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**Draft country programme document for Nicaragua (2013-2017)**

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## I. Situation analysis

1. Since 2010, Nicaragua has been ranked as a lower-middle-income country, with a per capita GDP of US\$1,126, which rose by 4.7% in 2011 (Central Bank of Nicaragua, BCN). According to the Standard of Living Measurement Survey conducted by the National Development Information Institute (INIDE), poverty as measured by aggregate consumption declined from 48.3% to 42.5% between 2005 and 2009 and extreme poverty fell from 17.2% to 14.6%, while the Gini index, measured as a function of income, went from 0.51 to 0.46. There has been progress toward achieving the MDG and in combating poverty and inequality. Fiscal policy faces the dilemma of expanding the coverage and quality of social services in circumstances of budgetary constraints and declining external financing. Nearly 70% of the largely indigenous and ethnic African rural population of the autonomous regions of the Caribbean area is living in poverty (as measured by aggregate consumption) and is excluded or marginalized from the country's economic, political and social life. The Human Development Index (HDI) along the Caribbean coast is 0.25 points below the national average.

2. Between 2007 and 2011, Nicaragua attracted \$2.9 billion in foreign direct investment (FDI) and recorded the highest rate of FDI, as a percentage of GDP, among the countries of Central America and the Caribbean. Investments have concentrated in highly capital-intensive sectors, where it has had relatively little effect on employment. In 2008, 55% of women and 49% of men were underemployed (INIDE). In 2011, around 21% of the employed population had access to social security benefits (BCN). The demographic dividend poses a challenge because of the rising demand for employment, healthcare, education, and professional and vocational training. Greater foreign direct investment of the kind that promotes productive chains and sustainable local economic development, combined with a reduction in the shortage of technical skills and more access to new technologies, would enhance opportunities for young people to find decent employment.

3. The National Assembly has approved legislation to promote the human rights of women and of indigenous and ethnic African peoples. Noteworthy are the country's ratification of ILO Convention 169 and its adoption of laws on decent treatment of indigenous peoples, traditional medicine, equal rights and opportunities, and a comprehensive law concerning violence against women. Progress has been made on gender issues, both in terms of legislative and budgetary processes and in terms of political representation (42% of legislators are women). The legal framework now needs to be applied more effectively, and progress consolidated. In the justice area, the lengthy backlog of cases is a challenge, in particular those relating to women, indigenous people and ethnic Africans. The government has accepted the great bulk of the recommendations from the Universal Periodic Review (UPR, 2010) and has asked for support from the United Nations system for putting them into practice.

4. The preventive, proactive and community-based model adopted by the National Police (PN) is internationally recognized. Between 2009 and 2011 it succeeded in reducing the homicide rate from 13.9 to 12 per 100,000 persons. Countries of the northern triangle of the Central American isthmus have a rate of 47.5 per 100,000, reflecting the fact that Central America ranks as the most violent of all regions of the world that are not in a situation of armed conflict (Human Development Report, Central America 2009-2010). In the context of a region suffering from organized crime, to support the PN is to strengthen governance and contribute to social peace.

5. According to the 2011 Disaster Risk Index (DRI), Nicaragua ranks 11th in the world for its proneness to hurricanes, flooding, droughts, earthquakes and volcanic eruptions. Risk management, adaptation to climate change and environmental issues are priorities for the government, as incorporated in the National Human Development Plan (PNHD) and the National Environment and Climate Change Strategy. Between 2007 and 2011, the proportion of electricity generated from renewable sources rose from 20% to 40% (Ministry of Energy and Mines).

## II. Past cooperation and lessons learned

6. Between 2008 and 2012 there were 35 evaluations performed. Of particular note are the midterm and final UNDAF evaluations, which provide information on the value added by UNDP.

7. The UNDP has helped to speed progress toward the MDG: MDG 1, implementing policies for women and youth; MDG 3, strengthening the role of the Nicaraguan Women's Institute and with creation of the Technical Unit on Gender in the National Assembly and mainstreaming of the gender focus in the national budget and municipal planning. The UNDP spearheaded the design and execution of joint projects with the UNDP-Spain MDG Achievement Fund (F-MDG), and with other cosponsors, primarily on the Caribbean coast.

