

Nicaragua

Western Hemisphere / Central America

CAPITAL Managua	TERRITORY 120,340 km²	POPULATION (2020) 6,624,554.00	GDP TOTAL (2020) \$12.62B USD	GDP PER CAPITA (2020) \$1,905.25 USD	INCOME GROUP Lower middle income
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Convention Implementation



In progress

10th of 31 western hemisphere
3rd of 8 Central American countries

Prevention



In progress

Criminalization and law enforcement

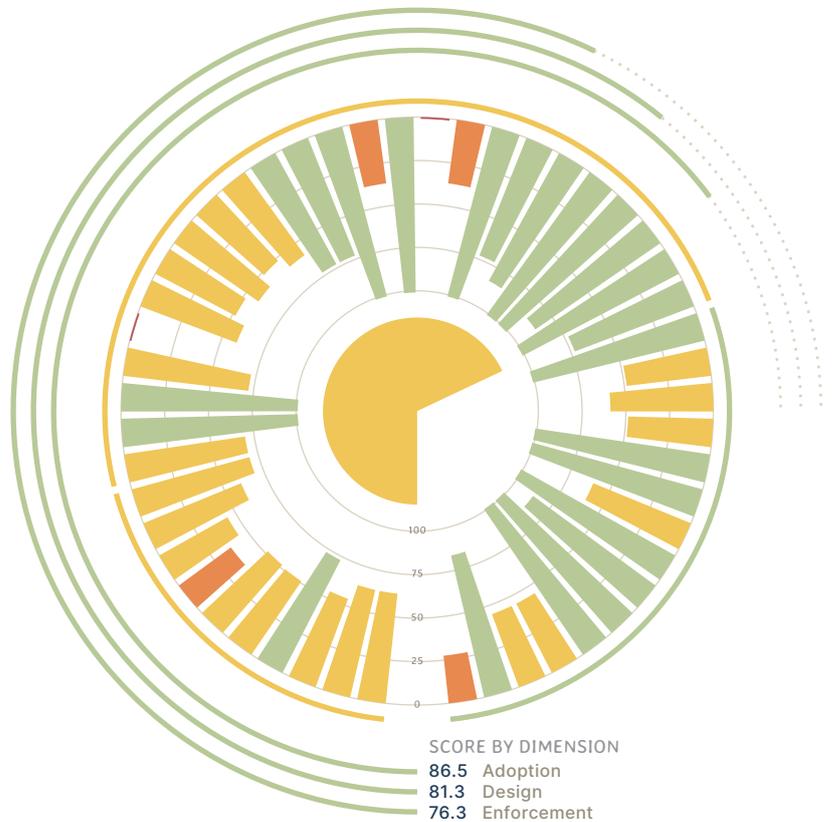


In progress

International cooperation



Implemented



Anti-corruption conventions timeline



CONVENTIONS

- IACAC - Inter-American Convention Against Corruption
- UNCAC - United Nations Convention against Corruption
- OECD Anti-Bribery Convention

KEY EVENTS

- Signed
- Ratified/acceded
- Review rounds

Prevention

In progress

55.9

✓ Adoption 87.5 ✎ Design 73.3 ⌚ Enforcement 68.3

Standards of Conduct In progress 62.5 ✓ 100.0 ✎ 66.7 ⌚ 83.3	Enforcement of Standards of Conduct In progress 62.5 ✓ 100.0 ✎ 83.3 ⌚ 66.7	Training of Public Officials In progress 53.1 ✓ 100.0 ✎ 66.7 ⌚ 66.7	Asset and Conflicts of Interests Declarations In progress 71.9 ✓ 100.0 ✎ 100.0 ⌚ 66.7	Transparency in Government Contracting In progress 50.0 ✓ 75.0 ✎ 66.7 ⌚ 66.7
Elimination of Favorable Tax Treatment In progress 50.8 ✓ 100.0 ✎ 83.3 ⌚ 50.0	Oversight Bodies Core-deficient 35.9 ✓ 50.0 ✎ 50.0 ⌚ 66.7	Measures to Deter Domestic and Foreign Bribery Core-deficient 43.8 ✓ 100.0 ✎ 66.7 ⌚ 50.0	Encouraging Participation by Civil Society In progress 59.4 ✓ 75.0 ✎ 83.3 ⌚ 66.7	Study of Other Preventive Measures In progress 68.8 ✓ 75.0 ✎ 66.7 ⌚ 100.0

