

# Nicaragua

## AT A GLANCE



### Country data *(2006 figures, unless otherwise noted)*

- 2007 Human Development Index: ranked 110th of 177 countries
- Population: 5.53 million
- GNI per capita (Atlas method, current US\$): US\$930
- Population living on less than US\$2 a day (1990–2005): 79.9 percent
- Life expectancy (in years): 72
- Infant mortality rate: 29 per 1,000 live births
- Under five infant mortality rate: 36 per 1,000
- Population undernourished (2002–2004): 27 percent
- Population with sustainable access to improved water source (2004): 79 percent
- Adult literacy rate (over 15 yrs of age) (1995–2005): 76.7 percent
- Primary education completion rate: 73 percent
- Gender-related development index (2005): ranked 98th of 177 countries
- Official development assistance (ODA): US\$733 million
- 2007 Corruption Perception Index: ranked 123rd out of 179 countries

Sources: Transparency International (TI), 2007; UNDP, 2007a and 2007b; World Bank, 2008.

### The crisis

- Nicaragua is one of the world's most disaster-prone countries; in past decade, over 1.35 million people have been displaced or affected by disasters; over 3,500 killed; and between US\$1.5 and US\$3 billion in damage sustained;
- Hurricane Felix struck 4 September 2007, principally affecting the Región Autónoma del Atlántico Norte (RAAN), the North Atlantic Autonomous Region;
- 60 percent the RAAN's population lives below the poverty line, higher than the national average;
- Felix affected 34,000 households (approximately 200,000 persons), caused 235 deaths, destroyed 10,000 houses, and tore roofs from additional 9,000 homes and buildings;
- Over 86,000 hectares of land damaged; more than 6,000 livestock killed; monthly food aid requirements calculated at US\$3.52 million.

Sources: World Bank, 2008a; Government of Nicaragua, 2007.

### The humanitarian response

- The Nicaraguan government estimated recovery needs at US\$400 million US\$292 million requested through UN; UN Flash Appeal requested almost US\$40 million;
- Largest humanitarian donors: EC/ECHO (US\$8.2 million, 26.8 percent of total); U.S. (US\$7 million, 22.7 percent); Sweden (US\$1.5 million, 4.9 percent); CERF provided US\$5 million (16.2 percent); unearmarked funds from other UN agencies (US\$2.7 million, 8.7 percent);
- US\$7.5 million more provided in response to heavy rains following hurricane: 55.8 percent from Canada; 22.1 percent from Switzerland; 17.5 percent from EC/ECHO;
- Venezuelan in-kind support and cash aid surpassed US\$18 million.

Sources: Government of Nicaragua, 2007; OCHA FTS.

# Nicaragua

## Living in the Eye of the Storm

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### Introduction<sup>1</sup>

Nicaragua has a long and painful history of sudden-onset disasters precipitated by natural phenomena<sup>2</sup> which have devastated lives, particularly those of the poor and most vulnerable, and suffocated the country's economic and human development. Poverty is widespread, with 46 percent of the population living below the poverty line. Only Haiti is poorer in Latin America. According to the World Bank, Nicaragua is one of the world's most disaster-prone countries, having suffered a major disaster every two years for the last century. In the past decade alone, over 1.35 million people have been displaced or affected by disasters; over 3,500 have lost their lives, and between US\$1.5 and US\$3 billion of economic damage has been sustained.<sup>3</sup>

Just as many humanitarian and regional actors were preparing initiatives to mark the 10th anniversary of the catastrophe caused by Hurricane Mitch, Nicaragua was once again struck by a hurricane. This time, Hurricane Felix affected principally the most marginalised and neglected Miskito people of the country's most vulnerable north-east Atlantic coast region.

