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SPECIAL ECONOMIC ASSISTANCE PROGRAMMES

Assistance to Nicaragua

Report of the Secretary-General

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION	1 - 2	3
II. ASSISTANCE RECEIVED DURING 1979-1981	3 - 5	4
III. REPLIES RECEIVED FROM MEMBER STATES	6 - 11	6
A. Brazil	6	6
B. Norway	7 - 10	6
C. Venezuela	11	6
IV. REPLIES RECEIVED FROM ORGANIZATIONS OF THE UNITED NATIONS SYSTEM	12 - 49	9
A. United Nations	12 - 36	10
1. Economic Commission for Latin America	15	10
2. Office of the United Nations Disaster Relief Co-ordinator	16	10
3. United Nations Conference on Trade and Development	17	10
4. United Nations Industrial Development Organization	18	10
5. United Nations Environment Programme	19	11

CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
6. United Nations Centre for Human Settlements . . .	20 - 21	11
7. United Nations Children's Fund	22 - 28	11
8. United Nations Development Programme	29 - 32	12
9. World Food Programme	33	12
10. United Nations Fund for Population Activities . .	34	13
11. United Nations Interim Fund for Science and Technology for Development	35	13
12. Voluntary Fund for the United Nations Decade for Women	36	13
B. Specialized agencies	37 - 49	13
1. International Labour Organisation	37	13
2. Food and Agriculture Organization of the United Nations	38	13
3. United Nations Educational, Scientific and Cultural Organization	39	14
4. World Health Organization	40 - 41	14
5. World Bank	42	14
6. International Monetary Fund	43 - 45	15
7. Universal Postal Union	46	15
8. International Telecommunication Union	47	15
9. World Meteorological Organization	48	15
10. International Fund for Agricultural Development .	49	15
V. REPLIES RECEIVED FROM OTHER ORGANIZATIONS	50	15
OPEC Fund	50	15

I. INTRODUCTION

1. The General Assembly, in its resolution 35/84 of 5 December 1980, considering that the economic situation of Nicaragua had not returned to normal and that Nicaragua continued to require the assistance of the international community, inter alia, urged all Governments to continue contributing to the reconstruction and development of Nicaragua. It requested the specialized agencies and other organizations within the United Nations system to continue and increase their assistance in that sphere, and also requested the Secretary-General to inform it at its thirty-sixth session of the measures taken to implement the resolution.

2. Resolution 35/84, together with an appeal for assistance, was brought to the attention of a number of Member States, specialized agencies and other organizations within the United Nations system as well as regional and interregional organizations and international financial institutions. The present report contains excerpts from the replies received on assistance provided to Nicaragua. It is understood that some other States and organizations have provided assistance on a bilateral basis, but details have not been communicated to the Secretary-General.

II. ASSISTANCE RECEIVED DURING 1979-1981

3. The following donations were received in cash and kind:

Source	1979	1980	1981	Total
	(United States dollars)			
Austria	152 000.00	423 169.97	48 000.00	623 169.97
Argentina	576 609.00	40 000.00	3 000 000.00	3 616 609.00
Brazil	5 000.00	18 000.00	-	23 000.00
Bulgaria	-	-	100 000.00	100 000.00
Canada	717 000.00	1 163 593.59	188 863.34	2 069 456.93
Chile	38 607.00	-	-	38 607.00
Costa Rica	211 870.53	-	-	211 870.53
Cuba	-	27 337 244.60	15 206 000.00	42 543 244.60
Czechoslovakia	-	-	178 000.00	178 000.00
Democratic People's Republic of Korea	-	-	2 525 169.60	2 525 169.60
Dominican Republic	50 000.00	-	-	50 000.00
France	1 000 000.00	51 951.85	-	1 051 951.85
German Democratic Republic	212 444.60	18 998.20	10 043 889.04	10 275 331.84
Germany, Federal Republic of	2 222 000.00	1 585 000.00	-	3 807 000.00
Hungary	-	-	304 028.00	304 028.00
Italy	669 378.50	248 406.00	-	913 784.50
Japan	66 666.66	2 125 850.00	-	2 192 516.66
Libyan Arab Jamahiriya	-	-	50 000.00	50 000.00
Mexico	11 841 992.54	25 167 320.75	2 500 050.00	39 509 363.29
Netherlands	6 281 250.00	5 851 654.27	206 000.00	12 338 904.77
Norway	260 440.00	-	-	260 440.00
Panama	10 164 395.35	-	-	10 164 395.35
Papua New Guinea	-	-	1 500.00	1 500.00
Peru	340 000.00	-	-	340 000.00
Philippines	-	-	5 000.00	5 000.00
Poland	212 868.00	-	-	212 868.00