8. The UNDP has provided technical assistance to the Pro-Nicaragua Investment Promotion Agency since its creation in 2002. The agency has strengthened capacities, sponsored South-South cooperation and incorporated the gender focus, decent job creation and sustainability into its strategy. As of 2011, the agency had attracted investment commitments worth \$831 million and had helped create more than 55,000 jobs.

9. In the context of transforming the energy matrix, the UNDP has supported a rural electrification programme based on renewable sources. As a result, more than 10,000 families now have access to energy produced in small hydroelectric plants. As well, plans have been implemented concerning watershed management and the creation of enterprises with a gender focus.

10. With respect to citizen security, the main change in Nicaragua has been to strengthen the police model. The UNDP has helped improve the institutional capacities of the national police to carry out their substantive responsibilities, and has promoted South-South cooperation.

11. On the Caribbean coast, UNDP support facilitated execution of the development plan for the region, with respect to demarcating and awarding title to eight territories inhabited by indigenous people and ethnic Africans; food security and nutrition programmes for more than 10,000 families; expansion of water and sewage services to 160,000 people, and structuring of the Water Fund and the Cultural Revitalization Fund.

12. In implementing the 2008-2012 programme, the thematic structure proved a constraint for taking advantage of UNDP capacities. The 2013-2017 calls for a strategy based on value added by UNDP in knowledge management and capacity building.

### III. Proposed programme

13. The 2013-2017 programme fits with the National Human Development Plan and the Development Plan for the Caribbean Coast. It was prepared in consultation with the Government of Nicaragua during formulation of the United Nations Development Assistance Framework (UNDAF 2013-2017). It is based on the principle of ensuring the exercise of human rights, supporting implementation of the UPR recommendations accepted by the government, and targeting support for the formulation of public policies and strategies for sustainable human development, capacity building, promotion of local public goods, and mainstreaming the concepts of gender equity and intergenerational equity.

14. Sustainable human development policies. The UNDP will conduct an analysis and prepare reports focusing on sustainable human development and equity, as a contribution to formulating and evaluating policies that will help reduce the many situations of inequity, poverty and environmental vulnerability and will promote a focus of risk management, adaptation to climate change, and mitigation of its effects, as well as inclusion of the gender perspective and intergenerational equity, with due regard to indigenous peoples and ethnic Africans. This includes strengthening knowledge management by preparing and disseminating studies on the monitoring of public expenditure and investment, in collaboration with other agencies of the United Nations system. The UNDP will support formulation of a strategy and policies for vocational training that will foster decent employment and meet the needs of the productive sector. In collaboration with the pertinent national entities, a new multidimensional system for measuring poverty will be proposed.

15. In the area of governance, a forward-looking policy analysis will be conducted as a contribution to dialogue and consensus building. A public policy of social harmony and citizen security will be encouraged, with a preventive, participatory and proactive focus to prevent and reduce violence and crime, and studies will be conducted on citizen security, accessibility and administration of justice, and family and sexual violence. With respect to environmental and risk management issues, support will be provided for the third national communication on climate change, an update of the national inventory of greenhouse gases, and the national biodiversity strategy.

16. Building capacities to promote sustainable human development. In collaboration with other agencies of the United Nations system, steps will be taken to strengthen institutional capacities for expanding the coverage and quality of vocational training. Attempts will be made to secure greater diversification and decentralization of FDI, to promote productive linkages, inclusive enterprises, environmental sustainability and gender equality. The programme will encourage productivity and promote increased value-added and access for small-scale rural producers to productive goods and markets. It will also promote coordination between subnational and national strategies for sustainable human development and land use and environmental planning, and will promote alternative production systems of local relevance. It will seek to coordinate initiatives that will contribute to adaptation to climate change and mitigation of its effects, with an equity focus and taking into account the factors of cultural diversity, as well as paying special attention to fostering productive alternatives that will promote sustainable use of natural and cultural resources for inclusive economic development.

17. In response to the shortcomings in access to justice, the programme will cooperate with the judicial branch to improve receptiveness, reduce the backlog of judicial cases, and enforce the Comprehensive Law on Violence against Women. The programme will continue to support the National Police in its role as the lead institution for the country's citizen security policy with a gender focus and in its efforts to eliminate family and sexual violence, taking into account the particular characteristics of the Caribbean coast. The programme will also encourage dissemination of the Nicaraguan police model elsewhere in Latin America and the Caribbean, through South-South cooperation. It will support modernization of the legislative branch, its strategic plan, the formulation of laws to protect human rights and ensure a legal framework with a human development and gender focus. It will also contribute to application of the Law on Equality of Rights and Opportunities and the National Gender Policy.

