of energy and the reduction of vulnerability (*the last including the social, the environmental and the economic dimensions*);
- Existence of networks of partners in the two regions. All countries in these regions are eligible, including Cuba. The networks of partners comprise the public sector, local actors (*municipalities*), economic operators (*enterprises, chambers of commerce*) and the academic world (*universities, research and training centres*);
- Financing through the Development Cooperation Instrument (*DCI*), of multi-annual and co-financed programmes which are then transferred to individual projects. Generally each programme and project is co-financed by the beneficiaries.

The principal strengths of the regional cooperation, managed at central level and mostly operated by networks in the EU and LA are the following:

- Very strong sense of ownership of those actors who are directly involved;
- Visibility given to the political priorities of the EU/LAC strategic partnership as expressed during the Summits, which are translated into concrete actions;
- Specifically European '*added value*', complementing the interstate partnership and strengthening the relations between the two regions;
- Exchanges of know-how and best practice between actors of both regions;
- Coverage of the entire Latin American region (*plus Cuba*) by specific networks;
- Multiplier effects of the networks;
- Economies of scale as compared to other bilateral co-operation actions;
- Strengthening of South-South co-operation;
- Stimulation of development by giving Latin American societies the chance to measure their achievements against similar partners in Europe;
- Permanent efforts to build fuller synergies between the various levels of the co-operation (*bilateral, sub-regional and regional*) – which they should supply reciprocally.

### III- EU – LATIN AMERICA: REGIONAL COOPERATION PROGRAMMES

With a view to developing closer ties between Latin America and the European Union, a number of regional cooperation programmes have been established over the last decade, in the areas of social cohesion, territorial cooperation, SMEs development, Higher Education, information society and sustainable energy.

The EC has earmarked an indicative amount of EUR 556 million for Latin America, for the period 2007-2013, to further support those programmes: a second phase of **EUROsociAL**, which aims at improving social cohesion, has already been planned and the new **URB-AL III** programme, which started in 2008, will pursue territorial cooperation through the promotion of social cohesion policies at the local level. **AL-INVEST IV**, also launched during 2008, will continue to support the internationalisation of Latin American SMEs. In the area of Higher Education, the **ALFA III** programme, covering the period 2007-2013, is focused on co-operation for modernising and reforming higher education systems in LA, as well as for reinforcing the established partnerships between Higher Education Institutions from both regions. The new **Erasmus Mundus II Action 2 — Strand 1— Partnerships with Latin America** programme will provide scholarships and promote academic exchanges. In 2009, **@LIS** started a new phase within which it will continue to facilitate the integration of Latin American countries into the global information society.

#### **AlBan — European Union Programme of High Level Scholarships for Latin America**

The **AlBan** programme aimed at furthering cooperation in the field of Higher Education between the EU and Latin America. The programme promoted increased mobility of Latin American graduates into the European Area of Higher Education. Such individuals were given the opportunity to benefit from the excellence of these higher education institutions, and thus of enhancing their employability and enjoying better employment prospects once they return to their own countries. The **AlBan** programme covered the period 2002-2010 and has now reached its end. The total budget for this programme was **EUR 109.98 million**, with a European Community contribution of **EUR 84.650 million**, (*out of which EUR 75 million were devoted to scholarships*).

The annual Calls for Scholarships ended with the 5<sup>th</sup> Call, in 2006. This call led to the selection of **3 319** grant-holders coming from the 18 Latin American participating countries.

#### **Erasmus Mundus for Latin America (Action 2 — Strand 1)**

The Erasmus Mundus - External Cooperation Window (**EM-ECW**) programme is expected to be an opportunity to capitalize on the experience and best practice already acquired through the **AlBan** programme. This programme aims at contributing to the improvement of education and training of human resources, as well as at promoting partnerships and institutional cooperation exchanges between Higher Education Institutions. The first Call for Proposals, including a Window dedicated to the Latin American Region, was launched in December 2008. The total budget for this window is **EUR 41.6 million**. For the period 2009-2013, Erasmus Mundus II Action 2 — Strand 1 — Partnerships with Latin America, which focuses on the Latin American region, will go further in the objectives pursued by the EM-ECW.

