



Oficina del Coordinador Residente  
en Nicaragua

## Resident Coordinator Annual Report 2009

---

### Introduction

1. Major development or political events Nicaragua's economic activity began to decline in 2009, aggravated by both external (economic and financial crisis). On the economic perspective, GDP decreased approximately 1.5 %, being 2009 the first year since 1995 with a negative growth. The reduction of exports, remittances (between 7 - 8 %) and the reduction of direct foreign investment (US\$ 626m. - 2008 to US\$ 420m. - 2009), are the consequences of Nicaragua's deteriorating economic situation. Inflation was estimated to end in 0.9 percent; 70,000 jobs were lost; a reduction in national private investment (approximately 27 %), and a major decline in the following sectors have aggravated the country poverty scenario: construction (-19.7%), mining (-10.6%) and the financial sector (-8.7%).
2. The Government's budget was also affected due to a reduction in Official Development Assistance (through the temporary suspension of Direct Budget Support for US\$ 64m. dollars) as a result of the on-going questioning from some donors of the final results of the Electoral College regarding the municipal elections of November 2008. In order to cope with this situation the Government, with the support of the National Assembly and the private sector, passed a Tax Reform Law in order to increase tax revenues to fill part of the budgetary gap caused by the ODA deficit. The budget limitations and the impact of the economic and financial crisis on the country's macro economy, forced the government to carry out three budget revisions. Even though the government has tried not to compromise basic social services expenses, this has not been possible, affecting crucial sectors like health and education, and thus probably compromising the achievement of some MDG's.
3. An issue awaiting to be resolved that affects the political arena is the Government's interest in a Constitutional Reform to establish ongoing presidential re-election, while the opposing parties promote an electoral reform to strengthen the institutional role of the Electoral College. In October (2009), the Constitutional Chamber of the Supreme Court of Justice, integrated by Sandinista Magistrates, lifted restrictions on the article that prohibits presidential re-election, stating that it is in contradiction with the universal principle that "all men are equal under the law" (this constitutional principle was already used to establish presidential re-elections in Costa Rica). This political strategy from the party in power (FSLN), received criticism from the opposing political parties, based on the fact that the Supreme Court of Justice should not modify the Magna Carta.
4. In the social context, it is evidenced that the Government's concern is promoting social policies to address hunger and malnutrition, shelter and protection for children, access to health and education, among others. As a result of a severe draught - "El Niño" - and the up scaling of food prices, due to the economic crisis, the Government has strategically promoted an



Oficina del Coordinador Residente  
en Nicaragua

integrated programme with the support of the donor community named “Bono Productivo Alimentario” (Food Production Bonus), which targets hundreds of women, heads of households. Moreover, the approval of the Law on Sovereignty, Food and Nutrition Security (June 2009) is a highlight at the policy level and received an international recognition from FAO.

5. In November 2009, the Government reached an agreement with the International Monetary Fund (IMF) on economic policies under the Poverty Reduction and Growth Facility (PRGF), which aims at maintaining a stable monetary policy and ensuring sustainability of public finances for the country, providing the country with up to US\$ 164m., along with support from the Inter-American Development Bank. However, if ODA from bilateral donors is not regained, along with the negative economic consequences, the Government might undergo a drastic fiscal policy adjustment to ameliorate the country’s condition and keep basic social policies running.

