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**Dialog Process on Chronic Renal Insufficiency
Facilitator's Summary
June 4, 2010**

1. Background

Another dialog meeting, convened by the Office of the Compliance Advisor/Ombudsman (CAO) of the World Bank Group, was held in the town of Leon on June 3 to 4, 2010, with the attendance of Nicaragua Sugar Estates Limited (NSEL) and *Asociación Chichigalpa por la Vida* (ASOCHIVIDA), for the purpose of seeking alternative solutions to the Chronic Renal Insufficiency (CRI) problem.

This meeting was organized in conformity with the guidelines set forth in the Dialog Framework Agreement proposed by CAO on November 20, 2008, which NSEL and ASOCHIVIDA have abided by separately. As per point 6 of that Framework Agreement, the dialog meetings will be focused on, and limited to, the following:

a) Identifying and addressing the causes of CRI. The adherents agree to define jointly the criteria and principles that are required in order to carry out a study to identify the causes of CRI, whose findings should be transparent and reliable for all and provide feasible solutions.

- i) Expected outcomes: an agreement on the criteria and principles that will guide the study. An agreement to abide by the findings of the study, and the alternative solutions to the problem.

b) Options for supporting local communities with a prevalence of CRI. Out of good will and with no legal obligation to do so, the adherents agree to seek ways to alleviate the situation of families that are affected by CRI, involving both local resources and State institutions.

- i) Expected outcome: To alleviate the situation of families that are affected by CRI.

2. Purpose of the meeting

The purpose for this dialogue meeting was to agree on conditions for implementing the income generating projects for ASOCHIVIDA members with NSEL's support, and to review the functioning of the dialog process together.

3. Progress Made

Point 6.a of the Framework Agreement: To identifying and address the causes for CRI.

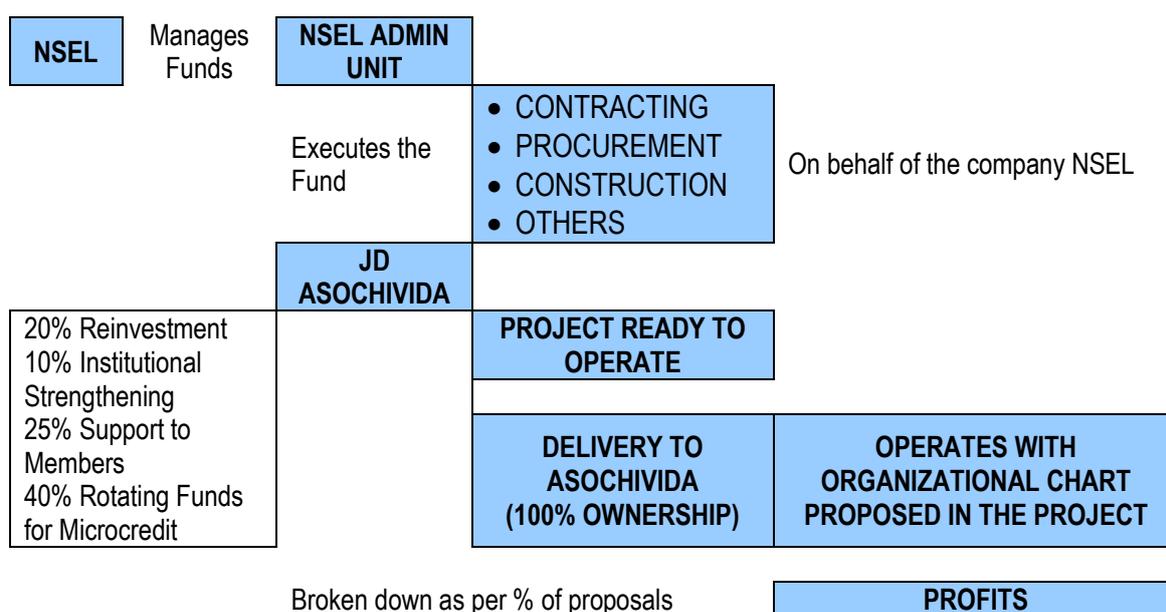
This issue was not dealt with at this meeting.

Point 6.b of the Framework Agreement: Options for supporting local communities with a prevalence of CRI.

Starting in January 2010, Rogerio Cuadra, an advisor for production projects, carried out a participatory process with members of the organization to define three income-generation projects to be discussed with NSEL at a dialogue meeting. Following numerous meetings, surveys, workshops, and interviews, the three projects¹ were presented at the dialogue meeting.

As a result of this dialogue, NSEL and ASOCHIVIDA agreed that they would begin a pilot experience with two projects: a broiler chicken project and a textiles factory for uniforms. NSEL will provide the necessary economic support and technical assistance for startup, but has no intention of being the owner of, or participating in decision-making bodies for these businesses. Project ownership will be 100% ASOCHIVIDA, and the flow of investments will operate as per the following graph that was proposed by ASOCHIVIDA and accepted by NSEL:

MANAGING FUNDS FOR PROJECTS



Any income generated by the projects will be allocated to reinvestment (25%), support for the members (25%), enlarging the fund for individual loans (40%), and strengthening the organization (10%). It is estimated that these two projects could generate some 65 jobs overall. This would be a pilot experience that, if it works well, could be expanded to other projects.

