

**COUNTRY STRATEGIC PLAN REVISION FOR APPROVAL BY THE
REGIONAL DIRECTOR**

TRANSMITTAL SLIP – FOR SIGNATURES

Nicaragua Transitional Interim Country Strategic Plan, Revision 2

| | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------|----------|------------------|
| 5) To: | Initials | In Date | Out Date | Reason for Delay |
| Regional Director RBP Miguel Barreto | | | | |
| 4) Through: | Initials | In Date | Out Date | Reason for Delay |
| Budget and Programming Officer, RBP Marc Regnault de la Mothe (OIC) | | | | |
| 3) Through: | Initials | In Date | Out Date | Reason for Delay |
| Supply Chain Officer, RBP <i>(Transfer modifications specific to supply chain)</i> Belkacem Machane | | | | |
| 2) Through: | Initials | In Date | Out Date | Reason for Delay |
| Programme Adviser, RBP Giorgia Testolin | | | | |
| 1) From: | Initials | In Date | Out Date | Reason for Delay |
| Antonella d'Aprile, CD WFP Nicaragua | | | | |
| I have reviewed the revised T-ICSP and confirm that it meets the required standard, including appropriate response to the internal review process. I recommend approval of this revision. | | | | |

Changes

| <u>Strategic Outcome</u> | <u>Focus Area</u> | <u>Modality</u> | <u>Activity</u> | <u>Budget</u> |
|-----------------------------------|---------------------------------------------------------|------------------------------------------|-----------------------------------|---------------------------------------------------------|
| <input type="checkbox"/> Addition | <input checked="" type="checkbox"/> Crisis Response | <input checked="" type="checkbox"/> Food | <input type="checkbox"/> Addition | <input checked="" type="checkbox"/> Transfer Value |
| <input type="checkbox"/> Revision | <input checked="" type="checkbox"/> Resilience Building | <input type="checkbox"/> CBT | <input type="checkbox"/> Revision | <input checked="" type="checkbox"/> Transfer Cost |
| <input type="checkbox"/> Deletion | <input checked="" type="checkbox"/> Root causes | <input checked="" type="checkbox"/> CS | <input type="checkbox"/> Deletion | <input checked="" type="checkbox"/> Implementation Cost |
| | | <input type="checkbox"/> SD | | <input checked="" type="checkbox"/> Adjusted DSC |

REVISION – FOR APPROVAL

Nicaragua Transitional Interim Country Strategic Plan, Revision 2

Gender marker code: 2A

| | Current | Change | Revised |
|--------------------------------------|----------------------------|------------------|-------------------|
| Duration | Jan 2018 – Dec 2018 | - | - |
| Beneficiaries | 236,400 | 40,000 | 276,400 |
| Total Cost (USD) | 10,170,919 | 1,511,875 | 11,682,794 |
| Transfer | 7,692,288 | 1,138,601 | 8,830,889 |
| Implementation | 860,353 | 16,000 | 876,353 |
| Adjusted direct support costs | 997,518 | 265,000 | 1,262,518 |
| Subtotal | 9,550,159 | 1,419,601 | 10,969,760 |
| Indirect support costs (6.5 percent) | 620,760 | 92,274 | 713,034 |

RATIONALE

1. The purpose of this Budget Revision (BR) is to increase the budget of Activities 4, 6, and 7 to be able to meet enhanced needs during the second half of 2018. With this increase, WFP will expand the technical assistance to: i) smallholder farmers, associated in Farmer Organisations (FOs) and iii) the National System for Disaster Prevention, Mitigation, and Attention (SINAPRED). Additionally, it increases the food component and number of beneficiaries targeted under activity 6, which provides emergency food assistance to shock-affected populations.
2. The need to revise Activity 4 was identified at the beginning of 2018 through internal assessments conducted with the FOs, as WFP approaches the end of its five-year project. These assessment pointed to the necessity to provide an additional boost through the provision of technical assistance and agricultural equipment to the targeted smallholder farmers to prepare them to close this programmatic cycle and transition into the next phase under the CSP 2019-2023, which builds on the progress achieved thus far.
3. The revision of Activities 6 and 7 is the result of consultations with government partners, which highlighted the need to bridge existing gaps to ensure that vulnerable populations continue to have safe access to food. In the case of activity 6, the increase will be for prepositioning food, as a contingency measure. As for Activity 7, WFP will provide technical assistance, including workshops and telecommunication equipment, needed to improve the efficiency of emergency responses in the event of natural hazards. This was also evidenced during the Monsoon floods, which impacted the country at the end of 2017, highlighting the need to keep strengthening SINAPRED's capacities in emergency preparedness and response.
4. As the hurricane season approaches, the budget increases to Activities 6 and 7 are key to make sure that WFP and SINAPRED are ready to provide an immediate and effective response to such natural hazards. Nicaragua is a multi-hazard country, ranking as the 4th country most affected by natural events globally, according to the Global Climate Risk Index 2018;¹ and the 14th country at highest risk to natural hazards due to its low coping and adaptive capacities.² Hurricanes, tropical storms, and cyclones recurrently impact the Caribbean Coast and Pacific area