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Source	1979	1980	1981	Total
(United States dollars)				
Spain	12 224 440.00	-	-	12 224 440.00
Sweden	5 295 900.00	6 229 335.00	985 179.02	12 510 414.07
Switzerland	2 763 000.00	-	-	2 763 000.00
Union of Soviet Socialist Republics	-	5 555.60	6 689 480.67	6 695 036.27
Venezuela	1 881 780.00	3 431 633.36	356 372.70	5 669 786.06
European Economic Community	5 277 066.55	10 634 043.73	77 791.19	15 988 901.47
Others	234 307.00	80 000.00	-	314 307.00
Total	62 695 015.67	89 411 757.42	42 465 323.61	189 572 096.70

Source: Government of Nicaragua, Fondo Internacional para Reconstrucción.

4. The details of the bilateral loans are as follows:

Source	1979	1980	1981	Total
(millions of United States dollars)				
Argentina	-	2.8	-	2.8
Brazil	-	30.0	-	30.0
Bulgaria	-	-	18.5	18.5
Cuba	-	-	3.5	3.5
Czechoslovakia	-	20.0	10.0	30.0
France	-	12.2	-	12.2
German Democratic Republic	-	30.0	26.0	56.0
Germany, Federal Republic of	17.6	11.2	-	28.8
Italy	-	24.5	-	24.5
Libyan Arab Jamahiriya	-	-	100.0	100.0
Mexico	-	35.4	37.5	72.9
Netherlands	-	17.5	10.0	27.5
Peru	-	-	10.0	10.0
Union of Soviet Socialist Republics	-	-	73.5	73.5
Venezuela	-	1.0	26.8	27.8
Total	17.6	184.6	315.8	518.0

5. In addition, Nicaragua also received both bilateral and multilateral technical co-operation the details of which are not yet available.

III. REPLIES RECEIVED FROM MEMBER STATES

A. Brazil

6. The assistance provided by Brazil to Nicaragua in the context of General Assembly resolution 35/84 is as follows:

(a) Donation of 30,000 units of glucantime, a remedy used to combat leishmaniasis;

(b) Various Nicaraguan technicians have been trained in Brazil during the period 1980-1981 within the framework of the implementation of the Arrangement on Technical Co-operation concluded between Brazil's Administrative Development Foundation (Fundacao de Desenvolvimento Administrativo) and the Nicaraguan Institute for Public Administration (Instituto Nicaraguense de Administracion Publica);

(c) Co-operation between the two countries has been pursued in the fields of water transport, coffee (planting and trading techniques), production of ethyl alcohol, social welfare, customs legislation and techniques, traffic safety and soil preservation.

B. Norway

7. Norway's co-operation with Nicaragua is mainly for a UNICEF project for rural development started in 1980 and expected to be completed in 1983. The \$1,7 million grant will be disbursed as follows:

1980: \$410,000
1981: \$340,000
1982: \$465,000
1983: \$485,000.

8. Furthermore, Norway is prepared to increase its contribution to UNICEF projects in Nicaragua.

9. The Norwegian Development Agency (NORAD) is also supporting a health project undertaken by a private Norwegian organization in Nicaragua at an anticipated cost of Norwegian kroner 788,000 for the period 1979-1981. For the year 1981 NORAD has already paid Norwegian kroner 451,000.

10. An agreement on establishing a Norwegian-Nicaraguan consultant fund, with a budget of \$800,000 in 1982, is under preparation.

C. Venezuela

11. The following assistance has been provided:

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Financial co-operation

(a) By 30 December 1980, a commitment to provide 306,915,781.91 bolívares under the first economic co-operation agreement between the Venezuelan Investment Fund and Nicaragua, signed in 1974, had been honoured in full. The total value of the second co-operation agreement, signed on 19 January 1981, amounted to 108,230,000 bolívares and has been disbursed this year.

