

## Crisis response revision of Nicaragua country strategic plan (2019–2023) and corresponding budget increase

	Current	Change	Revised
<b>Duration</b>	<b>1 April 2019– 30 December 2023</b>	<b>No change</b>	<b>No change</b>
<b>Beneficiaries</b>	<b>422 000</b>	<b>202 000</b>	<b>624 000</b>
<i>(USD)</i>			
<b>Total cost</b>	<b>68 370 439</b>	<b>31 257 156</b>	<b>99 627 595</b>
Transfer	50 749 464	28 550 827	79 300 291
Implementation	5 777 177	1 449 173	7 226 351
Adjusted direct support costs	7 670 954	629 352	8 300 307
<b>Subtotal</b>	<b>64 197 595</b>	<b>30 629 353</b>	<b>94 826 948</b>
Indirect support costs (6.5 percent)	4 172 844	627 804	4 800 647

Gender and age marker code\*: 4

\* <http://gender.manuals.wfp.org/en/gender-toolkit/gender-in-programming/gender-and-age-marker/>.

### Rationale

1. The reason for this budget revision is two-fold: firstly, to expand the crisis response activity of the needs-based plan for 2021, and secondly to introduce a new strategic outcome to support the Government of Nicaragua and humanitarian partners to respond to the needs generated by shocks in 2020.
2. In November, Nicaragua was struck in close sequence by two hurricanes, Eta and Iota (category 4 and 5). The strong winds and heavy rainfall devastated the country's north-eastern regions, namely the North Caribbean Coast Autonomous Region (RACCN). According to the Government's assessments, 3 million people were exposed to these events, out of which 245,000 people were affected by flooding and landslides. In total, 160,600 people were evacuated, out of which 60,000 were sheltered by the Government. The strongest impact occurred in 26 municipalities, mainly in the RACCN, a particularly vulnerable and mostly indigenous region, but also affected the departments of Nueva Segovia and Jinotega. The impacts included material and livelihood losses, threatening the food and nutrition security of the affected populations, as well as their ability to recover in the coming months. In this region, port and storage capacity, including in Bilwi, are limited and few transport service providers are available to meet the humanitarian response's demand.
3. While Eta and Iota shattered the Caribbean Coast, the Dry Corridor in the Pacific region was also impacted by climatic events. This area is characterized by harsh agroclimatic conditions, including arid land and recurrent droughts, oftentimes followed by excessive rains. Over the past five years, erratic rainfall patterns have negatively impacted rural populations, who rely on agricultural production to secure their access to food, exacerbating food and nutrition insecurity. According to an emergency food security assessment at the end of 2019, over 75,400 people needed food assistance. Additionally, the results for this year's nutritional census conducted by the Ministry of Health indicate the national average for acute malnutrition among children 0–6



and 7–14 years of age is 4.6 percent and 3.2 percent, respectively. Nevertheless, in 73 of the country's 153 municipalities, the percent of acute malnutrition among children is above the national average; more than half of these are in the Dry Corridor.

4. The COVID-19 pandemic is adding strain to an already fragile situation. After three years of strong economic recession, the pandemic has triggered significant socioeconomic repercussions associated with reduced trade, paralyzed tourism, and contraction in key economic sectors, including commerce and exports, although the country has never implemented restrictions or lockdown measures.<sup>1</sup> For the agricultural sector, this has led to increasing the prices of agricultural inputs and therefore production costs.
5. Given the compounding effects of these overlapping crises, the most vulnerable groups and affected populations are in dire need of food assistance and livelihood support to recover from these fast and slow-onset shocks. Additionally, the national humanitarian supply chain faces significant challenges. The gaps created by weakened transport infrastructure and the market for service providers, coupled with the scale of these emergencies and the scope of the response, have exceeded the logistics capacity of many of WFP's partners. WFP seeks to leverage its capacity, knowledge and experience in procurement and logistics to support the government and the wider humanitarian community in providing supply chain services and logistics sector coordination to support the hurricane response and the government's COVID-19 assistance during the economic recovery phase.