¹ Germanwatch (2017) Global Climate Risk Index 2018

² United Nations University (2016) World Risk Report 2016

during the months of August-December, putting the most vulnerable at risk. With the budget increase, WFP will have the capacity to deliver unconditional food assistance if disasters strike.

CHANGES

Strategic orientation

5. With this BR, WFP will expand the support under its current activities, whilst maintaining the strategic orientation of its country portfolio and overall programmatic approach. The budget and beneficiary increases under Activity 6 will allow WFP to augment its budget space to respond to emergencies in 2018 and other identified needs, particularly in preparation for the hurricane season.

Strategic Outcomes

6. To meet the needs of smallholder farmers and FOs, WFP will increase its technical assistance provided under its Activity 4 of SO3. The beneficiary caseload will remain the same, as this increase only aims to augment the support provided to the targeted smallholder farmers under the Transitional Interim Country Strategic Plan. This will allow WFP to provide additional agricultural equipment and training to its targeted farmers, bridging existing gaps in their production, improving their resilience to climate impacts, and fostering access to agricultural markets. This has been identified as key to consolidate their capacities, particularly in post-harvest management and set the conditions for a successful transition into the next phase of support. To determine the amount of the budget increase, WFP conducted a preliminary price and cost assessment of the agricultural equipment, spare parts, and training that WFP need to be implemented in the coming months. WFP took into account the technical compliance, availability in local markets, and lead times.
7. This BR also increases the food component of Activity 6, which aims at supporting shock-affected populations through SO 4. This activity currently has no budget space to respond to new crises, as all budget was absorbed by the response to the Monsoon floods at the beginning of the year. With the hurricane season approaching, it is essential to guarantee capacity to provide a timely response. The beneficiary increase amounts to 40,000 and was determined based on expected needs, as well as the historical trends and previous responses under the Protracted Relief and Recovery Operation (PRRO) 200490.
8. Finally, the BR augments the technical assistance under Activity 7, which provides technical assistance to SINAPRED through SO 5 to ensure that the system is well placed to face sudden events. Activity 7 includes only capacity strengthening to national institutions and has no direct beneficiaries. Combined, WFP's unconditional food assistance under Activity 6 and capacity strengthening to promote emergency preparedness under Activity 7, seek to ensure that WFP and the Government of Nicaragua have the capacity to prepare for, and respond to, potential natural disasters or economic shocks in 2018.

Beneficiary analysis

9. The beneficiaries targeted by Activity 6 will increase by 40,000.

| Strategic Outcome | Activity | Current | | | Increase / Decrease | | | Revised | | |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|---------------------|---------------|---------------|----------------|----------------|----------------|
| | | Boys / Men | Girls / Women | Total | Boys / Men | Girls / Women | Total | Boys / Men | Girls / Women | Total |
| Strategic Outcome 1 | Provide school meals to pre and primary school children in targeted municipalities to ensure access to the NSMP Pre and primary schoolchildren and HIV patients have access to adequate food and nutrition during 2018 | 82,300 | 82,300 | 164,600 | - | - | - | 82,300 | 82,300 | 164,600 |
| Strategic Outcome 2 | Provide food assistance to PLW/G and children aged 6-36 months to prevent malnutrition | 800 | 1,700 | 2,500 | - | - | - | 800 | 1,700 | 2,500 |
| Strategic Outcome 3 | Provide assistance to smallholder farmers to enhance access formal markets, generating linkages with national social safety nets and empowering women | 800 | 500 | 1,300 | - | - | - | 800 | 500 | 1,300 |
| Strategic Outcome 4 | Provide food assistance to shock-affected populations | 34,000 | 34,000 | 68,000 | 20,000 | 20,000 | 40,000 | 54,000 | 54,000 | 108,000 |
| Strategic Outcome 5 | Provide technical assistance to the government in disaster risk management, supporting their existing programmes | - | - | - | - | - | - | - | - | - |
| TOTAL | | 117,900 | 118,500 | 236,400 | 20,000 | 20,000 | 40,000 | 137,900 | 138,500 | 276,400 |

