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Ouvrer pour que les  
populations rurales pauvres  
se libèrent de la pauvreté

## République du Nicaragua

### Programme d'options stratégiques pour le pays

#### Note pour les représentants au Conseil d'administration

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Pour: **Examen**

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## Sigles et acronymes

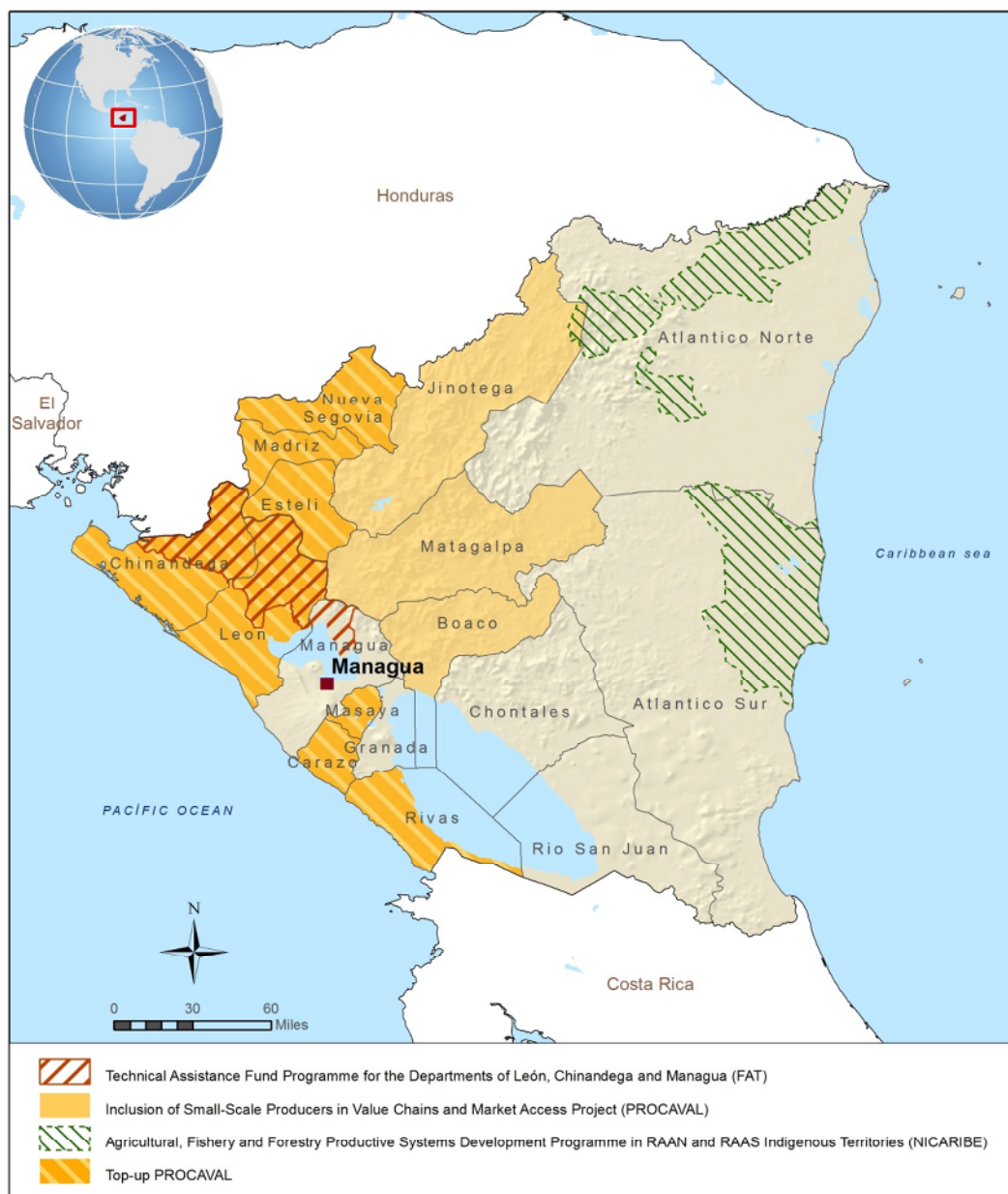
BCIE	Banque centraméricaine d'intégration économique
CCDP	Plan de développement de la côte caraïbe
EMNV	Enquête nationale sur les niveaux de vie des ménages
FAT	Fonds d'assistance technique
IDR	Institut de développement rural
INTA	Institut nicaraguayen de technologie agricole
MAGFOR	Ministère de l'agriculture et des forêts
MFCCA	Ministère de l'économie familiale, communale, coopérative et associative
MIFIC	Ministère de la promotion industrielle et du commerce
NICARIBE	Programme de développement des systèmes de production agricole, piscicole et forestière dans les territoires autochtones de la RAAN et de la RAAS
PNAIR	Programme national d'agro-industries rurales
PROCAVAL	Projet en faveur de l'accès des petits producteurs aux chaînes de valeur et aux marchés
PRO-Nicaragua	Agence publique de promotion des investissements du Gouvernement du Nicaragua
PRORURAL	Programme sectoriel de développement de la production en milieu rural
RAAN	Région autonome de l'Atlantique nord
RAAS	Région autonome de l'Atlantique sud

## Carte des opérations en cours au Nicaragua

### République du Nicaragua

Opérations en cours financées par le FIDA

COSOP



27-06-2012



**Source:** FIDA

*Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés.*

## Résumé de la stratégie pour le pays

1. Le Nicaragua est le deuxième pays le plus pauvre d'Amérique latine, et son revenu par habitant est le plus faible des pays d'Amérique centrale (1 239 USD en 2011 – Banque centrale du Nicaragua). L'économie nicaraguayenne a connu une phase de croissance au cours des dix dernières années, avec des taux atteignant 4,5 et 4,7% en 2010 et 2011 respectivement, et d'importants progrès ont été réalisés entre 2005 et 2009 en matière de réduction de la pauvreté. Bien que ces indicateurs soient positifs, ils ne suffisent pas à atteindre le niveau d'autres économies de la région, ni à faire face aux niveaux persistants de pauvreté globale (42,5%) et d'extrême pauvreté (14,6%).
2. À la suite du processus approfondi de consultation qui a mené à l'établissement du présent programme d'options stratégiques pour le pays axé sur les résultats, le Gouvernement du Nicaragua a demandé au FIDA d'appuyer le développement de son secteur de l'agriculture, en mettant l'accent sur l'exécution du Programme national d'agro-industries rurales (PNAIR).
3. Le PNAIR utilise une approche axée sur les chaînes de valeur et le marché, donnant la priorité à la participation de petits et moyens exploitants agricoles au sein de coopératives commerciales et d'autres organisations de type associatif. Il a comme priorités la gouvernance, le renforcement des capacités, les investissements visant à encourager les industries agroalimentaires, le développement technologique, la qualité et la sûreté, et la promotion commerciale. Ses interventions ciblent les filières les plus importantes du secteur, aussi bien pour leur dynamisme que pour les emplois qu'elles créent: céréales de base, racines et tubercules, fruits et légumes, produits laitiers et viande, café et cacao, et apiculture.
4. Faisant fond sur ces considérations, la stratégie du FIDA au Nicaragua appuiera les efforts menés par le gouvernement et les organisations paysannes pour accentuer la croissance dans le secteur agricole comme moyen de réduction de la pauvreté, de création d'emplois, et d'amélioration de la consommation alimentaire des familles et, dans le même temps, de contribution à la durabilité et à la reproduction des bonnes pratiques. Les objectifs stratégiques retenus pour promouvoir ce développement suivront trois axes:

**Objectif stratégique 1 – Inclusion.** Accès facilité aux actifs, aux marchés et aux activités génératrices de revenus, et augmentation des possibilités d'emploi. Ces objectifs seront atteints par le biais de mesures prises en faveur de groupes défavorisés et contribuant à la mise en œuvre de stratégies d'inclusion des populations rurales pauvres dans les processus locaux et nationaux de développement socioéconomique.

**Objectif stratégique 2 – Productivité.** Accroissement de la productivité du travail par le biais d'incitations qui facilitent l'accès à l'information, à la technologie et aux services techniques et financiers.

**Objectif stratégique 3 – Durabilité.** Amélioration de la durabilité environnementale, budgétaire et institutionnelle.

5. Le portefeuille actuel et les nouveaux financements seront utilisés pour atteindre les objectifs stratégiques ci-dessus et seront concentrés sur les domaines suivants:
  - i) amélioration de la productivité et de la compétitivité; ii) renforcement des capacités des communautés autochtones ou d'origine africaine sur la côte caraïbe; et iii) appui à la création de modèles innovants, et notamment: a) stratégies d'inclusion pour le développement d'entreprises dirigées par des femmes et des jeunes ruraux; b) stratégies organisationnelles pour les petites entreprises rurales; et c) stratégies d'investissement et d'accès aux marchés pour les petits agriculteurs. La stratégie proposée représente une application à plus grande échelle des deux premiers grands domaines d'intérêt. Le troisième domaine est davantage axé sur la gestion des savoirs pour l'innovation.

# République du Nicaragua

## Programme d'options stratégiques pour le pays

### I. Introduction

1. La collaboration du FIDA avec le Gouvernement du Nicaragua a débuté au cours des années 1980. Le FIDA a mobilisé 250 millions d'USD, dont 104 millions sous la forme de cofinancement, avec quelque 670 000 bénéficiaires. Entre 2005 et 2012, le financement du FIDA s'est élevé à 57 millions d'USD, auxquels se sont ajoutées des contributions supplémentaires de 43 millions d'USD provenant d'autres sources, le total atteignant environ 100 millions d'USD.
2. Le gouvernement considère le FIDA comme un partenaire stratégique du fait de la compétence et de l'expérience de l'organisation dans le domaine de la promotion du développement rural. La préparation du présent programme d'options stratégiques pour le pays (COSOP) axé sur les résultats a comporté un processus approfondi de consultation avec les petits producteurs, les dirigeants autochtones et les organisations féminines.

### II. Le contexte du pays

#### A. Économie, agriculture et pauvreté rurale

##### Situation économique générale

3. Le Nicaragua est le deuxième pays le plus pauvre d'Amérique latine, et son revenu par habitant est le plus faible des pays d'Amérique centrale (1 239 USD en 2011 – Banque centrale du Nicaragua). Selon les chiffres officiels, l'économie du Nicaragua a connu une phase de croissance au cours des dix dernières années, avec des taux atteignant 4,5 et 4,7% en 2010 et 2011 respectivement. Bien que ces indicateurs soient positifs, ils sont encore jugés insuffisants pour atteindre le niveau d'autres économies de la région, et pour faire face aux niveaux de pauvreté globale (42,5%) et d'extrême pauvreté (14,6%) qui persistent dans le pays.
4. Selon les chiffres de la Banque centrale du Nicaragua, le secteur de l'agriculture est l'un des moteurs de l'économie, représentant 20% du PIB. Le secteur produit plus de 60% des exportations annuelles, occupe plus de 30% de la population active et produit 70% des denrées alimentaires. Sa croissance annuelle a été de près de 3% au cours de la période 2000-2010; pour la période 2007-2010, ce taux a atteint 3,7%. Cette croissance reflète la stabilité des politiques macroéconomiques du pays et les prix élevés des produits exportables. Les petits agriculteurs – dont 75% disposent de moins de 3,5 hectares – jouent un rôle remarquable puisqu'ils produisent 80% des céréales de base, 65% des produits de l'élevage et 56% des exportations du secteur.
5. Les produits les plus importants du secteur sont les céréales de base qui représentent près de 40% du PIB agricole; le café, fournissant plus de 50% des emplois du secteur; et l'élevage, représentant 45% du PIB agricole (Banque centrale du Nicaragua). Pour tous ces produits, les rendements sont sensiblement inférieurs et les coûts de production sensiblement supérieurs à ceux observés dans d'autres pays d'Amérique centrale, ce qui signifie que la faible productivité et les contraintes technologiques constituent une entrave à la compétitivité du pays. En outre, ces produits ont des liaisons médiocres avec la demande et les débouchés commerciaux, créant des obstacles aux investissements dans le secteur. Cette situation exige une meilleure intégration de l'agriculture et des industries agroalimentaires rurales, et une meilleure compétitivité des entreprises rurales.
6. Dans l'ensemble, le secteur de l'agriculture occupe une place de plus en plus importante dans l'économie, encore que sa spécialisation dans la production de produits destinés à la consommation intérieure et à l'exportation puisse avoir des

incidences sur le développement du pays à moyen terme. Le gouvernement prévoit de modifier ce modèle en encourageant les investissements dans d'autres secteurs comme l'énergie et le tourisme, et en développant les infrastructures pour stimuler d'autres secteurs. À court et à moyen termes, toutefois, le secteur de l'agriculture a besoin d'accroître sa productivité, d'ajouter de la valeur aux produits primaires, et de diversifier ses marchés et ses produits.

### **Pauvreté rurale**

7. Le Nicaragua a enregistré d'important progrès en termes de réduction de la pauvreté entre 2005 et 2009. Selon les données de l'enquête nationale sur les niveaux de vie des ménages (EMNV – Encuesta de Medición de Nivel de Vida), le nombre de personnes vivant en situation de pauvreté a diminué de 5,8%, et celui des personnes vivant dans des conditions de pauvreté extrême a diminué de 2,5%. Des chiffres plus prometteurs sont observés pour le secteur rural, où le taux national de pauvreté a diminué de 7% et celui de la pauvreté extrême de 4% (les chiffres correspondants, pour le secteur urbain, étant de 4,1 et 1,1% respectivement). La pauvreté, et en particulier la pauvreté rurale, demeure toutefois un problème au Nicaragua: 42,5% de la population du Nicaragua vit dans des conditions de pauvreté, et 14,6% dans des conditions de pauvreté extrême. Parmi la population rurale, le taux global de pauvreté est de 63,3%, et il est de 26,6% pour la pauvreté extrême. Dans les zones rurales de la région centre et de la région bordant la mer des Caraïbes, les taux de pauvreté sont particulièrement élevés. Près de 70% de la population de ces régions vit au-dessous du seuil de pauvreté, et environ 30% dans des conditions de pauvreté extrême.
8. Entre 2005 et 2009, le Nicaragua a connu une diminution des inégalités entre les niveaux de consommation des ménages. Le coefficient national de Gini est tombé de 0,41 en 2005 à 0,37 en 2009, avec une évolution dynamique parallèle dans les zones rurales et les zones urbaines. Les inégalités de la consommation sont encore moins fortes dans les zones rurales (Gini 0,31) que dans les zones urbaines (Gini 0,35). La diminution combinée de la pauvreté et des inégalités de la consommation donne à penser que la croissance économique réalisée au cours de cette période a contribué à une amélioration de la répartition des revenus dans le pays.
9. La structure du marché de l'emploi dans l'économie n'a pas connu de grand changement entre 2005 et 2009. Les secteurs de l'agriculture (32,8%) et du commerce (31,7%) emploient la plus grande partie de la population économiquement active, tandis que la participation des secteurs des services (18,6%) et de l'industrie (16,8%) est nettement moindre. L'emploi non salarié continue de jouer un rôle considérable, en particulier dans le secteur agricole. Les salariés représentent 58,7% des travailleurs des secteurs non agricoles (2,6% de moins qu'en 2005) et 33,8% de ceux du secteur de l'agriculture. Dans ce dernier secteur, la participation des membres de la famille aux travaux agricoles reste importante (elle représente 26,6% de l'emploi total dans ce secteur). Bien que le revenu médian ait augmenté, dans le secteur de l'agriculture, de 18% entre 2005 et 2009, il demeure sensiblement inférieur à celui des autres secteurs, et correspond à 68% du revenu médian des personnes employées dans le secteur des services, 66% du revenu médian dans celui du commerce, et 58% du salaire médian du secteur de l'industrie.
10. Manque de compétences, emploi et pauvreté: ces problèmes conjugués constituent ensemble l'un des plus grands défis. Environ 67% des ménages dont le chef n'a pas été scolarisé, et 44% des ménages dont le chef a fréquenté uniquement l'école élémentaire, vivent au-dessous du seuil de pauvreté. Dans ces deux groupes, 28,6% et 13,9% des ménages, respectivement, vivent dans des conditions de pauvreté extrême. Au Nicaragua, l'extrême pauvreté est un phénomène presque exclusivement rural – dans les foyers où le chef du ménage a eu une éducation du niveau de l'école élémentaire, voire inférieur, et travaille dans le secteur agricole.

