

## COUNTRY STRATEGIC PLAN REVISION

### NICARAGUA country strategic plan, revision 02

Gender and age marker code: 4

<b>Transmittal Slip Table - BUDGET OVERVIEW</b>			
	<b>Current</b>	<b>Change</b>	<b>Revised</b>
	<b>1 April 2019 – 31 December 2023</b>		<b>1 April 2019 – 31 December 2023</b>
<b>Duration</b>		-	
<b>Beneficiaries</b>	<b>624 000</b>	<b>3 000</b>	<b>627 000</b>
<b>Total cost (USD)</b>	<b>99 627 595</b>	<b>9 753 927</b>	<b>109 381 522</b>
Transfer	79 300 291	7 187 32	86 847 619
Implementation	7 226 351	1 017 302	8 243 652
Direct Support Costs	8 300 307	996 626	9 296 933
<b>Sub-total</b>	<b>94 826 948</b>	<b>9 201 256</b>	<b>104 028 203</b>
Indirect Support Costs	4 800 647	552 672	5 353 319

### Rationale

1. The purpose of this budget is two-fold. First, to move 6,000 tier 1 beneficiaries<sup>1</sup> (peri-urban and low-income households) supported through capacity strengthening sub-activities from activity 3 (resilience-building focus) to activity 5 (crisis response focus). This is necessary as Nicaragua, characterized as a multi-hazard country, is still working to recover from the impact of multiple shocks that impacted the country in 2020 and the protracted impacts of the economic crisis, which started in 2018. Besides, the office is beginning to prepare for the upcoming hurricane season. By moving them to the crisis activity, WFP will be able to deliver more fitting capacity strengthening assistance at this time of fragility to prevent the food and nutrition security of the most vulnerable from deteriorating further and improve the resilience of targeted communities. This budget revision will also increase the number of tier 1 beneficiaries targeted under Activity 3 (smallholder farmers) capacity strengthening initiatives by 3,000. The net change is an increase of 3,000 tier 1 beneficiaries.
2. In November 2020, Nicaragua was struck by hurricanes Eta and Iota (category 4 and 5). According to the Government's assessments, three million people were exposed to these events. Based on secondary data available, WFP's Vulnerability Analysis and Mapping (VAM) Unit estimated that roughly 8 percent of the 3 million people exposed are people in need, equivalent to 245,000 people. The impacts included material and livelihood losses, hindering these populations' ability to recover without assistance. Since then, the situation has evolved from one of immediate needs response to an early recovery phase, where affected populations are slowly starting to resume their productive activities, with support of the Government and the international community, including WFP. Yet, the situation of the most vulnerable continues to be fragile, particularly until the next harvest in August/September. The strongest impact occurred in 26 municipalities, mainly in hard-to-access communities of the North Caribbean Coast Autonomous Region (RACCN. According to consultations carried out by WFP with smallholder farmers assisted under the CSP, 3,400 smallholder farmers out of 4,800 suffered impacts in their food production, resulting in losses and a poor harvest with low quality.

<sup>1</sup> Tier 1 beneficiaries are direct beneficiaries that are not receiving food nor cash transfers from WFP



3. Eta and Iota also caused widespread infrastructure damage, including in school kitchens, storage rooms and other WASH facilities. Thus, besides attending to affected household's food needs through in-kind food transfers and assisting with the recovery of lost livelihoods, WFP also plans to implement infrastructure works in affected educational centres in RACCN to ensure safe food consumption of the mid-morning and the afternoon school snack and beneficiaries' dignity.
4. Parallely, the Dry Corridor in the Pacific region continued to be impacted by climatic events. This drought-prone area has experienced erratic rainfall patterns over the past five years, negatively affecting rural populations, who rely on agricultural production to secure their access to food. Furthermore, during 2020, due to the socioeconomic impacts of the COVID-19 pandemic, people's access to remittances, an important source of income for poor households, decreased.

## **Changes**

### **Strategic orientation**

5. With this second budget revision, WFP will now under activity 5 deliver assistance, in the shape of capacity-strengthening and productive social protection systems, to people affected by shocks for roughly six-months and also to peri-urban and low-income households affected by the impacts of the ongoing economic decline and other shocks (previously assisted under activity 3), until the end of the CSP. WFP will also adjust the number of beneficiaries assisted under Activity 3, to include new smallholder farmers in the Dry Corridor, whose food security is threatened by the compounding effects of cumulative climatic shocks.