Transfers

| Strategic Outcome | Strategic Outcome 1 | | | Strategic Outcome 2 | | Strategic Outcome 3 | Strategic Outcome 4 | | Strategic Outcome 5 |
|-------------------|--------------------------|-----------------------|------------|---------------------|------------------|------------------------|---------------------|--------------------------------|------------------------|
| | Activity 1 | Activity 2 | Activity 3 | Activity 3 | Activity 4 | Activity 5 | Activity 6 | Activity 7 | |
| Beneficiary type | School children Jinotega | School children RACCN | PLHIV | PLW/G | Children below 3 | Smallholder Farmers | School Children | Emergency Affected Populations | Govt. Technical Staff |
| modality | Food Transfer | | | Food Transfer | | Capacity Strengthening | Food Transfer | Food Transfer | Capacity Strengthening |
| Beans | 30 | 30 | 24 | - | - | - | 25 | 60 | - |
| Maize | 40 | - | - | - | - | - | 40 | 200 | - |
| Rice (fortified) | 40 | 40 | 160 | - | - | - | 40 | 200 | - |
| CSB+ | 35 | 35 | 20 | 200 | - | - | 30 | 60 | - |

| | | | | | | | | | |
|------------------------|------|------|-----|------|------|---|------|-------|---|
| CSB++ | - | - | - | - | 200 | - | - | - | - |
| Wheat Flour | - | 40 | - | - | - | - | - | - | - |
| Vegetable oil | 15 | 15 | 10 | 40 | - | - | 10 | 25 | - |
| Dried Skimmed Milk | 10 | 10 | - | - | - | - | - | - | - |
| Dates | 10 | 10 | - | - | - | - | - | - | - |
| Salt | - | - | - | - | - | - | - | 6 | - |
| total kcal/day | 718 | 718 | 804 | - | 840 | - | 574 | 2,096 | - |
| % kcal from protein | 12.6 | 12.8 | 9.4 | 11.1 | 16.6 | - | 11.8 | 10.6 | - |
| cash (US\$/person/day) | - | - | - | - | - | - | - | - | - |
| Number of feeding days | 180 | 180 | 180 | 360 | 360 | - | 60 | 30 | - |

| Food type / cash-based transfer | Current Budget | | Increase | | Revised Budget | |
|------------------------------------------|----------------|------------------|------------|----------------|----------------|------------------|
| | Total (mt) | Total (US\$) | Total (mt) | Total (US\$) | Total (mt) | Total (US\$) |
| Cereals | 2,921 | 1644,739 | 480 | 230,399 | 3,401 | 1,875,139 |
| Pulses | 998 | 1215,001 | 72 | 75,960 | 1,070 | 1,290,961 |
| Oil and Fats | 512 | 938,252 | 30 | 32,700 | 542 | 970,952 |
| Mixed and Blended Foods | 1,335 | 716,795 | 72 | 39,600 | 1,407 | 756,395 |
| Other | 587 | 1272,742 | 6 | 1,716 | 593 | 1,274,458 |
| TOTAL (food) | 6,353 | 5787,530 | 660 | 380,376 | 7,013 | 6,167,906 |
| Cash-Based Transfers (US\$) | | | | | | |
| TOTAL (food and CBT value – US\$) | 6,353 | 5,787,530 | 660 | 380,376 | 7,013 | 6,167,906 |

Supply chain

10. Given Nicaragua's high exposure to natural disasters, the vulnerability of road infrastructure, and the persistent road blockades, the main supply chain challenges that WFP anticipates are associated with securing access to the targeted areas. To mitigate these risks, WFP conducts logistics capacity assessments and risk mapping exercises together with SINAPRED to identify alternative routes and mechanisms to be able to reach affected areas. Additionally, post-harvest losses represent a challenge for supply chain arrangements, as they may impact the availability of food stocks and quality of the production. To avoid this, WFP provides technical assistance and agricultural inputs to the smallholder to boost their productive capacities.