## **ALFA — Latin America Academic Training**

The ALFA programme, which began in **1994**, seeks to reinforce cooperation in the field of Higher Education. The programme co-finances projects aiming at improving the capacity of individuals and institutions (*universities and other relevant organisations*). The first phase, ALFA I, with a EC contribution of **EUR 31 million**, ran until 1999. The second phase, ALFA II (2000-2005), with a total of 10 selection rounds, represented a EC contribution of **EUR 54.6 million** distributed to the **225** approved projects (*72 % of the total project's costs on average*). Held by **770** distinct institutions organised by means of networks, it has operated more than **3 600** training exchanges. The third phase of Alfa (2007-2013), with a EC contribution of **EUR 75 million**, is expected to be an opportunity to capitalize on the experience acquired and to promote and spread the best practice gained to date. Under the first Call for Proposals (CfP), **14** projects have been implemented since 2009, with a total budget of **EUR 23.2 million** (EC contribution: **EUR 19.34 million**), benefiting **133** participants, 78 % of which from Latin America. From the **155** proposals received for the second Call for Proposals, **19** projects were selected. In addition, out of the **378** participants benefiting from the EC's contribution of **EUR 30.38 million**, 80.2 % come from Latin America.

The Directorate General for Development and Co-operation — EuropeAid has launched the ALFA III third Call for Proposals in February 2011, with an indicative budget of **EUR 23.62 million**. The selected projects are expected to be signed by December 2011.

## **AL-INVEST – Enhancing Commerce between SMEs**

AL-INVEST aims to promote social cohesion by contributing to the strengthening and internationalisation of Latin American small and medium sized enterprises (SMEs), exchange of innovations and knowledge, as well as to foster economic relations with their European counterparts. The programme, launched by the EC in **1993**, started in 2009 its Phase IV after successfully completing the three previous phases.

**AL-INVEST IV**, which will run until 2012, is designed to contribute to the sustainable internationalisation process of SMEs in Latin America through projects funding for organisations that represent the private sector and promote its development, such as Chambers of Commerce, Trade Associations, Export Promotion Agencies etc. Within the framework of the programme, Latin American SMEs benefit from training and technical assistance to improve their competitiveness, participate in business meetings in relevant trade fairs, and have access to quality information as well as to advice on market opportunities, potential clients or business partners and EU legislation and policies.

The programme is implemented through 3 groups of business organisations (*consortia*) belonging to three distinct geographical areas of Latin America:

- Central America-Mexico-Cuba
- Mercosur-Chile-Venezuela
- Andean Region

The three consortia are supported through horizontal services performed by a coordination unit, which, in turn, was set up by a consortium based in Brussels. The overall contribution of the EC to the programme amounts to **50 million Euro** (*80 % of the total cost*).

All activities are organised according to identified needs and agreed annual plans. Additionally, market studies are produced, information on European procedures is provided and a network of contacts with European bodies is established – Network of Interested Institutions (RII). Also, an established common database and a common website ([www.al-invest4.eu](http://www.al-invest4.eu)) are facilitators of information exchange and networking.

For further information, please contact the Programme Coordinator, Vittorio Tonutti: [Vittorio.Tonutti@ec.europa.eu](mailto:Vittorio.Tonutti@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

### **@LIS Alliance for Information Society**

@ Alliance for the Information Society 2 — @LIS 2 — aims at continuing the promotion of the information society and fighting the digital divide throughout Latin America. Adopted by decision of the European Commission, on the 16<sup>th</sup> of November 2008, @LIS 2 has a budget of **EUR 31.25 million, of which EUR 22 million (70.4%)** will be financed by the European Commission.

The general objective of this second phase of the programme is, in line with the MDGs, to accompany the development of a sustainable, competitive, innovative and inclusive information society, as part of the effort to reduce poverty, inequalities and social exclusion, through the attainment of the following specific objectives:

- Continue to promote, and at the same time improve and extend, the dialogue and applications on Information Society in LA;
- Support the homogenization and harmonization of regulatory processes, in the telecommunications sector in Latin America;
- Meet the needs of local communities and citizens, as part of a sustainable development;
- Promote the dialogue between all players and users of the information society;
- Increase the interconnection between Research & Development communities of both regions.

The @LIS 2 programme has 3 lines of action with as many projects to be implemented between 2009 and 2012. Each of the projects will contribute to bring closer together the communities of players and users of the two regions and to facilitate the integration of the Latin American countries in a global information society. The 3 lines of action can be described as follows:

- Policy and Regulatory Dialogue: pursue the strengthening of political, technical and social links with Europe in this area, contributing to a greater visibility of this issue in the LA political agendas, leading to more resources being channelled to R&D and greater civil society participation in the generation of public policies, involving the demonstration projects of the former phase;
- Stimulate and support research intra LA and with Europe: the programme will sustain the continuity of RedCLARA, whilst supporting relations among the researchers and promoting joint projects. To this end, it will seek to: (i) provide a proper framework for the technical decisions and the subsequent investments in order to ensure compatibility between investments in technology and operational capabilities, (ii) favour the long term network sustainability, by formalizing operational objectives such as service levels, (iii) allocate funds to promote and support key strategic applications that use RedCLARA, (iv) identify actions to guide the strategic technological decisions, and (v) promote cooperation with CKLN network;

- Homogenization and harmonization of regulatory processes, in Latin Americas' telecommunications sector. There is a broad consensus that an effective and stable regulatory framework is essential for the further development of the IS, and notably for strengthening competition and consequently favouring access to ICTs.

