



OFFICE OF THE COMPLIANCE ADVISOR/OMBUDSMAN
2121 PENNSYLVANIA AVENUE, NW · WASHINGTON, DC 20433, USA
TELEPHONE (202) 458-1973 · FACSIMILE (202) 522-7400
E-MAIL: AINAMDAR@IFC.ORG · INTERNET: WWW.CAO-OMBUDSMAN.ORG

Dialogue Process on Chronic Renal Insufficiency
Facilitator's Summary
November 12, 2010

1. Background

Another dialogue meeting, convened by the Office of the Compliance Advisor/Ombudsman (CAO) of the World Bank Group, was held in the town of Leon on November 11 to 12, 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 Dialogue 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 dialogue 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 those families affected by CRI.

2. Purpose of the meeting

The purpose for this dialogue meeting was to make progress in implementing the agreements reached during the last dialogue table (September 1 and 2) with the participation of Carlos Pellas, as per point 6.b of the Framework Agreement.

3. Progress Made

At the last meeting, ASOCHIVIDA presented Carlos Pellas with a number of proposals. He accepted some of them and undertook to study others with his team. At this meeting, NSEL reported on progress made in implementing them and gave the responses that had been pending.

September 1 and 2, 2010		November 11 and 12, 2010	
ASOCHIVIDA Requests		NSEL Responses	
		Progress Made	
Improving health care for ASOCHIVIDA members.	Care and technology enhancements at the Chichigalpa health center.	Agreed. NSEL will contact the Director of the Health Center to inform him of this willingness to help. Next, it will be necessary to present the offer in writing to MINSA, and then, with its approval, prepare a budget (estimated duration: 3 months).	NSEL has contacted the new Director of the Health Center and will continue taking the next steps. In addition, at the request of CAO, Dr. David Silver will help with the needs assessment in December, together with Dr. Juan José Amador.
	Opening the <i>Ingenio San Antonio</i> hospital to ASOCHIVIDA members for emergencies.	NSEL will explore the legal viability of providing persons who have an on-going suit filed against the company with health care as patients (estimated duration: 1 month).	NSEL did the respective legal study and is unable to accept this proposal. In any case, it is still willing to explore other options.
	Building a Hospital specializing in Nephrology and specialized care.	NSEL has been preparing this idea for some time. It has offered the Mayor of Chichigalpa to donate one and a half blocks to build a hospital specializing in nephrology and specialized care, once MINSA approves the construction and agrees to assume its management with a specific budget line. Funding for the building will be both public and private.	MINSA is being approached about this, together with the Mayor's Office.
Increase the amounts allocated to bolster the initial credit fund of US\$ 50,000.00 dollars, following viable business plans approved by the microfinance foundation CEPRODEL, to generate jobs and income and thereby raise the standard of living of the members and their families.	Agreed. The microcredit amount will be raised to US\$ 100,000.00 (one hundred thousand US Dollars) and the transfer can be made immediately.	These funds have already been transferred.	
That the textiles factory project be made productive by combining it with a technical school to train members or their relatives who wish to learn a trade and even work in	Agreed. The details need to be discussed with the NSEL team. A meeting between the technician hired by NSEL and Rogerio Cuadra will be needed soon	The findings of the detailed analysis for the textiles factory project show that it is not economically feasible (see more	

<p>the factory once it reaches sufficient volume.</p>	<p>to fine-tune project details, decide exactly how many machines will be needed for production and training purposes, and schedule the time-line for implementation. NSEL is willing to build the factory on a plot of land that it owns, so that construction can start as soon as possible. (Next week it will confirm whether it has a plot available.)</p>	<p>detailed information below this table). ASOCHIVIDA and NSEL are studying alternatives to invest these funds in another project.</p>
<p>Request productive farming projects for 2011, in order to provide answers to ASOCHIVIDA members who are in this business. The pertinent projects will be presented as appropriate.</p>	<p>Agreed. A specific fund can be set up for this type of project, and the “co-investment” model considered. The NSEL team will study the details of the Co-investment Program, in order to determine how many people might benefit and what the investment amount would be. (Estimated duration: next 15 days)</p>	<p>This topic was not addressed at the meeting and will be revisited at the next one.</p>
<p>A housing improvement program for ASOCHIVIDA members</p>	<p>Agreed. NSEL will look at the available options [for example, the American Nicaraguan Foundation (ANF) or “<i>Un techo para mi país</i>”] and ASOCHIVIDA will find out the most urgent, special housing needs among its members.</p>	<p>Through a letter to the Mayor, NSEL has formalized an offer to build 100 new homes for those ASOCHIVIDA members who need them the most, and in the future it will consider housing improvement options.</p>
<p>Request to add another 350 ASOCHIVIDA members to the basic food bonus (“<i>beneficio de sustento alimenticio</i>”).</p>	<p>Agreed. The same eligibility screening procedure should be followed as for those who are already receiving this bonus. ASOCHIVIDA will provide NSEL with the dossiers of the appropriate persons for it to review.</p>	<p>NSEL has received the dossiers from ASOCHIVIDA. Some of the candidates do not meet the eligibility criteria. NSEL will announce those who have already been approved within the next 7 days.</p>

With regard to the textile factory project, the in-depth study carried out by the work team, which included Antonio Pérez, Antonio Lacayo, Rogerio Cuadra, and Juan Vargas, showed that this project is not feasible. Antonio Pérez presented the following data at the meeting:

- 38.600 units per year could be sold to the *Grupo Pellas* companies. However, this would not even cover operating costs, and the factory would be losing US\$ 27.000 per year.
- In order to reach the break-even point (that is, a balance between income and costs), it would have to sell 51.500 units per year, that is, 33% more than what the *Grupo Pellas* could purchase. However, it would be difficult to achieve because this market is already developed and there are many suppliers.
- In order to make a yearly profit of US\$ 45.000, it would be necessary to sell 75.300 units per year, i.e., almost double its sales.
- In addition to these challenges and negative yield, the project would only generate direct employment for 15 persons.

Therefore, NSEL and ASOCHIVIDA agreed that the resources that would have been allocated to the textiles factory will be assigned to other project options to be considered. For example, the possibility of adding another chicken shed was mentioned, aside from investing more in microcredit.

Before deciding whom the beneficiaries of the 100 homes will be, ASOCHIVIDA, NSEL and CAO will develop regulations to guide the process and help prevent unnecessary conflicts among ASOCHIVIDA members.

As for the dossiers on those who recently applied for food aid, there are some who only have an epicrisis signed by medical interns of the *Ingenio San Antonio* hospital, but that have not been signed by Dr. Jarquín. They agreed that those documents would be handed over to Dr. Alejandro Marín, who will obtain the signature of Dr. Jarquín. They also agreed that ASOCHIVIDA will send Dr. Marín the dossiers that Dr. Reyes rejects, for him to review.

ASOCHIVIDA made a few additional requests that could be processed through ANF:

- To revisit the option of obtaining medicines for the health center through ANF.
- For ANF to provide new assistance to the ASOCHIVIDA members, particularly clothing, Christmas gifts for the children, and wheelchairs for the organization.

NSEL will consult with ANF on these points.

Finally, they agreed that in order to improve communication, all medical matters will be addressed to Dr. Zelaya, and that the point of contact for non-medical matters will be Dr. Zela Porras.

4. Next Steps

CAO believes that the next steps in this dialogue process on the matters that were discussed will be focused on implementing the points that were agreed on and awaiting NSEL's prompt reply to ASOCHIVIDA's new requests.

Juan Dumas
Dialogue Facilitator