



**REPUBLIC OF NICARAGUA**

**NATIONAL PLAN OF ACTION FOR  
HUMAN SETTLEMENTS AND HOUSING  
1996 - 2000  
(SUMMARY DOCUMENT)**

**NATIONAL COMMISSION FOR HUMAN  
SETTLEMENTS AND HOUSING (CONAVIAH)**

**PREPARATORY NATIONAL COMMISSION HABITAT II / NIC**

**JUNE 1996**

"Nicaraguans have the right to decent, comfortable and safe housing that guarantees familial privacy. The State shall promote the fulfillment of this right"

Article 64. Constitution of the Republic of Nicaragua.

This publication has been possible thanks to the financial support of the German Technical Cooperation (GTZ) in our country.





H. E. MRS. VIOLETA BARRIOS DE CHAMORRO  
PRESIDENT OF THE REPUBLIC OF NICARAGUA

**NATIONAL COMMISSION FOR HUMAN  
SETTLEMENTS AND HOUSING (COHAVIAH)**

**DAYTON CALDERA**  
Vice - Minister for Government  
Affairs  
Ministry of Presidency

**PABLO VIJIL**  
Minister  
Ministry for Construction and  
Transportation

**PABLO PEREIRA**  
Minister  
Ministry for Economy and Development

**SANTIAGO RIVAS**  
Minister President  
Nicaraguan Institute for  
Municipal Development

**RENE ARGÜELLO**  
Excutive President  
Housing Bank of Nicaragua

**WILLIAM BAEZ**  
Minister  
Ministry for Social Action

**PREPARATORY NATIONAL COMMISSION  
HABITAT II**

Gabriel Urcuyo, Architect	CONAVIAH
Carmen Sotomayor, Architect	MCT
Clemente Balmaceda, Engineer	MCT
Alberto Bernal, Architect	BAVINIC
Silvio Cerda, Licentiate Degree	MEDE
Edgar Sotomayor, Architect	MAS
Milena Lanzas, Licentiate Degree	AMUNIC
Marvin Palacios, Architect	INIFOM
Róger Zúñiga, Engineer	ALMA
Ninette Morales, Architect	NGO Representative

**ADVISOR:**

Edgard Herrera, Architect	Consultant
Lucy Salas, Architect	Consultant

**TECHNICAL SUPPORTING COMMITTEE**

Martha Loyman, Architect	BAVINIC
Jairo Blandón, Architect	INIFOM
Daysi Membreño, Architect	INETER
Ana María Núñez, Architect	MCT