According to the Financing Decision and the provisions of the current Financial Regulation, the three grants have been directly awarded to the following entities: ECLAC (*Economic Commission for Latin America and the Caribbean*), CLARA (*Latin American Cooperation of Advanced Networks*), and REGULATEL AD (*Association of Regulators REGULATEL AD*).

### **URB-AL — Urban Policy Coordination**

URB-AL is a decentralised cooperation programme directed at local communities of the EU and Latin America, as well as other actors involved in the urban sector. The third phase of the URB-AL programme, with a EC contribution of EUR 50 million for a 4-year period, aims to stimulate and support Latin American countries in the development of processes and policies that contribute to generating social cohesion in the cities and within medium level territorial entities (departments, provinces, federal states, etc.). There are 21 projects being implemented under the framework of the URB-AL III programme.

All projects started on the 1<sup>st</sup> of January 2009, with the exception of the Office of Coordination and Orientation, which became operational on the 22<sup>nd</sup> of November 2008.

### **EUROSociAL – Regional Programme for Social Cohesion**

The first stage of the EUROSociAL programme last **5 years (2005-2010)** and its activities ended in July 2010. The participants in the programme included 2 354 institutions (1 570 from LA, 593 from the EU and 191 from international organisations), represented by 12 506 persons (10 068 from LA, 1 967 from the EU and 471 from international organisations). The European Commission's contribution to the programme was of **EUR 31.3 million**.

As in its first phase, EUROSociAL II aims at contributing to increase social cohesion in Latin America through the promotion of reforms and the improvement of public policies management. This phase will put a stronger emphasis on the demand-driven orientation of the programme. The grant contract for the implementation of EUROSociAL II has been awarded to a consortium led by FIIAPP (*Fundación Internacional y para Iberoamerica de Administración y Politicas Públicas*), for the amount of **EUR 40 million**. The consortium comprises 6 coordinating and 33 operating partners. The implementation period started on the 29<sup>th</sup> of December 2010, for a duration of 48 months. As up to now, cooperation between public administrations will continue through the provision of support to the establishment of institutional partnerships between Latin American and European public administrations.

For further information, please contact the Programme Coordinator, Mr. Vittorio Tonutti: [Vittorio.Tonutti@ec.europa.eu](mailto:Vittorio.Tonutti@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2; or the Programme Manager Ekaterina Yakovleva: [Ekaterina.yakovleva@ec.europa.eu](mailto:Ekaterina.yakovleva@ec.europa.eu).

## Promoting Mutual Understanding in the framework of the Association European Union — Latin America and the Caribbean and Strengthening Social Cohesion and Latin American Regional Integration

The aim of this 4-year programme (2007-2011) is to enhance mutual understanding between the EU and LA, and to strengthen the strategic bi-regional association process and Latin American regional integration. In 2010, the programme has delivered regular informative initiatives, such as the EUROLAT magazine, launched discussion forums, produced studies and provided training on European and EU-LAC matters. The European Commission's contribution to this programme is **EUR 767 513**.

For further information, please contact the Programme Coordinator, Vittorio Tonutti: [Vittorio.Tonutti@ec.europa.eu](mailto:Vittorio.Tonutti@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2; or the Programme Manager Ekaterina Yakovleva, [Ekaterina.yakovleva@ec.europa.eu](mailto:Ekaterina.yakovleva@ec.europa.eu).

### IV- EU – LATIN AMERICA: NEW AREAS OF COOPERATION

#### EURO-SOLAR

The objective of EURO-SOLAR is to promote the use of renewable energy sources in the poorest countries of Latin America and to improve living conditions by fighting poverty, particularly among indigenous groups. It allows those living in the poorest rural areas, without access to the national grid, to benefit from a source of electricity generated from the sun and the wind. EURO-SOLAR provides these communities with a system of photovoltaic panels, in some cases combined with small wind panels, in order to generate electricity, as well as other applications for community use in the field of education, health and communication. The installation of a maximum of **600** such facilities is planned. The countries participating in the EURO-SOLAR programme are **Bolivia, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Peru**. The programme was approved by the European Commission in May 2006, with a total contribution of EUR 24 million and a duration of 4 years. In December 2008, the European Commission decided to add an amount of EUR 4.7 million in order to extend the programme for another nine months, as well as to face budget shortage regarding the supplies call for tenders.