11. Les données font aussi apparaître des écarts de salaires que l'on peut associer à d'importants déphasages dans la productivité de la main-d'œuvre du secteur agricole par rapport au reste de l'économie. Ainsi, en utilisant l'âge et le niveau d'éducation comme témoins, on observe que le revenu horaire des personnes employées dans les secteurs non agricoles dans les zones rurales est supérieur, de 44 à 52%, à celui du secteur agricole. De même, toujours dans les zones rurales, on observe en utilisant comme témoins l'âge et la région géographique de résidence que les personnes ayant une éducation secondaire ou universitaire gagnent en moyenne de 25 à 80% plus que celles n'ayant fait aucune sorte d'études.

#### **Vulnérabilité environnementale et climat**

12. La situation géographique du Nicaragua et sa géomorphologie le rendent particulièrement vulnérable aux catastrophes naturelles. Au cours de la période 1991-2010, le Nicaragua a été l'un des dix pays les plus touchés par les phénomènes climatiques, subissant jusqu'à 43 événements extrêmes. Au cours des dix dernières années, les catastrophes ont provoqué la mort de plus de 3 300 personnes et d'importantes pertes économiques, subies principalement par l'infrastructure et l'agriculture. La vulnérabilité aux catastrophes naturelles qui affectent la compétitivité du pays est liée à la dégradation de l'environnement. Bien que le pays ait mis en œuvre un système de détection et de réponse aux catastrophes, des mesures efficaces de prévention et d'adaptation demeurent nécessaires, spécialement en réaction aux événements environnementaux et climatiques.

## **B. Politiques, stratégies et contexte institutionnel**

### **Le contexte institutionnel national**

13. L'engagement du gouvernement à combattre la pauvreté et à promouvoir le développement rural est confirmé par les priorités énoncées dans le Plan national de développement humain (PNDH). Les politiques de développement rural durable sont exposées dans le Plan de développement de la côte caraïbe (CCDP) et dans le Programme sectoriel de développement de la production en milieu rural (PRORURAL), où sont indiquées les grandes lignes des investissements publics prévus dans le secteur sur la base d'un dialogue avec les parties prenantes nationales et avec la communauté des partenaires de la coopération.
14. Le CCDP vise à bâtir une réalité économique qui restitue aux habitants leurs droits et leur accès aux possibilités productives, avec l'appui du régime autonome. Ce plan prévoit, pour la période 2012/2016, la mise en œuvre d'un modèle de développement régional ayant pour objectifs: i) d'accroître le bien-être économique de la population caraïbe; ii) de parvenir à une transformation économique grâce à des relations équitables, durables et harmonieuses entre les hommes et la nature; et iii) de renforcer la capacité des institutions régionales du point de vue de la promotion du développement humain.
15. Le PRORURAL vise à accroître les revenus des familles rurales grâce à une amélioration de la productivité – par la promotion d'une valeur ajoutée dans la production primaire et la sécurité alimentaire – et à un meilleur accès au marché, dans un cadre d'équité et d'intégration des communautés autochtones et d'origine africaine. Le PRORURAL est exécuté par l'intermédiaire du Programme alimentaire national (PNA), du Programme forestier national (PNF) et du Programme national d'agro-industries rurales (PNAIR).
16. Le PNAIR offre un cadre général à la stratégie du FIDA et assure la coordination avec les autres programmes du PRORURAL et du CCDP pour la création d'emplois et l'amélioration des revenus des familles rurales. Il obtient ce résultat par le biais d'une augmentation de la valeur ajoutée des produits primaires, en mettant l'accent sur les chaînes de valeur et l'accès aux marchés. En suivant cette approche, le PNAIR met l'accent sur la participation de petits et moyens exploitants agricoles au sein de coopératives commerciales et d'autres organisations de type associatif. Il a comme priorités la gouvernance, le renforcement des capacités, les investissements



visant à encourager les industries agroalimentaires, le développement technologique, la qualité et la sûreté, et la promotion commerciale. Ses interventions ciblent les filières les plus importantes du secteur, aussi bien pour leur dynamisme que pour les emplois qu'elles créent: céréales de base, racines et tubercules, fruits et légumes, produits laitiers et viande, café et cacao, et apiculture.

17. Le PNAIR s'intéresse particulièrement à la coordination des interventions avec le CCDP, à l'appui à une transformation économique mettant l'accent sur le développement d'industries agroalimentaires reposant sur la production de produits alimentaires dans les zones tropicales humides, la promotion de la transformation des produits des pêcheries artisanales, et le renforcement des capacités des communautés. Le PNAIR contient un engagement à appuyer les investissements en matière d'infrastructures de base dans les domaines du transport et de la production d'énergie hydroélectrique – pour améliorer la production alimentaire locale – et les changements dans la production proposés pour la région.
18. Même avec ce cadre général d'action pour le développement des industries agroalimentaires, il existe des limitations affectant la compétitivité des entreprises rurales et les possibilités de stimuler les conditions du marché et le contexte économique. Ces limitations prennent la forme de lacunes sur le plan des capacités dans les domaines de la gestion des entreprises, de la connaissance du marché et de l'accès aux services, financiers et autres. Cette situation est aggravée par des problèmes de productivité et par des conditions locales qui exigent qu'on y prête attention à court/moyen termes.

#### **Harmonisation et alignement**

19. Le FIDA a établi une concertation systématique sur les politiques avec le gouvernement et les agences de coopération, en participant activement aux mécanismes créés à cet effet. En particulier, le Fonds contribue aux groupes de travail actifs au sein du PRORURAL et assure la coordination du groupe de travail sur les industries agroalimentaires.

### **III. Enseignements tirés de l'expérience du FIDA dans le pays**

#### **A. Résultats, impact et performance des opérations antérieures**

20. Le début de la collaboration du FIDA avec le Gouvernement du Nicaragua remonte aux années 1980, avec un financement de 104 millions d'USD et la mobilisation de 150 millions d'USD supplémentaires, et avec quelque 670 000 bénéficiaires. Entre 2005 et 2012, le financement du FIDA s'est élevé à 57 millions d'USD, auxquels se sont ajoutées des contributions supplémentaires de 43 millions d'USD provenant d'autres sources, le total atteignant environ 100 millions d'USD. Les principaux partenaires, sur le plan du cofinancement, ont été, au cours de la période, la Banque centraméricaine d'intégration économique (BCIE), le gouvernement, les bénéficiaires (par des contributions en espèces), la Banque mondiale et la Direction du développement et de la coopération de la Confédération suisse (DDC). Au cours de cette période, le portefeuille a représenté 53% du financement total apporté sur les trente dernières années.
21. Les interventions en cours sont les suivantes: i) Programme de fonds d'assistance technique (FAT) pour les départements de León, Chinandega et Managua, qui s'achèvera en 2013, d'un coût total de 20,6 millions d'USD, dont 14,2 millions d'USD fournis par le FIDA; ii) Projet en faveur de l'accès des petits producteurs aux chaînes de valeur et aux marchés (PROCAVAL), approuvé en 2007, d'un coût total de 38 millions d'USD, dont 20,3 millions d'USD fournis par le FIDA; iii) Programme de développement des systèmes de production agricole, piscicole et forestière dans les territoires autochtones de la RAAN et de la RAAS (NICARIBE), approuvé en décembre 2010, d'un coût total de 14 millions d'USD, dont 8 millions d'USD fournis par le FIDA; et iv) un don au Ministère de l'agriculture et des forêts (MAGFOR) d'un montant de 500 000 USD à l'appui du quatrième recensement agricole national, d'un

coût total de 6 millions d'USD. Le FAT est financé par un prêt à des conditions particulièrement favorables; le PROCAVAL et le NICARIBE sont financés par des dons (50%) et des prêts (50%) à des conditions particulièrement favorables.

22. **Résultats.** Les résultats du COSOP de 2005 montrent que 400 000 personnes environ ont bénéficié du portefeuille de projets, et on prévoit que les fonds supplémentaires approuvés permettront d'en toucher 122 000 autres. Tels qu'ils ressortent du COSOP 2005, les résultats cumulés à ce jour peuvent se résumer comme suit: i) amélioration des processus, des mécanismes et des incitations à promouvoir l'accès aux marchés des ruraux pauvres, hommes et femmes; ii) capacité et efficacité accrues des institutions rurales qui facilitent l'accès aux marchés et améliorent le climat des affaires au niveau local; iii) application à plus grande échelle des stratégies et des meilleures pratiques, et niveau accru des compétences et des innovations dans la politique de développement rural – obtenues grâce aux projets; et iv) impact positif sur l'insécurité alimentaire et la malnutrition dans la région aride du pays.

## B. Enseignements tirés

23. Le portefeuille de projets, qui mettait à l'origine l'accent sur la sécurité alimentaire, a ensuite évolué vers une approche axée sur le développement des emplois et des entreprises par le biais de micro-entreprises rurales, puis vers une focalisation sur l'association des petits agriculteurs à des entreprises de plus grande taille et la production de produits à valeur ajoutée. Les principaux enseignements tirés de cette expérience sont exposés ci-après:

- **Inclusion des petits exploitants agricoles dans les marchés.** La recherche d'une solution au problème de la pauvreté a eu pour résultat initial de multiplier les liaisons entre les familles rurales et les marchés dynamiques, grâce à la promotion de micro-entreprises rurales et la création de possibilités d'emplois.
- **Associativité et compétitivité.** Lorsqu'elles sont organisées en associations, sous diverses formes, les entreprises rurales sont plus efficaces en termes de propositions de conception, et elles voient augmenter leurs probabilités de réussite. Les processus associatifs ont permis d'accroître les économies d'échelle, d'améliorer la compétitivité et la commercialisation, ainsi que l'accès aux services.
- **Participation et appropriation dans les entreprises rurales.** Le succès des entreprises familiales rurales et des organisations commerciales dépend du degré d'appropriation de leurs membres. De même, les organisations disposées à prendre des risques de crédit témoignent d'une plus grande appropriation et d'un sens d'orientation relatif aux possibilités de développement des entreprises.
- **Les femmes dans l'économie rurale.** L'une des conséquences des conflits des années 1980 a été que les femmes ont assumé des rôles dirigeants, et que leur participation aux processus décisionnels dans différentes sphères de la vie politique, sociale et économique a augmenté de façon significative. Ce rôle dirigeant peut s'observer au niveau des autorités locales, des organes législatifs, des institutions publiques, des syndicats et des organisations privées. Cette capacité peut augmenter sensiblement dans les zones rurales, facilitant l'accès de jeunes femmes aux actifs et au savoir, offrant un potentiel de développement d'entreprises rurales à divers niveaux.

## IV. Cadre stratégique du FIDA pour le pays

### A. Avantage comparatif du FIDA

24. Comme indiqué plus haut, le gouvernement considère le FIDA comme un partenaire stratégique du fait de la compétence et de l'expérience de l'organisation dans le domaine de la promotion du développement rural. Les résultats et les enseignements tirés de l'exécution de projets apportent une contribution au dialogue

et à l'élaboration d'instruments de politique sectorielle, spécialement en termes d'inclusion des femmes et des petits agriculteurs dans les chaînes de valeur et l'accès aux marchés, ainsi que de travail indépendant et de création de possibilités d'emplois.

25. La valeur ajoutée du PNAIR favorise l'emploi rural et les recettes saisonnières, et améliore la qualité du travail. Le cadre d'action, les perspectives d'augmentation de la production et de la productivité, la possibilité d'élaborer des mécanismes qui permettront aux producteurs et à leurs organisations d'accroître la valeur ajoutée, et les possibilités d'intégration dans des chaînes de valeur justifient une stratégie capable d'appuyer la poursuite du développement de ces processus. Quelques petits producteurs ont déjà bénéficié de leur participation à des chaînes de valeur, et cette participation peut être élargie et consolidée. Dans certaines filières (céréales de base, café), il est évident que les avantages sont parvenus jusqu'aux petits cultivateurs. La recherche de nouveaux marchés et la diversification de la production sont également nécessaires.
26. Les expériences tirées des projets du FIDA présentent un ensemble d'enseignements et de thèmes inscrits à l'ordre du jour du PRORURAL. Parmi les éléments les plus importants de la contribution du FIDA à ce programme, nous pouvons citer l'utilisation du cadre, de l'approche et des plans d'entreprise du PROCAVAL, ainsi que l'accès aux marchés et la création de possibilités d'emplois qui constituent des éléments du Programme de développement économique dans la région aride du Nicaragua (PRODESEC) et une composante fondamentale de la conception du PNAIR.
27. Au cours du processus de consultation relatif au COSOP axé sur les résultats, le gouvernement a demandé au FIDA d'appuyer le développement de son secteur agricole, en privilégiant la concertation sur les politiques et l'exécution du PNAIR. Cela implique la conception de mesures visant à accroître la production et la productivité, comme par exemple l'addition de valeur à la production primaire, ce qui pourrait contribuer à une vision pragmatique et un alignement accru avec les autres parties prenantes. Le gouvernement a également demandé au FIDA de poursuivre son appui à la solution des défis nationaux que soulève, pour les populations autochtones et d'origine africaine des régions autonomes du Nicaragua, l'accès aux possibilités et aux ressources.
28. Le processus de consultation a aussi fait apparaître la difficulté et l'importance de l'institutionnalisation dans le secteur et la nécessité d'une architecture institutionnelle émergente pour aborder les risques et les possibilités sectorielles et, en particulier, le développement des industries agroalimentaires.
29. Le gouvernement a manifesté un intérêt pour l'élaboration de politiques spécifiques destinées aux petites exploitations familiales, la fixation de buts relatifs à la contribution de ces agents économiques au PIB, et la définition de mécanismes précis d'inclusion par le biais d'un modèle centré sur les personnes et leurs organisations.
30. L'une des priorités du Cadre stratégique du FIDA 2011-2015 consiste à améliorer la résilience<sup>1</sup> face aux risques associés au changement climatique et à la dégradation des ressources naturelles, le but étant de réduire la vulnérabilité des bénéficiaires et des investissements du FIDA. La stratégie de pays renforcera son intervention par des mesures adéquates contribuant à prévenir ces changements ou à s'y adapter, assurant ainsi le succès des interventions proposées.

## B. Objectifs stratégiques

31. Les voies possibles d'engagement stratégique du FIDA au Nicaragua suivent les axes suivants:
  - **Inclusion.** Le FIDA continuera à mettre en œuvre des stratégies inclusives à l'intention des populations rurales pauvres dans les processus locaux et

<sup>1</sup> Définie comme la "capacité de résistance et d'adaptation aux phénomènes environnementaux et climatiques".

nationaux de développement socioéconomique, en vue d'intégrer son expérience et ses savoirs dans ces politiques. L'exécution de ce programme aura pour perspectives la génération de revenus, l'augmentation des possibilités d'emploi pour les femmes, les jeunes et les populations autochtones et d'origine africaine, et l'accès aux actifs et aux marchés, par le biais de mesures prises en faveur de ces groupes défavorisés pour compenser leur plus grande vulnérabilité.