(b) From 1 November 1980 up till now, the Central Bank of Venezuela has deposited \$US 40 million with the Central Bank of Nicaragua.

(c) Two allocations from the OPEC Fund, each in the amount of \$US 10 million, were approved on 29 September 1979 and 1 November 1980 for the purpose of covering the balance-of-payments deficit.

(d) Through the trust fund belonging to the Venezuelan Investment Fund in the Inter-American Development Bank, Nicaragua received long-term convertible deposits in the amount of \$US 20 million in 1979, industrial credits in the amount of \$25 million in 1979 and a line of credit for \$1 million in 1980.

Educational co-operation (1979, 1980 and 1981)

(a) 100,000 exercise books, 100,000 pencils and 10,000 copies of primary school textbooks have been sent.

(b) A cash contribution for the acquisition of 10,000 desks has been provided.

(c) A donation of \$51,827 has been made for fellowships at the National University of Nicaragua.

(d) Assistant lectureships in Venezuelan universities have been made available in such priority areas as the health sciences.

(e) A mission of 24 students and one professor from the Faculty of Architecture of the Central University of Venezuela spent six months in Nicaragua for the purpose of co-operating in the project for the physical reconstruction of Nicaragua.

(f) Ten fellowships in the area of criminal police work have been donated.

(g) A library van and primary and secondary educational books have been donated.

Cultural and sports co-operation

(a) A seminar for the design and planning of cultural policies was held.

(b) Performances were given by groups of Venezuelan artistes.

(c) Sportswear and sports equipment valued at 59,990 córdobas were donated.

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(d) Artistes' costumes and equipment valued at 21,000 córdobas were donated.

Energy co-operation

(a) Nicaragua is a recipient country under the San José Agreement, signed by Venezuela and Mexico, by the terms of which the two signatory countries guarantee to supply Nicaragua's hydrocarbon needs and to finance on concessional terms 30 per cent of the cost. In the case of Nicaragua, Venezuela has assumed 50 per cent of both obligations.

(b) Simon Bolívar University held a seminar on petroleum, energy and mining geology co-operation and assistance.

Housing co-operation

One thousand prefabricated wooden houses valued at \$3,250,000 were donated.

Co-operation in transport and communications

(a) A technical assistance mission was sent to aid in road management and improvement, air transit organization and collective transport.

(b) A radio navigational aid VO 485, a UPS 5853 and an electrical plant were supplied to reinforce air navigation safety.

(c) Typewriters were provided to the Administration of Managua airport.

Miscellaneous

(a) Action Committee for the Rehabilitation of Nicaragua: the contributions for 1979, 1980 and 1981, each in the amount of \$10,000, were paid; at the last meeting, a contribution of \$14,000 was approved; the remaining sum of \$4,000 was remitted recently.

(b) Bolívar Park in Managua: an amount of \$350,000 was donated.

(c) The construction of Bolívar Avenue was undertaken.

(d) Technical assistance was provided to the Institute of Natural Resources in Managua.

(e) Officials from the Nicaraguan National Salt Corporation took up assistant lectureships at the National Salt Industry Training Centre (CENISAL).

(f) The Director of International Affairs in the Ministry of Labour of Nicaragua visited Venezuela to study wages and human resources policies and their implementation and operation.

(g) Nicaraguan technical personnel took up assistant lectureships in the Venezuelan National Institute for Educational Co-operation (INCE).

Co-operation to meet emerging needs

(a) Food-stuffs and medicines were provided.

(b) Seventeen tons of sesame seeds and black beans were supplied through the Agricultural Marketing Corporation.

(c) Medical equipment valued at \$80,000 was sent.