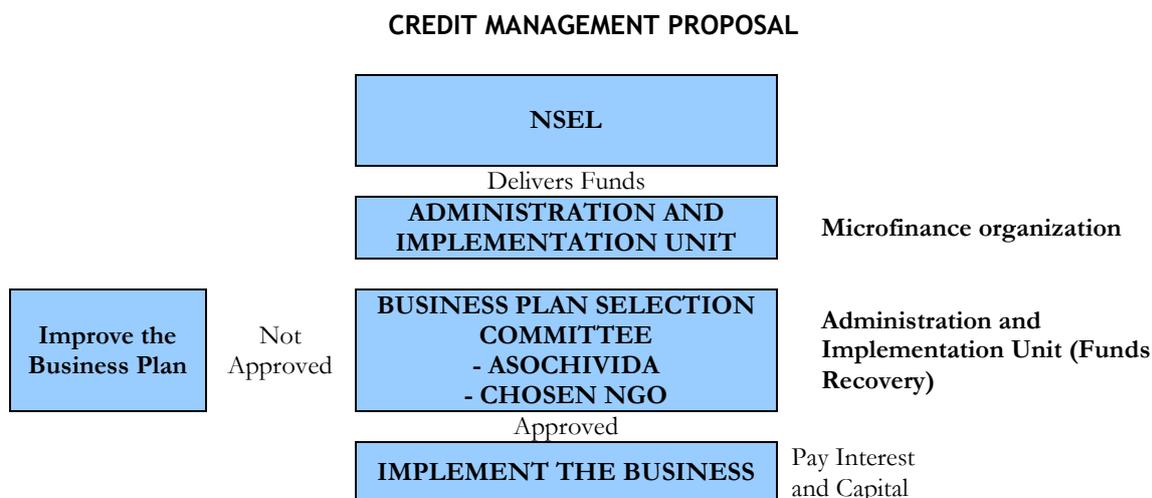
As next steps, in the coming weeks NSEL will assign a person with experience in this type of business to counsel ASOCHIVIDA on starting up and implementing these projects. Furthermore, at the request of ASOCHIVIDA and NSEL, CAO will soon go through the process of selecting an administrator to be involved from the beginning in the design and start-up of both projects. There will initially be one manager for both businesses, and if the need arises, another one could be appointed. CAO will hold the first interviews and decide on the finalists to be interviewed by ASOCHIVIDA, which will make the final decision. NSEL will also be able to give an opinion on the finalists. The manager will work together with the person appointed by NSEL on implementing the projects, with the accompaniment of Rogerio Cuadra.

Mention was made of the importance of all ASOCHIVIDA members understanding what these projects are all about, and that only those having an interest should participate. For this purpose, Rogerio Cuadra will organize informational workshops for the members.

On the other hand, considering that it will take time to implement these projects, ASOCHIVIDA asked NSEL to set up a revolving small-loan fund so that its members might develop their own

¹ For further information, please see the report submitted by Rogerio Cuadra to ASOCHIVIDA, NSEL and CAO.

businesses individually. According to the proposal presented, the fund might work as per the following diagram:



The idea has been well received by NSEL, and Rogerio Cuadra will try to find out how much an entity would charge to manage the fund. With this information, ASOCHIVIDA and NSEL would discuss the initial amount of the revolving fund.

In order to raise the likelihood of project success and sustainability, ASOCHIVIDA and NSEL asked Rogerio Cuadra and CAO to explore the possibility of involving a non-governmental organization (NGO) to strengthen ASOCHIVIDA's entrepreneurial capabilities. So far, two NGOs have stated their interest in accompanying this process. With the outcomes of this dialogue meeting, Rogerio Cuadra will talk to their representatives and explore with them ways to materialize their support.

Other Topics Addressed:

ASOCHIVIDA had expressed its concern about the decision made by ANF to modify the food aid delivery system and asked for a return to the modality with the monthly tickets. In response to this request, NSEL was in agreement with returning to the former system as of the next delivery.

According to the 2009 agreement, after delivering food aid for one year, NSEL was to review its expenditures and study the possibility of including additional persons. According to information provided by NSEL, approximately US\$ 450.000 have been spent, so it will be possible to finish the first year of provision well as planned. It is important to keep in mind that it took a few months to reach the number of 1800 persons, so it is likely that costs for the second year of provision will be higher. That is why it is not possible to include more people.

CAO, ASOCHIVIDA and NSEL have heard with concern a number of false, groundless rumors regarding parallel negotiations to this dialogue process. Seeking to dissipate them, NSEL sent CAO a letter ratifying that the only dialogue process in which it is participating and will participate on Chronic Renal Insufficiency is with ASOCHIVIDA. In turn, the dialogue facilitator will update an article for publication in *El Pailero* in order to convey the progress made in the dialogue process to the community.

4. Next Steps

CAO believes that the next steps in this dialogue process about the issues being discussed will be:

- Rogerio Cuadra will meet with NSEL to fine tune a few details regarding income-generation project implementation. He will also find out the cost of implementing a

revolving fund, and will speak in detail with the NGOs that have expressed an interest in helping ASOCHIVIDA with entrepreneurial capacity building. Likewise, he will start the informational workshops for ASOCHIVIDA members on the projects.

- CAO (Andrea Repetto) and Rogerio Cuadra will start the process of selecting a project manager. The first step will be to prepare the Terms of Reference for broad dissemination.
- NSEL will notify ASOCHIVIDA of the person that it appoints to provide specialized assistance and work with Rogerio Cuadra on project start-up.
- NSEL and ASOCHIVIDA will coordinate directly with ANF to return to the ticket system for the next food aid delivery.

Juan Dumas
Dialog Facilitator