18. Advisory services will be provided for establishing guidelines that will foster sustainable development with low carbon emissions and resilience to climate change. To these ends, the programme will support the strengthening of national and local institutions responsible for planning, application and monitoring, on all levels, and with community participation, strategies for combating climate change, impact mitigation, risk adaptation and management, and prompt recovery (national and subnational), with a focus on gender equity and intergenerational equity. Initiatives will be promoted to enhance energy efficiency and make better use of renewable energy sources, as well as community-based participatory projects for the management and restoration of ecosystems and for promoting ecologically rational enterprises and micro-watershed management plans. The programme will promote development of capacities, institutionalization and national ownership of programmes for making interventions more sustainable, and will encourage results-based management.

19. Sustainable human development on the Caribbean coast of Nicaragua. The UNDP will support capacity building and the coordination of autonomous entities for modernizing their legal framework, as well as regionalizing, managing and executing the development plan for the Caribbean coast. The programme will contribute to the orderly and coherent increase in budgetary transfers to indigenous peoples and ethnic Africans. It will strengthen the regional autonomous councils and their legislative function, proposing methodologies for application and monitoring of national laws that include provisions from international conventions and declarations. The programme will foster initiatives to promote sustainable human development and gender and intergenerational equity, taking advantage of community resources and cultural patterns, stimulating production, integration, foreign investment, community-based tourism and inclusive markets and enterprises, in the context of respect for ethnic relevance and interculturalism. Given its importance for the autonomous regions, the UNDP will support the demarcation, registration and reorganization of indigenous territories, at the same time building capacities for sustainable human development.

#### **IV. Programme management, monitoring and evaluation**

20. The programme will be implemented under coordination of the Ministry of Foreign Relations (MINREX) relying primarily on the national execution modality. National counterpart officials have the main responsibility for the outcomes, to which the UNDP will contribute. The projects will be executed, in principle, by government institutions at all levels; execution may also be entrusted to intergovernmental agencies, nongovernmental organizations and agencies of the United Nations system, including direct execution by the UNDP. When necessary, the government may ask the UNDP to activate its "fast-track" procedures.

21. The UNDP will coordinate its work with other agencies of the United Nations system and with other cosponsors, in order to harmonize and align cooperation with national priorities; it may also engage in joint programmes and projects. In the UNFPA context, monitoring and evaluation meetings will be held. The progress of work will be reviewed jointly with other agencies of the United Nations system, MINREX and other partners. A monitoring and evaluation plan will be implemented, combining joint evaluations of outcomes, integrating gender indicators and data broken down by population groups in the application of policies and capacity building, with a constant focus on human development.

22. The UNDP office in Nicaragua will continue to support implementation of projects financed through bilateral and multilateral cooperation, contributing its regular resources as seed capital for strategic initiatives. For the period 2013-2017, a total of \$6,653,000 is planned as a charge to the regular resources of the UNDP (a figure which includes \$278,000 carried over from the previous programme); in addition, it should be possible to mobilize \$103 million from other sources. At the same time, the government has shown an interest in supporting the UNDP role in the country, given the value added that flows from its programmes and projects.