### The crisis: Felix and the marginalised North Atlantic region

Hurricane Felix struck on 4 September 2007. Ranked as a Category-5 hurricane on the Saffir-Simpson scale, Felix principally affected the *Región Autónoma del Atlántico Norte* (RAAN), the North Atlantic

Autonomous Region. This low-lying area is home to thousands of Miskito Indians, who depend on canoes to navigate shallow rivers and lakes to reach higher ground. Before making landfall, Felix had devastated the Cayos Miskitos, a fishing area crucial to the local economy. After battering the coastal communities, the hurricane headed inland in a south-westerly direction, across a sparsely populated area, leaving a trail of destruction some 60 km wide.

The RAAN is the largest and poorest region of Nicaragua, 60 percent of whose 308,000 inhabitants live below the poverty line – a much higher proportion than the national average. They are ethnically distinct from the rest of the population and enjoy a significant degree of political autonomy. Most of the rural communities affected by Hurricane Felix were home to Miskito Indians.

According to official estimates, Hurricane Felix directly affected close to 34,000 households (approximately 200,000 persons), and caused 235 deaths, with a further 133 persons still missing as of November 2007. Over 10,000 houses were completely destroyed by the hurricane, which tore the roofs from an additional 9,000 homes. Over US\$4 million was required to cover temporary shelter requirements, under a plan presented by the government through UNDP. Over 273,000 corrugated zinc roofs were needed, at an average cost of US\$15 each. Hundreds of public buildings and utilities, including schools, clinics, and water sources, were also damaged or destroyed.

In addition, monthly food aid requirements were calculated at US\$3.52 million, in part because the hurricane disrupted the harvesting of several key crops.<sup>4</sup> Over 86,000 hectares of land were damaged and over 6,000 livestock killed.<sup>5</sup> However, the World Food Programme (WFP) did not receive sufficient funding to cover all food needs for the 200,000 beneficiaries estimated by the government. In practice, WFP focussed on covering 60 percent of the food aid requirements of 88,400 people. Small-scale fishing, officially the primary source of income for coastal communities, was also seriously disrupted due to the displacement of the fishermen, the loss of equipment, and the extensive destruction of marine areas.

While in most areas there were no possibilities to evacuate the population prior to the storm, after Felix was over, 12,700 people were evacuated to 72 camps, 65 of which were located in the regional capital Puerto Cabezas. However, the city was without electrical power and communications, and the airport runway and many

roads were unusable, making it impossible for the first planes carrying humanitarian aid to land.

By the end of October, the Nicaraguan government estimated humanitarian and recovery needs at US\$400 million. Although Hurricane Felix was a relatively small-scale catastrophe in terms of the number of victims and destruction caused, it must be seen in the context of disasters which are recurrent and which disproportionately affect the most vulnerable. It is in such situations that the concept of donor engagement to prevent and prepare for disaster has special meaning. In the wake of Hurricane Mitch, Nicaragua had embarked on a process of strengthening its capacity to deal with repeated disasters. In this respect, the country's efforts benefited from the aid related to post-Mitch recovery operations and more recent international assistance strategies. Nevertheless, preparations to respond to Felix were flawed.

#### The humanitarian response: An uneven relief effort

The effectiveness of the humanitarian response was uneven, and depended greatly on both the location and accessibility of communities and the presence and capacity of local organisations and actors. Crucially important was the fact that many international organisations were either not on the ground or lacked sufficient capacity, because the storm was initially expected to have the greatest impact on neighbouring Honduras.

The head of the Sistema Nacional para la Prevención, Mitigación y Atención de Desastres (SINAPRED), the national body for disaster prevention and response, quickly recognised the challenge posed by the extensive humanitarian needs, aggravated by the heavy rains which followed Felix. Nevertheless, even the initial basic needs concerning food and shelter were, according to SINAPRED, underestimated. The response action plan was subsequently estimated at US\$400 million, of which US\$292 million was requested through the United Nations by President Ortega.<sup>6</sup> The UN Flash Appeal, issued 10 days after the hurricane, requested almost US\$40 million.