Other considerations

11. No major changes are required to WFP's existing monitoring and evaluation arrangement (M&E) to measure WFP's revised operations, as these are adequately staffed with the necessary capacity to conduct regular monitoring. Nevertheless, WFP will take measures to adjust its M&E plan and traveling schedule to the field, in view of the current socio-political context, which has disrupted access and mobility in some parts of the country.

COST BREAKDOWN

12. This BR will increase the the transfer costs of SO 3 (Activity 4) in USD 500,000; the transfer and implementation costs of SO 4(Activity 6) in USD 457,834 ; and the transfer and implementation costs of SO 5 (Activity 7) in USD 260,000. SO 2 (Activity 3) will have a decrease of USD 2,645 and SO1 a decrease of USD 60,589 due to adjustments in the supply chain matrix in the other activities Additionally, this BR increases the adjusted direct support costs (ADSC) in USD 265,000 due to the need to purchase preparedness and telecommunications equipment
13. To meet this increasing needs, WFP has identified and secured support from its donors, including a multi-year contribuion from the Republic of Korea, thus guaranteeing the availability of funds. For activity 4, WFP has a strong forecast from the Federation of Russia, which would suffice to cover the budget increase. For activities 6 and 7, WFP has received support from the Government of Canada and may also receive support from Russian Federation. WFP also continues advocacy efforts to mobilise resources locally.

| COST BREAKDOWN OF THE REVISION VALUE ONLY (US\$) | | | | | | |
|--------------------------------------------------|------------------|---------------|---------------------|-----------------|---------------------|-----------|
| WFP Strategic Results / SDG Targets | SR 1/ SDG 2.1 | SR 2/ SDG 2.2 | SR 3/ SDG 2.3 | SR 1/ SDG 2.1 | SR 5/SDG 2.5 | Total |
| WFP Strategic Outcomes (SO) | SO 1 | SO 2 | SO 3 | SO 4 | SO 5 | |
| Focus Area | Root causes | Root causes | Resilience building | Crisis Response | Resilience building | |
| Transfer | - 60589 | -2,645 | 500,000 | 451,834 | 250,000 | 1,138,601 |
| Implementation | - | - | - | 6,000 | 10,000 | 16,000 |
| Adjusted DSC | 265,000 | | | | | |
| Sub-total | 1,419,601 | | | | | |
| ISC (6.5%) | 92,274 | | | | | |
| TOTAL | 1,511,875 | | | | | |

| OVERALL CSP COST BREAKDOWN, FOLLOWING THE REVISION (US\$) | | | | | | |
|------------------------------------------------------------------|----------------------|----------------------|----------------------------|------------------------|----------------------------|-------------------|
| WFP Strategic Results / SDG Targets | SR 1/ SDG 2.1 | SR 2/ SDG 2.2 | SR 3/ SDG 2.3 | SR 1/ SDG 2.1 | SR 5/SDG 2.5 | Total |
| WFP Strategic Outcomes | SO 1 | SO 2 | SO 3 | SO 4 | SO 5 | |
| Focus Area | Root causes | Root causes | Resilience building | Crisis Response | Resilience building | |
| Transfer | 5,967,749 | 222,250 | 1,127,111 | 1,082,825 | 430,954 | 8,830,889 |
| Implementation | 394,631 | 20,788 | 331,031 | 91,008 | 38,895 | 876,353 |
| Adjusted DSC | 827,487 | 31,609 | 189,645 | 152,668 | 61,108 | 1,262,518 |
| Sub-total | 7,189,867 | 274,647 | 1,647,787 | 1,326,501 | 530,957 | 10,969,760 |
| ISC (6.5%) | 467,341 | 17,852 | 107,106 | 86,223 | 34,512 | 713,034 |
| TOTAL | 7,657,209 | 292,499 | 1,754,894 | 1,412,723 | 565,469 | 11,682,794 |