The Financing Agreement entered into force on the 18<sup>th</sup> of January 2007 and the first addendum for the additional budget and the 9-month extension was signed in September 2009. The technical assistance contract was signed in July 2007 and the activities in the field with local partners, in particular governmental institutions, began in September 2007. The eight supply contracts (*one per country*) have been signed in the period between the end of 2008 and the beginning of 2009. The equipments are functioning in the majority of the beneficiary rural communities.

During 2011, the activities will focus on the provision of the necessary conditions in order to ensure the expected impact as well as sustainability as regards education, health and telecommunications.

For further information on EURO-SOLAR, please contact the Programme Coordinator Mr. José Gonzalez y Gonzalez: [Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu](mailto:Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

## **Climate Change**

Climate change is unquestionably the *challenge of our times*. As such, “*Sustainable Development: Environment, Climate Change and Energy*” was one of the key themes of the 5<sup>th</sup> EU-LAC Summit (Lima – May 2008).

In December 2008, the European Commission decided to co-finance a "*Review of the Economics of Climate Change in South America*" (RECCs). The purpose of this study is to make an economic analysis of the impacts of climate change in selected countries of South America, in the areas of mitigation and adaptation of selected sectors. The total foreseen budget of the study is EUR 630 000 (*EC contribution: EUR 500 000*). The contribution agreement to implement the RECCs has been signed with UN-ECLAC, which is jointly coordinating this study with the government of the United Kingdom (*DFID*), the IADB and the governments of Denmark and Spain.

During 2009, another study has been carried out in collaboration with Latin American countries. This study, titled "*Climate Change in Latin America*", which was published in December 2009, was elaborated on the basis of the information compiled through questionnaires sent to each Latin American country and to each EU Member State during the identification phase of the EUroCLIMA Regional Programme.

In parallel, the EUroCLIMA programme has been approved by the EC on the 18<sup>th</sup> of December 2009, with a total foreseen EC contribution of EUR 5 million, for a 3-year duration. The programme was officially launched on the 28<sup>th</sup> and the 29<sup>th</sup> of April 2010, in San José (Costa Rica). The specific foreseen objective aims at improving the knowledge of Latin American decision-makers and that of the scientific community on the problems and consequences related to climate change, particularly with a view to integrating these issues into sustainable development strategies. The socio-economic component (implemented by UN-ECLAC) and the scientific component (implemented by the Joint Research Centre in Ispra) have started in the first semester of 2010.

For further information on climate change programmes, please contact the Programme Coordinator, Mr. José Gonzalez y Gonzalez: [Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu](mailto:Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

## **COPOLAD – Cooperation Programme on Anti-drugs Policies**

The general objective of the programme is to contribute to improve coherence, balance and impact of anti-drugs policies in Latin America. The programme specifically aims at strengthening capacities and encouraging the different stages of the anti-drugs policies development process in Latin American countries, by improving the dialogue and reinforcement the cooperation of the national agencies and other actors responsible for global and sectoral anti-drugs policies in the Latin America and the EU countries. The programme is structured in four components: 1) Policy support and dialogue and consolidation of the EU-LAC Coordination and Cooperation Mechanism on Drugs; 2) Knowledge and consolidation of the national Observatories; 3) Building capacity on the reduction in demand and 4) Building capacity on the reduction of supply.

The grant contract for the implementation of the COPOLAD programme has been awarded to a consortium led by the FIIAPP (*Fundación Internacional y para Iberoamerica de Administración y Políticas Públicas*), for the amount of **EUR 5 999 925,92**. The Spanish consortium comprises the following partners: Delegación del Gobierno para el Plan Nacional sobre Drogas (DGPNSD), Spain; Centro de Inteligencia contra el Crimen Organizado, CICO, Ministerio de Interior, Spain; Secretaría de Programación para la Prevención de la

Drogadicción y la Lucha contra el Narcotráfico (SEDRONAR), Argentina; Secretaria Nacional de Políticas sobre Drogas, SENAD, Brazil; Consejo Nacional para el Control de Estupefacientes, CONACE, Chile; Dirección Nacional de Estupefacientes, DNE, Colombia; Centre interministériel de formation anti-drogue, CIFAD, France; Instituto da Droga e da Toxicodependencia, IDT, Portugal; Comisión Nacional para el Desarrollo y Vida sin Drogas, DEVIDA, Peru; Junta Nacional de Drogas, JND, Uruguay; GTZ, Germany. In addition, the following entities also take part in the consortium as associates: Instituto Costarricense sobre Drogas, ICD, Costa Rica; National Anti-Drug Agency, ANA, Romania; Central Investigation Office of the National Police, Poland; Comisión Internacional para el Control del Abuso de Drogas de la Organización de los Estados Americanos, CICAD/OEA; RIOD (a network of Ibero-American NGOs which operates in the field of drug addiction).