## Annex

## I. Outcomes and resources framework for Nicaragua 2013-2017

| National priority or goal I. Reduction of multiple inequities and situations of poverty in order to achieve sustainable human development III. Protection of the environment and risk management for sustainable human development.  |  |  |  |  |   |
|--|--|--|--|--|---|
| Country programme/UNDAF output: 1.1 Redistributive policies will be applied to promote human development. 1.7 Policies and regulatory frameworks for indigenous peoples will be applied, consistent with the constitutional principle of interculturalism and elimination of racial discrimination 3.1 Sustainable development strategies will be applied as an integral part of risk management, adaptation to climate change, and mitigation of its impacts. |  |  |  |  |   |
| Contribution of national partners  | Contribution of other partners   | UNDP contribution  | Indicators, reference levels, and goals for the UNDP contributions   | Indicative outputs for the country programme   | Indicative resources (in US dollars.)   |
| For 2017 the government will have put into practice policies to promote sustainable human development in the context of the National Human Development Plan.   | Studies performed by public and private academic and research centres, universities and agencies of the United Nations system (UNICEF, ILO, UN-Women, UNFPA, FAO). | The UNDP will contribute to developing institutional capacities for the formulation and evaluation of policies to promote sustainable human development (SHD). | <p>Indicator: number of economic, social, environmental and gender policies approved and/or evaluated with an SHD focus. Goal: two policies reflecting the recommendations from the study supported by the UNDP. Reference level: 0.</p> <p>Indicator: number of draft laws and regulations appropriate for complying with ILO Convention 169. Goal: two draft laws and regulations appropriate for complying with Convention 169. Reference level: 0.</p> <p>Indicator: number of institutions adopting sustainable development strategies with a gender focus, with low carbon emissions, and resilience to climate change. Goal: 5 institutions adopt SD strategies with a gender focus, low carbon emissions, and resilience to climate change. Reference level: 2 institutions.</p> | <ul style="list-style-type: none"> <li>– Support formulation and evaluation of redistributive policies, for inclusive economic development, vocational training, climate change, risk management and citizen security, based on the analysis of SHD from a rights and equity perspective, including gender equity.</li> <li>– promote a new system for multidimensional measurement of poverty based on SHD.</li> <li>– systematize methodologies in support of national strategies for citizen security, promotion of foreign investment, climate change and biodiversity, from a rights and equity perspective, including gender equity, and paying special attention to indigenous peoples and ethnic Africans.</li> <li>– design knowledge management mechanisms for disseminating good practices and recommended policies to promote SHD, from a rights and equity perspective, including gender equity.</li> </ul> | <p><b>Regular resources:</b><br/>(Trac 1,2,3):<br/>1,600,000</p> <p><b>Other resources:</b><br/>5,000,000</p> |

| <p><b>National priority or goal I.</b> Reduction of multiple inequities and situations of poverty in order to achieve sustainable human development <b>III.</b> Protection of the environment and risk management for sustainable human development <b>IV.</b> Institutional capacity building for technological innovation and industrialization</p> <p><b>Country programme/ UNDAF outcome:</b> <b>1.2.</b> Public policies promote inclusive economic development <b>1.3.</b> Public policies and strategies consolidate citizen security <b>1.4.</b> State capacities are reinforced (Legislative Branch, Judicial Branch, Executive Branch) for ensuring the initiation of normative processes, policies and programmes. <b>1.5.</b> Participatory strategies are applied for land-use planning and SHD at the local level <b>3.2.</b> Management of biodiversity and natural resources is improved to ensure sustained access to water and sanitation services, as well as favourable environmental conditions. <b>4.1.</b> Priority economic sectors in the National Human Development Plan adopt technological innovation.</p> |   |   |   |   |   |
|--|---|---|---|---|---|
| Contribution of national partners  | Contribution of other partners  | UNDP contribution   | Indicators, reference levels, and goals for the UNDP contributions  | Indicative outputs for the country programme  | Indicative resources (in US dollars.)   |
| Priority will be given to building government institutional capacities at the national and local level for achieving the objectives of the National Human Development Plan   | <p>An organized and empowered population contributes to the model of citizen security, violence prevention, and sustainable human development.</p> <p>Productive sectors prepare innovative, sustainable and inclusive business models (Chambers of commerce, cooperatives).</p> <p>Universities</p> <p>Other agencies of the United Nations system (UNICEF, UN-Women, ILO, IOM, UNIDO, FAO, UNV, UNWTO, UNESCO).</p> | The UNDP will contribute to capacity building at the national and local level in the context of implementing the National Human Development Plan. | <p>Indicator: number of programmes implemented to promote decent employment for women and youth. Goal: 3 Programmes in place to promote employment. Reference level: 1.</p> <p>(National decent employment plan)</p> <p>Indicator: number of interagency programmes underway to improve citizen security and reduce gender violence. Goal: two interagency programmes underway. Reference level: 0.</p> <p>Indicator: number of land-use and SHD plans implemented locally. Goal: three land use and SHD plans implemented locally. Reference level: 0.</p> <p>Indicator: number of municipalities applying plans for adaptation and management of natural resources and solid wastes. Goal: 55 municipalities. Reference level: 25: municipalities</p> <p>Indicator: number of technological innovations generated for priority sectors. Goal: Two priority sectors implementing technological innovations Reference level: 0.</p> | <p>– technical proposals have been prepared and agreed for inclusion of the human rights and equity perspective, including gender equity, respect for ethnic identity and intercultural values and elimination of family and sexual violence, consistent with the provisions of the judiciary and the national police pursuant to the interagency policy for citizen security.</p> <p>– technical proposals have been prepared for including the SHD approach and restoring rights in the process of modernizing the legislature.</p> <p>– mechanisms have been designed for national and sub-national coordination of SHD in the areas of land-use and environmental planning, risk management, adaptation to climate change and mitigation of its impact, human settlements and productive alternatives..</p> | <p><b>Regular resources:</b><br/>(Trac 1,2,3)<br/>2,700,000</p> <p><b>Other resources:</b><br/>75,000,000</p> |