Criminalization and law enforcement

In progress

69.7

✓ Adoption 85.0 ✎ Design 79.3 ⌚ Enforcement 78.7

Protection of Those who Report Acts of Corruption In progress 68.8 ✓ 75.0 ✎ 66.7 ⌚ 100.0	Scope Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Jurisdiction: Offense-in-Territory Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Jurisdiction: Offense-by-National In progress 71.1 ✓ 75.0 ✎ 83.3 ⌚ 83.3	Jurisdiction: Offender-in-Territory No implementation 0.0 ✓ 0.0 ✎ 0.0 ⌚ 0.0
Passive Public Bribery In progress 57.8 ✓ 100.0 ✎ 100.0 ⌚ 50.0	Active Public Bribery In progress 50.8 ✓ 100.0 ✎ 83.3 ⌚ 50.0	Abuse of Functions In progress 57.8 ✓ 100.0 ✎ 100.0 ⌚ 50.0	Money Laundering In progress 50.8 ✓ 100.0 ✎ 83.3 ⌚ 50.0	Participation and Attempt In progress 57.8 ✓ 100.0 ✎ 100.0 ⌚ 50.0
Active Foreign Bribery In progress 71.9 ✓ 100.0 ✎ 100.0 ⌚ 66.7	Illicit Enrichment In progress 71.9 ✓ 100.0 ✎ 100.0 ⌚ 66.7	Use of State Property Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Illicit Acquisition of a Benefit Core-deficient 35.9 ✓ 50.0 ✎ 33.3 ⌚ 100.0	Public Embezzlement Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0
Passive Foreign Bribery No implementation 0.0 ✓ 0.0 ✎ 0.0 ⌚ 0.0	Private Bribery Core-deficient 35.9 ✓ 50.0 ✎ 33.3 ⌚ 100.0	Private Embezzlement Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Obstruction of Justice In progress 71.9 ✓ 100.0 ✎ 66.7 ⌚ 100.0	Liability of Legal Persons Implemented 82.8 ✓ 75.0 ✎ 83.3 ⌚ 100.0
Statute of Limitations Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Prosecution, Adjudication and Sanctions Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Consequences and Compensation Implemented 85.9 ✓ 100.0 ✎ 83.3 ⌚ 100.0	Cooperation With Law Enforcement Implemented 100.0 ✓ 100.0 ✎ 100.0 ⌚ 100.0	Asset Recovery In progress 71.9 ✓ 100.0 ✎ 66.7 ⌚ 100.0