### Summary on Progress towards UNDAF Outcomes

6. For 2009, the UNCT, based on the Government’s strategies, agreed on a set of year priorities for each UNDAF Outcome Area. Among these priorities, were the implementation of the MDG-F Joint Programmes (5 JP’s for the Year 2009) and other common programming initiatives of the UNCT. A midyear financial review of 2009 UNDAF priorities were carried out, and its results were analyzed by the RC and the UNCT. As part of the 2nd Year UNDAF Annual Review, technical meetings were held in November with a methodology combining multiple actors to reduce the burden of the evaluation process on national counterparts. A joint high level validation process of 2009 results and lessons learned (UNCT Representatives and Ministers of National Institutions), with a strategic planning up to 2012 in the context of the upcoming UNDAF Mid Term Review, will be carried out in March 2010.
7. At the technical level, the UNDAF’s result matrix was revised, as part of an initiative of the M&E UNDAF Group to synthesize indicators.
8. In the context of the implementation of the MDG-F Joint Programmes in the Caribbean Coast, a strategic planning, programming and coordination mechanism was established with MOFA and the SCCD, in order to foster institutional capacities in the region, demanding the UNS to initiate an Institutional Strengthening Plan.
9. Based on the country needs and the UNDAF’s expected results, several other Joint Programmes are in the process of being formulated, among them a Joint Programme in Risk Management, JP in Statistics, JP in Human Security, and JP in Human Settlements, and are expected to be completed for roll out in 2010.

### Summary on Progress towards UNDAF Outcomes

#### *Efforts to align with the national development processes*



Oficina del Coordinador Residente  
en Nicaragua

10. In October 2009, the Government of Nicaragua presented a summarized (and improved) version of the National Human Development Plan (NHDP), adjusted to the country's recent economic and social context, as well as including the observations of the international community, thus presenting a more coherent version. The revised version has been accepted by the International Financial institutions (World Bank, Inter-American Development Bank and the IMF), as well as the bilateral donors (some, however, with minor reserve).
11. The country was drastically affected at the end of 2009 with a severe drought - El Niño. In response to the human security conditions of approximately 23 thousand affected families, in the poorest municipalities of the country, the UNS along with the Government launched an emergency appeal on food security and nutrition to the donor community. As a result of the UNS technical capacities' and available programmatic instruments (DevInfo), a strong technical assistance mechanism was put in place between the UNCT and Ministry of the Presidency and the Ministry of Agriculture.

Support to the national government in the advancing the achievement of the Millennium Declaration/MDGs

12. Nicaragua is the country that received the most resources from the MDG's Spanish Fund (US\$ 39m., 2008- 2011), thus placing it ahead with a serious challenge. The year 2009 was a crucial year in rolling out five joint programmes and formulating a sixth programme document. Two of the JP's reached their first year of implementation. The roll out of the joint programmes has been complex, mainly due to: a) lack of experience in joint programme implementation of all the actors, b) a large number of counterparts and participating UN agencies, c) weak institutional capacity of national, regional and local counterparts, d) different business practices of UN agencies, and e) the difficulty of articulating so many counterparts and stakeholders at a local level.
13. Nonetheless, progress was made in all five joint programmes; two programmes reached the 70% requirement, inter-agency coordination was strengthened, Non- Resident agencies increased their outreach, lessons learned and best practices have been shared through a working group integrated by leading agencies and the RC MDG-F monitoring unit, and South-South cooperation in the formulation of joint programmes has been provided to other countries.
14. At the beginning of 2009, the UNCT set as one of its priorities the strengthening of its relationship with the National Assembly in the context of the Memorandum of Understanding (MoU) signed in 2007. In this context, a joint a coordination mechanism, at the political and technical level was approved in May, putting into effect the installation of the Directive Committee. The committee is lead by the President of the National Assembly and the Resident Coordinator, and Presidents from the Assembly Legislative Commissions and UN Agencies Representatives also participate. Through the NA commissions, the UN provided support to different legislative initiatives, among them the Law on Sovereignty, Food Security and Nutrition



Oficina del Coordinador Residente  
en Nicaragua

(July), the Law for the Establishment of the Professional School of Medicine and Surgery, as well as a Regional Parliamentary Conference on Maternal Mortality, among others.