The implementation period started on the 4<sup>th</sup> of December 2010, for a duration of 42 months.

For further information, please contact the Programme Coordinator, Mr. Vittorio Tonutti: [Vittorio.Tonutti@ec.europa.eu](mailto:Vittorio.Tonutti@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

### **RALCEA – Latin American Network of knowledge centres in the water sector**

The European Union Water Initiative (*EUWI*) represents the European Union's most specific contribution to support the implementation of the Decisions of the World Summit on Sustainable Development held in Johannesburg, in September 2002. It stands for a common European approach to meet the challenges of water-related Millennium Development Goals.

Within this framework, the RALCEA Project — Latin American network of knowledge centres in the water sector — has been adopted by the European Commission in December 2009, and has started its activities in mid-2010.

The RALCEA Project aims at supporting the establishment of a network of knowledge centres in the water sector. To this end, a plan of activities to improve the coordination of knowledge centres research work and to reinforce such coordination towards the support to the policy decision level will be implemented. Complementarily, a common strategic plan in capacity development will be set up. Emphasis will be placed in governance technical training addressed to scientific and technical staff, as well as technical training addressed to policy-makers, in order to reinforce mutual understanding. Therefore, the development of capacities in the water sector in Latin America is expected to contribute to a sustainable management of water resources and to information-based policies, in line with the objectives of the EU Water Initiative in the region.

This Project, which will be implemented in the Latin American Region during a period of 4 years, has a total budget of EUR 2.5 million, of which EUR 2.25 million will be granted by the European Commission. DG Joint Research Centre (Institute of Environment and Sustainability) is responsible for the implementation of the project.

Each LA country has designated a focal point in public institutions related to the water sector.

On the 28<sup>th</sup> and 30<sup>th</sup> of October 2010, a launching event of the project was held in Quito (Ecuador).

During the first semester of 2011, the project will identify the knowledge centres that will take part in the network.

For further information on RALCEA, please contact the Project Coordinator: [Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu](mailto:Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

## **LAIF – Latin America Investment Facility**

LAIF's main purpose is to promote additional investments and key infrastructures in the transport, energy and environment sectors, as well as to support the social and private sectors' development in the Latin American countries.

LAIF operates via financial non-refundable contributions to support loans from European, multilateral and national development financial institutions to partner countries. It encourages beneficiary governments and public institutions to carry out essential investments, thus allowing an increase in risk and credit ceilings, which cannot be financed either by the market or by the development finance institutions separately.

The types of operations financed under LAIF are the following:

- Investment co-financing in public infrastructure projects;
- Loan guarantee cost financing;
- Technical assistance (*financed as part of a specific investment operation or as a global envelope made available to eligible financial institutions*);
- Risk capital operations (*financed as part of a specific investment operation or as an envelope made available to eligible financial institutions*).

LAIF's grant award procedure is based on the approval, by the Operational Board (*comprising the European Commission and the Member States*), of the projects selected by the Finance Institutions Group — FIG —, *which comprises all eligible Finance Institutions*. Projects are selected by the FIG from a pipeline established on the basis of a list of operations submitted by the Finance Institutions for a possible financing by the Facility.

The contribution of the European Commission to LAIF is decided annually. For the period 2009-2010, the European Commission allocated an amount of EUR 34.85 million. Additionally, the Commission is launching a commitment of EUR 40 million to cover 2011 that it is expected to be approved in the first semester of 2011. The "*mid term review and regional indicative programme 2011-2013 for Latin America*" foresees a total amount of EUR 125 million for LAIF up to 2013. Also, at the end of 2010, Commissioner Piebalgs announced the creation of specific "Climate Change Window" in all EU regional Investment Facilities, including LAIF.

The Facility was officially launched during the EU-LAC Summit in May 201, in Madrid, and was presented to the Latin American countries in the LAIF Forum that took place in October 2010, in Punta del Este (Uruguay).

LAIF has had an equally enthusiastic response from the Partner Countries, the Member States and the Finance Institutions, as it has been made clear by the fact that, for the period 2011-2012, 18 projects have been pre-identified, representing a total investment cost of approximately EUR 5.5 billion, a potential lending of over EUR 2.1 billion and a potential grant contribution of about EUR 77 million.

In 2010, the Operational Board of LAIF approved a contribution of EUR 21 million to 5 projects, representing a total investment of EUR 1.1 billion.