International cooperation

Implemented

73.0

✓ Adoption 88.3 ✎ Design 90.0 🔄 Enforcement 77.8

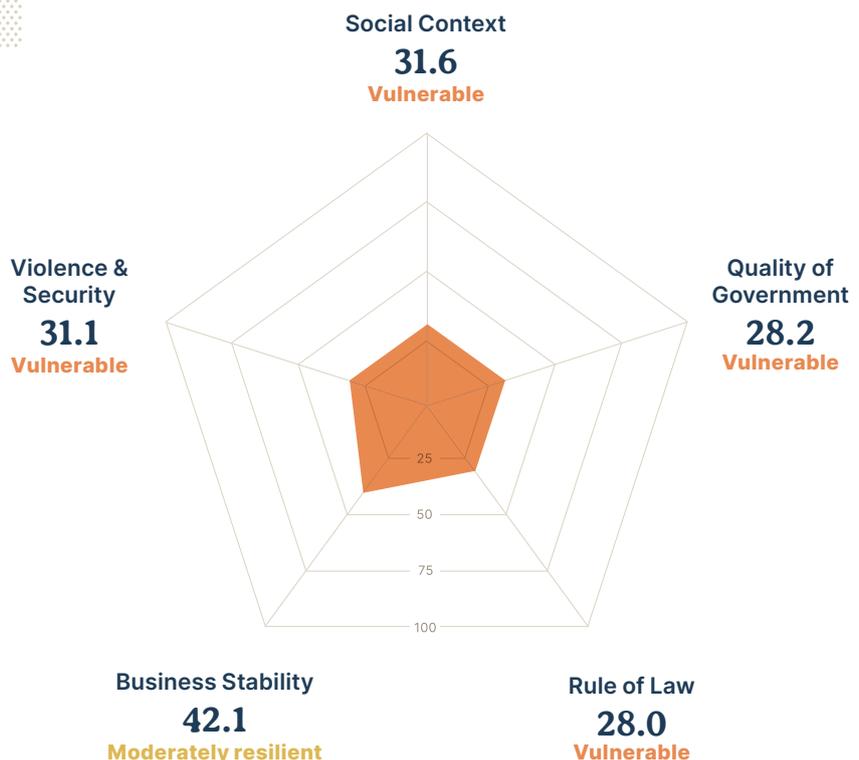


Corruption Resilience

32.2

Vulnerable

30th of 31 western hemisphere
8th of 8 Central American countries



Analysis

Convention Implementation

Nicaragua signed the Inter-American Convention Against Corruption (IACAC) on March 29, 1996, and ratified it on March 17, 1999. It is a State Party to the Follow-Up Mechanism for the Implementation of the Inter-American Convention against Corruption (MESICIC) since June 4, 2001. The country also signed the United Nations Convention Against Corruption (UNCAC) on December 10, 2003, and subsequently ratified it on February 15, 2006. Accordingly, Nicaragua has undergone five rounds of review under MESICIC, and one round of review under the UNCAC review mechanism.

Nicaragua's record in implementing its commitments to IACAC and UNCAC exhibits a number of successes and a few failures. With an overall score of 67.9, the measures adopted place the country towards the upper middle point of compliance with international norms, surrounded by The Bahamas (67.1), Guatemala (67.2), Cuba (69.3), and Antigua and Barbuda (69.5). Despite achieving higher success in regard to criminalization and international cooperation (as is the case throughout the region) the large majority of deficient or unimplemented measures also belong to those sections, while over three quarters of all preventive measures are found to be in progress. Furthermore, all but two measures below the "implemented" level receive a score of 50 or above—a degree of progress that reflects the overall state of the country's performance.

The prevention of corruption is undergoing, classified as "in progress" by its average score and with all but two measures found to be deficient—the state of oversight bodies (35.9) and the actions to deter domestic and foreign bribery related to accounting regulations (43.8). Concerning the former, the report of the fourth round of MESICIC finds that, among other problems, it is not possible to determine if "documented procedures, manuals, or guides exist [within the National Police] on the process of investigating acts of corruption and crimes against public administration." A similar objection is raised about the judiciary, compounded by the lack of evidence on the "existence of accountability mechanisms applicable to the performance of [its] functions". On the other hand, all other measures within this section receive a score of 50 or above, including transparency in government contracting (50.0), the training of public officials (53.1), standards of conduct (62.5) and their enforcement (62.5), and systems for registering asset and conflict of interests' declarations (71.9), among others. Nicaragua is not found to have successfully implemented any preventive measure.

In terms of criminalization and law enforcement, Nicaragua shows better results than those regarding prevention, although a few important deficiencies remain. The country has not criminalized the passive bribery of foreign officials (as required by UNCAC), and it shows a deficient performance in regard to the criminalization of the illicit acquisition of a benefit (i.e., influence trading) and bribery in the private sector (both receiving a score of 35.9). However, significant measures are found to be fully implemented, including those pertaining to embezzlement in the public and private sectors and the liability of legal persons (as required by UNCAC). Other measures considered to be in progress show positive results—the criminalization of active bribery of foreign officials, illicit enrichment, and obstruction of justice, all three of which receive a score of 71.9

Finally, Nicaragua is found only partially compliant with its commitments to establish jurisdiction over the offenses covered by the conventions. The UNCAC review mechanism reports that "Nicaragua has established its jurisdiction over most of the circumstances referred to in article 42 of the Convention, although not when the alleged offender is present in its territory and Nicaragua does not extradite him or her." Furthermore, "[j]urisdiction over corruption offenses committed against one of its nationals has been established in relation to crimes committed against Nicaraguan officials" but not over crimes committed against nationals who are not officials. That being said, the country is found generally compliant with its commitments regarding international cooperation, with only three measures remaining deficient to different degrees—its efforts to foster and engage in technical cooperation (26.6) and the communication and responsibilities of central authorities charged with receiving requests for assistance (43.8).

Corruption Resilience

Nicaragua's social context indicator score declined by 0.7 points from the previous year, resulting in a score of 31.6 for 2020. The country's social context indicator is 33.3 points below the Western Hemisphere average of 64.9. Since 2010 the country's indicator score has varied, where the country achieved its highest score in 2014 with 62.5, and its lowest indicator score in 2020. The range between 2010 and 2020 is 23.4 points, where the country experienced a significant drop in its score at the beginning of the decade. Within Central America, Nicaragua's 2020 score is the lowest for the social context indicator. Across the Western Hemisphere countries, Nicaragua's social context score remains consistently low. The country's score is primarily

attributed to the poor status of civil liberties and political rights, which were particularly weak during the presidency of Daniel Ortega. Since 2007, the media's freedom has been severely restricted. Journalists are threatened with violence when they report on corruption and the worsening political crisis within the country. Following the re-election of President Ortega, Nicaragua's social context score declined by 9.3 points from 2016 to 2017. The following year, as the political crisis worsened and President Ortega's regime became increasingly dictatorial, the social context score continued to decrease substantially. By 2020, the country's score had fallen by 11.1 points from 2018.