The initial response was hampered because many international and regional teams were prepositioned in Honduras, where the hurricane was expected to hit. For example, the International Federation of the Red Cross (IFRC) had no teams in Nicaragua. Therefore, where local organisations and NGOs were not present, coverage was very poor. Moreover, as in other disasters, there

were disheartening examples of avoidable failures in the delivery of aid; in one such instance, water trucks were sent to distant communities, but were forced to return because there were no containers in which to store the water. Nevertheless, while there were many complaints reported in the national and local press, many external observers described the initial response as acceptable.<sup>7</sup>

The disaster response was managed by SINAPRED, with efforts by OCHA to enhance coordination and introduce sectoral clusters which would provide for greater transparency in aid prioritisation. However, the international humanitarian community is still uncertain regarding the applicability of international coordination systems, such as the cluster approach, in countries where the national government takes the lead during a humanitarian crisis.

Despite the national and international response, beneficiaries were often poorly informed about recovery plans and aid activities, and consequently had little ownership of the programmes implemented. For example, three months after the storm, community leaders in Sandy Bay were unsure whether they would receive aid. In hard-to-access areas, where communities carried out recovery activities with their own means, local appeals for expertise on how to apply disaster risk reduction standards in the rehabilitation of housing and public buildings often went unheeded.

Needs assessments did not clearly differentiate between pre-existing conditions, life-threatening situations, and beneficiary priorities. At the household level, they were patchy and limited, making targeting the most vulnerable within communities difficult. This was exacerbated by the fact that in the local culture, people were accustomed to sharing resources irrespective of differences in living conditions or means. Therefore allocating aid on a per-household basis meant that relief did not necessarily reach those most in need. In other instances, some in-kind assistance was distributed based on the criterion of whether a family member had been lost in the storm, hence, not according to a specific assessment of needs.<sup>8</sup>

Several factors came into play in the preparedness, relief, and recovery operation. As in other scenarios, the magnitude of the disaster was determined not only by the hurricane's intensity, but by the pattern of vulnerability of the people living in the area. The effectiveness of interventions was also conditioned by factors specific

to the context and circumstances. Overall, four issues stand out:

#### Imperfect early warning and preparedness

Since the hurricane was initially expected to make landfall in Honduras, villagers in the RAAN received insufficient warning from officials. More significantly, many international emergency teams were not deployed in Nicaragua, but were in fact dispatched to Honduras. These failures were due not only to the shortcomings of the computer models used to predict the storm, but also to the fact that Felix developed strength in record time. US meteorologists claimed that Felix "strengthened more rapidly than any other storm on record, anywhere in the world."<sup>9</sup> Furthermore, although local authorities in the region did visit communities to warn them of the imminent storm and alerted many fishermen, there was an institutional fear of "crying wolf," stemming from their experience of the contrast between the alarm raised in the RAAN in 2005 regarding hurricane Beta and the limited damage which actually resulted.

While the RAAN is considered disaster prone and has benefited from earlier disaster preparedness and prevention efforts – implemented mainly by the Dutch Red Cross, *Gruppo Voluntario Civile*, and Oxfam through *Acción Médica Cristiana* – local people were not sufficiently disaster aware. Sunshine and good weather was deceptive, leading the population to believe that there was no imminent danger. The affected communities claimed that they first learned of the danger and believed the warnings when they saw the names of their towns and villages on television news. Many claimed that, despite warnings, many emergency decisions were not taken, for example, to close schools.

#### An isolated and culturally distinct region

While all concerned in the response were, in theory, clear that the area's cultural and linguistic differences required locally owned interventions, this was not always the case. Many existing national resources on disaster preparedness and response were less relevant to the specific cultural and geographic context and had to be translated or adapted. There were clear differences with respect to other areas of Nicaragua, as many community leaders, while proficient in Spanish, had never heard of climate change or been affected by a disaster. Therefore, although national and regional protocols and means for intervention existed, the high level of political autonomy, the remoteness of the region, and the lack of prior

experience in disaster management in the RAAN all affected the response.