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See also the website:

[http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index_en.htm)

## V- NICARAGUA'S PARTICIPATION IN THE PROGRAMMES OF REGIONAL COOPERATION

### Nicaragua's participation in Alβan - European Union Programme of High level Scholarships for Latin America

The **first Alβan call** for candidates took place in 2003/2004, and a total of 251 scholarships were awarded. These scholarships had, on average, a duration of two years and benefited from a total EC contribution of **EUR 6.7 million**, the average contribution per scholarship being of EUR 26 700. Out of the **251** selected candidates, **2 (approximately 0.8 %)** were **Nicaraguan** and their areas of study were Law and Social Sciences.

In the **second Alβan Call (2004/2005)**, 779 scholarships were awarded, once again for an average of two years. For this call, the total EC contribution amounted to **EUR 20.22 million**, and the average EC contribution per scholarship was of EUR 26 000. Of the **779** selected candidates, only **1 (approximately 0.1 %)** was **Nicaraguan** and studied Business Studies and Management Sciences.

In the **third Alβan Call (2005/2006)**, 553 scholarships were awarded, again for an average period of two years. The average EC contribution was of EUR 26 800 per scholarship, which corresponds to a total contribution of **EUR 14.86 million**. Of the **553** selected candidates, **9 (approximately 1.6 %)** were **Nicaraguan**. This result shows an increase in the percentage of Nicaraguan students benefiting from the programme.

At the **fourth Alβan Call (2006/2007)**, of the total 930 scholarships awarded, **4** are **Nicaraguans**.

In the **fifth Alβan Call (2007-2008)**, 806 scholarships were awarded, **7 of which (approximately 1 %)** to **Nicaraguan** nationals having as main areas of study were Business Studies and Management Sciences and Social Sciences.

As indicated in the table below, the Alβan scholarships awarded to Nicaraguan nationals in the course of the programme represent almost 1 % of the total number.

Scholarships awarded to Nicaraguan nationals by type of course				
Year	Master	PhD	Specialization	Total
2003	1	1	0	2
2004	0	1	0	1
2005	8	1	0	9
2006	4	0	0	4
2007	6	1	0	7
<b>Total Nicaragua</b>	19	4	0	<b>23</b>
<b>TOTAL Alβan all LA countries</b>	<b>1803</b>	<b>1426</b>	<b>90</b>	<b>3319</b>

### **Nicaragua's participation in ALFA III - Latin America Academic Training**

In the context of the first Call for Proposals, **3** eligible Higher Education Institutions (*HEIs*) from Nicaragua participate in **5** of the **14** approved projects of ALFA III. The EC financial contribution to the activities carried out by the **5** projects in which Nicaragua participates is **EUR 7.8 million**, which represents on average **79 %** of the total cost of projects.

In the second Call for Proposals, **14** eligible Higher Education Institutions (*HEIs*) from Nicaragua participate in **10** of the **19** approved projects of ALFA III. The EC financial contribution to the activities carried out by the **10** projects in which Nicaragua participates is **EUR 15.1 million**, which represents on average **80 %** of the total cost of projects.

### **Main ALFA Events in Nicaragua**

Presently, there are no events foreseen.

For up to date information on ALFA, please refer to the website:

[http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/index_en.htm)

Alternatively, please contact the Programme Coordinator, Mr. José González y González:

[Europeaid-infoalfa@ec.europa.eu](mailto:Europeaid-infoalfa@ec.europa.eu), EuropeAid Development and Co-operation  
Directorate-General, Unit G2.

### **Nicaragua's Participation in AL-INVEST – Enhancing Trade and Investment between SMEs**

The AL-INVEST IV project "*The Internationalisation of SMEs from Central America, Mexico and Cuba as an engine of economic development*" is implemented by a consortium of business organisations led by the Nacional Financiera (*NAFIN*) from Mexico. In Nicaragua, one organisation implements Phase IV of AL-INVEST:

- Nicaragua's Association of Export and the Non-traditional Products (*APPEN*).

In 2011, AL-INVEST partners participate in the following major international fairs: ANUGA, in Cologne; SIMM, in Madrid; CEBIT, in Hannover; Biofach, in Nuremberg; Maderalia, in Valencia, etc.

Technical assistance for the SMEs in the food sector that aims at helping the export staff to strengthen the skills needed to conclude international business.

For further information on AL-INVEST, please refer to the website: <http://www.al-invest4.eu>

Contact: Linda Villarruel Rivas (*NAFIN*), [[linda@al-invest4camc.org](mailto:linda@al-invest4camc.org)]

Alternatively, please contact the Programme Coordinator, Mr. Vittorio Tonutti:  
[Vittorio.Tonutti@ec.europa.eu](mailto:Vittorio.Tonutti@ec.europa.eu), EuropeAid Development and Co-operation  
Directorate-General, Unit G2.