### **Strategic outcomes**

6. No changes in SO

### **Outputs**

7. Under Strategic Outcome 4, activity 5, this budget revision expands and extends the existing crisis-response plan post crisis to contribute to improve the food security and nutrition by delivering livelihood support to crisis--affected populations during the recovery phase. The livelihood support will consist on the supply of in-kind livelihood recovery packages containing non-food items like agricultural inputs, seeds, tubers, and farm animals so beneficiaries can prepare for the upcoming harvest. To implement this capacity-strengthening sub-activity and deliver the in-kind livelihood recovery assistance, WFP will leverage the platform of the Nicaraguan Institute of Agricultural Technology's (INTA) Zero Hunger National Programme as a productive social protection system. WFP and INTA jointly will define the content, quantity, and delivery plans of the livelihood recovery packages and jointly select the geographical areas and households to be targeted. . The delivery of the respective packages will also be complemented with capacity strengthening activities.
8. Under activity 5, WFP will also support 6,000 new peri-urban and low-income households in the Dry Corridor and the North-central region of Nicaragua, who have been negatively impacted by the economic decline, the adverse climatic conditions and the socioeconomic impacts of the COVID-19 pandemic, with capacity-strengthening activities. These are vulnerable households who rely on their own food production for consumption and whose access to food is now strained. Therefore, WFP will support them through the establishment of vegetable gardens either at the household level or in communal areas. Further, WFP aims to improve safe food consumption among school children in the Dry Corridor and RACCN by rehabilitating or building infrastructure works including but not limited to water harvesting and filtering systems and eco-stoves. The beneficiaries in the Dry Corridor and the North-central region of Nicaragua were originally targeted under Activity 3 of the CSP but will now be supported under Activity 5 as part of WFP's crisis response efforts. The reason for the adjustment is that they will receive a type of



assistance, yet still capacity-strengthening, that is more fitting to their current emergency situation, focusing on meeting their food and nutritional needs, rather than on strengthening their productive capacities, as originally planned.

9. Additionally, under activity 5, WFP will assist schools with rehabilitated or constructed infrastructure, including water harvesting and filtering systems and fuel-efficient stoves to improve safe food consumption and reduce wood utilization.

### Outputs

10. Related to Activity 3, given the needs identified in the Dry Corridor, the recurrent shocks affecting these communities, and the enhanced risks associated prompted by the COVID-19 pandemic, WFP will support 3,000 new subsistence and smallholder farmers in this geographical area, under Activity 3. These farmers will receive a comprehensive package of support with the aim of enhancing their climatic resilience so that they are better prepared to cope with these harsh agroclimatic conditions and can improve their food security. The assistance provided by WFP will include the provision of agricultural inputs and assets, as well as technical support all year round until the end of the CSP, as resilience building requires long-term investments

### Beneficiary analysis

11. This BR introduces a series of adjustments to the number of beneficiaries, particularly under Activity 3. Activity 3 originally targeted two sets of populations: (a) subsistence and smallholder farmers; and (b) vulnerable households in peri-urban areas. With this BR, the number of smallholder farmers supported by Activity 3 increases from 4,500 to 7,500. In addition, the BR reduces the number of households in Activity 3 by 6,000 as these will now be assisted under Activity 5. Therefore, the total number of beneficiaries under Activity 3 will decrease from 10,500 to 7,500, whilst Activity 5 will increase from 632,000 to 638,000.

<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>
2	3*	Current	5 250	5 250	-	-	<b>10 500</b>
		Increase	1 500	1 500	-	-	<b>3 000</b>
		Decrease	-3 000	-3 000	-	-	<b>-6 000</b>
		Revised	3 750	3 750	-	-	<b>7 500</b>
4	5	Current	226 182	223 257	93 106	89 455	<b>632 000</b>
		Increase	3 000	3 000	-	-	<b>6 000**</b>
		Revised	229 182	226 257	93 106	89 455	<b>638 000</b>
<b>Total (without overlap)</b>		<b>Current</b>	<b>218 347</b>	<b>220 175</b>	<b>94 594</b>	<b>90 884</b>	<b>624 000***</b>
		<b>Increase/decrease</b>	<b>1 500</b>	<b>1 500</b>	<b>-</b>	<b>-</b>	<b>3 000</b>
		<b>Revised</b>	<b>219 847</b>	<b>221 675</b>	<b>94 594</b>	<b>90 884</b>	<b>627 000</b>

\*All beneficiaries in this activity 3 are Tier 1 CS.