With regard to the quality of governance and institutions, Nicaragua's indicator score decreased by 5.1 points from the previous year, resulting in a score of 28.2 for 2020. The country's indicator score falls substantially below the Western Hemisphere average of 50.6 and fails to meet the threshold by 22.4 points. Nicaragua's quality of government score for 2020 is ranked within the bottom percentile for Western Hemisphere countries. Since 2015, the score has continued to decline. As the political crisis worsened in 2018, the indicator score declined considerably, where 2020 is the lowest score that country has had throughout the decade. The country achieved its highest indicator score in 2011 with 52.3. Nicaragua's quality of government indicator score is mainly influenced by the political crisis and widespread corruption within the country.

Similarly, Nicaragua's rule of law indicator score declined by 1.3 points from the previous year, resulting in a score of 28.0 for 2020. The country's indicator is 23.1 points below the Western Hemisphere average of 51.1 for 2020. As with previous indicators,

the rule of law score has also steeply declined over the last decade. Nicaragua's rule of law score has remained consistently low since 2010, where the country's decade average range between scores of 28 and 36.8. The country's current indicator score is primarily influenced by the lack of judicial independence, which causes the courts to be more susceptible to politicization. Moreover, the rule of law within the country has been further weakened by the government's efforts to eliminate social protest against the country's regime.

In terms of the country's business stability, Nicaragua's indicator score declined by 1.4 points from the previous year, resulting in a score of 42.1 for 2020. The country's indicator is 8.4 points below the Western Hemisphere average of 50.5. Throughout the decade, the country's indicator score has varied and remained within the range of 42.1 and 46.7 in 2020 and 2017, respectively. As with previous indicators, Nicaragua was ranked among the lowest performing countries within the Western Hemisphere and Central America. The country's score is attributed to corruption and an inadequate regulatory system.

Nicaragua's violence and security indicator score has declined significantly—by 24.8 points from the previous year—resulting in a score of 31.1 for 2020. For 2020, the country's violence and security indicator failed to meet the threshold of the Western Hemisphere regional average (55.0) by 23.9 points. Although Nicaragua's score has varied throughout the decade, the country reached its lowest score in 2020. The indicator score is primarily influenced by the serious challenges the country faces with regard to organized crime and drug trafficking.

Transparency

MAIN REPORTING NGO

Grupo Civico Etica Y Transparencia

REPORT DATE	REVIEW YEAR	DOCUMENT REVIEWED	LANGUAGE
Oct-2012	2011-2012	Executive Summary	Spanish

Did the government make public the contact details for the country focal point? ✘ No

Was civil society consulted in preparation for the self-assessment? ✘ No

Was civil society invited to provide information to the official reviewers? ✘ No

Was the self-assessment published online or provided to CSOs? ✘ No

Assessment of the Review Process Civil Society Parallel Reports

Source: UNCAC CIVIL SOCIETY COALITION

The civil society parallel report for Nicaragua was authored by the organization Civic Ethics and Transparency Group (Grupo Civico Etica Y Transparencia), a non-profit electoral observatory body, which based their findings on information recorded during the 2011-2012 period. The report assessed the country's compliance with implementing articles 15, 16, 17, 20, 23, 26, and 46 of chapters III and IV of UNCAC. The Law on Access to Public Information which was approved in 2007 enabled the creation of offices to access information in various state institutions. However, in practice, the law has done little to change the culture of secrecy throughout institutions at the national and local levels. To obtain information for the report, the authors sent requests to the Office of the Attorney General and to the Office of Public Ethics. As of the publication date of the report, neither letter had obtained a response.

In terms of the legal framework, Nicaragua largely complies with UNCAC mandates. However, this is due to the country's signature, ratification, and implementation of the Inter-American Convention against Corruption (IACAC) which enabled the country to create anti-corruption frameworks. To exceed the regulatory compliance threshold, Nicaragua would have to address the shortage of resources, in terms of labor and finances, that prevent the country from achieving effective results. The report concludes its assessment by highlighting areas for priority action and recommends the following: the continuation of implementing UNCAC mandates to ensure compliance; providing the necessary resources for public institutions to react to acts of corruption; creating a system to protect individuals who denounce acts of corruption; promoting the independence of political party interests of key institutions to promote an effective fight against corruption; and lastly, promoting actions to achieve reform of the immunity law which reduces the impact of anti-corruption legislation.