IV. REPLIES RECEIVED FROM ORGANIZATIONS OF THE UNITED NATIONS SYSTEM

12. The contribution of the United Nations system to the Government of Nicaragua for the period 1979-1983 (as of June 1980) is as follows: 1/

	<u>United States dollars</u>
Total assistance approved	62,386,597
Total assistance programmed	<u>64,223,350</u>
Total contribution	126,609,947

13. The details of the approved assistance are as follows:

	<u>United States dollars</u>
Economic Commission for Latin America (ECLA)	104,500
Office of the United Nations Disaster Relief Co-ordinator (UNDRO)	87,500
United Nations Industrial Development Organization (UNIDO) . . .	312,700
United Nations Centre for Human Settlements (UNCHS)	47,700
United Nations Children's Fund (UNICEF)	3,963,640
United Nations Development Programme (UNDP)	7,800,254
Capital Development Fund	2,000,000
World Food Programme (WFP)	23,696,180
Office of the United Nations High Commissioner for Refugees (UNHCR)	5,854,000
United Nations Fund for Population Activities (UNFPA)	724,000
International Labour Organisation (ILO)	435,180
Food and Agriculture Organization of the United Nations (FAO) .	1,394,077
United Nations Educational, Scientific and Cultural Organization (UNESCO)	280,872
Pan-American Health Organization/World Health Organization (PAHO/WHO)	3,434,607
International Telecommunication Union (ITU)	9,800
International Fund for Agricultural Development (IFAD)	12,000,000
Voluntary Fund for the United Nations Decade for Women	<u>241,587</u>
Total assistance approved	62,386,587

1/ Report prepared by the Office of the United Nations Development Programme in Nicaragua (April 1981).

14. The details of the programmed assistance are as follows:

	<u>United States dollars</u>
UNIDO	712,550
United Nations Environment Programme (UNEP)	8,000
UNCHS	520,000
UNICEF	7,400,000
UNDP	951,600
CDF	3,531,900
WFP	1,795,300
UNHCR	229,000
FAO	75,000
IFAD	48,000,000
United Nations Interim Fund for Science and Technology for Development	1,000,000
Total assistance programmed	<u>64,223,350</u>

A. United Nations

1. Economic Commission for Latin America

15. A support programme for the formulation and evaluation of agricultural projects (\$100,000) and fellowships (\$4,500) has been approved.

2. Office of the United Nations Disaster Relief Co-ordinator

16. Medicines, tents and blankets, etc., were provided in December 1979 as emergency assistance (\$87,500).

3. United Nations Conference on Trade and Development

17. Ad hoc assistance has been given in the field of commodities by UNCTAD staff members as well as by UNCTAD regional and interregional advisers who have been requested to give advice to the Foreign Trade Ministry on a variety of subjects within its competence.

4. United Nations Industrial Development Organization

18. Assistance to the industrial planning system is being provided in the form of expert advice and equipment with UNDP funding (\$138,160). Expert assistance and equipment are also being given for the accelerated reactivation of estatal and parastatal enterprises with funds made available by UNDP (\$379,478). Services of an expert have been put at the disposal of Nicaragua for the rehabilitation and

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reactivation of nationalized enterprises under the regular programme (\$34,500). With UNDP funding (\$61,820), a project is under implementation for urgent reactivation of textile mills. Lastly, study tours are being financed under the regular programme (\$15,150) for the assessment of the capacity, requirements and alternatives for technical co-operation for the pharmaceutical industry.

5. United Nations Environment Programme

19. A programming mission is planned at a cost of \$8,000.

6. United Nations Centre for Human Settlements

20. A project for the development and renewal of urban marginal settlements was implemented in 1980 at a cost of \$47,700.

21. A project for the development and improvement of urban working-class settlements has been programmed for 1981-1983 with UNCHS financing (\$270,000) and UNDP funding (\$250,000).

7. United Nations Children's Fund

22. The UNICEF Executive Board at its 1981 session approved a three-year commitment for \$686,000 to assist in the expansion of two major programmes initiated during 1980, that is, the early child-stimulation programme, which is intended to organize 120 community pre-school centres in poor neighbourhoods in addition to the 60 centres that were set up in 1980, and the Diarrhoea Prevention and Control Programme.

23. The Board also approved "notings" for the amount of \$1,780,000 to expand the immunization activities initiated with the cold chain network funded in 1980 and the popular health education programme initiated in 1981 with funds provided by Norway. UNICEF is currently seeking funds for the expansion of these programmes from potentially interested donor Governments.