**NATIONAL COMMISSION FOR HUMAN SETTLEMENTS AND HOUSING  
PREPARATORY NATIONAL COMMITTEE FOR HABITAT II**

**PARTICIPANTS IN THE PREPARATORY PROCESS  
HABITAT II, NICARAGUA CHAPTER**

<b>INSTITUTIONS</b>	<b>ACRONYM</b>
Managua City Hall	(ALMA)
National Assembly	(AN)
Association of Municipalities of Nicaragua	(AMUNIC)
Nicaraguan Association of Engineers and Architects	(ANIA)
Central Bank of Nicaragua	(BCN)
Central American Bank of Economic Integration	(BCIE)
Housing Bank of Nicaragua	(BAVINIC)
Inter American Development Bank	(IDB)
Urban Developers Chamber	(CADUR)
Nicaraguan Chamber of Construction	(CNC)
Center for Inhabiting Research and Promotion-NGO	(HABITAR)
Center for Local Development Promotion-NGO	(CEPRODEL)
School of Engineers	(CIN)
National Commission for Human Settlements and Housing	(CONAVIAH)
Civil Defense NATIONAL ARMY	(Civil Defense)
NGO Forjemos	(FORJEMOS)
International Foundation for the Global Economic Challenge	(FIDEG)
German Technical Cooperation	(GTZ)
National Technological Insitutute	(INATEC)
Nicaraguan Institute of Sewage and Aqueducts	(INAA)
Nicaraguen Institute of Energy	(INE)
Nicaraguen Institute of Statistics and Census	(INEC)
Nicaraguan Institute of Territorial Studies	(INETER)
Nicaraguan Institute of Municipal Development	(INIFOM)
Nicaraguan Institute of the Woman	(INIM)
Nicaraguan Institute of Telecommunications and Post Office	(TELCOR)
Ministry for Social Action	(MAS)
Ministry for Construction ans Transportation	(MCT)
Ministry for External Cooperation	(MCE)
Ministry of Economy and Development	(MEDE)
Ministry of Presidency	(MIPRES)
Ministry of Foreign Relations	(MINREX)
Ministry of Health	(MINSAL)
Ministry of Natural Resources and Environment	(MARENA)
Ministry of Labor	(MITRAB)
Nicaraguan Environmental Movement	(MAN)
Nicaraguan Communal Movement	(MCN)
National Police	(PN)
United Nations Development Program	(UNDP)
Public Registrar's Office of Property	(Registro Público)
Catholic University	(UNICA)
Central American - NITLAPAN	(NITLAPAN)
National University of Engineering	(UNI)

## PREFACE

The great challenge all participants of the Human Settlements and Housing Sector are nowadays facing is to try to comply with the mandate of our Constitution, in order to guarantee a safe and decent roof to the society in general to insure stability to the families.

Nevertheless, because of the various problems our country has been facing, such as earthquakes, hurricanes and wars, the habitational deficit, both qualitative and quantitative, has increased, presently estimated in some 300.000 houses, with an annual increase of 20.000.

Starting from 1990 with the arrival of the Democratic Government of Mrs. Violeta Barrios de Chamorro, the process of recovery and economic reactivation of the country is initiated, taking as a priority the attainment of peace and stabilization of the economy. However, in these circumstances, the topic of Human Settlements and Housing continued in discussion, producing several national meetings on the subject with participation of various agents of the Sector.

Based on this effort and complying with the mandate of United Nations, approximately one year ago the first contacts began for the elaboration of the National Plan of Action we are hereby presenting.

It is pertinent to emphasize its importance, for it presents the consensus of the different agents involved in the Sector: Non Governmental Organisms, Civil Society, Universities, Private Enterprise, Government, etc. We hope the policies, plans and programs projected for the 1996 - 2000 quinquennium may be carried out, in order to bring the mandate of our Constitution into reality: The right to decent, comfortable and safe housing.

PABLO VIJIL YCAZA  
Managua, Nicaragua

## **GRATITUDE**

*This document represents the effort during approximately one year of a whole process of consultations, seminars, shops and permanent business meetings of the different agents of this Sector. Our gratitude to the participants: Non Governmental Organisms, Governmental Institutions, Private Sector, Civil Society, Town Halls, etc., particularly to our people, the key element of daily chores.*

*Likewise, we specially thank the different instances of GTZ (German Technical Cooperation) in our country for their continuous support during this period, without which the realization of this National Plan of Action would not have been possible.*



**SUMMARY NATIONAL PLAN OF ACTION FOR HUMAN  
SETTLEMENTS AND HOUSING 1996-2000**

# **SUMMARY NATIONAL PLAN OF ACTION FOR HUMAN SETTLEMENTS AND HOUSING 1996-2000**

**Country: Nicaragua**

## **A. BRIEF DESCRIPTION OF THE SECTOR AND ITS CONTEXT**

The present Government of the Republic has been impelling a Government Plan whose main objectives are: To achieve peace and social stability, recover and maintain the macroeconomic stability, and initiate the economic growth in the framework of a sustainable environmental and human development.

After a series of war conflicts which confronted and affected large sectors of the population since the middle of the seventies and after putting in motion the necessary stabilization and adjustment programs of the nineties, the country is still facing big challenges for overcoming poverty and unemployment.

