

## COUNTRY STRATEGIC PLAN REVISION

### REVISION

#### Nicaragua country strategic plan, revision 4

Gender and age marker code: 4

<b>Transmittal Slip Table - BUDGET OVERVIEW</b>			
	<b>Current</b>	<b>Change</b>	<b>Revised</b>
<b>Duration</b>	<b>1 April 2019–31 December 2023</b>	<b>No change</b>	<b>1 April 2019–31 December 2023</b>
<b>Beneficiaries</b>	<b>975,232</b>	<b>No change</b>	<b>975,232</b>
<b>Total cost (USD)</b>	<b>122,479,599</b>	<b>9,660,297</b>	<b>132,139,896</b>
Transfer	97,588,732	6,922,562	104,511,294
Implementation	8,599,255	265,000	8,864,255
Direct Support Costs	10,194,335	1,884,000	12,078,335
<b>Sub-total</b>	<b>116,382,322</b>	<b>9,071,562</b>	<b>125,453,884</b>
Indirect Support Costs	6,097,277	588,735	6,686,012

#### Nicaragua country strategic plan, revision 4

### 1. RATIONALE

- Nicaragua is currently facing the ripple effects of the global food, fertilizers, and fuel crisis, which led to rising inflation, reaching record levels (11 percent).<sup>1</sup> Inflation in the food sector increased by 16 percent between January 2022 to January 2023, the second highest in Central America after Costa Rica.<sup>2</sup> It is closely linked to the increase in fertilizer prices, which have increased by 63 percent in this period, directly impacting agricultural production and producer families across the country.
- Additionally, Nicaragua is suffering the impacts of the climate crisis. In October 2022, Nicaragua was impacted by Hurricane Julia, which affected the South Caribbean Coast Autonomous Region, only three months after Tropical Storm Bonnie, leaving 235,000 people in need of assistance.<sup>3</sup> This was coupled with an above-average rainfall season in 2022, affecting food production and the livelihoods of rural households who depend on agriculture. During the crop season (May-November), areas of northern Nicaragua received more rain than the historical average. In addition, the country experienced uninterrupted rains during the traditional *canicula* period, a typically 4-6 week break in the rainy season where harvesting and planting of the new crop cycle occur.<sup>4</sup> This affected yields and the seasonal availability of staple crops, like beans, rice and maize, disrupting food markets.

<sup>1</sup> World Bank. (n.d.). Nicaragua country page. Retrieved from <https://data.worldbank.org/country/NI>

<sup>2</sup> National Institute of Development Information. (n.d.). INIDE informa sobre el comportamiento del Índice de Precios al Consumidor (IPC) Febrero 2023. Retrieved from <https://www.inide.gob.ni/Home/ipc>

<sup>3</sup> WFP's 72 hours Emergency Food Security Assessment

<sup>4</sup> WFP VAM Data viz analysis

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3. Climate variability, combined with the growing production costs, has resulted in a spike in food prices. For example, the price of staple crops, like beans, almost doubled from November 2021 to November 2022. It reduced the purchasing power of the most vulnerable people in a country with the lowest GDP per capita in the region. Currently, a farmer earning the minimum salary can only cover 25 percent of the cost of the basic basket (USD 524).<sup>5</sup> As a result, this trend has impacted WFP's operations that rely on food. On average, food items included in the WFP basket cost 180 percent more than the initial estimation in the needs-based plan.
  4. As WFP continues to deliver food assistance to vulnerable populations at this critical time through school feeding and emergency activities, it must revise its current budget to accurately reflect the funding requirements.
  5. The CSP duration, the modalities and the number of beneficiaries remain unchanged. The proposed budget revision includes budget increases in strategic outcome (SO) 1 focused on resilience building and in SO4 focused on crisis response.