24. "Noted" funds for other projects have been obtained from different sources. The Government of Sweden has provided \$477,000 to start a countrywide programme in early prevention and detection of childhood disability. Recently the Canadian National Committee for UNICEF and the Canadian International Development Agency (CIDA) have made available funds in the amount of \$444,000 for a water supply programme to provide hand-pumps and simple water-supply systems to communities of less than 500 inhabitants.

25. On the urban side, funds from the Netherlands Government in the amount of \$1,000,000 were obtained to improve the condition of poor neighbourhoods in selected areas.

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26. Other projects with "noted" funds that are under way are the nutrition programme in rural areas and the rural work study programme. These activities in rural areas have been made possible with funds received from Norway in 1980.
27. Training workshops and publication of popular booklets on breast-feeding have also been assisted by UNICEF.
28. In line with new policies, UNICEF and WHO have joined efforts to foster the implementation of national public health care strategies. Nicaragua and seven other countries were selected by these agencies for a special effort to achieve health for all in the year 2000. The amount of \$4,634,000 has been earmarked to support the Government of Nicaragua in this new venture for a five-year period.

8. United Nations Development Programme

29. Nicaragua was granted access to the Special Measures Fund for Least Developed Countries and a total of \$170,000 was allocated; a project for malaria control, financed by the Capital Development Fund and costing \$2 million, was approved; a Capital Development Fund project identification mission was organized and has submitted several other projects for the Fund's consideration. In addition, the Governing Council, in decision 80/2 of 20 February 1980 agreed to allocate \$323,000 to the 1977-1981 indicative planning figure (IPF) for Nicaragua and approved the borrowing of \$3 million against the IPF for the fourth cycle, 1987-1991, for activities to be undertaken in 1980-1981.
30. The Governing Council in decision 80/12 of 20 June 1980, having reviewed the situation in Nicaragua, authorized postponement of the repayment of the borrowed funds to the fourth cycle and decided to review at its twenty-eighth session the need for further exceptional assistance.
31. UNDP assistance to Nicaragua has been directed to activities that the Government has indicated have priority, such as upgrading and reorganizing the public sector, supporting the development of rural areas, and promoting national efforts in foreign trade, education and planning. Through a programme of support to the reconstruction process, a specific project was drawn up by which a wide range of short-term consultants have been provided to assist on specific matters.
32. UNDP will continue to provide its assistance to Nicaragua within the framework of the current country programme and is at present programming the utilization of resources for the third cycle, 1982-1986; the current IPF is \$5,323,000, whereas the illustrative IPF for 1982-1986 has been set at \$9,500,000. Non-IPF resources will also be mobilized in order to meet any specific requests the Government of Nicaragua may submit.

9. World Food Programme

33. Six projects worth \$3.9 million have been completed and four projects worth \$17.5 million remain to be completed. Two emergency operations worth \$500,000 have also been completed and two other emergency operations worth \$5.2 million are under implementation. Approved aid totals \$27.1 million.

10. United Nations Fund for Population Activities

34. The UNFPA four-year programme of assistance, 1980-1983, to Nicaragua, amounting to \$4 million, supports a comprehensive national population programme. In 1981, with funds provided by the Government of Finland, UNFPA continued to assist the establishment of maternal and child health services in peri-urban and in rural areas with limited service structure and the preparations for the 1982 Population and Housing Census. Assistance also continues to be provided to train teachers and produce curricula for in-school and out-of-school education. Expenditures in 1980 were \$933,000. Commitments from 1981 are now \$3,519,000.

11. United Nations Interim Fund for Science and Technology for Development

35. An amount of \$1 million has been provided for the services of consultants and equipment for a multipurpose pharmaceutical industry plant.

12. Voluntary Fund for the United Nations Decade for Women

36. A sum of \$86,000 was allocated for support for the "Luisa Amanda Espinoza" Nicaraguan Women's Association. In addition, an amount of \$155,587 was made available for a Women's Training Centre.

B. Specialized agencies

1. International Labour Organisation

37. During 1979-1980, advisory services were provided in the fields of employment and training at a cost of \$193,500 of which \$135,000 was contributed by Norway. Expert assistance at a cost of \$9,000 was made available for devising an employment and wages policy and another \$4,500 for the preparation of a literacy survey among the peasant population. Furthermore, expert assistance and fellowships were made available at a cost of \$8,180. Lastly, \$220,000 was made available for providing emergency advisory assistance to the National Reconstruction Programme.

