

Local Government Capacity Programme

LGCP | Country programme 2012-2016

> Nicaragua



OBJECTIVE	Tackling unemployment and the housing shortage
TARGET GROUP	13 local governments and the association of local governments AMUNIC
INTENDED RESULT	Enhanced capacity of local governments and the association to support Local Economic Development
ACTIVITIES	Advice and coaching, on-the-job training, workshops, courses

Local governments in Nicaragua are struggling with high unemployment figures and a serious housing shortage. Local Economic Development is necessary to deal with these problems. But local governments are insufficiently able to stimulate economic activity in their region.

The LGCP Nicaragua programme focuses on institutional strengthening of 13 local governments, through the Asociación de Municipios de los hermanamientos Nicaragua – Holanda (AMHNNH), and their national organisation, the Asociación de Municipios de Nicaragua (AMUNIC), in order to be better able to enable and support Local Economic Development.

- Dutch development cooperation with Nicaragua is being phased out. In the future the country will fall under the new Central America Programme. Continuation of the support of VNG International and LBSNN for municipal development is deemed useful to wind up projects already started and gradually phase out the support. •

YEARS OF COOPERATION

The programme is implemented with Landelijk Beraad Stedenbanden Nederland-Nicaragua (LBSNN). It builds on the contacts which have existed for years between Dutch and Nicaraguan municipalities. The capacity building at AMUNIC is supported by VNG International.

The programme pays a lot of attention to enhancing the financial base of AMUNIC and Nicaraguan municipal project offices in order to be able to execute projects and provide services enhancing the local economy.



Nicaragua

Background

Nicaragua is the second-poorest country in Latin America. Almost 45 percent of the population lives below the poverty level. In most cities the population has doubled in the past 10-15 years. However, the creation of new jobs and the supply of basic facilities have not kept pace.

Even though the economy is weak in most urban areas, the potential for improvement exists. Development of the surrounding rural area, expansion of the tourist opportunities and the building of homes can all function to drive local economic development.

Local authorities can do more to realise this potential.

Aim

The 13 selected local governments have strategic development plans. An integrated approach is necessary for the implementation thereof, in order to realise de facto local economic growth, improved food production and housing construction.

Local administrators face the challenge of tackling these problems together with private parties. The counterpart of the LBSNN in Nicaragua, AMHNN, has requested institutional support for project and process management in the 13 selected local governments. The LGCP supports AMUNIC with regard to topics like financial sustainability of the own organisation, training and advising local authorities in the provision of basic facilities, organising staff training, internal performance, etc.

Activities

The LGCP trains and supervises staff members of Nicaraguan municipal project offices in the implementation of policy. An information and *benchmark* system for local economic development will be used and maintained. The programme also focuses on increasing the knowledge and experience in public – private investments in potential growth sectors of the local / regional economy and in regional development (purchase, site preparation and (re)selling plots, neighborhood development).

The opportunities of AMUNIC to support its members with advice and capacity development are reinforced, e.g. in the area of collection of business taxes. It is also important to determine how the business community can support local governments in the realisation of basic facilities.

→ What do we want to achieve?

- **Enhanced capacity of AMUNIC, AMHNN and the 13 individual local governments:**
 - > to develop coherent long-term plans
 - > to support local economic development by means of good public services.
- **The 13 local governments, AMHNN and AMUNIC are able:**
 - > to form and support public-private alliances
 - > to deploy financial resources directed at the mid-term for Local Economic Development.



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