## 2. CHANGES

### *Strategic orientation*

6. The proposed budget revision (BR) does not include changes in strategic direction.

### *Strategic outcomes*

7. *SO1(Activity 1): Provide nutritious school meals to schoolboys and girls in targeted areas, complementing the national programme, and strengthen national nutrition and gender-transformative social protection programmes that promote food security.* This activity seeks to provide schoolchildren with at least one nutritious meal per day by purchasing local food staples. The adjustment in this activity is driven by the drastic increase in food prices, which have tripled the annual costs of the school feeding programme. Whereas the early requirements of the school feeding programme were estimated at USD 6.1 million, the current needs stand at a staggering USD 17.1 million.
8. *SO4 (Activity 5): Provide food assistance to populations affected by shocks.* The global increase in commodity prices and transportation services affected the WFP emergency response to hurricane Julia and the potential scale-up of school feeding in the Dry Corridor during the lean season. During 2023, WFP plans to continue to deliver food assistance through shock-responsive social protection. This includes the delivery of an additional hot meal and take-home ration channelled through the national school feeding programme. This will be complemented with early recovery support for populations affected by Hurricane Julia. Additionally, WFP aims to generate a contingency stock ahead of the next hurricane season to be ready to deliver immediate assistance in the first hours after the event, considering that three major hurricanes have impacted Nicaragua in the last three years. The current BR increases the activity's capacity strengthening and implementation budget to account for the WFP expansion to the South Caribbean Coast Autonomous Region as a part of the emergency response to Hurricane Julia.

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<sup>5</sup> National Institute of Development Information. (n.d.). Canasta básica de Nicaragua. Retrieved from <https://www.inide.gob.ni/Home/canasta>

9. *Targeting approach and beneficiary analysis*: no change
10. *Partnerships*: WFP actively coordinates with government and non-government organizations, the private sector, academia and United Nations agencies. For the response to Hurricane Julia, WFP is working with eight stakeholders including two NGOs, who have been strategic cooperating partners for emergency response since Hurricanes Eta and Iota. As the hurricane season approaches, WFP will continue promoting these coordinated efforts to maximize the reach of activities to better serve Nicaraguan communities.
11. *Country office capacity*: WFP has expanded its operational capacity to support the emergency response operation and is establishing a temporary presence in the South Caribbean Coast Autonomous Region, which will be maintained until operations are ongoing in this part of the country. It was the most impacted area by Hurricane Julia and is where most emergency response activities are being implemented.
12. *Monitoring and Evaluation*: no change
13. *Accountability to affected populations, protection risks, restrictions of gender and disabilities*: no change
14. *Proposed transition/handover strategy*: no change
15. *Risk Management*: As the intensity and duration of tropical storms and hurricanes determine specific responses and operational approaches, WFP is taking measures to reduce and mitigate risks for beneficiaries, partners, and WFP staff. These actions include updating WFP's business continuity plan, its Minimum Preparedness Actions and its risk register. As a result, activities and food distributions may vary or will be prioritized in coordination with humanitarian partners.
16. *Social and Environmental Safeguards*: no change

### **Beneficiary analysis**

17. No change has been made to the targeted population and beneficiary number.

Strategic outcome	Activity	Modality	Period	Women	Men	Girls	Boys	Total
				(18 + years)	(18 + years)	(0 -18 years)	(0-18 years)	
1	1	Food	Current	0	0	91,000	91,000	182,000
			Increase	0	0	0	0	0
			Revised	0	0	91,000	91,000	182,000
4	5	Food	Current	198,215	206,306	158,996	165,483	729,000
			Increase	0	0	0	0	0
			Revised	198,215	206,306	158,996	165,483	729,000
		CS	Current	108,760	113,200	87,240	90,800	400,000
			Increase	0	0	0	0	0
			Revised	108,760	113,200	87,240	90,800	400,000
<b>TOTAL (Without Overlap)</b>			Current	227,824	236,468	251,795	259,145	975,232
			Increase	0	0	0	0	0
			Revised	227,824	236,468	251,795	259,145	975,232

## Transfers

18. No change has been made to food rations and CBT value.

Strategic outcome	4 – People in crisis have access to food			
Activity	5 Provide food assistance in emergency			
Beneficiary type	Shock-affected populations			Schoolchildren (Dry Corridor)
Modality (indicate food or CBT)	Food <sup>6</sup>	Cash-based transfers	Commodity voucher	Food
total kcal/day (to be completed for food and cash modalities)	1,861			574
Cash-based transfers (USD/person/day; use average as needed)		0.50	0.67	
Number of feeding days per year	40	30	30	60