- **Productivité.** De manière générale, la productivité désigne la relation entre le niveau de production et les facteurs de production utilisés. La stratégie actuelle met l'accent sur la productivité de l'un des facteurs opérationnels dans le secteur rural, à savoir l'emploi. Les opérations du FIDA dans le pays seront donc axées sur l'amélioration des capacités individuelles et collectives, mais également consacrées à l'amélioration des processus productifs, comme les arrangements institutionnels qui favorisent l'accès aux marchés en apportant une plus grande valeur ajoutée aux petits exploitants agricoles et plus généralement aux habitants des zones rurales. Il s'agit, spécifiquement, de faciliter l'accès à l'information, à la technologie, au financement, aux biens publics, aux investissements et aux services techniques pour créer de la valeur ajoutée, par le biais de la création ou de la diversification de la base productive.
  - **Durabilité.** La durabilité à moyen terme des processus du développement rural constitue, pour le FIDA, une préoccupation fondamentale. La durabilité est de nature multidimensionnelle, et inclut, sans pour autant y être limitée, les questions environnementales. Il convient par conséquent de prendre en considération les capacités de l'état et des territoires. La stratégie actuelle sera aussi axée sur les dimensions budgétaires et institutionnelles, considérées comme essentielles pour atteindre les objectifs du développement. Le programme opérationnel du Fonds au Nicaragua intégrera ces trois dimensions de la durabilité dans la conception de ses prêts et dons, ainsi que dans le savoir inclus dans ses produits, étant donné que ces dimensions sont le fondement de la réalisation du développement rural à moyen terme.
32. Faisant fond sur ces considérations, la stratégie du FIDA au Nicaragua appuiera les efforts menés par les organisations paysannes et le gouvernement pour accentuer une croissance inclusive dans le secteur agricole comme moyen de réduction de la pauvreté, de création d'emplois, et d'amélioration de la consommation alimentaire des familles et, dans le même temps, de contribution à la durabilité et à la reproduction des bonnes pratiques. Les objectifs stratégiques retenus pour promouvoir ce développement suivront trois axes:
- Objectif 1 – Inclusion.** Accès facilité aux actifs, aux marchés et aux activités génératrices de revenus, et augmentation des possibilités d'emploi. Ces objectifs seront atteints par le biais de mesures prises en faveur de groupes défavorisés et contribuant à la mise en œuvre de stratégies d'inclusion des populations rurales pauvres dans les processus locaux et nationaux de développement socioéconomique.
  - Objectif 2 – Productivité.** Accroissement de la productivité du travail par le biais d'incitations qui facilitent l'accès à l'information, à la technologie, et aux services techniques et financiers.
  - Objectif 3 – Durabilité.** Amélioration de la durabilité environnementale, budgétaire et institutionnelle.
33. Les instruments utilisés pour atteindre ces objectifs stratégiques sont axés sur un élargissement du domaine d'application, sur le terrain, des meilleures pratiques innovantes et des savoirs, afin de les intégrer aux politiques de développement rural et aux pratiques des familles et des organisations rurales. Par ailleurs – et en association avec d'autres partenaires de la coopération, des institutions publiques et des organisations paysannes – le FIDA se chargera de promouvoir la gestion des savoirs, en normalisant les innovations réussies pour parvenir à des pratiques plus efficaces de développement rural. La concertation sur les politiques permettra de

reproduire les meilleures pratiques et de les intégrer aux politiques de développement rural. La démarche consistera à exercer un suivi systématique, à adopter des techniques de mesure des résultats, et à appliquer des processus techniques, d'évaluation et d'apprentissage.

## C. Perspectives d'innovation

34. Des perspectives sont envisagées dans les domaines suivants:

- **Améliorer la productivité et la compétitivité** dans les chaînes de production où les petits agriculteurs sont particulièrement nombreux (café, cacao, haricots et lait) par le biais du développement de capacités et d'installations qui mettent à profit les possibilités existantes dans l'environnement économique du pays.
- **Renforcer les capacités des communautés autochtones et d'origine africaine de la côte caraïbe** en matière de gestion productive et durable des ressources naturelles présentes sur leurs territoires.
- **Appuyer l'élaboration de modèles innovants**, et notamment: i) stratégies d'inclusion pour le développement d'entreprises dirigées par des femmes et des jeunes ruraux; ii) stratégies organisationnelles pour l'économie familiale (ou les petites entreprises rurales), s'appuyant sur les capacités et les actifs que les familles bénéficiaires obtiennent des programmes de transfert; et iii) stratégies d'investissement et d'accès aux marchés pour les petits exploitants agricoles.

35. La stratégie proposée représente une application à plus grande échelle des deux premiers grands domaines d'intérêt, avec l'appui du gouvernement et des institutions coopérantes. Elle mettra en œuvre des innovations technologiques et productives à l'appui de l'inclusion socioéconomique des petits agriculteurs dans l'économie nationale et locale et de leurs rapports avec les marchés. La stratégie produira des résultats concrets et mesurables au cours de la période couverte par le COSOP.

36. Le troisième domaine est davantage axé sur la gestion des savoirs pour l'innovation. Principalement financé par des dons, il inclura un recensement des partenaires stratégiques de l'exécution: on peut citer, par exemple, le programme Nuevas Trenzadas pour une caractérisation de la nouvelle femme rurale; l'analyse des politiques de protection sociale et des stratégies de sortie avec l'École d'économie de Paris; et la promotion des investissements dans les territoires et des liaisons productives avec l'Agence publique de promotion des investissements du Gouvernement du Nicaragua (PRO-Nicaragua).

## D. Stratégie de ciblage

37. Même si elle est en recul, la pauvreté demeure largement répandue et concentrée dans les zones rurales du Nicaragua, où son taux d'incidence est plus du double de celui des zones urbaines. En termes absolus, cela signifie que sur une population rurale de 2,4 millions de personnes, plus de 1,5 million vivent dans la pauvreté et 655 000 dans l'extrême pauvreté. Dans ce contexte, et considérant que les politiques de ciblage définies dans le PNAIR sont compatibles avec les politiques de ciblage du FIDA, on a identifié un méta-groupe de 600 000 personnes (environ 90 000 familles) composé: i) de familles de petits exploitants agricoles produisant des céréales de base, du café, du cacao et des produits laitiers; ii) de femmes et de jeunes ayant ou non accès à la terre, avec un potentiel d'initiatives génératrices de revenus; et iii) de populations rurales pauvres, autochtones ou d'origine africaine, vivant dans les territoires bordant la côte caraïbe.

38. Le gouvernement estime à 200 millions d'USD le montant du financement nécessaire pour répondre aux besoins de ce groupe cible. Il est actuellement en mesure de fournir 50 millions d'USD, ce qui permettrait d'atteindre 210 000 personnes (33 000 familles), mais laisserait un déficit de financement de 150 millions d'USD et 300 000 personnes non touchées. Ce déficit pourrait être couvert: i) par une allocation du SAFP 2013-2015 fournie par le FIDA; ii) au moyen de ressources

budgétaires; et iii) par des contributions provenant d'autres agences bilatérales et multilatérales, comme la BCIE et la Banque interaméricaine de développement (BID).

## **E. Articulation au niveau des politiques**

39. Le PRORURAL est une composante clé du Plan national du développement humain, qui accorde la priorité à la croissance économique, à la stabilité macroéconomique (allant de pair avec l'augmentation de l'emploi), et à la réduction tant de la pauvreté que des inégalités. On peut aussi citer, parmi les autres priorités, les investissements consacrés à l'infrastructure pour la transformation productive et le changement social. Les deux plans, national et rural, sont en cours de révision et seront actualisés. Le PRORURAL est axé sur trois programmes: production alimentaire, agro-industries rurales et foresterie. L'intervention du FIDA est étroitement liée aux programmes alimentaire et agro-industriel par le biais du portefeuille de projets conduits avec le Ministère de l'économie familiale, communale, coopérative et associative (MFCCA)<sup>2</sup> et le MAGFOR. Les principaux défis concernent la réduction de la pauvreté rurale, la sécurité alimentaire, l'appui aux personnes vulnérables et l'accès aux marchés.
40. Le PNAIR a été conçu en consultation avec diverses parties prenantes, y compris le secteur privé et la communauté des donateurs. Les projets PRODESEC et PROCAVAL, appuyés par le FIDA, ont fourni des contributions sur les approches, les enseignements et les méthodologies concernant les chaînes de valeur et l'accès aux marchés. Le programme constitue un cadre général pour les objectifs du COSOP ainsi que pour la concertation sur les politiques et l'innovation.
41. Le programme de développement humain pour la côte caraïbe du Nicaragua est en rapport avec l'approche innovante du COSOP qui permet aux communautés autochtones et d'origine africaine d'élaborer un modèle inclusif et durable de production et de gestion des ressources sur leurs terres communales.
42. La stratégie nationale relative à l'environnement et au changement climatique élaborée par le gouvernement met l'accent sur les activités d'adaptation. Il y a ici une possibilité à la fois de concertation sur les politiques, dans le cadre de la politique récemment adoptée par le FIDA en matière de changement climatique, et de planification du programme dans une perspective de productivité et de durabilité.

## **V. Gestion du programme**

### **A. Gestion du COSOP**

43. La mise en œuvre du COSOP sera suivie par le biais d'un rapport de situation qui utilisera à cet effet les résultats et les indicateurs énumérés dans le cadre de résultats. Les indicateurs de performance sont élaborés sur la base des indicateurs du Système de gestion des résultats et de l'impact (SYGRI) du FIDA, et les données proviendront des systèmes de suivi-évaluation des projets.
44. Les examens annuels du COSOP emploieront les mécanismes établis par la Division Amérique latine et Caraïbes. Le rapport annuel contiendra des informations sur la gestion du portefeuille et les progrès d'ensemble des projets, auxquelles feront suite une synthèse du SYGRI, l'avancement du suivi du projet, des conseils sur les politiques et les activités de gestion des savoirs. Les résultats seront examinés avec les parties prenantes nationales.
45. Le FIDA et le gouvernement procèderont à un examen à mi-parcours du COSOP en 2015 et y apporteront les ajustements rendus nécessaires par les enseignements qui émergeront de l'examen et/ou par de nouvelles priorités.

<sup>2</sup> C'est au cours de la conception du présent COSOP que le gouvernement a informé le FIDA de la création du MFCCA, qui prendra en charge les fonctions de l'Institut de développement rural (IDR).

## **B. Gestion du programme de pays**

46. Le FIDA continuera d'assurer la supervision directe du portefeuille de projets au Nicaragua, pour appuyer l'exécution et renforcer la capacité des équipes de gestion des projets. Il continuera aussi d'apporter un appui à la gestion dans les domaines des finances et de la passation des marchés, afin de s'assurer que les projets respectent les procédures et adoptent les meilleures pratiques, évitant ainsi les retards dans l'exécution. Les projets seront conformes aux Directives du FIDA relatives à la passation des marchés. Aucun des projets en cours n'est considéré comme un projet à risque.

## **C. Partenariats**

47. Les partenaires clés sont la BCIE, les agences participant au Fonds commun du PRORURAL, la BID et la Banque mondiale. Sur le plan institutionnel, les principaux partenaires sont le MFCCA, avec lequel le FIDA a exécuté les projets NICARIBE et PROCAVAL, le MAGFOR, qui joue le rôle directeur dans la politique sectorielle, le Secrétariat du Conseil de développement de la côte caraïbe, les autorités régionales, et les autorités territoriales de la côte caraïbe. On peut citer, parmi les autres partenaires, l'Institut nicaraguayen de technologie agricole (INTA), le Banco Produzcamos, le Ministère de la promotion industrielle et du commerce (MIFIC) et PRO-Nicaragua. Les organisations de producteurs sont aussi des partenaires essentiels, tout comme le secteur privé, qui a élaboré quelques expériences de travail réussies par l'intermédiaire du PROCAVAL.

## **D. Gestion des savoirs et communication**

48. La conception de la stratégie relative à la gestion des savoirs et la communication (KMC) prendra pour base une évaluation des besoins en matière de KMC. Sa mise en œuvre comprendra: i) un atelier sur la stratégie de KMC; ii) le choix d'un certain nombre d'informations ou d'expériences à analyser en vue de la génération et de la diffusion de l'apprentissage; iii) des outils pour la systématisation de la communication, comme les bibliothèques électroniques, les bases de données de contacts, les copies de sauvegarde de dossiers, les plans élaborés, les résultats des plans, etc.; iv) des outils pour le retour, en direction des utilisateurs, d'informations sur les résultats atteints (système des bonnes pratiques, lettres d'information imprimées, etc.); et v) des séminaires, conférences et réunions.
49. Une attention toute particulière sera portée aux activités suivantes: i) contacts entre divers acteurs au niveau des utilisateurs, techniciens et responsables, conjointement ou sur une base sectorielle; ii) réunions périodiques de producteurs d'une chaîne de valeur spécifique, pour une mise en commun des progrès réalisés dans le cadre des plans exécutés; iii) visites sur le terrain ou tournées d'échanges entre producteurs; et iv) mise en œuvre des enseignements tirés au niveau des coopératives ou des organisations de producteurs, dans le cadre du COSOP, avec l'appui d'écoles et d'universités.

## **E. Cadre de financement SAFF**

50. Le COSOP couvrira deux cycles SAFF: 2013-2015 et 2016-2018. Sur la base des notes SAFF et des critères en vigueur, on retient comme hypothèse que le financement du FIDA se maintiendra aux environs de 17 à 18 millions d'USD pour 2013-2015. Le Tableau 1 montre la méthode suivie pour définir l'allocation pour le Nicaragua. Les crédits disponibles seraient alloués au titre d'un projet unique pour une période de six ans, qui sera élaboré de manière à parvenir à une taille de portefeuille raisonnable.

Tableau 1  
**Calcul de l'allocation SAFP pour la première année du COSOP**

<i>Indicateurs</i>	<i>COSOP année 1</i>
A i) Dispositif politique et juridique encadrant les organisations rurales	4,53
A ii) Dialogue entre le gouvernement et les organisations rurales	4,06
B i) Accès à la terre	3,69
B ii) Accès à l'eau à usage agricole	3,44
B iii) Accès aux services de recherche et de vulgarisation agricoles	4,00
C i) Conditions propices au développement des services financiers ruraux	3,94
C ii) Climat des investissements pour les entreprises rurales	4,00
C iii) Accès aux marchés des intrants et des produits agricoles	3,50
D i) Accès à l'éducation dans les zones rurales	4,00
D ii) Représentativité des femmes	3,67
E i) Affectation et gestion des fonds publics en faveur du développement rural	3,88
E ii) Obligation redditionnelle, transparence et corruption dans les zones rurales	3,94
Somme des notes cumulées	46,63
Moyenne des notes cumulées	3,89
Notation des projets à risque (PAR) 2011	5
CPIA (2009)	3,5
Note du pays	2 914,42

CPIA = système d'évaluation des politiques et institutions nationales

51. La note SAFP a été actualisée en avril 2011, à l'occasion de réunions de consultation tenues dans le pays. Les deux principales variables de performance sont la notation des projets à risque et l'évaluation de la performance du secteur rural. Aucun des projets en cours n'est considéré comme un projet à risque, et la note de 3,89 a été donnée par l'évaluation de la performance du secteur rural. La performance demeure plus faible que la moyenne dans certains domaines, et il conviendra d'y prêter attention. Il s'agit notamment des indicateurs B i), accès à la terre; B ii), accès à l'eau à usage agricole; et C iii), accès aux marchés des intrants et des produits agricoles. Les allocations SAFP sont révisées tous les ans et dépendent d'un certain nombre de variables comme le programme global de prêts du FIDA et la disponibilité de ressources. Il est par conséquent possible que les engagements annuels du FIDA soient sensiblement supérieurs ou inférieurs au montant actuel. L'impact potentiel du projet et de la performance du secteur sur l'allocation annuelle est présenté dans le tableau 2 ci-dessous, dans une série de scénarios donnant une excellente matière à réflexion.