15. Through a joint process with the Government, the UNS drafted an MDG Report, which presents an in-depth tendency analysis of the accomplishments of the MDG's in Nicaragua, based on official information up to 2008 and publications from recognized investigation centers. The Report aims to serve as an instrument for different actors of society, which allows alliances to be established, with a greater commitment to accomplish the MDG, in the context of the upcoming MDG +10 Conference.
16. Key high-level missions took place in 2009 that positioned relevant topics for the UNCT, the Government and civil society in the national agenda: the Right to Food, Citizen Security, violence against children, etc.
17. In January 2009, the Danish Ambassador to the UN, Carsten Staur, visited the country (including a visit to the Caribbean Coast) and met with all major UN national and international counterparts and civil society. Following his visit (February), at the UNDP/UNFPA Executive Board in New York, he acknowledged the UNS in Nicaragua for its evidently good relations with the Government, the IFI's, the donor community, and civil society and also recognized the System's capacities in carrying out the One UN Reform.
18. In September 2009, the Special Rapporteur on the Right to Food, Mr. Olivier de Schutter, was at the Government request on a mission in Nicaragua to strategically raise awareness at the national level of the obstacles to the realization of the right to food, providing at the same time recommendations to strengthen the Government's initiatives. His presence was highly welcomed by the Government, in the context of the recent approval of the Law on Sovereignty, Food Security and Nutrition. The UNS prepared a country summary on the Compliance Review with the Right to Adequate Food, and carried out a strong communication strategy.
19. The UNCT was also fortunate to receive the visit of Mrs. Rebecca Grynspan, Associate Director and Latin America Regional Director, who presented the results of a milestone regional report on Citizen Security at a packed national university auditorium and in a special meeting with the presidential couple and senior Ministers. In addition, she participated in a series of events held for UN Days including a Recycling Fair.
20. The United Nations Special Representative on Violence against Children, Mrs. Marta Santos Pais, strategically visited the country in the context of the celebration of the 20th Anniversary on the Convention of the Rights of the Child to raise awareness on the follow-up on the recommendations resulting from the World Study on Violence against Children. During her stay, she met with adolescents and key civil society organizations, hearing their concerns and



Oficina del Coordinador Residente  
en Nicaragua

proposals on crucial issues affecting children and adolescents (domestic violence, trafficking, child labour and exploitation, etc.).

*Human Right*

21. At the core of this year's UNCT and RC priorities was the preparation of the Universal Periodic Review (UPR), process undertaken through a highly internal and external (government and civil society) participatory methodology. The results of the UPR are undoubtedly a vital source for strengthening the UNCT's programmes, as well as for the upcoming UNDAF mid-term review process. The challenges ahead are the UNCT's assistance and partnership with the Government to integrate the UPR human rights observations in laws, policies and programmes.
22. The Human Rights Thematic Group, with the support of the Human Rights Advisor, published several books such as Human Rights in Nicaragua – UN Treaties and Bodies Recommendations 2007 – 2009, and The Rights of Indigenous People and Afro descendents, and published a compilation (CD) on National Norms and Reports on the situation of Human Rights in the country. In addition, the UNCT and national staff were trained in different relevant topics: UNDG Guidelines on Indigenous People, Declaration of Indigenous People, and the Right to Food.
23. A strategic accomplishment of the UNS in fostering its dialogue with key actors was the creation (with ToR and a work plan) of the Consultative Commission on Indigenous People and Afro descendants (IPA) in August 2009, as a permanent space for dialogue to foster the UN support to their constituencies. Special notice should be made on the official designation of a Ombudsperson for the Lesbian, Gay, Bi-sexual and Transexual (LGBT) community in 2009.

*HIV*

24. The Joint Programme on HIV drafted in 2008 was approved by the UNCT in 2009, with a clear division of roles and responsibilities for each agency and for the amount of US\$ 9.4m. for 2008 – 2012. The UNCT has advantageously strengthened its relationship with the sexually diverse and vulnerable population (LGBT community), as well as established alliances with religious organizations as an integral part of the National Response to HIV. An important accomplishment of the HIV Group was the approval of the proposal for the 8th Global Round, for which both technical and financial support was provided. The Group, through the UNAIDS work plan, launched a painting, art, photography, drawing, etc., contest named "Artistas por la Vida" (Artist for life) to raise awareness on AIDS and published a book on HIV testimonies "Vení Vé - que te voy a contar" (Come see, that I'm going to tell you). In addition, several initiatives were held to foster the implementation of the UN Cares and the Learning Strategy on HIV/AIDS. An internal survey revealed that the knowledge of HIV/AIDS is high amongst UN staff – 57% with advanced level, 40% intermediate and only 3 % with basic knowledge. Regarding access to condoms, six out of seven Resident Agencies provided its personnel with male and female condoms.