## Nicaragua's Participation in @LIS – Alliance for Information Society

Nicaragua for the moment only has a partner in the Network of Regulators, **TELCOR** – Instituto Nicaragüense de Telecomunicaciones y Correo.

The **2 @LIS projects** currently on-going in **Nicaragua and their members** are:

PROJECT NAME	NAME OF MEMBER
"Consolidación de la red de Reguladores de Telecomunicaciones de América Latina"	TELCOR – Instituto Nicaragüense de Telecomunicaciones y Correo
"@LIS 2 –Alianza para la Sociedad de la Información 2, - Diálogo político inclusivo e intercambio de experiencias"	Government representatives

## Main @LIS Events in Nicaragua

Presently, there are no events previewed.

For further information on @LIS, please refer to the website:

[http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/alis/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/alis/index_en.htm)

Alternatively, please contact the Programme Coordinator, Mr. José González y González: [europeaid-alis@ec.europa.eu](mailto:europeaid-alis@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

## Nicaragua's participation in URB-AL – Urban Policy Coordination

In its second phase, the URB-AL programme consisted of **thirteen thematic networks** co-ordinated by a single local authority. All local actors that wished to co-operate on a given theme, could participate in the corresponding network, which served as focal point and forum for discussion. Joint projects were then designed and implemented within the networks. Six of the thematic networks were coordinated by Latin American local authorities; however, **none of them was under the coordination of Nicaraguan authorities**. To date, and within the framework of URB-AL I and II, **188** joint projects have been selected, of which **11** counted with the involvement of Nicaraguan local authorities. Additionally, **1 external member** from Nicaragua also participated in URB-AL I and II joint projects.

Presently, there are **3** local authorities involved in the current third phase of URB-AL, which represents approximately **2 %** of the total number. None of them, however, is in charge of the coordination of a project.

## Main upcoming URB-AL Events in Nicaragua

Presently, there are no events previewed.

For further information on URB-AL, please refer to the website:

[http://ec.europa.eu/comm/europeaid/projects/urbal/index\\_en.htm](http://ec.europa.eu/comm/europeaid/projects/urbal/index_en.htm)

Alternatively, please contact the Programme Coordinator, Mr. Basile PAPADOPOULOS: [basile.papadopoulos@ec.europa.eu](mailto:basile.papadopoulos@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2

### **Nicaragua's participation in EUROsociAL II**

For the moment, none of the Nicaraguan institutions participates in the consortium which will implement the Programme.

### **Main EUROsociAL II Events in Nicaragua**

The first Annual Action Plan is currently being formulated and the information on the upcoming events will be available further on.

### **Nicaragua's participation in COPOLAD**

There is no Nicaraguan institution represented in the consortium which will implement the Programme.

### **Main COPOLAD Events in Nicaragua**

The first Annual Action Plan is currently being formulated and the information on the upcoming events will be available further on.

### **Nicaragua's participation in EURO-SOLAR**

The EURO-SOLAR's beneficiary in Nicaragua is represented by the Ministry of Energy and Mining.

In Nicaragua, 42 kits to produce renewable energy are being installed in rural communities without access to the electricity grid. The 42 kits consist of photovoltaic panels providing electricity to support the development of basic services in the areas of education, health, information technologies as well as fostering productive activities.

As per the Financial Agreement and the addendum to the Financial Agreement, signed in October 2009, the total budget foreseen for Nicaragua amounts to EUR 2 353 517 distributed as follows: EC contribution of EUR 1 767 517 and beneficiary's contribution of EUR 586 000.

### **Main EURO-SOLAR events in Nicaragua**

The IV Annual Euro-Solar Meeting was held in Managua, from 16<sup>th</sup> to 20<sup>th</sup> of May 2011.

The official inauguration of the kits will take place in 2011.

For further information on Euro-Solar, please refer to the website;

[http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/euro-solar/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/euro-solar/index_en.htm)

Or

<http://www.programaeuro-solar.eu>

Alternatively, please contact the Project Coordinator, Mr. José González y González: [Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu](mailto:Jose-Maria.Gonzalez-Y-Gonzalez@ec.europa.eu), EuropeAid Development and Co-operation Directorate-General, Unit G2.

## Nicaragua's participation in RALCEA

RALCEA focal point in Nicaragua is represented by the *Autoridad Nacional del Agua*.