Tableau 2  
**Relations entre les indicateurs de performance et la note du pays**

<i>Scénario de financement</i>	<i>Note PAR (+/- 1)</i>	<i>Note de performance du secteur rural (+/- 0,3)</i>	<i>Variation en pourcentage du score SAFP du pays par rapport au scénario de base</i>
Hypothèse basse	4	3,59	-22%
<b>Hypothèse de base</b>	<b>5</b>	<b>3,89</b>	<b>0%</b>
Hypothèse haute	6	4,19	24%

## F. Risques et gestion des risques

52. Le processus de consultation et la systématisation des enseignements tirés ont permis de recenser les risques les plus critiques concernant la phase de mise en œuvre du COSOP.
53. Il existe des risques associés aux changements organisationnels dans les institutions du secteur rural, qui peuvent modifier les rôles et les responsabilités des différentes entités responsables de l'application des politiques et des programmes



sectoriels. D'autre part, l'intégration de projets et d'activités dans les structures opérationnelles des institutions présente des risques liés à leur capacité et à leur efficacité administrative, susceptibles d'avoir une incidence sur l'exécution du portefeuille de projets. Ce risque est atténué par l'expérience acquise dans le cadre des projets récemment achevés, qui ont bénéficié d'une supervision directe et d'un suivi systématique, ainsi que d'un appui à l'exécution.

54. Il existe des risques de marché, qui peuvent se présenter sous des formes diverses. Une accélération du processus de modernisation des systèmes d'échanges est possible, à mettre en regard d'une chute possible de la capacité des petits producteurs ou organisations de s'adapter et de réagir à ces exigences. Les petits producteurs marginalisés s'en trouveraient incapables de s'intégrer aux marchés et aux chaînes de valeur. Ce risque peut être minimisé par une stratégie de partenariats entre les producteurs, de renforcement des capacités, de processus de gestion des entreprises et associatifs, de partenariats public/privé et d'activités agroalimentaires.
55. Les services d'appui technique et de gestion limités et les problèmes connus d'accès aux services financiers constituent des risques significatifs auxquels doivent faire face les producteurs ou leurs entreprises. Ces risques seront atténués par la promotion du renforcement des capacités et de l'accès aux biens publics, de l'information et des technologies qui améliorent la productivité de la main-d'œuvre. La recherche de stratégies efficaces, d'une part, et des méthodes innovantes de financement et de passation des marchés de services techniques, d'autre part, constituent des moyens de gérer ces risques.
56. Des risques élevés découlent de la vulnérabilité environnementale et budgétaire. Les conditions météorologiques défavorables peuvent avoir un impact sur les capacités productives, avec des effets potentiels sur la continuité et la durabilité des plans des producteurs, en particulier en termes de productivité et de performance sur le marché. Afin d'atténuer ces risques, il est prévu de prendre des mesures pour renforcer la résilience des filières commerciales et pour améliorer la capacité de gestion des risques dans les territoires.
57. Il existe, dans les régions autonomes de la côte caraïbe, des risques d'ordre politique/institutionnel en rapport avec des changements de la législation régionale, qui pourraient avoir une incidence sur les relations entre les institutions du gouvernement central et les institutions autonomes de la côte caraïbe du Nicaragua. Les processus en rapport avec l'autonomie sont en voie de consolidation, mais des divergences de vues peuvent se manifester entre les divers acteurs des milieux politiques nationaux et locaux.
58. L'atténuation de ces risques exige un suivi intensif, de la supervision, des transferts de savoirs de portée générale, l'application de l'expérience du FIDA, l'établissement de partenariats et le renforcement de la concertation sur les politiques. Pour gérer de manière précoce certains de ces risques, le FIDA emploiera des mécanismes d'observation et d'analyse systématique. Les risques peuvent être minimisés par une concertation permanente entre le FIDA et le gouvernement, ainsi qu'avec les partenaires possédant une vaste expérience et de grandes capacités.

## **Appendix 1: COSOP consultation process**

1. During the COSOP process some 50 interest groups (stakeholders) were consulted on their views and recommendations through interviews, conversations, workshops and participation in specialized events. The consultations included the following relevant actors in the agricultural and rural development sector:

- Authorities from 12 government institutions, including cabinet members, mid-level officials, specialists, mayors and regional leaders in autonomous territories. Also included were sector and global institutions, such as the Secretariat of the Presidency, Foreign Affairs and Finance.
- Organizations of small farmers at various levels: federations, unions, cooperatives and associations. The 25 organizations represent farmers that produce coffee, dairy products, honey, basic grains, vegetables and cocoa. Many of these organizations were led by women and youth and represent farmers from all over the country.
- A total of nine partner agencies, including international financial institutions such as the World Bank, the IDB and the CABI; bilateral agencies and United Nations agencies.
- Other groups included NGOs that specialize in export promotion and the environment.

2. A workshop was held with leaders from cooperative organizations and unions of cooperatives, linked to the value chains of coffee, beans, corn, rice, livestock and honey. The objective of this workshop was to share the organizations' successful experiences, limitations, opportunities and alternatives for successful management. The organizations agreed that backing and leadership for organizational development, and investments to develop skills have been factors that have helped them create successful businesses, with good levels of quality production to position their products in national and international markets. They indicated that the barriers to further development and sustainability are related to access to longer-term credit, access to technology, and access to other types of services, which complicates. Although three of these organizations are among the country's 50 exporters, they indicated that trade presents challenges in terms of volume and quality.

3. One of the workshop recommendations was to develop public policies that focus specifically on SMPs to help them develop their ability to gain access to the benefits and incentives generated by the existing business environment in the country, although it was made clear that the pricing policy places restrictions on SMPs. They referred to the services and incentives for supporting production as well as the policies to improve technology, stating that these needed to adapt to new agro-climatic conditions. They perceived that the government was responsible for investing in public goods and creating policies that allow more flexible management for trade and export.

4. Moreover, a conversation was held with women entrepreneurs of microbusinesses, leaders and managers of cooperatives who indicated that they have developed their abilities and leadership in organizational and business topics. However, there is a persistent challenge to take advantage of the organizational and productive potential of women, based on the experiences and existing skills in consolidated organizations like SOPPEXCA and PRODECOOP, which are led by women. Other experiences are related to the progress of female farming collectives and their transition towards cooperatives, which has made it possible for them to increase the scope of their businesses and strengthen their abilities to transcend the role of housewives to become farmers and businesswomen. They demanded that the IFAD incorporate their strategy for developing business and organizational skills among rural women, as well as access to assets, taking advantage as well of the country's existing gender equality policy.

5. Both general organizations and women's organizations identified associativity as an opportunity and a challenge. It is an opportunity to gain strength, as it allows people to come together and create economies of scale and more competitiveness. It also lets people develop alliances, which in turn strengthens their abilities to bargain collectively and negotiate more effectively. They indicated that it is important to continue to work both with cooperative development and business development. Complementary aspects of both dimensions must be developed.

6. At the workshops, as well as during the interviews with union leaders (UNAG, UPANIC) and cooperatives at different levels (FENIAGRO, FECODESA), there was general agreement in terms of the challenge of promoting business development, improving productivity and competitiveness in order to take advantage of market opportunities in a sustainable way, and add value to primary products. There was also agreement in terms of taking advantage of the country's potential and resources, and the need for development programmes and investments to improve productivity through sustainable management of livestock, renewed coffee production and qualification of the labor force. The issue of the scope and quality of public services for sectorial development was identified as a gap, particularly regarding access to rural credit, limited in part by problems of access, which requires policies and instruments to help overcome these barriers. Other aspects related to credit are the absence of medium and long-term financing, credit that also covers farm infrastructure, and pre-investment studies like soil studies, agribusiness studies and agricultural insurance.

7. All the interview subjects, both from the public and private sector, indicated that the issue of diversification requires attention with an eye towards sustainability in the sector. Diversification is a public policy challenge and a strategy for each organization and its farmers. Diversification can be approached from various angles: as an adaptation strategy for climatic variability, and in terms of diversifying production and markets for exports.

8. Forums were held to discuss and exchange views with the participants involved. The international funding institutions (CABEI, World Bank, IDB), considered Prorural Incluyente to be a valuable forum for strategic dialogue with the government and because this is where key lines of action are determined for this sector: food programmes, agribusiness programmes and forestry policy. The cooperating partners offered support for this policy framework in different forms, such as budget support and technical cooperation. The IFIs considered it appropriate to continue receiving feedback throughout the year regarding the country's support strategies, which each one is preparing, working on a complementary framework to create financial synergy while responding to the country's priorities. There was also consensus regarding the need to continue exchanging information regarding expected changes in the agricultural sector's institutionality, due to their implications for resource management. Other bilateral partners (USAID, COSUDE, Finland) recommended that the IFAD pay attention to issues related to public and private sector capacities, in order to implement the National Rural Agribusiness Programme and give priority to aspects related to business and competitive development.

9. The consultations with public sector officials were conducted bilaterally and were reviewed in a joint session with ministers from sector institutions and the Ministers of Finance and Foreign Affairs. The review produced an aide memoire, which highlighted a series of opportunities for investment in the agricultural sector, such as macroeconomic stability, a sectoral policy framework, human capital and the country's resources, the existence of a developed cooperative sector, the interest in expanding small farms and agribusiness, the country's expertise as a producer of agricultural products, market diversification, increased foreign investment and a favorable investment climate. The dialogue between authorities and the IFAD identified a few challenges in the sector that can be considered in the strategy: easier access to credit; improved productivity, added value and competitiveness; agribusiness policy and programme implementation; diversification and adaptation strategies for climate change; ability of rural women and

youth to bolster the rural economy; and the inclusion of the Caribbean in the national productive dynamic, among others.

10. The first round of consultations identified the following areas of work to be considered in the strategy: (a) productivity, added value, competitiveness and access to markets; (b) business development and information technology development, with an emphasis on the business skills of rural women; (c) adaptation measures for climate change and the management of natural resources; and (d) territorial development on the Caribbean Coast. Another round of dialogue later identified productivity, sustainability and inclusion as three possible pillars of the strategy.

## **Appendix 2: Country economic background**

### **A. Economic Situation**

1. Nicaragua is the second poorest country in Latin America and the country with the lowest per capita income among Central American countries (US\$1,239 in 2011). According to official figures, the Nicaraguan economy grew during the last 10 years at a rate of 4.5% and 4.7% in 2010 and 2011, respectively. Despite these positive indicators, it is still deemed insufficient for reaching the level of economies in the region and confronting the levels of general poverty (42.5%) and extreme poverty (14.6%) that persist in the country.

2. The recovery of fiscal space remains one of the main challenges of the Government. Tax revenues are located around 20% of GDP and in 2011 these reported a growth of 18.5%, while total revenues increased 19.3% over the same period of time. Note that during 2012 was adopted Reform Act for Fiscal Equity, in order to stabilize the prices of some products, but no effect on revenue. Meanwhile, public expenditure registered a growth of 10% over 2011, while social spending grew 8.9%, mainly in the sectors of education, health and asset transfers to rural women. By the end of 2011, the fiscal deficit reached 2.7% of GDP and total public debt amounted to US\$5 243 400 000, equivalent to 71.8% of GDP, ranking above the reasonable limit of public debt (35% of GDP). Possible changes related to the reduction in cooperative resource flows to poverty relief programmes put the programmes' maintenance and coverage at risk.

3. The agricultural sector is a motor of the economy, representing 20% of GDP, producing more than 60% of annual exports and providing more than 30% of the labor force and 70% of the food. The sector grew at an annual rate of nearly 3% during the period 2000-2010, which increased to 3.7% between 2007 and 2010. This growth reflects stability of its macroeconomic policies and high prices of exportable goods. The role of small farmers is notable –75% with less than 3.5 hectares– who produce 80% of the basic grains, 65% of the livestock and generate 56% of the sector's exports.

4. The country's exports increased in recent years. Between 2007 and 2010, exports grew from US\$1.222 billion to US\$2.264 billion, and between 2010 and 2011, agricultural exports increased by 16.3%. In terms of value, exports increased by 66% between 2010 and 2011, due primarily to international prices that compensated for the low levels of registered exports.

5. Among the sector's most important products are basic grains, which represent nearly 40% of agricultural GDP. Of these, beans account for 13% and occupy 22% of total farmed land. Coffee represents 17.3% of exports in the last three years, generating 14.7% of national employment in the same period, and more than 50% of the jobs in the sector. Livestock in 2010 generated 7.5% of the GDP, 45% of the agricultural GDP and 27% of exports of domestic goods. All these products have low productivity and technological limitations, which affect the cost of production and the country's competitiveness. Additionally, the value chains for these goods are poorly linked with market demands and opportunities, creating barriers to investments in the sector. This requires improvements in the integration of agriculture with rural agribusiness and in the competitiveness of rural businesses.

6. As a whole, the agriculture sector is becoming increasingly important for the economy, even though its commodity production capability for internal consumption and exportation may have implications for the country's development in the medium term. The country is expected to modify this model by promoting investments in sectors like energy and tourism, and developing infrastructure to stimulate other sectors. In the short and medium term, however, the agriculture sector requires an increase in productivity, added value to primary goods and diversification of markets and products.

7. Since 2005, the Rural Development Sector Programme (PRORURAL: *Programa Sectorial de Desarrollo Rural*) has contributed to the sector's performance and to maintaining a dialogue between the government, cooperating partners and the private sector, taking into account the principals of ownerships, alignment and harmonization. In 2008, the government presented the National Human Development Plan, which reformulated the sectoral programme and gave way to the Inclusive Rural Development Sector Programme (PRORURAL Incluyente, 2010-14), which is implemented by the public sector.

8. The sector's policies are outlined in the National Human Development Plan (P: *Plan Nacional de Desarrollo Humano*) and work together with policies and instruments that attract foreign investment, and with policies that promote market access, productivity and competitiveness of small and medium businesses. Other relevant policies for sustainable farming and resilient chains are policies for adaptation to climate change, and those directed to the use and management of natural resources.

9. The support for indigenous groups is a core component of the IFAD's strategy in Nicaragua<sup>3</sup>, outlined in the Development Plan for the Caribbean Coast. The fund supports projects to improve the quality of life of indigenous groups and to strengthen both institutions and the capacity for farming and sustainable use of natural resources, taking their ancestral knowledge into account.

## B. Poverty in Nicaragua

10. **Changes in Poverty and Inequality.** According to data from the Household Living Standards Survey (EMNV: *Encuesta de Medición de Nivel de Vida*)<sup>4</sup>, the number of people living in poverty in the country decreased between 2005 and 2009. The population living in poverty decreased by 5.8%, and the number of people living in extreme poverty fell by 2.6%. During this period, overall poverty decreased 7% in the rural sector, and extreme poverty decreased 4%. Overall and extreme poverty in the urban sector decreased 4.1% and 1.1%, respectively.

11. Despite this progress, poverty continues to be a widespread phenomenon in Nicaragua, where 42.5% of the population lives below the poverty line and 14.6% in extreme poverty. Poverty in rural areas continues to be higher than in urban zones, as 63.3% of the rural population lives in poverty, and 26.6% in extreme poverty. Likewise, eight of every 10 people (78.1%) living in extreme poverty live in rural zones. On the other hand, people living in poverty in rural zones have an average consumption of 26.6% below the general poverty line, while in urban zones, this figure is 7.2%. Inequality in consumption also decreased. The Gini coefficient at the national level decreased from 0.41 in 2005 to 0.37 in 2009.