Institutional decentralisation often made it unclear at what level responsibilities lay. In practice, the Governor of the RAAN lacked the necessary capacity to manage the response and required support. Even when the international community tries to respect local capacity and promote locally owned responses, it is often difficult to know which level of authority should be supported, especially in view of the region's autonomy and decentralisation. It is unclear, therefore, what exactly "local" means.

### Politicization in Nicaragua

Unsurprisingly given its history, Nicaragua remains politically polarised, despite recent right-left party coalitions. While humanitarian action is meant to be impartial, independent and neutral, disasters, particularly sudden ones, provide opportunities for political grandstanding and clientelism. For example, considerable visibility was given to the humanitarian support provided by Hugo Chavez's Venezuela, because of his government's close relationship with that of Nicaragua's President, Daniel Ortega. The government also argued that it had no funds with which to respond to either existing or new needs, given the constraints of its budget, debt repayment requirements, and the conditionality imposed by the International Monetary Fund, World Bank, and many traditional donors.

The new coalition government led by President Ortega promised in its electoral campaign to prioritise the RAAN, and the region's voters duly helped elect the Sandinista candidate. However, in the wake of hurricane Felix, there was considerable disgruntlement amongst many inhabitants of the RAAN, who regretted having voted for President Ortega, and making the accusation that "those who had wanted to become rich in positions of power now wanted to become millionaires and benefit from the disaster."<sup>10</sup> There were many claims that aid was misappropriated: for example, that local officials responsible for World Bank and other recovery projects recommended candidates to staff the projects in exchange for a quarter of their salaries.

### Costly coverage and expensive logistics

Lack of means of transport and fuel made it difficult for the population to evacuate and for implementing agencies to reach affected communities. As many communities were far from Puerto Cabezas and only accessible by boat, logistics presented a real challenge and aid was

concentrated in areas which were accessible by road, even though these were not the most affected by the storm. For example, communities in the badly damaged area of Sandy Bay, which lost 99 percent of its homes when hit by the eye of the storm,<sup>11</sup> received little assistance. Three months after the storm, many households there had only received one distribution of food aid. To make matters worse, prices of essential goods in the RAAN, already high by Nicaraguan standards, increased after Hurricane Felix, contributing to a decreased standard of living.

### The international donor response: Scarcity of actors ... but Venezuela

According to OCHA's Financial Tracking Service (FTS), the largest humanitarian aid donors for the response to Hurricane Felix were: the European Commission (ECHO), which committed US\$8.2 million (26.8 percent of total funding); the US, with US\$7 million (22.7 percent); and Sweden with US\$1.5 million (4.9 percent). Other multilateral funding sources included the UN Central Emergency Response Fund (CERF), which provided US\$5 million (16.2 percent), and unearmarked funds from other UN agencies amounting to US\$2.7 million (8.7 percent), with the rest from other sources. A further US\$7.5 million was contributed in response to the heavy rains which followed Hurricane Felix, 55.8 percent of which came from Canada, 22.1 percent from Switzerland and 17.5 percent from EC/ECHO.

Donors are principally involved in the provision of development aid through budgetary support to Nicaragua. However, the current government's relationship with traditional donors is strained and budget support is regarded as providing less leverage for promoting donor policies, including effective disaster risk reduction.

The European Commission, through ECHO, was the main donor, and although it was initially unclear whether it would, in fact, fund the emergency response, information from the field and the regional delegation in Managua prompted the Commission to act. A primary emergency decision for €1 million helped fund *Telecom Sans Frontières* to provide critical communication services, and the World Food Programme (WFP) and CARE to engage in water and sanitation activities. A later €5 million disbursement covered more comprehensive programming for communities that were harder to reach and incorporated an element of disaster risk reduction.