The social costs entailed by the previously described situation have been very meaningful, and their impact at national level have been felt in the Human Settlements and Housing Sector. This sector counts on little participation in the national economy, and its financial, institutional and productive aspects do not have a good articulation.

Self-construction is the predominant form of housing production in Nicaragua. The HABITAT/INIFOM/1992 report estimates that an 83% of the existing houses at national level are self-built.

The actions on the matter of Human Settlements and Housing in the 90-95 period in a great measure have responded to pacification efforts, in a transitional process towards the social and political stability; likewise, emergency actions have been carried out in response to the population affected by natural disasters and in attention to the most vulnerable population, insofar as habitability conditions in their houses is concerned.

The National Government has carried out 5,397 actions for new housing and 37,515 actions for improvement, with a total investment of 40.76 million dollars, which has improved the habitational situation of 245,885 Nicaraguans (1). On the other hand, Non Governmental Organisms and international agencies, in the same period, have executed 7,409 actions for new housing and 2,017 actions for habitational improvement.

---

(1) In accordance with the indicator of 5.73 house/inhab. from preliminary figures 1995 Census, INEC.

It is pertinent to point out that many actions carried out by the formal sector, both public and private, are not registered for lack of an adequate system of statistics and information in the sector.

In general, the State has assumed the role of executor of social interest projects, with the participation of private constructing enterprises, and financier of private urbanizers for free market house building. The final costs of social interest housing have resulted higher than those initially estimated, which hinder the sale to the population, an originally foreseen goal, both because of their low income as well as the absence of direct subsidy forms to the demanding families with low payment capability.

The aforesaid constitutes a limitation for establishing housing programs for low income sectors in a self-sustainable manner, stating the need for a greater participation of other actors, such as local governments, non profit civil society organisms, and the population itself.

The Sector has initiated an institutional modernization and reform process, with the aim of recovering its management and execution capacity. This process comprises two actions:

- a) In 1995, by Executive Decree 28-95, the National Commission for Human Settlements and Housing (CONAVIAH) is created, as a higher instance for the formulation of policies and coordination of public and private actors taking part in the production of Human Settlements and Housing.

Its first task has been the formulation of "National Plan of Action for Human Settlements and Housing 1996-2000", incorporating during its elaboration the main entities involved in the sector, in such a way that their main features be incorporated in the National Plan for Development, and at the same time to become an instrument of the Sector before the Summit of the City.

- b) During 1996, the Sector incorporates itself integrally into a Division for Planning Economic Infrastructure with other related areas (Transport, Water and Sanitation, Energy, Communications), in order to speed up the development plans, get the utmost from the investments and public services.

Both actions try to integrate the Sector into the National Development.

## **B. NATIONAL PLAN OF ACTION**

### **B.1 ADEQUATE HOUSING FOR ALL**

#### **B.1.1 NATIONAL POLICIES FOR HOUSING**

- 1.- The National Policy for Human Settlements and Housing is interdependent from the sustainable environmental, territorial, population, social development and Macroeconomic Policy of the country.
- 2.- The right to housing consigned in the Political Constitution of the Republic demands the participation of all the sectors in its solution.
- 3.- The concept of housing is integral, both in the country side as in the city; it comprises the access to land, social services and basic infrastructure, property guarantee, security of the citizen and a healthy environment.

##### **B.1.1.1 GENERAL OBJECTIVES**

1. To reduce the qualitative and quantitative deficit of Human Settlements and Housing.
2. Improve the rendering of basic services and urbanistic infrastructure.
3. Promote, consolidate and generate sustainable Human Settlements.
4. Establish the legal framework for the generation and mobilization of public resources for giving financial support to the National Plan for Human Settlements and Housing, as well as the promotion and protection to the private investments and internal savings.

#### **B.1.2 VULNERABLE GROUPS**

##### **B.1.2.1 GENERAL OBJECTIVES**

- Integrate the policies for Human Settlements and Housing with the policies for attention to the reduction of poverty, the creation of employment and production, as well as the protection of vulnerable groups, especially women and children.