12. **Profile of Homes Living in Poverty.** Between 2005 and 2009, the number of homes with a female head of household increased 3.3%, which are also less likely to find themselves living in poverty. Estimates indicated that in 2009, overall poverty was at 44.6% when the head of household is a man, and 38.1% when it is a woman. This may be explained by the effect of social programmes focused on women and a greater propensity for saving.

13. **Job Market.** According to the EMNV, in 2009 the agricultural sector employed 32.8% of the Economically Active Population, and was also the sector that generated the most jobs. Salaried workers represent 50.6%, self-employed workers 37.8% and family

<sup>3</sup> Based on the guidelines found in "IFAD's Policy, Engagement with Indigenous People" 2008.

<sup>4</sup> Ricardo Estrada, Nicaragua Poverty Profile. Processing the information from the EMNV 2005-2009. International Fund for Agricultural Development (IFAD), May 2012.

workers 11.7%. In relation to agricultural and non-agricultural jobs, the salaried workers category drops to 33.8%, while family worker increases to 26.6%.

14. In terms of poverty by job sector, 63.2% of people employed in agricultural activities find themselves living in poverty, and 27% in extreme poverty. The rates of poverty and extreme poverty, however, decreased more in the agricultural sector (7.5% and 3.3%, respectively) than in other sectors.

**Changes in Income.** In real terms, income increased 12.4% between 2005 and 2009. Although men earn higher incomes than women, the latter saw greater increases in average wages (17.5% compared to 13.8%). A greater relative increase can also be observed in the incomes of youth under 24 years of age (25.5%) and in people living in rural areas (18.7%). Similarly, the income of the poor grew 14.8%, while the income of those who are not poor increased 7.4%.

### Appendix 3: COSOP results management framework

Country Objectives	Main Results for COSOP Alignment			Topics for Policy Dialogue
	Strategic Objectives	Results Indicators*	Milestone indicators*	
<p>Increase small farmers contribution to the generation of agricultural value added.</p> <p>Promote conservation and sustainable management of natural resources</p> <p>Improve access for women farmers, rural youth, indigenous communities and Afro-descendants to financial services, technology, and technical services appropriate to their strategic needs.</p> <p>Promote income generation and decent employment.</p>	<p><b>SO1 (Inclusion).</b> Access to assets, markets, income generation activities is facilitated and job opportunities are increased. This will be achieved through affirmative actions that will contribute to implement inclusive strategies for the poor rural population in the local and national socio-economic development processes;</p> <p><b>SO2 (Productivity).</b> Labour productivity is improved through incentives which facilitate access to information, technology, and technical and financial services;</p> <p><b>SO3 (Sustainability).</b> Environmental, fiscal and institutional sustainability is improved.</p>	% of rural population living above poverty line.	Number of people accessing to projects services	Facilities and conditions for access to credit in rural areas
		% of reduction of salary gap for vulnerable groups (women, youth, indigenous population)	Number of people (men and women) trained in business abilities.	Instruments and incentives in the agro-industrial sector framework, such as financing strategy.
		Number of rural jobs created for vulnerable groups (women, youth, indigenous population)	Number of people that access to Information & Communication Technologies.	Rural women as actors in business development.
		% of gap reduction of rural poor that access to assets	Number of rural people (men and women) that access to technical services	Integration of rural youth as economic actors and agents of change.
		% of increased of volume and value of sales in selected commodities	Number of rural people (men and women) that access to financial services	Learning on Indigenous and Afro descendants practices for territorial management.
		% of increased added value by employed rural workers	Km of rehabilitated rural roads	Strengthening the fiduciary management abilities of sector institutions.
		% of rural people with access to water for consumption and productive purposes.	Number of rehabilitated or newly built watering points for consumption or production.	Rural development Budget/GNP
		% of rural families that diversifies sources of incomes.		Sectorial Budget by sources (Multilateral/ bilateral /Ordinary)
				Appropriate monitoring and evaluation systems.

\* During project design and COSOP implementation, special attention will be paid to setting a baseline and quantifying the indicators linked to national and sectorial monitoring systems.



## Appendix 4: IFAD programme in Nicaragua

### A. Current Project Portfolio within the COSOP Framework 2005-2012

1. The country strategy under review covers projects approved between 2005 and 2012, although it also includes those under the TAF 529-NI loan agreement, which initiated operations in June 2001 and will end in December 2012 (a 12-year loan with *flexible loan mechanisms*). The projects reviewed include the following:

**Table 1: Portfolio of projects included in COSOP 2005-2012**

Nro.                      Nombre Proyecto		Amount Approved USD	Amount Executed USD	Date				Status
				Approved	Effective	Signed	Closed	
Loans								
529	FAT	14 000 000	12 656 961	09/12/1999	20/06/2001	29/05/2000	31/12/2013	On-going
610	PRODESEC	14 000 000	13 747 936	10/04/2003	17/08/2004	17/09/2003	31/03/2011	Closed
760	PROCAVAL	4 514 000	1 673 221	12/09/2007	20/08/2008	22/01/2008	31/03/2016	On-going
830	NICARIBE	4 000 000		15/12/2010	20/08/2008	27/09/2011	31/03/2016	Signed
863	PROCAVAL Supplementary funds	5 900 000		13/12/2011				Approved
Sub-total Loans		42 414 000	28 078 118					
Donaciones								
466	FAT	200 000	200 000	09/12/1999		29/05/2000	31/12/2013	On-going
8009	PROCAVAL	4 514 000	1 673 221	12/09/2007		22/01/2008	31/03/2016	On-going
8071	NICARIBE	4 000 000		15/12/2010		27/09/2011		Signed
8075	CENAGRO	500 000	221 801	23/12/2010		16/05/2011	30/06/2013	On-going
8097	PROCAVAL Supplementary funds	5 400 000		13/12/2011				Approved
Sub-total Grants		14 614 000	2 095 022					
Total		57 028 000	30 173 140					

2. The amount financed by IFAD through loans and grants during the above period totals US\$57 million, of which US\$42.4 million (74%) are in the form of highly concessional loans and US\$14.6 million (26%) in grants. These resources have mobilized another US\$42 million in contributions from other funding sources, such as the Government of Nicaragua, beneficiaries, credit institutions (FONDECA/Banco Produzcamos), the World Bank, the SDC and the CABEI, which has been IFAD's main cofinancing partner during this period, representing 38% of all cofinancing. Contributions from credit institutions and the beneficiaries themselves represent 40% (20% each), while contributions from the government counterpart represented approximately 13% of total cofinancing.

3. During this period, the loans and grants portfolio amounted to 53% of total funding during IFAD's 30-year presence in Nicaragua and is estimated to have benefited approximately 250,000 families. It is worth noting that cofinancing represents only 29% of the total amount throughout these 30 years.

### 1. Results and Lessons Learned

4. The active projects are the following: i) Technical Assistance Fund, FAT (529-NI), which ends in 2013 at a cost of US\$20.6 million (US\$14.2 million from IFAD and cofinancing from the World Bank and other sources, and contributions from government counterparts and beneficiaries); ii) Project to Incorporate Small Farmers into the Value Chain (PROCAVAL: *Proyecto de Inserción de Pequeños Productores en Cadenas de Valor*), approved in 2007 and implemented in 2008, overseen by the IDR at a total cost of US\$38 million (US\$20.3 million from IFAD – 50% donation and 50% grant –, CABEI with US\$8 million, GRUN (US\$5.5 million) and contributions from beneficiaries (US\$4.2 million); iii) Rural Development Programme for the Caribbean Coast (NICARIBE), approved in December 2010 and implemented in January 2011, at a total cost of US\$14

million (IFAD US\$8 million, CABEI US\$4 million and contributions from beneficiaries and matching funds); and iv) a grant in the amount of US\$500,000 to support the 4th National Agricultural Census, approved in December 2010 and fully disbursed.

5. **Results.** The results of the 2005 COSOP show that some 400,000 people have benefited from the project portfolio and another 122,000 more are expected to benefit from the programme with the approved supplementary financing. The cumulative results to date according to the COSOP 2005 results can be summarized as follows:

- a. ***Improved processes, mechanisms and incentives promoting access to markets by poor men and women from rural zones.*** Some 153,000 people, namely farmer families and small rural entrepreneurs, are linked with markets (coffee, honey, cacao, basic grains and livestock); more than 60,000 people gained access to job opportunities through 357 rural businesses; more than US\$9.37 million in credit for farmers and small entrepreneurs benefited 60,000 people; more than 60,000 people –50% of them families with female heads of household– benefited from asset transfers through the Food Production Programme (*Programa de Producción de Alimentos*); more than 7,400 water harvesting and management projects benefited some 65,000 people in 33 localities in the dry region.
- b. ***Increased capacity and efficiency of rural institutions to facilitate rural access to markets and improve the local business climate.*** Nearly 5,000 families started businesses to generate income within the PROCAVAL framework and more than 2,200 worked in business chains with access to markets for basic grains, coffee, honey, cacao, livestock; 43 active marketing groups with some 35,000 members and more than 140 cooperatives were formed in the last three years with a high level of participation by women; there are plans to reproduce investment models for water harvesting; and there are some 35 IDR contracts with farmer organizations in order to participate in different stages of the value chains and market access.
- c. ***Scaled-up strategies and best practices, and greater expertise and innovations as a result of the projects, in rural development policy.*** Value chains and market access have been the focus of IFAD in the formulation of the national rural agro-industrial plan that is part of the sector's public policy; the projects supported by IFAD provide innovative models – markets, associativity, training service providers– for the implementation and sustainability of the national food production voucher scheme. NICARIBE was created as a result of the policy dialogue, which is the first public farming and territorial management project, benefiting 70,000 people from 100 indigenous Afro-descendant communities.
- d. ***Impact on Food Security.*** In PRODESEC's coverage area, the number of families experiencing hunger decreased from 61.4% to 43.2%; the average length of time these families experienced hunger fell from more than 3 months to 2.5 months. In the same area, *acute malnutrition* decreased from 3.4% in 2005<sup>5</sup> to 1.3%; and *overall malnutrition* also decreased within the programme's area of coverage, from 6.7% to 4.6%, reflecting both the current and/or past nutritional state of children.

<sup>5</sup> This indicator measures the effect of inadequate nutrition, deterioration of the diet and/or the presence of acute disease.

**6. Lessons learned.** The portfolio of projects has transitioned from a focus on food security to a focus on job and business development through rural microbusiness, and then towards a focus on including small farmers in larger-scale businesses and added-value products. The main lessons derived from this experience are outlined below:

- ***Inclusion of small farmers in markets.*** Addressing the issue of poverty initially resulted in more dynamic linkages between rural families and markets through the promotion of rural microbusinesses and the creation of job opportunities.
- ***National strategies and policies.*** The country has a framework of strategies and sector policies that creates a space for dialogue to identify new innovations and replicate good practices. However, this framework can be complemented with an appropriate business environment at the local level to increase opportunities and competitiveness for small farmers.
- ***Associativity and competitiveness.*** Rural start-up businesses organized in a variety of associative forms are more effective in terms of designing proposals and to increase their probability of becoming a successful business. The associative processes have resulted in businesses with greater economies of scale, increased competitiveness in production and marketing, and better access to services.
- ***Participation and ownership in rural businesses.*** The success of rural family businesses and business organizations depends on their level of ownership.
- ***Differentiated capabilities and access to markets.*** The project has demonstrated that these conditions and capabilities are primarily determined by the type of current markets, the business development capacity of farmer organizations and the level of technological development.
- ***Ownership and risks.*** The fact that organizations are willing to take on the credit risk is an indication of ownership and of a sense of direction for business development opportunities.
- ***Institutional development and resource management.*** National institutions have developed from autonomous project units to independent structures with their own practices and procedures. Public institutions are becoming facilitators for access to resources and services.
- ***Inter-institutional monitoring mechanism.*** The performance of the project portfolio is related to the leadership of institutional counterparts at IFAD (MINREX and MHCP) and the coordination with sector institutions (Ministry of Agriculture, Institute for Rural Development, Caribbean Coast Development Secretariat). As a result of certain problems in the project's performance, a high-level committee was created with officials from the above-mentioned ministries, in order to find effective solutions. This is a government monitoring mechanism that is activated when the project's performance encounters difficulties.
- ***Monitoring and direct supervision.*** Direct supervision began in the country in 2009 and has led to substantial changes in the relationship between IFAD and the country, and in the portfolio performance. This has resulted in a greater presence, and has made policy dialogue with the government and with international cooperation agencies possible.
- ***Women in the rural economy.*** As a result of the conflicts during the 1980's, women have taken on a role as leaders and their participation in the decision-making process within different spheres of political, social and economic life has increased. This leadership can be observed at the level of local governments, legislative bodies, public institutions, unions and private organizations. This

capacity can increase substantially in rural areas, facilitating access by young women to assets and knowledge, with the potential to develop rural businesses at different levels.

## **B. Portfolio of projects financed by IFAD in Nicaragua (1979 - 2011)**

**Table 2: Portfolio of IFAD loans and grants to Nicaragua (1979-2011)**

Loan/Grants	Projec Name	FIDA (USD)	Co-financing (USD)	Total
30	PROGRAMA DE REHABILITACION AGROPECUARIA E INDUSTRIAL	12 500 000	71 000 000	83 500 000
89 2/	PROYECTO DE DESARROLLO RURAL INTEGRADO DE LA REGION PRONORTE	11 000 000	14 000 000	25 000 000
346	PEQUEÑOS PRODUCTORES DEL TROPICO SECO EN LAS SEGOVIAS - I	11 424 000	13 160 000	24 584 000
406/20	PROYECTO DESARROLLO RURAL REGION SECA PACIFICO SUR	12 244 000	6 627 000	18 871 000
529/466	PROGRAMA NACIONAL DE TECNOLOGIA Y FORMACION AGROPECUARIA-FAT	14 200 000	6 378 000	20 578 000
610	PROGRAMA DESARROLLO ECONOMICA DE LA REGION SECA DE NICARAGUA	14 000 000	11 000 000	25 000 000
760/8009/863/8097 1/	PROYECTO CADENAS DE VALOR Y ACCESO A MERCADOS - PROCAVAL	20 328 000	17 630 000	37 958 000
830/8071 1/	PROGRAMA NICARIBE	8 000 000	6 954 000	14 954 000
8075	CENSO AGROPECUARIO	500 000		500 000
<b>Total</b>		<b>104 196 000</b>	<b>146 749 000</b>	<b>250 945 000</b>

1/ 50% Donación y 50% Préstamo

2/ Condiciones intermedias

7. From 1980 to December 2011, IFAD has approved loans and grants in the amount of USD\$104 million (SDR 74.2 million), mobilizing an additional US\$146.75 million from contributions by the government, beneficiaries and funding organizations, which has resulted in a total investment of US\$251 million. These resources have benefited approximately 670,000 people. The investments have targeted the country's central and Pacific coast regions. The first project for Nicaragua's Caribbean Coast (NICARIBE) was approved in December 2010. The projects have been implemented within a period of five to seven years, except for the FAT, which is a 12-year project implemented in three phases.

8. Among the principal funding organizations that have participated in these projects as cofinancers are the IDB, the European Union, the Government of Venezuela, WFP, SDC, the World Bank and CABEI.