While in previous large disasters some members of the international donor community have advocated "turning disaster into opportunity" or "building back better," certain donors, especially those that focus on relief activities such as ECHO, put limits on the type of recovery assistance they provide. For example, at times the parameters of the primary emergency funding for water and sanitation did not allow for continuous monitoring and renewed assessment, which would have contributed to better understanding of the unfolding context and therefore aid appropriateness. Furthermore, communication with beneficiary communities is essential, so that assistance can be adjusted to meet their changing needs and the resulting response strategies can be shaped by the priorities and concerns of the survivors. These concerns – and the shift from relief to recovery – should be captured in a follow-up needs assessment. In this sense, ECHO, in the key sector of basic water supply, was viewed as inflexible, because it did not allow agencies to improve pre-existing water supply systems. This decision was regarded as being out of touch with local realities, the cultural context, and the government's desire to ensure that the response to the disaster led to real development.<sup>12</sup>

The United States provided mainly emergency relief supplies and air support. The US military airlifted aid out of Puerto Cabezas to hard hit areas as part of its Humanitarian Assistance Program, which works with countries in the region to improve disaster relief responses. Approximately US\$1.5 million was spent for airlifts, while the US Office of Foreign Disaster Assistance (OFDA) provided small grants to NGOs.

Sweden, the third largest bilateral humanitarian donor for Felix, has traditionally been Nicaragua's most important provider of Overseas Development Assistance. While the two countries have strong ties and a good working relationship, in August 2007, barely a week before Hurricane Felix struck, Sweden announced that it would be limiting its aid to 37 countries, and that it was phasing out aid to Nicaragua within four years. This unilateral Swedish decision came as a surprise,<sup>13</sup> prompting Swedish diplomats in Managua to privately convey their dismay at the decision. The impact of Sweden's phased withdrawal will affect, above all, the transition to recovery and the incorporation of pro-poor growth policies which would positively contribute to the development of Nicaragua in general, and of RAAN, in particular.

The funds provided by CERF, along with the funds from other UN agencies, were crucial in the response, as

a quick source of funding for the immediate response. They played a far more important role than, for instance, the Red Cross and Red Crescent Movement. The World Bank also assumed key responsibilities for implementing an emergency recovery project focusing on rehabilitation of housing, agriculture, and the fisheries. Several donors, including the European Commission, the United States, Switzerland, and Spain supported disaster risk reduction activities.

As in other sudden-onset disasters related to natural phenomena, private funding was critical. In fact, the Nicaraguan public immediately provided in-kind and cash support, through a national telethon in which donations were channelled through the Nicaraguan Red Cross. Many small, mainly religious, organisations travelled to the area to implement rehabilitation activities – primarily in the areas that were easier to reach, such as Krukira. International private donors such as the Bill and Melinda Gates Foundation also provided funding.

As for nontraditional donors, Venezuela was the most significant. Not only did Venezuelan brigades participate in search-and-rescue operations, but, according to the Nicaraguan government, seven months into the response, Venezuelan cash and in-kind support – in the form of food aid, housing material, medicines, fuel, etc. – surpassed US\$18 million. In contrast to other donors, which tend to be cautious in their commitments, the Venezuelan Ambassador declared that Nicaragua could, "count on this aid, this cooperation not ceasing and continuing systematically."<sup>14</sup> However, the in-kind support was less adaptable to existing needs. Differences in criteria caused programming delays and stalled distribution and rehabilitation activities. For example, donations of roofing materials were provided for schools and public buildings, while some families were still without any shelter. Unfortunately, none of Venezuela's assistance is reported in the OCHA Financial Tracking Service, highlighting the deficiencies in monitoring humanitarian aid.