## Changes

### Strategic orientation

6. With this budget revision, WFP will expand the budget and beneficiaries assisted under activity 5 in 2021 to deliver food assistance and recovery support to populations affected by hurricanes Eta and Iota. WFP will also scale up its support to school children in the Dry Corridor, whose food security is threatened by the compounding effects of cumulative climatic shocks.
7. The country office is strongly committed to ensuring that all aspects of the response are in line with WFP's humanitarian mandate and principles. WFP has field presence in the affected areas, with suboffices in Bilwi and Siuna, and is accompanying all distributions, as well as carrying out independent monitoring. Monitoring capacity has increased as part of the emergency response, hiring additional monitors to follow activities even more closely and ensure assistance reaches the most vulnerable communities. With this increased capacity, WFP will enhance the oversight during the implementation.
8. At the same time, to support the Government and the wider humanitarian community, WFP will introduce a new strategic outcome "*Humanitarian and government partners have access to reliable services during crises*", incorporating the service provision modality to the country strategic plan (CSP). The new strategic outcome will be aligned with SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.
9. This strategic adjustment is in line with the CSP's overarching aim to alleviate needs while promoting early recovery and help strengthen national capacities for zero hunger.

### Strategic outcomes

10. *Strategic Outcome 5: Humanitarian and government partners have access to reliable services during crises.*

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<sup>1</sup> World Bank. 2020. *Semi-annual Report of the Latin America and Caribbean Region: The Economy in the Time of COVID-19*.



## **Outputs**

11. Affected populations benefit from the provision of supply chain services to humanitarian agencies and government partners in order to receive timely assistance. (output category: H).
12. *Strategic outcome 5, activity 6:* Provide on-demand supply chain services to humanitarian and government partners.
13. *Strategic outcome 5, activity 7:* Provide supply chain services to government partners on a free-to-user basis to support emergency responses.
14. Under strategic outcome 5, WFP plans to use two different service delivery modalities to support its partners in the field. Under activity 6, WFP will be able to procure non-food items, transport and store items on behalf of partners as needed, on a full-cost recovery basis. In this case, partners would have to pay the full cost of the service incurred by WFP, in addition to the related direct support costs and a management cost recovery fee. Under activity 7, WFP would use donor funds to provide transport and storage services to its partners in the field responding to the crisis created by hurricanes Eta and Iota on a free-to-user basis. The scope of these services would be concentrated in the RACCN. In addition to the logistics services, WFP will support humanitarian logistics coordination, together with the national system for disaster prevention, mitigation and response (SINAPRED). While WFP already possesses solid capacities in the acquisition of non-food items and the contracting of logistics services, the country office will enhance its staffing to ensure that it has enough experts with the required technical knowledge to deliver an effective and rapid response. These costs are foreseen in the budget and will be covered by both activities.
15. *Strategic outcome 4: Populations affected by shocks have access to adequate and nutritious food during and after an emergency.*

## **Outputs**

16. Populations affected by disasters and other crises have access to nutritious food to meet their food needs during and after emergencies. (output category: A).
17. *Strategic outcome 4, activity 5:* Provide food assistance to populations affected by shocks.
18. Under strategic outcome 4, activity 5, this budget revision expands the existing plan to deliver unconditional food assistance through general food distributions during 15 days to 169,000 people affected by Hurricanes Eta and Iota, mostly in RACCN and Jinotega. Out of these, 96,000 people were identified by the Government as in critical need and will be the target of assistance for up to three months based on three different levels of priority. The food basket will be comprised of beans, wheat flour/maize, rice, vegetable oil, beans and salt, taking into account the populations' preferences in the affected areas and covering most of the daily kilocalorie requirements. Additionally, families with children between 6 and 59 months of age and pregnant and lactating women will be provided with specialized nutritious products (Super Cereal) to prevent deterioration of their nutritional status. WFP will work alongside SINAPRED for the food deliveries and the distribution plans.
19. Also under activity 5, WFP will support the scale-up of school feeding, using this national social protection programme with universal coverage as a shock-responsive mechanism in RACCN and Jinotega. Thus, WFP plans to assist 183,000 school children with a second meal each day during the first school-year trimester. This will help alleviate the food burden at home for shock-affected populations and ensure that these vulnerable children receive at least two nutritious meals per day. This part of the response will be coordinated with the Ministry of Education.
20. Given the deteriorating situation in the Dry Corridor and the enhanced risks associated with the impact of the COVID-19 pandemic, WFP will also extend the scale-up of school feeding to the