- Clearly establish and identify in the Sector the exact criteria and demand of subsidized attention to the most vulnerable sectors.
- Dedicate housing as an adequately regulated family patrimony.
- Focus the necessary subsidies to those vulnerable sectors of the population that cannot be served by the market and create new instruments for attending to their needs for not having access to credit.
- Training Programs shall be established, destined to the vulnerable groups of the population, in order to insure their reinsertion in a sustainable development process.
- Promote for the Institutions for Protection to Women and Children to assign resources comprising provision for adequate Human Settlements and Housing.

## **B.2. SUSTAINABLE DEVELOPMENT OF URBAN SETTLEMENTS IN AN URBANIZED WORLD**

### **B.2.1 SUSTAINABLE USE OF LAND**

Establish the coherence of the Plan of Action with the strategic outlines of territorial arrangement, the Plan of Environmental Action of Nicaragua and the National Plan for Economic Development 1996-2000, in order to guarantee the unity of action of the social and economic Planning of the country,

### **B.2.2 REDUCTION OF POVERTY AND CREATION OF EMPLOYMENT, IMPROVING THE URBAN ECONOMIES.**

Integrate the policies for Human Settlements and Housing with the policies of attention to the reduction of poverty, the creation of employment and production, as well as the protection of vulnerable groups, specially women and children.

**B.2.3 ENVIRONMENTALLY HEALTHY AND SUSTAINABLE HUMAN SETTLEMENTS**

Assist in the efficient application of legislation on Natural Resources and Milieu.

**B.2.4. BALANCED DEVELOPMENT OF THE SETTLEMENTS IN THE RURAL REGIONS.**

Strengthen the territorial planning instances at municipal and central level, in order to achieve a balance between town and countryside, endeavoring for a regional developmet.

**B.2.5 REHABILITATION CAPACITY IN DISASTERS AND POST DISASTERS.**

Promote at national level the strengthening of the System for the Prevention, Mitigation and Attention of Disasters, resulting from natural phenomena or of any kind in Human Settlements and Housing.

- Incorporate the actions relative to the Prevention, Mitigation and Attention of Disasters in Human Settlements in the Development Plans, both national and locals.

- Promulgate and/or bring up-to-date the legislation relative to natural disasters, incorporating it to the sustainable Development Plans and to the Urban Development Plans.

- Mobilize national and international resources in a systematic way, in order to give support to the National System of Prevention, Mitigation and Attention of Disasters.

- Promote the research and application of adequate and proper technologies to the Mitigation and Prevention of Disasters, in the Human Settlements and Housing.

- Stregthen the institutions in whose charge lies the Prevention, Mitigation and Attention of Natural Disasters at national level and those at regional level.

## **B.3 BUILDING CAPACITY AND INSTITUTIONAL DEVELOPMENT**

### **B.3.1 DECENTRALIZATION AND STRENGTHENING OF LOCAL AUTHORITIES AND THEIR ASSOCIATIONS**

Establish an effective decentralization of the decision taking towards the local power, endowing it with the necessary mechanisms and resources.

Support the Municipalities Law reform and insure in the same the adequate treatment for the Human Settlements and Housing.

The government decentralization towards the municipalities, strengthening the local power for the habitational and urban management.

### **B.3.2 PARTICIPATION, CIVIC COMMITMENT AND GOVERNMENT RESPONSIBILITY.**

Consolidate an institutional framework to strengthen the inter-institutional coordination of the Human Settlements and Housing Sector, to incorporate the support of municipal governments and the civil society organizations, relying on the consensus and national nature.

### **B.3.3 FINANCIAL DOMESTIC RESOURCES AND ECONOMIC INSTRUMENTS**

Develop and strengthen a broad financing system coordinated with the development plans of the country, allowing access to housing for the population, specially the one with low income, within alternatives that may allow its maintenance.

Promote the financial and economic strength of the municipalities.