### Conclusion

Hurricane Felix was not a large disaster in terms either of its impact or the level of funding directed towards the response. Yet, an analysis of the response to disasters such as Hurricane Felix provides an opportunity to assess disaster risk reduction efforts and how they can influence and improve emergency humanitarian responses. Such an assessment should include all dimensions of local capacity and how prior support has

strengthened the local response. While it is recognised throughout the humanitarian sector that there is a need to respect and promote local capacity, the international community all too often equates the term *local*, as seen in Nicaragua, with the national level. Hurricane Felix illustrates the importance of distinguishing and prioritising needs and capacity building more locally, especially in contexts such as the RAAN, where decentralisation is, and must be, a reality, and where communities are isolated. International aid should aim to recognise, identify, use, and strengthen local capacity. It is important for agencies to seek to build and capitalise on existing local networks, and to strengthen existing coping strategies and support systems. A number of organisations and institutions have confirmed that they have learned this lesson from their response to Felix.<sup>15</sup> With little surge capacity in the area affected, the ability of the humanitarian community to respond to needs depended on the quality of truly local staff and organisations.

As witnessed in the aftermath of hurricane Felix, assessment, monitoring, and accountability requirements adopted by donors and agencies often rule out assistance in hard-to-reach areas. In combination with logistical constraints, beneficiary-cost calculations – factoring in efficiency and capacity considerations – often contradict GHD Principle 6, which gives priority to reaching those most in need, using a needs-based approach. In situations such as these, both the response and requirements should adapt to situational challenges on the ground.

Furthermore, strategies that are flexible enough to adapt to different phases and interventions will be the most effective way to reach vulnerable people with the right aid. Humanitarian action and development aid are separate types of assistance, for many well justified reasons. The timely rehabilitation of communities suffering from sudden-onset disasters requires flexibility and speed. Experience however shows that recovery is essentially a development issue. In the delicate transition from relief to recovery, repeated needs assessments should be carried out to prioritise communities' needs, adapt the response to an evolving context, and to long-term livelihood strategies. In a disaster-prone area like the RAAN, responses must mainstream disaster risk reduction, giving full consideration to social and cultural realities.

Finally, instruments such as the Financial Tracking Service must be upgraded to reflect the new role played by non-traditional donors, and to facilitate accurate reporting. The fact that Venezuelan aid is recorded in narrative reports on ReliefWeb, but not included in the FTS, highlights the need for greater coherence.

## Notes

- 1 The HRI team, composed of Aldara Collet, Gilles Gasser, and Ana Romero, visited Nicaragua in November 2008. This report is based on the findings of the HRI mission and the field visits and interviews carried out by Silvia Hidalgo and Soledad Posada in Nicaragua in October–November 2007. The opinions expressed here are those of the author and do not necessarily reflect those of DARA.
- 2 Humanitarian disasters are often the result of the combination of natural phenomena, such as earthquakes or hurricanes, with “unnatural” factors, such as high levels of poverty.
- 3 World Bank, 2008a.
- 4 Government of Nicaragua, 2007.
- 5 World Bank, 2008b.
- 6 Government of Nicaragua, 2007.
- 7 HRI field interview.
- 8 SINAPRED, 2008.
- 9 Drye, 2007.
- 10 HRI field interview.
- 11 UNICEF, 2007.
- 12 HRI field interview.
- 13 Schulz, 2007.
- 14 Ibid.
- 15 HRI field interview.

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- . 2008b. “Project Paper on a Proposed Credit in the Amount of SDR 10.7 million (US\$17 million) to the Republic of Nicaragua for a Hurricane Felix Emergency Recovery Project.” Report No: 42266-NI. At: [http://www-wds.worldbank.org/external/default/WDSContentServer/WDS/IB/2008/02/27/000333037\\_20080227232558/Rendered/INDEX/422660PJPR0P101y10IDA1R20081003011.txt](http://www-wds.worldbank.org/external/default/WDSContentServer/WDS/IB/2008/02/27/000333037_20080227232558/Rendered/INDEX/422660PJPR0P101y10IDA1R20081003011.txt)