Food type / cash-based transfer	Current Budget		Increase		Revised Budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	25,124	16,585,601	0	2,119,356	25,124	18,704,957
Pulses	6,367	8,002,445	0	1,449,487	6,367	9,451,933
Oil and Fats	2,873	4,669,495	0	731,870	2,873	5,401,366
Mixed and blended foods	7,357	4,288,240	0	1,374,209	7,357	5,662,449
Other	1,519	2,063,981	0	6	1,519	2,063,987
<b>TOTAL (food)</b>	<b>43,241</b>	<b>35,609,763</b>	<b>0</b>	<b>5,674,928</b>	<b>43,241</b>	<b>41,284,691</b>
Cash-Based Transfers (USD)		1,200,002		0		1,200,002
<b>TOTAL (food and CBT value – USD)</b>	<b>43,241</b>	<b>36,809,764</b>	<b>0</b>	<b>5,674,928</b>	<b>43,241</b>	<b>42,484,692</b>

<sup>6</sup> Distribution includes General Food Distribution (GDF) and Take-Home Rations (THR).

### 3. COST BREAKDOWN

<b>SDG targets/ WFP Strategic outcomes</b>	<b>SDG Target 2.1 - WFP Strategic Outcome 2</b>	<b>SDG Target 2.4 - WFP Strategic Outcome 3</b>	<b>SDG Target 17.9 - WFP Strategic Outcome 4</b>	<b>SDG Target 2.1 - WFP Strategic Outcome 1</b>	<b>SDG Target 17.16 - WFP Strategic Outcome 5</b>	<b>TOTAL</b>
<b>CSP Outcomes</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>	
<b>Focus Area</b>	<b>Resilience Building</b>	<b>Resilience Building</b>	<b>Root Causes</b>	<b>Crisis Response</b>	<b>Crisis Response</b>	
<b>Transfer</b>	3,887,132	0	0	3,035,430	3,887,132	<b>6,922,562</b>
<b>Implementation</b>	0	0	0	265,000	0	<b>265,000</b>
<b>Direct support costs</b>						<b>1,884,000</b>
<b>Subtotal</b>						<b>9,071,562</b>
<b>Indirect support costs</b>						<b>588,735</b>
<b>TOTAL</b>						<b>9,660,297</b>

<b>SDG targets/ WFP Strategic outcomes</b>	<b>SDG Target 2.1 - WFP Strategic Outcome 2</b>	<b>SDG Target 2.4 - WFP Strategic Outcome 3</b>	<b>SDG Target 17.9 - WFP Strategic Outcome 4</b>	<b>SDG Target 2.1 - WFP Strategic Outcome 1</b>	<b>SDG Target 17.16 - WFP Strategic Outcome 5</b>	<b>TOTAL</b>
<b>CSP Outcomes</b>	<b>01</b>	<b>02</b>	<b>03</b>	<b>04</b>	<b>05</b>	
<b>Focus Area</b>	<b>Resilience Building</b>	<b>Resilience Building</b>	<b>Root Causes</b>	<b>Crisis Response</b>	<b>Crisis Response</b>	
<b>Transfer</b>	30,974,106	18,595,374	1,480,513	33,827,325	19,633,976	<b>104,511,294</b>
<b>Implementation</b>	2,938,758	2,661,194	216,251	1,526,878	1,521,173	<b>8,864,255</b>
<b>Direct support costs</b>	4,374,852	2,343,518	200,147	3,722,804	1,437,014	<b>12,078,335</b>
<b>Subtotal</b>	38,287,716	23,600,086	1,896,912	39,077,007	22,592,163	<b>125,453,884</b>
<b>Indirect support costs</b>	2,488,702	1,534,006	123,299	2,540,005	0	<b>6,686,012</b>
<b>TOTAL</b>	<b>40,776,417</b>	<b>25,134,092</b>	<b>2,020,211</b>	<b>41,617,012</b>	<b>22,592,163</b>	<b>132,139,896</b>