### **B.3.4 INFORMATION AND COMMUNICATION**

Create training programs, technical assistance, consulting, technological information and documentation, addressed to the different actors of the Sector, both formal and informal, at all levels, including technicians and civil population.

## **B.4 IMPLEMENTATION AND FOLLOW-UP OF THE NATIONAL PLAN OF ACTION.**

### **B.4.1 PROCEDURES FOR THE FOLLOW-UP AND CONTROL OF HUMAN SETTLEMENTS AND HOUSING PROGRAMS**

- 1.- The National Plan of Action 1996-2000 establishes the policies, programs, goal groups and other general conditions to which the programs and/or projects presented by the entities of the Sector must be adjusted.

In the case of projects presently initiated, their conditions and their coherence or non coherence with the Plan of Action shall be evaluated, so as to make the possible adjustments recommendations. The result of the evaluation shall be communicated to the entities that may be giving financial support or of any other sort to the project, with the aim of considering the convenience of the adjustments and communicating them to the executing entity.

- 2.- The National Commission for Human Settlements and Housing shall establish a divulgation program on the National Plan of Action between the private or public entities that must be adjusted to the same.
- 3.- The National System for Information on Human Settlements and Housing, SINAVIAH, is based on the indicators established by United Nations for Human Settlements and Housing, and it shall start to operate as of January 1997.
- 4.- Application of the Logical Standard Matrix used by the National System for Public Investment, SNIP, for the presentation of projects from private and public entities of the Sector.
- 5.- The programs or projects participating in the Housing Financial System should be evaluated by the Planning Division for Human Settlements and Housing, in order to have access to the resources of the same.
- 6.- A system of filing cards of periodical and systematic evaluation shall be established for the entities in whose charge the programs or projects may be.



- 7.- Sanctions, such as the temporary and even definite suspension of the resources, shall be established in the contracts or agreements for the use of resources, conditions referring to the Follow-up and Control; if deviation or failure to carry out the objectives established is detected.
- 8.- In the social interest participatory projects of the Human Settlements and Housing Sector, the Planning Direction shall establish evaluation systems, both in the pre-investment stage and the execution.
- 9.- The investment Programs should comply with the criteria established by the Ministry of Economy and Development for the selection of projects:
- Coherence with Macro-economic figures.
  - Coherence with the National Development Plan.
  - Projects with Guaranteed External Resources (Protocolized).
  - Dragging Projects (in execution).
  - New projects identified as priorities of the Sectorial Cabinets (Production, Infrastructure Social and Security).
  - Projects supporting Export Production and Development of the productive activities of the Private Sector.
  - Projects and Programs promoting the creation of employment and relief to poverty.
  - Projects oriented to preserve the Milieu.
  - Minimization of the Resources for the Rehabilitation of Public Buildings.
  - Projects oriented towards the decentralization and the economic development of the National territory.

## CRITERIA FOR THE ALLOTMENT OF FUNDS PER PROGRAM

Improvement	75%	Habitational Improvement
	25%	Urbanized Lots
	5%	Equipment
Urban Renovation	35%	New Housing
	15%	Urbanized Lots
	25%	Habitational Improvement
	25%	Equipment
HS and housing/services	100%	Urbanized Lots
HS and housing	100%	New Housing
Productive Housing	75%	New Housing
	25%	Habitational Improvement
Rural Housing and Set.	50%	New Housing
	25%	Habitational Improvement
	25%	Equipment
Economic Housing	100%	New Housing
Free Market Housing	100%	New Housing
Materials Bank	75%	Habitational Improvement
	25%	New Housing
Complementary Projects	100%	Equipment

