



The Compact closed May 26, 2011 and MCC worked with the MCA to ensure an orderly windup of the program. This is the final Quarterly Status Report.

COMPACT GOAL

The Nicaragua Compact invested \$113.5 million to increase income and reduce poverty in the provinces of León and Chinandega via technical and financial assistance to Rural Business Development and through the rehabilitation of roads. The investments are concentrated in the western part of the country – the region identified as having the greatest potential for economic growth.



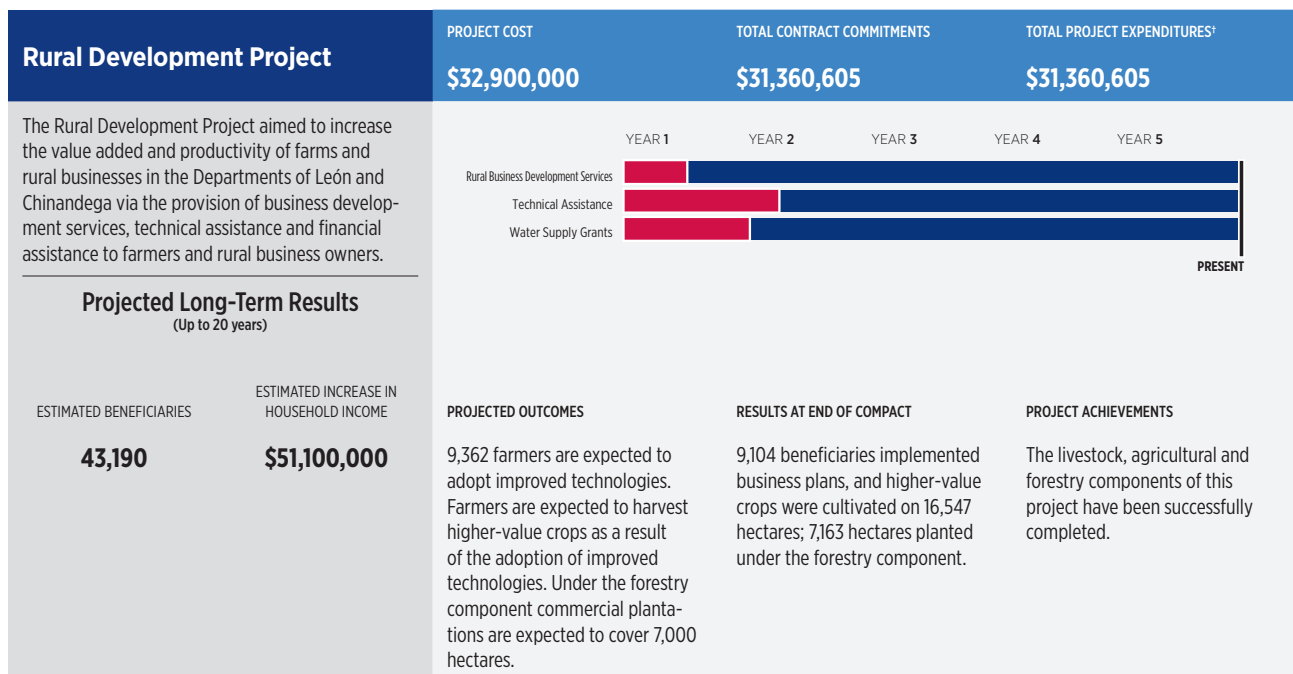
COMPACT AT A GLANCE

Compact Signed	07-14-2005
Entry Into Force	05-26-2006
Compact End Date	05-26-2011
Compact Total	\$113,500,000
Amount Committed	\$112,731,435
Amount Expended	\$112,776,357
Estimated Program Beneficiaries	118,705
Estimated Increase in Household Income	\$83,500,000

% OF TOTAL COMPACT		BUDGET (USD MILLIONS)
51%	Transportation Project	\$58.0
29%	Rural Development Project	\$32.9
2%	Monitoring and Evaluation	\$1.7
12%	Program Administration and Control	\$13.7
6%	Property Regularization Project	\$7.1

■ Project Preparation ■ Project Implementation

Transportation Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹				
	\$58,000,000	\$57,740,790	\$57,740,790				
<p>The Transportation Project was aimed at connecting regional markets and reducing transportation time and costs through improving one primary road (Villanueva-Guasaule) and two secondary roads (León-Poneloya and Somotillo-Cinco Pinos), for a total of 74 km.</p> <p>Projected Long-Term Results (Up to 20 years)</p> <table border="1"> <tr> <td>ESTIMATED BENEFICIARIES</td> <td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td>97,110</td> <td>\$32,400,000</td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	97,110	\$32,400,000			
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<p>PROJECTED OUTCOMES</p> <p>Rehabilitation of three roads for a total of 74 km.</p>	<p>RESULTS AT END OF COMPACT</p> <p>Rehabilitation of three roads for a total of 74 km completed.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>In 2005, the Government of Nicaragua established a permanent source of funds for road maintenance as part of MCC requirements. The government is now maintaining more than 3,000 km annually, with more than \$31 million allocated to road maintenance.</p>					



Conditions leading up to, during, and following municipal elections of November 2008 were inconsistent with MCC's eligibility criteria. In June 2009, the MCC Board terminated a portion of the compact, reducing compact funding from \$175 million to \$113.5 million.

Due to partial termination, funding was terminated for all activities in the Property Regularization Project and activities in the Transportation Project which were not already under contract, including upgrading a major stretch of the Pacific Corridor highway. Prior to termination, the Property Project expended \$7.2 million and titled 2,845 parcels. In Spring of 2010 the World Bank approved \$10 million of financing to leverage MCC assets and continue with property regularization in León.

*Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.