\*\* Tier 1 CS beneficiaries

\*\*\* This figure will continue being the total Tier 1 beneficiaries receiving cash or food and thus shown in COMET. As the 3,000 new beneficiaries added in this BR are Tier 1 CS, COMET NBP is not being affected in this BR



## Transfers

12. There are no changes to the food rations or cash-based transfer value.

Strategic outcome 4				
Activity 5				
Shock-affected populations				School- children (Dry Corridor)
Modality (indicate food or cash)	Food	Cash-based transfers	Commodity voucher	Food
Cereals	400			80
Pulses	60			25
Oil	25			10
Salt	5			
SuperCereal				30
Dates				
Total kcal/day	1 861			574
% kcal from protein	77			39
Cash (USD/person/ day)		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	20 822	13 310 566	0	0	20 822	13 310 568
Pulses	5 383	6 594 982	0	0	5 383	6 594 982
Oil and fats	2 168	2 637 722	0	0	2 168	2 637 722
Mixed and blended foods	6 492	3 613 372	0	0	6 492	3 613 372
Other	1 519	2 063 981	0	0	1 519	2 063 981
<b>Total (food)</b>	<b>36 384</b>	<b>28 220 624</b>	<b>0</b>	<b>0</b>	<b>36 384</b>	<b>28 220 626</b>
Cash-based transfers and commodity vouchers		1 200 002	0	0		1 200 002
<b>Total (food and cash-based transfer value)</b>	<b>36 384</b>	<b>29 420 625</b>	<b>0</b>	<b>0</b>	<b>36 384</b>	<b>29 420 627</b>

## Cost breakdown

13. This revision increases the budget of activity 5, in USD 6.4million. The increase falls under the crisis response focus area and WFP has identified and secured support from donors, including Canada, Switzerland and the European Commission, therefore generating resource availability to cover enhanced needs.
14. Likewise, the revision includes an increase of DSC of USD 0.99 M to fully cover operational costs related to the above-mentioned contributions.
15. Whilst the revision also introduces some programmatic adjustments to Activity 3, this will only affect the number of beneficiaries. The budget plan will remain unchanged, as there is sufficient space to support the new group of smallholder farmers in the Dry Corridor through the end of 2023. This is because the 6,000 low-income beneficiaries that were originally targeted under Activity 3 will now be assisted under Activity 5 as per this revision. Therefore, the budget planned for these sub-activities will now be available for scaling up the assistance to farmers in the Dry Corridor, who require long-term assistance and therefore greater investments.



TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD)						
	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		1 600 000		5 587 328		<b>7 187 328</b>
Implementation		150 000		867,302		<b>1 017 302</b>
Adjusted direct support costs						<b>996 626</b>
<b>Subtotal</b>						<b>9 201 256</b>
Indirect support costs (6.5 percent)						<b>552 672</b>
<b>Total</b>						<b>9 753 927</b>



TABLE 5: OVERALL CSP COST BREAKDOWN, AFTER REVISION (USD)						
	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	26 687 749	18 595 374	1 480 513	20 820 005	18 903 976	<b>86 487 618</b>
Implementation	2 665 170	2 661 193	216 251	1 251 862	1 449 173	<b>8 243 652</b>
Adjusted direct support costs	3 499 815	2 378 103	201 617	1 901 092	1 316 303	<b>9 296 932</b>
<b>Subtotal</b>	<b>32 852 736</b>	<b>23 634 671</b>	<b>1 898 382</b>	<b>23 972 960</b>	<b>21 669 453</b>	<b>104 028 203</b>
Indirect support costs (6.5 percent)	2 135 427	1 536 253	123 394	1 558 242	0	<b>5 353 318</b>
<b>Total</b>	<b>34 988 164</b>	<b>25 170 925</b>	<b>2 021 776</b>	<b>25 531 203</b>	<b>21 669 453</b>	<b>109 381 522</b>

