

## Case Study 7 – Bottom-up tracking of aid resources – Nicaragua

Our seventh case study is different from our previous studies in that it focuses on bottom-up tracking of aid resources, seeking to find out how much local communities in Nicaragua know about the international aid programmes and projects carried out in their areas, and the extent to which they have been involved in the design, implementation and evaluation of these projects.

### Summary of improvements they would like to see in the future

The main conclusions of our study were as follows:

- Despite beneficiaries reporting high levels of awareness about the objectives and criteria set by donors, there was a gap between what people *thought* they knew about aid projects in their area and what they *really* knew – in particular, community members knew very little about the scale of resources involved, or where they came from;
- General awareness was higher when projects benefitted the whole community, with community leaders and direct beneficiaries having the highest levels of awareness;
- Awareness was highest for projects implemented directly by international NGOs with offices in Nicaragua, and lowest for projects delivered via implementing agencies, or that formed part of a wider regional or national programme;
- Low levels of awareness amongst beneficiary communities were attributed to a number of factors including lack of written information about projects from donors and implementing agencies, donors prioritising efficiency over transparency, and failure to disaggregate funds to community level in the case of projects covering a wider area.

### Background

Nicaragua is a small, low income country, with a population of 5.6 million of whom 59% are urban. Nicaragua is a heavily aid dependent country, with official development assistance (ODA) accounting for an average of 17.5% of GDP in the five years 2003-2007. This is supplemented by substantial flows of aid from NGOs and private foundations. With respect to aid, therefore, Nicaragua is not a typical Central American nation.

The bottom-up study was conducted in four communities, two rural and two semi-urban, in two areas of the country, Condega and Boaco. These are small communities, ranging from 183 households (San Jeronimo, in Condega) to 69 (Las Lagunas, in Boaco). Despite their small size the study listed 81 separate projects in the two communities in Condega, and 41 in the two communities in Boaco. 16 projects were chosen for further investigation.

Origin of funds	Projects	Types of project	Projects	Budgets (\$ USD)	Projects
Bilateral ODA	5	Production & food security	6	\$10,000-\$100,000	4
Multilateral ODA	2	Water & sanitation	3	\$100,000-\$1 million	8
NGOs	6	Community infrastructure	5	Over \$1 million	3
Private philanthropy	1	Community health	2	Unknown (\$50,000 estimated)	1
Nicaraguan govt.	1				

### Awareness of objectives

There was a high level of awareness of the objectives and criteria of donors because most of the projects involved construction of community infrastructure from which most or all of the community benefited. The objectives can be deduced from the results which remain in the communities.

### Awareness of donors and budgets

Community members had little or no knowledge of the size of the resources and where they originated. 32.9% of respondents said they knew of the country and donor agency involved, but only a third of these responses turned out to be correct – so only 10% of replies were correct. With regard to budgets, only 2% of those interviewed claimed to know the scale of the resources involved, and none of these responses were correct.

### What factors determined the level of awareness?

- Knowledge of projects and ownership on the part of the communities is greater when a project is seen to be responding to collective problems of the community concerned rather than to problems limited to only a section of the community.
- Community leaders had greater awareness/knowledge than ordinary community members.
- Direct beneficiaries had greater knowledge than others.
- There is least knowledge of donors and their intentions when an agency other than the donor is responsible for implementing the project.
- There is less knowledge about donors, objectives and budgets when the project is a component part of a much larger programme being implemented over a wider area or which is even national in scope.
- The two projects about which people had most accurate knowledge (60% of responses) were financed by NGOs which have offices in Nicaragua and implemented them directly

### Why is information not available?

- Donors and implementing agencies do not have a policy of providing written information on their projects to the beneficiary community.
- Donors and implementing agencies prioritise efficiency (completing projects within budget, on time) over transparency
- Donors and implementing agencies have different budget and reporting formats.
- Although donors and implementing agencies have policies relating to transparency, they are not reflected in their practice.
- There is a complete lack of written project records or information in the communities
- Large budgets for project covering a much wider area are not disaggregated to the community level.
- Billboards, which contain some project information, are ineffective – they are widely disregarded and treated as part of the scenery.
- Community leaders often act as projects promoters, compromising their ability to represent communities' interests – and possibly complaints – to donors and implementing agencies.

Full details of this case study will be available shortly on our website at: <http://www.aidinfo.org/case-studies>

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