Dry Corridor, increasing the geographical coverage currently included in the CSP. This way, WFP will expand the number of children assisted from 40,000 to 120,000 schoolboys and girls, targeting areas where nutrition and food security indicators are the lowest, according to the nutritional census and WFP's own assessments. The scale-up will cover 30 days during critical times of the year, when there is no harvest or limited food reserves. This scale-up is also conducted under activity 5.

21. Finally, WFP aims to support those whose livelihoods have been disrupted by Hurricanes Eta and Iota and now need assistance to start preparing for the upcoming harvest. Promoting early recovery while food assistance is ongoing is key to ensure that these populations are able to meet their food needs beyond the initial response. Therefore, together with other United Nations agencies, WFP aims to support the scale-up of national productive social protection programmes, using them as shock-responsive safety nets. About 105,000 people (26,000 families) will be the target of a joint WFP-Food and Agriculture Organization of the United Nations (FAO) project through which participants will receive productive assets and the agricultural inputs that they need to start planting again. This need has been identified by local and regional (RACCN) authorities. At the end of January, WFP will carry out a seasonal livelihood programming exercise in this area; the results will be used to improve the design of the response. This modality was identified as the most effective, given the existing administrative and coordination mechanisms of ongoing programmes, which will ensure a swift and timely response. It is also in line with the national strategy to respond to the emergency, therefore avoiding duplication. To do so, WFP will work in coordination with national institutions and other United Nations agencies, especially FAO.

### Beneficiary analysis

<b>Strategic outcome</b>	<b>Activity</b>	<b>Period</b>	<b>Women (18+ years)</b>	<b>Men (18+ years)</b>	<b>Girls (0–18 years)</b>	<b>Boys (0–18 years)</b>	<b>Total</b>
4	5	Current	65 400	63 620	56 600	54 380	<b>240 000</b>
		Increase/decrease	160 782	159 637	36 506	35 075	<b>392 000</b>
		Revised	226 182	223 257	93 106	89 455	<b>632 000</b>
<b>Total (without overlap)</b>		<b>Current</b>	<b>156 400</b>	<b>154 620</b>	<b>56 600</b>	<b>54 380</b>	<b>422 000</b>
		<b>Increase/decrease</b>	<b>61 947</b>	<b>65 555</b>	<b>37 994</b>	<b>36 504</b>	<b>202 000</b>
		<b>Revised</b>	<b>218 347</b>	<b>220 175</b>	<b>94 594</b>	<b>90 884</b>	<b>624 000</b>

### Transfers

22. There are no changes to the food rations or cash-based transfer value. The only changes are related to the increase in the overall amount of food, reflected in table 3.

<b>TABLE 2: FOOD RATION (g/person/day) OR CASH-BASED TRANSFER VALUE (USD/person/day) BY STRATEGIC OUTCOME AND ACTIVITY</b>				
	<b>Strategic outcome 4</b>			
	<b>Activity 5</b>			
<b>Beneficiary type</b>	<b>Shock-affected populations</b>		<b>School children (Dry Corridor + RACCN)</b>	
<b>Modality</b>	<b>Food</b>	<b>CBTs</b>	<b>Commodity voucher</b>	<b>Food</b>
Cereals	400			80
Pulses	60			25
Oil	25			10
Salt	5			
Super Cereal Plus				30
Total kcal/day				
% kcal from protein	1 861			574
Cash-based transfers (USD/person/day)	77	0.50	0.67	39
Number of feeding days per year	40	30	30	60