GOVERNMENT OF NICARAGUA

PROGRAM FOR INVESTMENT IN HOUSING AND HUMAN SETTLEMENTS

1996-2000

Annual Investment in Thousands Dollars

PROGRAMS	Unit Cost Dollars	1,996		1,997		1,998		1,999		2,000		TOTAL		
		Actions	Investment	Actions	Investment	Actions	Investment	Actions	Investment	Actions	Investment	Actions	%	Thousand US\$
<b>1. SOCIAL INTEREST HABITATIONAL SOLUTIONS</b>														
1.1 Human Settlements and Housing Improvement	800.00	1,875	1500.00	1,875	1500.00	13,250	10600.00	14,827	11861.60	14,783	11826.40	46,610	48.50%	37,288.00
1.2 Human Settlements and Housing which Utilities	1,000.00	500	500.00	1,500	1500.00	4,500	4500.00	4,500	4500.00	4,500	4500.00	15,500	16.13%	15,500.00
1.3 Self const. and self management Human Settlements	3,000.00	83	248.75	250	750.00	265	795.00	281	843.00	298	894.00	1,177	1.22%	3,530.75
1.4 Productive Housing	7,000.00					214	1498.00	321	2247.00	321	2247.00	856.00	0.89%	5,992.00
1.5 Emergency Human Settlements and Housing	1,000.00											1,000	1.04%	8.00
1.6 Materials Bank	800.00	1875	1500.00	781	624.80	938	750.40	938	750.40	1,250	1000.00	5,782	6.02%	4,625.60
1.7 Complementary Projects	10,000.00			13	130.00	13	130.00	38	380.00	63	630.00	127.00	0.13%	1,270.00
<b>2. URBAN RENOVATION</b>	5,000.00	200	1000.00	1,000	5000.00	1,060	5300.00	1,124	5620.00	1,191	5955.00	4,575	4.76%	22,875.00
<b>3. RURAL HUMAN SETTLEMENTS AND HOUSING</b>	1,500.00	150	225.00	1200	1800.00	2,700	4050.00	4,500	6750.00	7,000	10500.00	15,550	16.18%	23,325.00
<b>4. ECONOMIC HOUSING</b>	10,000.00	125	1250.00	525	5250.00	990	9900.00	1,042	10420.00	1,097	10970.00	3,779	3.93%	37,790.00
<b>5. FREE MARKET HOUSING</b>	40,000.00	38	1500.00	100	4000.00	250	10000.00	350	14000.00	400	16000.00	1,138	1.18%	45,500.00
<b>6. TECHNICAL ASSIST. TRAINING AND TECH. DEVELOPMENT</b>					1125.00		4375.00		5625.00		6875.00			18,000.00
<b>7. LAND BANK</b>					1250.00		2500.00		3125.00		4375.00			11,250.00
<b>TOTALS</b>		<b>4,846</b>	<b>7723.75</b>	<b>7,244</b>	<b>22,929.80</b>	<b>24,180</b>	<b>54,398.40</b>	<b>27,921</b>	<b>66,122.00</b>	<b>30,903</b>	<b>75,772.40</b>	<b>96,094</b>	<b>100.00%</b>	<b>226,954.35</b>

SUMMARY PER HABITATIONAL TYPE OF ACTION

Habitational Improvement	2,900	2556.25	2,542	3293.60	11,635	11224.80	13,310	13113.25	14,153	14295.30	44,539	46.35%	44483.20	
New Housing	860	3836.25	2,020	12806.20	3,621	25886.10	4,792	32477.85	6,265	37133.50	18,558	19.31%	112147.90	
Urban Equipment	181	381.25	657	1,905.00	1,616	2,997.50	2,185	4,065.58	2,850	5,335.07	7,489	7.79%	14684.40	
Unimproved City	905	950.00	2,025	2550.00	7,309	7415.00	7,634	7715.32	7,635	7758.53	25,508	26.55%	26388.85	
Other Projects				2,375.00		6,875.00		8,750.00		11,250.00				29250.00
<b>TOTAL</b>	<b>4,846</b>	<b>7723.75</b>	<b>7,244</b>	<b>22,929.80</b>	<b>24,180</b>	<b>54,398.40</b>	<b>27,921</b>	<b>66,122.00</b>	<b>30,903</b>	<b>75,772.40</b>	<b>96,094</b>	<b>100.00%</b>	<b>226,954.35</b>	