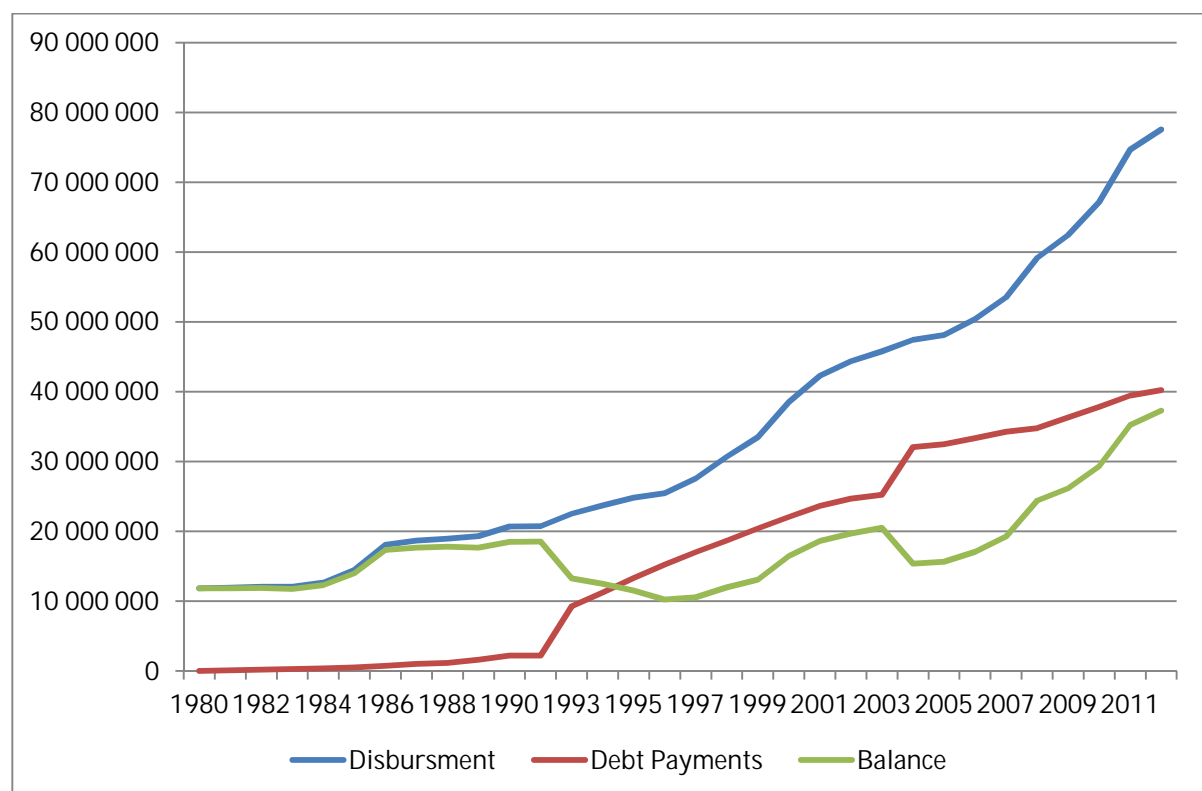
9. The IFAD loan conditions have been highly concessional, except for the PRONORTE project (Loan No. 89) with intermediate conditions. The funding conditions became more favorable as of 2007, with 50% of funding within the category of highly-concessional loans and 50% in grants, due to the fact that Nicaragua is in the DSF framework.

10. The loan conditions and disbursement rate have resulted in a resource balance that is highly favorable for Nicaragua. The following graph illustrates IFAD's disbursements in Nicaragua, the debt payment by the Government of Nicaragua (principal repayments plus interest) and the balances derived from the difference between disbursements and debt payments. This flow was negative between 1995 and 1999 due to the fact that no new loans were approved between 1981 and 1993.

11. The flow of balances decreased again between 2003 and 2004, primarily as a consequence of the end of TROPISec and PROSESUR in 2002 and 2003, respectively, which meant that the FAT project was the only one in operation, thus lowering the disbursement rate. It should be noted that the flow of resources began to increase notably as of 2007 as a result of growing project disbursements. In 2007, the FAT and PRODESEC projects were in full operation, and PROCAVAL initiated operations in August

2008. Greater detail of this increase in disbursements is presented below, as it refers to the COSOP 2005-2012 project portfolio analysis period.

**Figure 1: Cash Flow IFAD Financing (Nicaragua 1980-2012)**

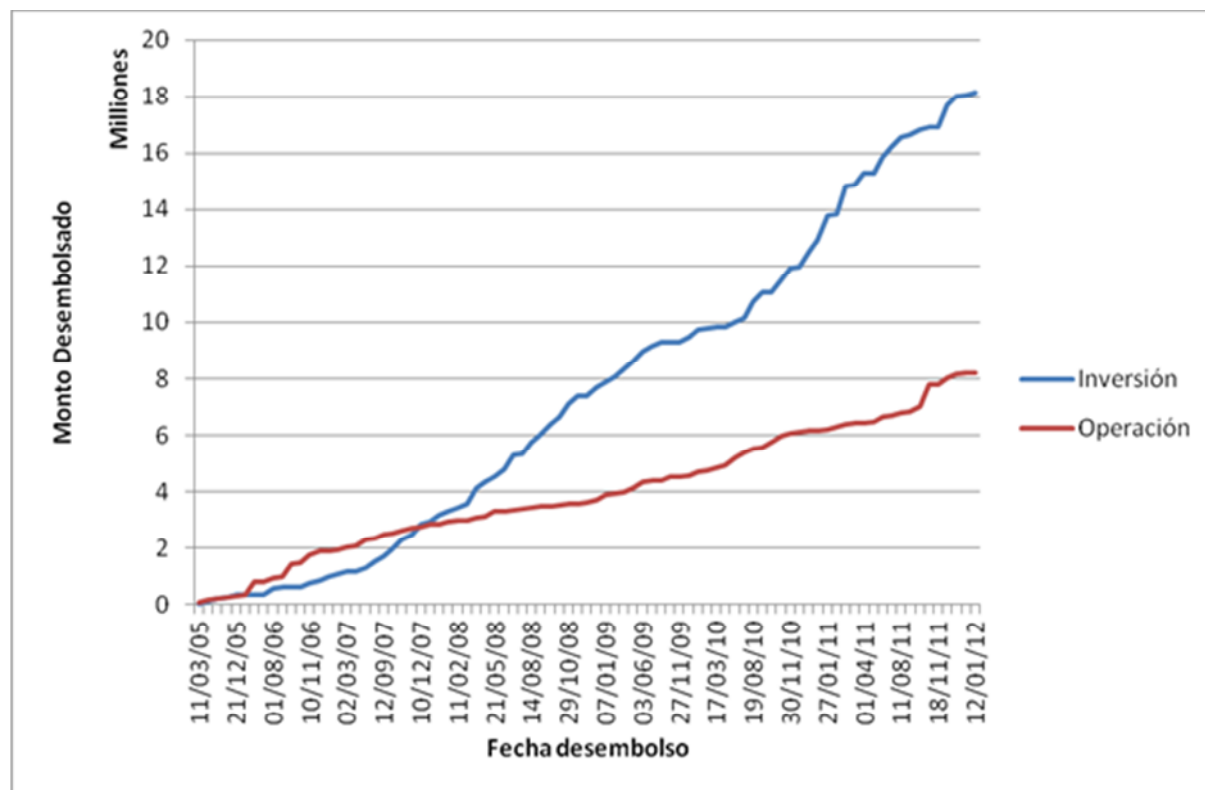


### **Progress of COSOP disbursements and investment and operation expenses, 2005-2009**

12. The graph below illustrates the aggregate disbursements for the FAT, PRODESEC and PROCAVAL projects (loans 529-NI, 610-NI, 760-NI and DSF 8009A grant) between January 1, 2005 and January 12, 2012, the date of the last disbursement under consideration. This data is divided into investment expenditures and operational expenditures<sup>6</sup>.

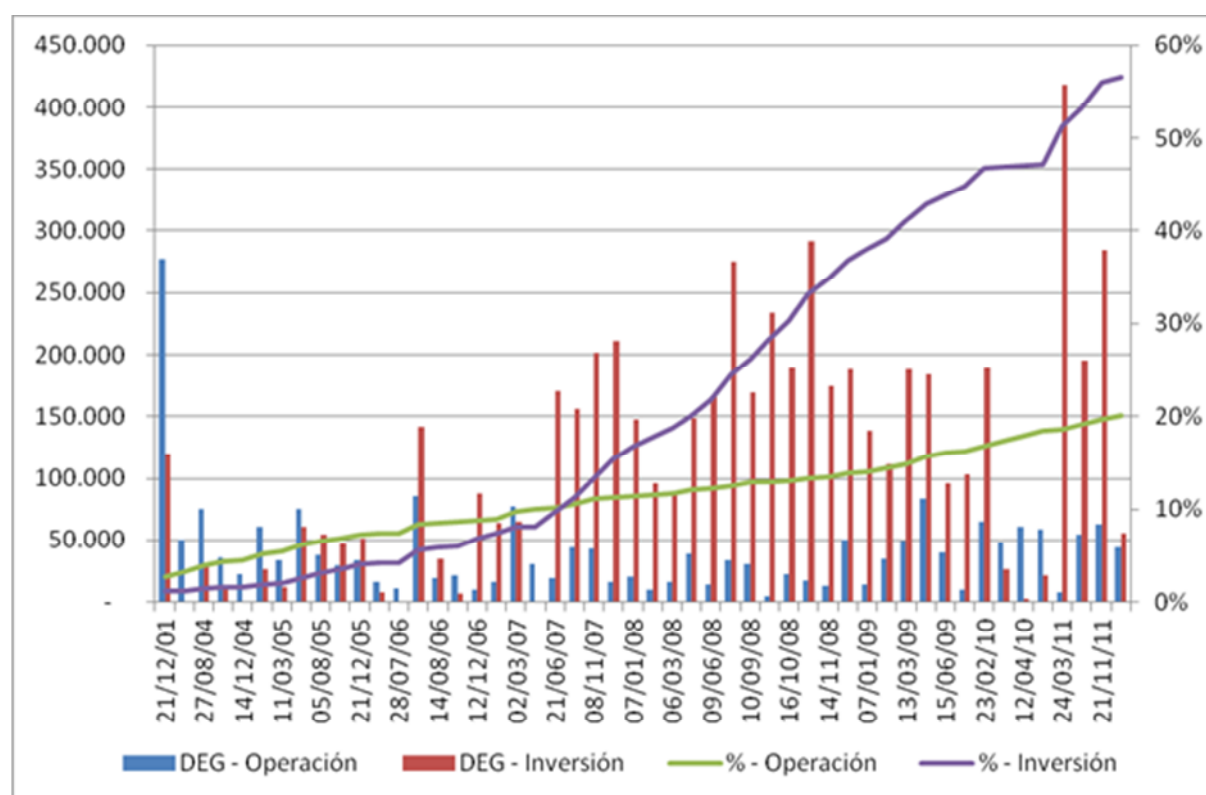
13. It is noteworthy that at the beginning of 2007 investment expenditures began to increase at a greater rate than for operations, and at the end of that year, investment expenditures exceeded those for operations. While in 2005 investment expenditures represented 30% of the total, at the end of 2007 it was 50%. The opposite occurs now, with investment expenditures representing 70% and operation 30%.

<sup>6</sup> Investments are considered to be expenditures in the following categories: local assistance fund, *Fondo de Asistencia Local* (Loan 529-NI); business opportunity fund - *Fondo de Oportunidades de Empleo y Negocio* (Loan 610-NI); local initiatives fund - *Fondo de Iniciativas Locales*, and food security fund - *Fondo Seguridad Alimentaria* (Loan 760-NI/DSF 8009A-NIC). Operations expenditure included the categories of Vehicles and Equipment, Contract Services, Salaries, and Operating Costs.

**Figure 2: FAT, PRODESEC, PROCAVAL: Disbursements by type of expenditure**

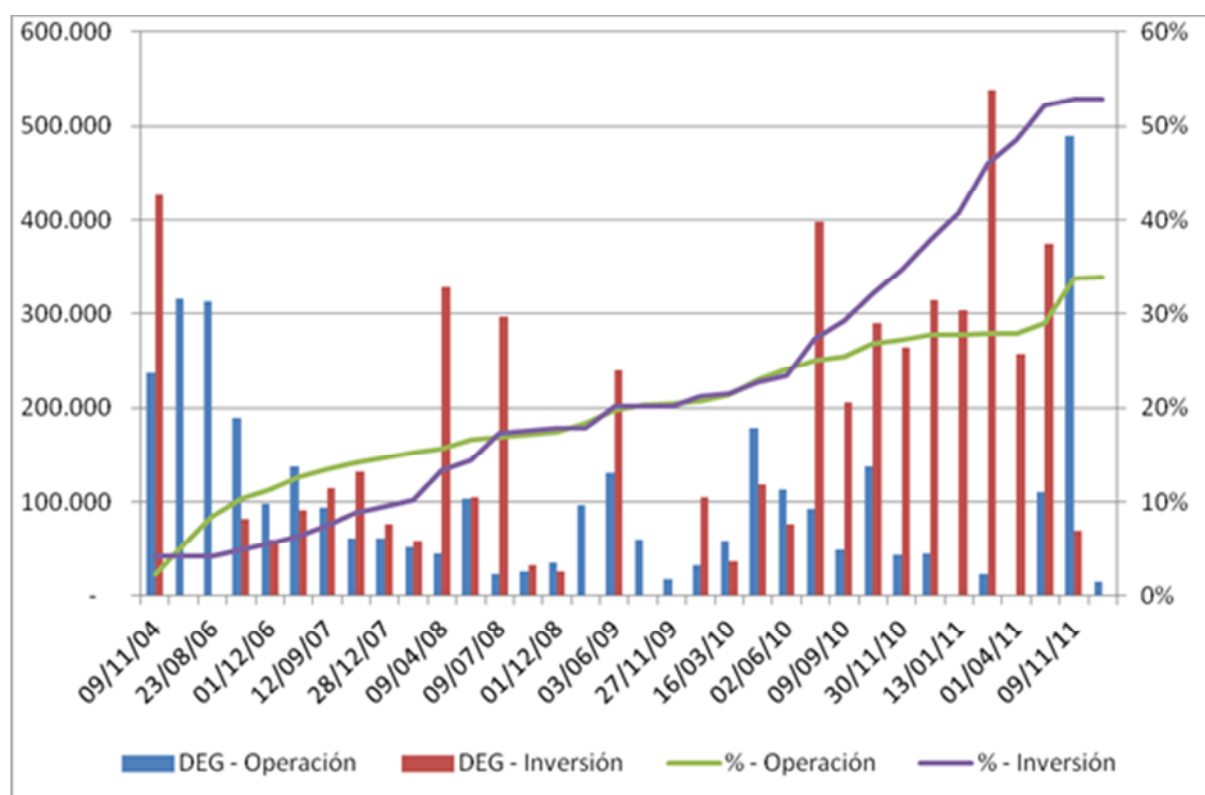
14. As we will see in detail for each project, during the 2005-2007 period, the greatest proportion of operation expenditures was for the two projects –FAT and PRODESEC– that were in the implementation phases and therefore did not elicit greater levels of investment: PRODESEC was in its initial phase of developing work methods, targeting and definitions of communities and groups, preparation, and formalization of proposals; while FAT was transitioning from phase 1 to 2, a period in which investments transitioned from very low-scale and low-value (which required greater attention and cost) to investments of greater scale and value (with less cost and more investment).

15. Beginning in 2007, both projects entered a state of maturity that drew greater investments required for operation expenditures, which was facilitated further by the Government of Nicaragua's interest in favoring investments aimed at small farmers as well as IFAD's greater presence as of 2009 overseeing the operations, supporting its implementation and providing direct supervision.