Oficina del Coordinador Residente  
en Nicaragua

25. In addition, several UN agencies held training sessions to raise awareness on the use of condom, discrimination, stigma and UN policies on HIV/AIDS, and a one day voluntary examination on HIV was held during AIDS Day.

*Gender*

26. In 2009, in its quest to build the UN agencies' capacities in gender issues to respond to national priorities and civil society organizations demands, the Gender Thematic Group developed its Strategic Framework on Cross Cutting the gender perspective at UNCT level, served as an important consultative body for the Universal Periodic Review (UPR) process, and provided assistance in incorporating the gender perspective through technical assistance to key Government Programmes.

27. In the context of the UPR, the Group held two forums on the compliance of CEDAW recommendations in the Caribbean Coast and one forum in the country's capital. From the latter, a strategic alliance was established, called the Consultative Committee on Women, which was based on an on-going demand from women organizations to the UNS (however, pending is a formal structure, terms of reference and a work plan). The Inter-agency Commission on Gender, which includes bilateral donors and NGO's, was also reactivated, focusing on the up scaling problem of gender violence and access to justice through a National Forum.

28. As part of its mandate, for International Women's Day, a forum was held with the participation of public institutions, civil society organizations and the Office of the High Commissioner of Human Rights (Ms. Carmen Rosa Villa, Regional Director), aimed at analyzing the situation of the compliance of CEDAW recommendations. In addition, in the context of the celebration of the 16 Days against Gender Violence, the UNCT adopted the Secretary General's campaign "Unite against Violence" through eight forums on gender violence at national universities, a media campaign, and a popular one-day fair at a public local market place.

*Caribbean Coast*

29. The UNS is without a doubt the leading actor in the Caribbean Coast development process, with US\$52.5 m. of cooperation for the UNDAF period (2008-2012), of which US\$27 m. accounts for the MDG-F Joint Programmes, and US\$26.8 programmed for 2009. The joint programme model has been welcomed by the Central Government (Secretariat for the Caribbean Coast Development), as a model to replicate with other donors in the region. In this context, the government requested the UNS to coordinate the establishment of a Caribbean Coast Roundtable. As part of this process, the UNS DevInfo based geographical mapping instrument (GIS) was updated with agencies' interventions in the Caribbean Coast, through a joint process with the Ministry of Foreign Affairs (MOFA) and the Secretariat for the Caribbean Coast Development (SCCD), and based on the MDG's and the Caribbean Coast Human Development Plan.



Oficina del Coordinador Residente  
en Nicaragua

30. In addition, UN agencies with greater presence in the region provided institutional strengthening to the Secretariat of Water and Sanitation, Secretariat of Culture, Secretariat of Health as well as to the Secretariat of Women and Gender. The UNCT has committed itself to the development of a Joint Programme on Institutional Strengthening for the Caribbean Coast, and in this sense, it began to organize a strategic and operation plan.

*Progress UNCTs are making collectively in support of the national partners' endeavours towards capacity development and aid effectiveness:*

31. The UNS continues to play a critical role as Technical Secretariat (TS) of the Donor Roundtable (DRT), guaranteeing the coordination mechanisms between the government and the donor community. This year, the RC facilitated the appointment process of a new Round Table Presidency and the revision process of the coordination mechanisms of the DRT. In addition, the TS played a vital role in facilitating the dialogue between the Government and the Donor Sub Group on Civil Society issues, in particular regarding the adjustment of the legal normative regulating International NGO's in Nicaragua.