## Nicaragua's participation in LAIF – Latin America Investment Facility

### Energy Efficiency and Renewable Energy for SMEs in Central America (final approval)

The LAIF Board approved, on the 30<sup>th</sup> of April 2010, a regional project led by **KfW** (Kreditanstalt für Wiederaufbau) and co-financed by **CABEI** (Central American Bank for Economic Integration), which focus on **energy efficiency and renewable energy for SMEs in Central America**. Nicaragua is one of the beneficiary countries of the action.

The project aims to facilitate access to financing for environmental investments related to energy efficiency and renewable energy technology for SMEs from the six Central American countries.

### Key facts of the project

- **Total cost:** EUR 36.3 million.
- **LAIF contribution:** EUR 3 million.
- **Leading finance institution:** KfW (EUR 30 million).
- **Co-financing institution:** CABEI (a EUR 3.3 million loan).
- **Type of LAIF support:** Energy audits and feasibility studies.
- **Foreseen starting period:** second half of 2010.
- **Foreseen end:** 3-4 years.
- **Beneficiaries:** Costa Rica, El Salvador, Guatemala, Honduras, **Nicaragua** and Panama.

The local finance institutions will channel the resources of the programme to SMEs for the environmental projects identified accordingly to the selection criteria.

The funds of the programme will support additional financing for projects that include, among others: replacement of lighting, boilers, engines, air conditioning units, solar photovoltaic cells and small wind projects.

The EU contribution finances the technical assistance component, focusing on the co-financing of energy-audits of SMEs, feasibility studies of small renewable energy projects and the promotion and implementation of the programme.

The programme will help SMEs (corresponding to 95 % of private enterprises, and up to 45 % of the labour force), in Central America, to face the volatility of oil prices that affects their economic stability and to comply with increasingly stricter environmental regulation.

The project will contribute to ease the dependency of oil in Central America, to reduce CO2 emissions, to increase renewable energy use in SMEs production cycles and to promote energy efficiency.

For further information, please contact the Programme Coordinator, Mr. Jaime Reis Conde: [Jaime.REIS-CONDE@ec.europa.eu](mailto:Jaime.REIS-CONDE@ec.europa.eu) or [EuropeAid-LAIF@ec.europa.eu](mailto:EuropeAid-LAIF@ec.europa.eu), EuropeAid Financial Instruments, Unit C3.

See also the website:

[http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index_en.htm)

Sustainable Electrification and Renewable Energy National Program – PNESER (final approval)

The LAIF Board approved, on the 27<sup>th</sup> of September 2010 a project led by the **EIB** (European Investment Bank) and co-financed, among others, by the **AECID** (Agencia Española de Cooperación Internacional para el Desarrollo), the **IDB** (Inter-American Development Bank) and the **CABEI** (Central American Bank for Economic Integration).

The programme will support the following components: rural electrification through grid expansion, normalization of electricity service in human settlements, electricity expansion in isolated areas through renewable energy, pre-investment studies for renewable energy projects, energy efficiency programs, and transmission reinforcement of the transmission systems in rural areas and sustainability of isolated systems under the "Empresa Nicaraguense de Electricidad" (ENEL) responsibility.

#### Key facts of the project

- **Total cost:** EUR 309 million.
- **LAIF contribution:** EUR 7 million.
- **Leading finance institution:** EIB (EUR 41.1 million).
- **Co-financing institutions:** IDB (EUR 62.8 million), CABEI (EUR 60.8 million), AECID (EUR 20.7 million)
- **Other co-financing institutions:** EUR 123.6 million.
- **Beneficiary contribution:** Government of Nicaragua (EUR 18.3 million)
- **Type of LAIF support:** Investment grant.
- **Foreseen starting period:** second half of 2010.
- **Foreseen end:** end 2014.
- **Beneficiary:** Government of Nicaragua

The project aims to support the efforts of the Nicaraguan government to reduce poverty by promoting access to an efficient and sustainable electricity service to an important portion of the population, thus generating the conditions to advance in the diversification of the energy matrix and the mitigation and adaptation to climate change.

LAIF will support component 6 - Strengthening of the transmission system in rural areas and connecting renewable generation.

For further information, please contact the Programme Coordinator, Mr. Jaime Reis Conde: [Jaime.REIS-CONDE@ec.europa.eu](mailto:Jaime.REIS-CONDE@ec.europa.eu) or [EuropeAid-LAIF@ec.europa.eu](mailto:EuropeAid-LAIF@ec.europa.eu), EuropeAid Financial Instruments, Unit C3.

See also the website:

[http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index\\_en.htm](http://ec.europa.eu/europeaid/where/latin-america/regional-cooperation/laif/index_en.htm)