**Figure 3: FAT: Disbursements and type of expenditure**

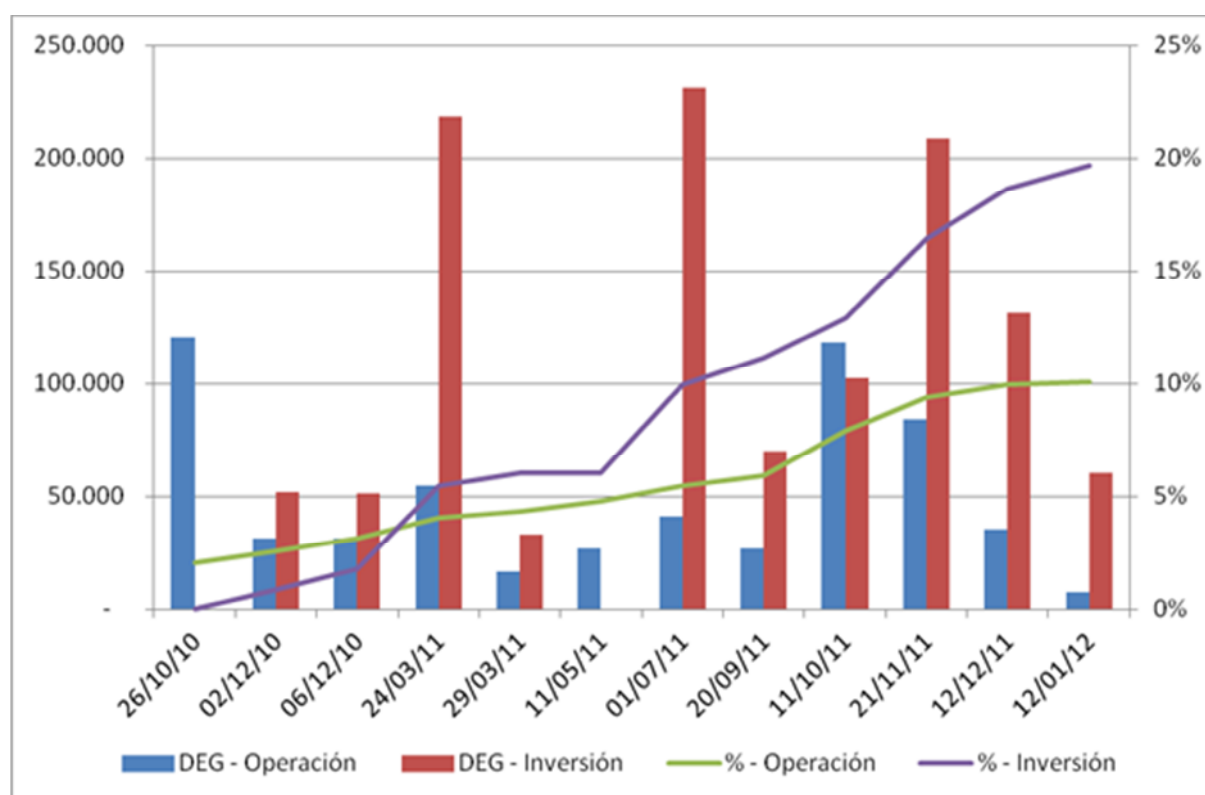
16. Figure 3 illustrates the percentage of the cumulative disbursements of the FATs, in terms of investments and operations, and each disbursement request, as per spending for operations or investments. As the graph illustrates, only recently -in mid-2007- FAT improves its ratio of investment costs/operational costs, after which the increase in investment expenditure grows faster than operational expenditure. Apart from improving this ratio, the spending capacity increases considerably, and each disbursement request is for a greater amount, with lower costs for related transactions. A change can be noted in 2010, when the operational costs are greater than investment costs, which is due to the transition from phase 2 to phase 3, and in particular, to a decision by the government to reassign executive responsibility to MAGFOR, which required a process of reorganization, design and implementation of the conditions agreed upon for the third phase. Beginning in 2011, investments increased again, due to the BPA's execution.

17. PRODESEC, for its part (Figure 4), shows reasonable behavior in terms of its ratio of operational expenditure to investments according to the cycle of projects, transitioning from initial costs and implementation costs when the programme began, to consolidated proposals and increased investments as of July 2008. At that point, the programme suffered the consequences of the continuous changes in the IRD Executive Board (five in three years), with the resulting management change in PRODESEC, and it is only in the second semester of 2010 that a greater stability in the Executive Board (the current Executive Director assumed office in April 2010) and the programme management allows the programme to improve significantly its performance. As it can be observed in the same graph, it is only in the second semester of 2010 that each disbursement generally exceeds SDR 150,000. Prior to the second semester of 2010, each disbursement was below SDR 100,000. Two factors that led to an increase in disbursements for investments beginning in October 2010 were the incorporation of a greater number of contracts with municipal associations for water harvesting investments, and the maturity of the business plans of small companies.

**Figure 4: PRODESEC: Disbursements and type of expenditure**

18. For its part, PROCAVAL has notably improved its financial performance compare to the two previous projects. As Figure 5 illustrates, investment expenditure already exceeded operational expenditure after the fourth disbursement. In 2009, the project was operational but made no type of disbursement, and it isn't until October 2010 that it made the first disbursement, and only to account for operational spending; this is the result of the slow implementation and organization of executive teams and procedures in the departments. The initial investments that begun in 2010 were related to the Food Security Plans, and it is not until the last trimester of 2011 that investments increase for Business Plans (Insertion in Value Chains, Capacity Building and Income Initiatives).

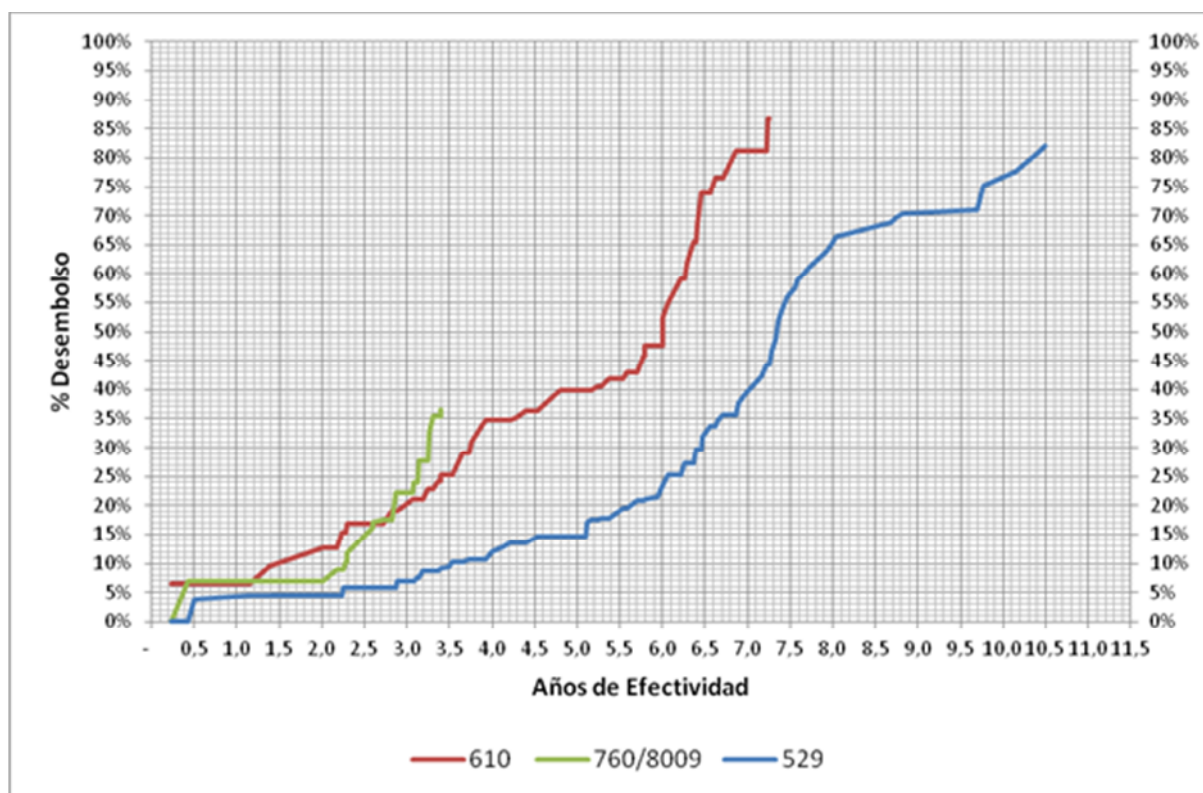


**Figure 5: PROCAVAL: Disbursements and type of expenditure**

### 1. Rate of disbursement of the projects

19. The graph below illustrates the rate of disbursement for each project in relation to the years transpired since the date of each project's effective implementation.

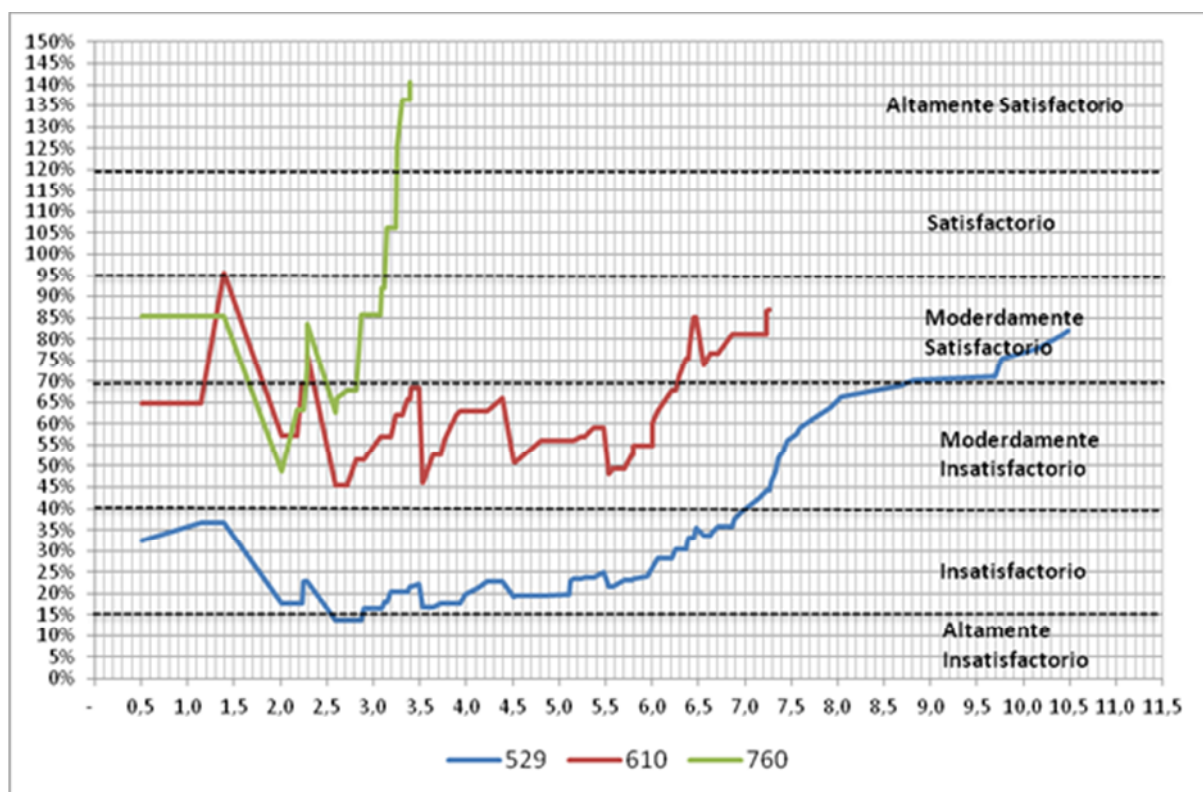
**Figure 6: FAT, PRODESEC, PROCAVAL: % Disbursed, by years of effective operation**



20. FAT and PROCAVAL, after the initial deposit was made in the special account, took a little more than two years to complete the first disbursement. PRODESEC, however, made its first disbursement in the first year.

21. This initial delay often occurs due to several reasons –depending on the project–, is a characteristic that repeats itself each time a new project begins. These delays can be explained in part in the expected period of preparation for implementation and the learning process required for each project, but a recurring reason is the lack of financial management skills and of the capacity to formulate the disbursement requests, due namely to: a management culture that is unaccustomed to considering financial issues as a strategic element and delegates finances to administrators, as an operational element; executive teams with little experience in managing outside resources; the development of investment plans with the target population that are weak in terms of activity planning, financing and resource flows.

22. With respect to the changes in disbursement rates throughout the years of operation, a slow change can be observed in the FAT. This is largely explained by the fact that, unlike PRODESEC and PROCAVAL, the FAT has been in operation for 12 years.

**Figure 7: Disbursement rate compared to the average of similar IFAD projects**

23. Upon comparing the disbursement rate with the average of similar IFAD projects, it can be observed that only PROCAVAL –after 2.5 years in operation– has reached a highly satisfactory rate of disbursement with values up to 140% after 3.5 years (20% higher than the average for similar IFAD projects). In the case of PRODESEC, despite that its disbursement level has increased significantly in the last year of operation, it was affected by its final disbursement rate of 85% and by its six-month deferment, for which it was penalized one point and dropped from a score of satisfactory to moderately satisfactory.

24. The opposite applies to the FAT, which earned an extra point for being in operation for 12 years, earning a score of moderately satisfactory despite its low disbursement rates and irregularities during the transitions between phases.

25. One factor that has favored PRODESEC and PROCAVAL in its disbursement rates, has been the use of the reimbursement mechanism, which does not limit the availability of resources offered with the anticipated payment of the special account.

## Appendix 5: Nicaragua -Support National Rural Agroindustry Programme

### Background

1. IFAD has financed nine operations in Nicaragua for approximately US\$104 million, while mobilizing additional resources (cofinancing and counterpart funding) for US\$250 million. The projects under implementation are fully in line with the national policies/strategies of the Reconciliation and National Unity Government (*Gobierno de Reconciliación y Unidad Nacional-GRUN*) as outlined in the Inclusive Productive Rural Development Programme (PRORURAL I) and with Result Based- Country Strategic Opportunities Programme (RB-COSOP 2013-2017). IFAD actively participates in project implementation and country dialogue with GRUN and the donor community.

2. The **on-going lending portfolio** includes: (a) the 20.6 million *Technical Assistance Fund Programme for the Departments of León, Chinandega and Managua (FAT Programme)* (US\$14.2 IFAD financing approved in December 1999; US\$3.6 million IDA/World Bank and Swiss Agency for Development financing); (b) the US\$38.0 million *Inclusion of Small-scale Producers in Value Chains and Market Access Project (PROCAVAL)* (US\$20.3 million IFAD loan and grant financing approved in September 2007 and a supplementary financing approved in December 2011, complemented by US\$8.0 CABI financing; US\$5.5 million by the Government and US\$4.17 million by Beneficiaries); and (c) the USD15.0 million *Development Programme for the Agricultural, Fishing and Forestry Productive Systems in the Indigenous Territories of RAAN and RAAS (NICARIBE)* was approved in December 2010. The programme is being financed by IFAD (US\$4.0 million loan, US\$4.0 million grant) and CABI (US\$4.0 million). Finally, a US\$0.5 million grant has been allocated to support the IV National Agricultural Census.