2. Food and Agriculture Organization of the United Nations

38. As a result of several missions, sent in 1979 and 1980 to Nicaragua to identify the needs of the country after the political events of 1979, a number of projects were approved for financing from the technical co-operation programme (\$147,000), the Prevention of Food Losses Programme (\$238,800), and UNDP (\$830,000). An emergency supply of selected seeds was also provided, at a total cost of \$777,181.

3. United Nations Educational, Scientific and Cultural Organization

39. UNESCO contributed to the National Literacy Campaign by providing the services of a consultant and financial assistance totalling \$62,000. Assistance was provided for the formulation and application of a system of educational planning and development as well as for the formulation of a project for strengthening the new Vice-Ministry for Adult Education. UNESCO helped the Government in its renegotiations with the World Bank over a previous loan for education. Furthermore, it is carrying out the technical assistance component of the Rural Education Project, at a total cost of \$400,000. With UNDP assistance, UNESCO has also been carrying out, since August 1980, the Cultural Development Project, budgeted at \$600,000. Furthermore, two consultants were provided for one month under the Regular Programme and several short consultant missions relating to science and technology took place. The services of a consultant were made available, under the General Information Programme, for setting up a unit for the co-ordination and promotion of scientific information and those of another consultant were provided to the National Archives under the 1979-1980 Participation Programme. Lastly, an amount of \$7,500 has been granted towards setting up a youth programme.

4. World Health Organization

40. Assistance is being provided for the restructuring and organization of the health sector in the amount of \$3.4 million. \$620,000 will be spent over a period of two years in the extension of health services by financing the equipment of primary health posts and training of personnel for primary health care. Another \$520,000 is foreseen for planning within the health sector, such as the organization of a health planning unit, the development of regional health offices and the execution of various research projects. WHO is also supporting the national immunization programme of the Government by training technical personnel and providing different vaccines.

41. The financial resources assigned to the country for the period 1980-1981 were \$833,880 provided by WHO and \$696,642 provided by PAHO. In 1980, a total of 22 fellowships in various health-related areas were granted.

5. World Bank

42. In the fiscal year 1981, IDA approved a credit of \$5 million to finance a pre-investment fund project to help generate both public and private sector investment. The project's main objective is to assist the newly established government institution, Financiera de Preinversion (FINAPRI) to finance and help undertake pre-investment studies for building up a series of projects necessary to stimulate economic activity and to reshape Nicaragua's economy. Also, a Bank loan of \$3.7 million was provided to support improvement in the water-supply system in the capital city of Managua, to finance studies and the preparation of plans for the expansion of the entire system, and technical assistance to help increase the efficiency of the Nicaraguan Water and Sewerage Institute, which plans, constructs, operates, and maintains the water supply and sewerage system throughout the country.

6. International Monetary Fund

43. On 29 August 1979, Nicaragua purchased the equivalent of SDR 17 million under the Fund's Compensatory Financing Facility; this purchase corresponds to the second 50 per cent of Nicaragua's quota under this facility.
44. Direct distribution of profits from gold sales amounted to SDR 3.5 million.
45. In addition, Nicaragua has received a cumulative SDR 19.5 million in SDR allocations.

7. Universal Postal Union

46. Two consultants' missions, courses for junior staff and teaching equipment have been made available for the reorganization of postal services.

8. International Telecommunication Union

47. Technical co-operation was approved in traffic and developments related to the regional telecommunication network (RIT). In addition, Nicaragua is participating in the interregional project CODEVTEL, which is for the purpose of improving the training of telecommunication personnel and promoting the establishment of vocational training standards.

9. World Meteorological Organization

48. WMO is implementing projects under its Voluntary Co-operation Programme for assisting the meteorological services in Nicaragua.

10. International Fund for Agricultural Development

49. IFAD has allocated a loan of \$12.3 million for credits to small farmers and a grant of \$500,000 for a programming mission.

V. REPLIES RECEIVED FROM OTHER ORGANIZATIONS

OPEC Fund

50. The OPEC Fund made a direct loan of \$10 million in 1980 for balance-of-payments support.