<b>TABLE 3: TOTAL FOOD/CASH-BASED TRANSFER REQUIREMENTS AND VALUE</b>						
	<b>Current budget</b>		<b>Increase</b>		<b>Revised budget</b>	
	<b>Total (mt)</b>	<b>Total (USD)</b>	<b>Total (mt)</b>	<b>Total (USD)</b>	<b>Total (mt)</b>	<b>Total (USD)</b>
Cereals	15 445	9 718 560	5 376	3 592 006	20 822	13 310 566
Pulses	4 274	5 128 796	1 109	1 466 187	5 383	6 594 982
Oil and fats	1 716	1 755 143	453	882 580	2 168	2 637 722
Mixed and blended foods	5 780	3 178 777	712	434 595	6 492	3 613 372
Other	1 476	2 051 384	44	12 597	1 519	2 063 981
<b>Total (food)</b>	<b>28 690</b>	<b>21 832 660</b>	<b>7 695</b>	<b>6 387 964</b>	<b>36 384</b>	<b>28 220 624</b>
Cash-based transfers		1 200 002				1 200 002
<b>Total (food and CBT value)</b>	<b>28 690</b>	<b>23 032 661</b>	<b>7 695</b>	<b>6 387 964</b>	<b>36 384</b>	<b>29 420 625</b>

## Cost breakdown

23. This budget revision increases the budget of activity 5 and introduces a new budget for strategic outcome 5. As a result of the creation of these changes, the overall budget of the CSP increases by USD 31.3 million. The increase falls under the crisis response focus area.
24. To meet these increasing needs, WFP has identified and secured support from donors, including Japan, the Russian Federation, the Central Emergency Response Fund, the Government of Nicaragua, and the European Union. Other contributions are currently under negotiation, with a high probability of materializing.



<b>TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD)</b>						
	Strategic Result 1/ SDG Target 2.1	Strategic Result 4/ SDG Target 2.4	Strategic Result 5/ SDG Target 17.9	Strategic Result 1/ SDG Target 2.1	Strategic Result 8/ SDG Target 17.16	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	
Focus area	Resilience building	Resilience building	Root causes	Crisis response	Crisis response	
Transfer				9 646 851	18 903 976	<b>28 550 827</b>
Implementation					1 449 173	<b>1 449 173</b>
Adjusted direct support costs						<b>629 352</b>
<b>Subtotal</b>						<b>30 629 353</b>
Indirect support costs (6.5 percent)						<b>627 804</b>
<b>Total</b>						<b>31 257 156</b>

<b>TABLE 5: OVERALL CSP COST BREAKDOWN, AFTER REVISION (USD)</b>						
	Strategic Result 1/ SDG Target 2.1	Strategic Result 4/ SDG Target 2.4	Strategic Result 5/ SDG Target 17.9	Strategic Result 1/ SDG Target 2.1	Strategic Result 8/ SDG Target 17.16	Total
	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	
Focus area	Resilience building	Resilience building	Root causes	Crisis response	Crisis response	
Transfer	26 687 750	16 995 374	1 480 513	15 232 677	18 903 976	<b>79 300 291</b>
Implementation	2 665 171	2 511 194	216 251	384 561	1 449 173	<b>7 226 351</b>
Adjusted direct support costs	3 504 082	2 256 889	201 702	1 283 589	1 054 045	<b>8 300 307</b>
<b>Subtotal</b>	<b>32 857 003</b>	<b>21 763 457</b>	<b>1 898 467</b>	<b>16 900 827</b>	<b>21 407 194</b>	<b>94 826 948</b>
Indirect support costs (6.5 percent)	2 135 705	1 414 625	123 400	1 098 554	28 363	<b>4 800 647</b>
<b>Total</b>	<b>34 992 708</b>	<b>23 178 082</b>	<b>2 021 867</b>	<b>17 999 381</b>	<b>21 435 557</b>	<b>99 627 595</b>