32. The dialogue through the Global Donor Roundtable was reinitiated (after almost 1.5 year suspension), with the purpose of holding a renewed and open exchange of viewpoints at the highest level on the country's development process and as an opportunity for the Government to share its development progress. As part of the technical assistance provided by the UNS, the Government also shared with the donor community a draft of the new Harmonization and Alignment Plan (2009- 2012), agreeing to establish a consultation process through the Follow-up Group on Harmonization and Alignment.

33. Based on the experience of the Joint Programme on Strengthening of Local Governance for MDG 1, rolled out in 2008, in which national UNV's were a key instrument in raising awareness of the MDG's at a local level, this model has been replicated through the MDG-F joint programmes, expanding the UNS local UNV network up to 54 municipalities, identified as the most vulnerable to food insecurity and malnutrition.

*Experiences of common programming, including HACT:*

34. While the UN agencies remain committed to the implementation of HACT, progress was modest in 2009 due to reduced financial and administrative capacities in government institutions. However, agencies have individually advanced on the implementation of the micro assessments recommendations, as well as in the institutionalization of program and project activities, so that they comply with national systems and norms. The transferring of funds has been deterred by the Government due to macroeconomic policies that establish budget limits for institutions in compliance to the signed agreement between the Government and the IMF. As a result, agencies have been forced to continue with the direct payment modality.



Oficina del Coordinador Residente  
en Nicaragua

*Progress on results achieved in cooperation with UN peacekeeping, peace building, political, and humanitarian actors in line with the Secretary General's decision on Integration of June 2008 (where relevant) as well as other highlights in coordination:*

35. In 2009, UNETE responded to several emergencies, including Hurricane Ida, Influenza AH1N1, and the food insecurity caused by the drought in the northern and central parts of the country. It's particularly worth mentioning how UNETE and the Disaster Management Team (DMT) supported the Government in responding to the effects of Hurricane Ida, both on a political level by mobilizing support, but also at a technical level in the preparation of methodologies for compiling and analyzing information. This emergency clearly demonstrated the great demand for the UNS to take a leading role in supporting the Government in mobilizing funds and in coordinating the emergency. Under the leadership of the RC and with technical support of an UNDAC team, the UNS succeeded in mobilizing up to US\$ 3.3m. (US\$ 2m. directly through CERF) out of the estimated needs of US\$ 4.5m. Given the vulnerability of Nicaragua to emergencies and the key role played by the UN in their response, there is a need to strengthen UNETE as well as national institution's capacities.
36. In July 2009, the Security Management Team and UNETE, upon the Government's demand, supported the humanitarian situation at the Nicaraguan- Honduran border regarding settlements of Honduran citizens, as result of President Manuel Zelaya's removal from office. In order to address this situation, the UNS formed an interagency mission, accompanied by Mr. Josef Merx, Representative of ACNUR, Costa Rica, to evaluate the site for possible UNS support according to the conditions found. Four missions were held, and, in compliance with the recently promulgated National Law on Refugees (another benchmark on a legal process in conformity to international standards), the National Commission on Refugees was for the first time to be activated in the country. Since behind this scenario there was the "Coup d' Etat" situation, once the political scenario begun to stabilize and the repression eased up, the settlements were rapidly dismantled; the Nicaraguan Government recognized the UNS for carrying out a decisive support in a truly cooperation modality to solve the humanitarian aspects involved during this process.

**Recommendations**

37. In order to respond to the challenges posed by the coordination of six joint programmes, the RC established a technical and monitoring unit responsible for the MDG-F programmes, made up of two staff members which form part of the extended RCO office functions. This unit provides assistance to head of leading agencies and implementing partners, and also follows up on the agreements of the National Steering Committee and UNCT coordination related to the JP's. A



Oficina del Coordinador Residente  
en Nicaragua

working group was created to resolve a myriad of administrative and operational problems faced in the rolled out phase. This group, made up by the programmes' leading agencies, the MDG-F monitoring unit, and supported by the leading agencies Operation Managers, has presented solutions to common problems, and provided recommendations to the RC and the UNCT.