| <b>National priority or goal: I.</b> Reduction of multiple inequities and situations of poverty in order to achieve sustainable human development  |  |  |  |   |   |
|--|--|--|--|---|---|
| <b>Country programme/ UNDAF outcome: 1.6.</b> Human development strategies have been applied that coordinate the different levels of government (communities, GTIs, municipalities, regional autonomous governments, national government) in the autonomous regions. |  |  |  |   |   |
| <b>Contribution of national partners</b>   | <b>Contribution of other partners</b>  | <b>UNDP contribution</b>   | <b>Indicators, reference levels, and goals for the UNDP contributions</b>  | <b>Indicative outputs for the country programme</b>   | <b>Indicative resources (in US dollars.)</b>  |
| State institutions are devoted to modernization and application of autonomy legislation, and to implementing policies of economic revitalization in the context of SHD.  | Cooperation partners contribute to implementation of the National Human Development Plan.<br>Regional universities<br>Programmes of other agencies of the United Nations system (UNICEF, IOM, UNIDO, FAO, UNV, UNWTO, UNESCO). | The UNDP will support implementation of the Development Plan for the Caribbean Coast from a perspective of human rights and equity, including gender equity. | Indicator: number of human development plans implemented on the basis of the Development Plan for the Caribbean Coast. Goal: 100 community plans, 20 territorial plans, 8 municipal plans, 2 regional plans executed. Reference level: 20 community plans, 7 territorial plans executed. | <ul style="list-style-type: none"> <li>– technical proposals have been developed for formulating and implementing the new framework of autonomy legislation with a focus on institutional strengthening.</li> <li>– inclusive business proposals have been developed to promote SHD from a perspective of human rights and equity, including gender equity, based on community resources, respecting ethnic identity and intercultural values.</li> <li>– technical assistance programmes are underway to support the demarcation, registration and reorganization of indigenous territories to achieve SHD.</li> </ul> | <p><b>Regular resources:</b><br/>(Trac 1,2,3)<br/>2,075,000</p> <p><b>Other resources:</b><br/>23,000,000</p> |

## II. Abbreviations

|          |  |
|----------|--|
| BCN      | Central Bank of Nicaragua  |
| DRI      | Disaster Risk Index  |
| FAO      | United Nations Food and Agriculture Organization                       |
| FDI      | Foreign direct investment  |
| F-MDG    | UNDP-Spain MDG Achievement Fund  |
| GTI      | Indigenous territorial governments                                     |
| HDI      | Human Development Index  |
| ILO      | International Labour Organization                                      |
| INIDE    | National Development Information Institute                             |
| IOM      | International Organization for Migration                               |
| MDG      | Millennium Development Goals   |
| MINREX   | Ministry of Foreign Relations  |
| NGO      | Nongovernmental organization   |
| PDCC     | Development Plan for the Caribbean Coast                               |
| PN       | National Police  |
| PNDH     | National Human Development Plan  |
| SD       | Sustainable development  |
| SHD      | Sustainable human development  |
| UNWTO    | World Tourism Organization   |
| UNDAF    | United Nations Development Assistance Framework                        |
| UNDP     | United Nations Development Programme                                   |
| UNESCO   | United Nations Educational, Scientific and Cultural Organization       |
| UNFPA    | United Nations Fund for Population Activities                          |
| UNICEF   | United Nations Children's Fund   |
| UNIDO    | United Nations Industrial Development Organization                     |
| UNV      | United Nations Volunteers  |
| UN-Women | United Nations Entity for Gender Equality and the Empowerment of Women |
| UPR      | Universal Periodic Review  |