3. **Key lessons.** Experience from IFAD projects demonstrate that in a poor country with agricultural vocation, such as in the case of Nicaragua, it is possible and advantageous: (a) to support the increase of production and access to markets in order to achieve increased rural incomes and employment; (b) to apply Business Plans, as a means to achieve project appropriation by the beneficiaries; (c) to link organized small producers with dynamic economic centres (small towns, agro industries, etc.) through the strengthening of their organizational capacities, entrepreneurial development and technical knowledge; (d) to promote the aggregation of value through innovation and technology transfer; (e) to achieve efficiency, effectiveness and sustainability, strengthening fiduciary management within public institutions and beneficiary organizations; and (f) to accomplish field development impact through the application of territorial approaches and a programmatic perspective together with inter-institutional alliances, private-public partnerships and coordination with other projects and programmes.

### A. Strategic Context/Rationale for IFAD Involvement, Commitment & Partnership

4. Nicaragua has a population of 5.8 million, largely rural (60% of total population). Its Gross National Income (GNI) per capita is US\$1,239, with a Gini coefficient of 0.37 in 2009, and a Human Development Index of 0.565 (rank 115 of 169 countries. 2010). The national economy has grown over the past two years at 4.5 and 4.7%, while in the last five years there has been an average annual growth of 4.23% in agricultural production and 10.5% in livestock. However, difficulties persist to improve productivity in the sector that is one of the lowest in Central America. National extreme poverty has been reduced in Nicaragua, from 17.2% to 14.6%; and rural extreme poverty has been reduced from 30.5% to 26.6%, in the period 2005-2009 as a result of a favorable international economic context and the implementation of the *Hambre Cero (Zero Hunger) Programme*, *Seed Food Programme* and other PRORURAL I initiatives. Other social protection programs in health, education and housing have also contribute to reduce it. However, general poverty still reaches 42.5% at national level and 63.3% of the rural population; a percentage that almost doubles the one faced by urban areas (26.8%).

5. Programme rationale. The GRUN commitment for rural development and poverty reduction was ratified by the priority that has been assigned to the National Human Development Plan and the PRORURAL I. Within this context, the government of Nicaragua developed the National Rural Agro industry Programme (PNAIR) with the objective to achieve that small producers increase their participation and appropriate themselves of the value added, establishing linkages with local and external markets, strengthening value chains and activating local economies. The PNAIR also aims to develop innovations, knowledge and business skills of small and medium producers to improve productivity and sustainability. The program pays particular attention to women who have been capitalized assets and have the potential to develop entrepreneurship at different scales. IFAD's proposal is to support PNAIR within a programmatic approach, financing together with other donors.

PNAIR has been designed as an up scaling of IFAD Project PROCAVAL which is considered as a living “lab project” for PNAIR.

6. PNAIR’s principal institutional partners are the MFCCA (former IDR), responsible for PNAIR’s design/implementation and for the implementation of PRODESEC, PROCAVAL and NICARIBE; the Ministry of Agriculture and Forestry; the National Institute for Agricultural and Livestock Technology; the Ministry of Enterprise Development, Industry and Commerce; Regionals Institutions from de Caribbean Cost and the *Produzcamos* Bank. The small producers associations are key partners, as well as the private sector, which has produced successful experiences through PRODESEC and PROCAVAL. Other organizations such as the Investment Promotion Agency of Nicaragua, PRONicaragua, aimed at attracting investment that drive growth and create jobs

## **B. Possible Geographic Area of Intervention and Target Groups**

7. The **intervention area** consists of territories that respond to: (a) socioeconomic priority criteria, including poverty levels, local and international economic markets; (b) criteria for prioritization of production activities and value chains established by PNAIR; and (c) criteria for comparative competitiveness.

8. **Target group/user-beneficiaries.** Although poverty has been reduced in Nicaragua, it’s still significant and concentrated in rural areas. Is more than twice that in urban areas. That means that with a rural population of 2.4 million people, more than 1.5 million live in poverty and 655 thousand in extreme poverty. In this context, and considering that targeting policies defined in the Agribusiness Program is consistent with IFAD's targeting policy, a target group of 600 thousand people (about 90 000 families) has been identified and includes: i) small producers of basic grains, coffee, cocoa and milk, ii) women and youth with or without access to land, with potential for income-generating initiatives, and iii) the rural poor indigenous and African descent living in territories Caribbean Coast of Nicaragua.

## **C. Justification and Rationale**

9. Despite the average growth experienced by the agricultural/rural sector of 7-8% over recent years (2007-2009), the high indicators of rural poverty and the ever-present food insecurity and vulnerability due to input price volatility and climate change factors, fully justify the need to support the government’s efforts to promote a strategy of inclusion of small producers to value chains related to food production in order to complement and develop the food security and rural poverty reduction national strategy. The political contexts, the existing opportunities to increase production/productivity, to promote the increase of youth and women income and to develop suitable mechanisms for value aggregation by small-producer organizations, justify the implementation of a new operation. While some significant numbers of small producers (men and women) have attained some experience in value chain and commercial linkage development, the proposed initiative aims at systematically expanding and consolidating these actions. The innovation and learning will be capitalized to facilitate the replication of good practices in the operation of chains.

## **D. Key Programme Objectives**

10. The proposed initiative’s **development goal** is to contribute to improve the living conditions of the rural poor through a steady increment of incomes as well as to achieve overall food security in line with and complementary to the objectives of the PNAIR. The **objective** of the proposed IFAD financing is that small producers of the identified priority territories integrate themselves to relevant suitable markets while improving their incomes and employment through market access and value aggregation, within enhanced national rural development policies. The **specific objectives** include: (a) contribute to achieve the overall objectives of the National agroindustry programmes through articulated and complementary financing; (b) establish steady alliances with other actors involved in the value chains; (c) assure technology transfer, asset-building and development of entrepreneurial capacities; (d) facilitate value aggregation processes and availability of climate change adaptation technologies; and (e) contribute to the development of rural women and young people’s capacities for the improvement of their incomes. All interventions will be based on participatory, gender sensitive and social inclusion approaches.

## **E. Ownership, Harmonization and Alignment**

11. IFAD has established a consistent policy dialogue with the government and the donor community, while participating actively in the existing harmonization and cooperation mechanisms. Specifically, the Fund participates in working groups within the PRORURAL and coordinates the working group on Agro industry. This financing proposal responds to the priorities of the PRORURAL, while the specific financing of the PNAIR is being proposed by IFAD in consensus and articulation with other donors. The proposal is in line with the Fund’s country strategy (COSOP 2013-17) and further integrations.



## **F. Components and Activities**

- Improve productivity and competitiveness of the chains with a high presence of small producers such as coffee, cocoa, beans and milk, through the development of skills and facilities to harness the opportunities of the business climate in the country.
- Strengthen the capacities of indigenous and Afro-Caribbean Coast for the management and sustainable use of natural resources in their territories.
- Support the development of innovative models which include: a) inclusive strategies for business development of rural women and youth; b) organizational strategies of the family economy (rural or small businesses) from the capabilities and assets families have benefited from the transfer programs, and c) investment strategies and market access for small producers.

12. The proposed strategy represents a scaling-up of the first two focus areas, through technological and productive innovations as a way to increase productivity, socio-economic inclusion of small producers to the national and local economy and its interaction with markets and economic value creation. The third focal area, focusing on knowledge management and innovation, will be funded by grants and will include the identification of partners, achieving an adequate analysis and support to national institutions for implementation.

## **G. Costs and Financing**

13. The estimated financing to achieve this population is US\$200 million, of which currently has funding of US\$50 million deal with an expected 210 000 people (33,000 families). The funding gap is USD150 million to address a population of 300 thousand people. This funding gap may be provided: a) allocation of IFAD PBAS 2013-2015; b) budgetary resources, and c) support from other bilateral and multilaterals as CABEI and IDB.

14. The main institutional partners are the MFCCA with whom IFAD and PROCAVAL NICARIBE implements, and MAG-led sector policy. Other partners include the INTA, the Bank Produzcamos, SDCC and MIFIC. The producer organizations are key partners and the private sector which, through PRODESEC and PROCAVAL, have developed successful work experiences

## **H. Organization and Management**

15. IFAD's financing resources will be implemented under the responsibility of MFCCA in agreement with IFAD guidelines. The technical functions for implementation will be inserted within MFCCA's operative units. To this effect, a single operative unit will be created within MFCCA, which will manage this new financing and the other IFAD operations in Nicaragua, with the necessary additional staff.

## **I. Monitoring and Evaluation Indicators**

16. The Annual Work Plan (AWP&B) will be integrated and consolidated in PNAIR's and MFCCA's operative plans. The results-based Planning/M&E system will be integrated within MFCCA's, PROCAVAL's and PNAIR/PRORURAL's systems. Knowledge management will be a priority and will be assigned specific resources. Key performance indicators will include those related to: (i) number of families with access to stable markets; (ii) number of families that participate in the value chains; (iii) number of youth that participate in Project activities; (iv) living standard indicators; (v) variation of net family income indicators; (vi) productive results parameters (diversification, performance, quality); (vii) production volume commercialized and products' prices evolution; (viii) value added to the production and sustainability; and (ix) organizations' and families' capitalization degree.

## **J. Risks**

17. The project's primary risks involve: (a) political priority changes at sectoral level that may result from adjustments to the National Human Development Plan and the PRORURAL Inuyente during the period of government administration (2012-16), including a possible new institutionality. This risk is minimised by the agreements that have been reached for the PNAIR programme by the government and the donors in the framework of PRORURAL; (b) financial risks faced by enterprises market risks. This will be minimised by the formulation of solid business plans, and strengthening support at the distinct links of value chains; and (c) the threat of low implementation capability will be minimized, based on PRODESEC and PROCAVAL experiences, through a dialogue with MFCCA, MAGFOR, and the Ministries of Finance and Foreign Relations. (d) There is a climate and adaptation to

climate change risk that will be minimized through technical assistance services, good agricultural practices and active measures to ensure income. This will be offset by direct IFAD supervision, and a consistent M&E/KM system.

18. **Innovations.** The main innovation is the participation of IFAD's financing through a programmatic approach and in collaboration with the Government and other donors. Another innovation is the scaling up of PROCAVAL and IFAD's experience into a national level programme as PNAIR. IFAD has identified the innovative potential of Nicaragua on issues such as working arrangements, the policy dialogue or how to ensure effective capacity building for small farmers and particularly women developments from one stage of receiving transfers and assets to improve productivity and market access.

#### **K. Timing**

19. The PNAIR project will be presented to the September 2013 Executive Board. A project design mission will be done in September 2012.

## Appendix 6: Composition of the Country Programme Management Team (CPMT)

1. The in-house component of the CPMT is proposed to consist of the following staff members of IFAD:

Latin America & Caribbean Division	Josefina Stubbs	Director
Latin America & Caribbean Division	Enrique Murguia	Coordinator for Central America, Mexico and Panama
Latin America & Caribbean Division	Francisco David e Silva	Portfolio Adviser
Latin America & Caribbean Division	Marco Camagni	Country Program Manager
Latin America & Caribbean Division	Jesus Quintana	Regional Environment and Climate Change Expert
Latin America & Caribbean Division	Esther Kasalu-Coffin	Country Program Manager
Latin America & Caribbean Division	Tomás Rosada	Senior Rural Development Specialist
Office of the General Counsel	Rocío Gómez-Sánchez	Counsel
Financial Services Division	Manuel Rocha Fontes	Finance officer and Team Leader (Grants)
Strategic Planning Division	Cheikh Sourang	Senior Programme Manager
Operation Policy and Technical Advisory Division	Rudolph Cleveringa	Senior Technical Advisor
Operation Policy and Technical Advisory Division	Eloisa de Villalobos	Technical Advisor
IFAD Consultant	Adolfo Castrillo	Rural Development Expert
IFAD Consultant	María del Rocío Díaz	Fiduciary and Implementation Support Expert

2. **The in-country component of the CPMT** proposed to consist of the following representatives from the key government agencies involved in the IFAD country program, project directors of IFAD supported projects in the country, key external development agencies, civil society organizations and farmers organizations, and resource persons:

Organization	Name	Position
<b>Key Government Institutions</b>		
Ministry of Finance	Ivan Acosta	Minister
Ministry of Foreign Affairs	Valdrack Jaentschke	Vice-Minister
Ministry of Agriculture	Ariel Bucardo	Minister
Rural Development Institute	Pedro Haslam	Executive Director
<b>Agency directors and managers and project coordinators of on-going IFAD Projects</b>		
Ministry of Agriculture	Silvio Palacios	General Secretary
Ministry of Agriculture	Claudia Tijerino	Director of International Cooperation
Ministry of Agriculture	Justo Pastor	TAF Coordinator
Rural Development Institute	Maria Antonieta Machado	Financial Director
Rural Development Institute	German Flores	Agroindustrial Director
Rural Development Institute	Martin Cabrera	PROCAVAL Manager



Rural Development Institute	Gloria Manga	NICARIBE Manager
<b>Farmers Organizations and Civil Society Organizations</b>		
UNAG	Alvaro Fiallos	President
UPANIC	Manuel Alvarez	President
FECOSESA	Javier Pasquier	President
FENIAGRO	Madeleine Herrera	Manager
<b>Development Partners</b>		
World bank	Augusto García	Sectorial Expert
IDB	Duval Llaguno	Sectorial Expert
CABEI	Edda Melendez	Sectorial Expert
SDC	Maria Antonia Zelaya	Sectorial Expert
Finnish Cooperation	Pekka Muuttomaa	Sectorial Expert
Spanish Cooperation	Blanca Yañez	Sectorial Expert

**Key File 1: Rural poverty and agricultural/rural sector issues**

Priority Areas	Groups affected	Main topics	Action needed
Human capital	Small and medium producers. Women Youth Indigenous and Afro-descendants communities	Weaknesses in the formal and technical education. Weak or no access to information, knowledge and experience. Weak or no access to new technologies and economic opportunity. Weak local management capacity and low level of access for women and youth to the development of agricultural enterprises and employment support through financial and nonfinancial services. Market access, productivity, competitiveness, value addition Business Development and Information Technology	Enhancement of knowledge, training and dissemination of new experiences and sustainable agricultural entrepreneurship. Coordinate with the formal and technical education, as well as programs and projects for actions aimed at adapting and mitigating climate impact. Promote activities and programs to train youth and women leaders on topics of entrepreneurship, adaptation to climate and marketing of products .. Strengthening access to markets by improving productivity and competitiveness, value addition Business Development and Information Technology
Gender	Family businesses led by women Small and medium entrepreneurs Women organized for production Indigenous women	Poor control and management of economic assets Limited access to education beyond 6th grade Poor maternal and child health services Limited participation of women in traditional institutions and territorial community Unequal gender, age and geographical accessibility. Opportunities for improvement does not guarantee the reduction of inequalities Entrepreneurship in family businesses led by women Rural women's entrepreneurship	Incorporate a gender strategy that promotes women's equal participation in all processes of formation, economic initiatives, and monitoring and evaluation. Train technical staff of programs and projects to pay attention to gender issues. Accompanying the construction of territorial level political agendas of women. Develop and implement policies and guidelines of territorial governance with a gender. Identify the factors leading to inequality and focus on strategies to reduce them.
Rural organizations	Rural territorial governments  Community authorities and	Territorial governments are established with emerging capabilities for efficient management Uncertainty functions of the territorial governments.	Comprehensive training and support on self-government and economic organization in order for communities to take a primary role in territorial development with identity Participatory and inclusive planning at the level of territories and communities

	<p>groups of African descent</p> <p>Community organizations (associations, cooperatives, and others)</p> <p>Municipal Associations</p> <p>Grassroots Organization</p> <p>Rural cooperatives</p>	<p>Lack of coordination between traditional authorities and cooperatives or associations for economic</p> <p>Dependence of communities in any programs run by actors outside the community</p> <p>Limited capacities for planning and administrative management of the traditional organizations</p> <p>Weakness of local grassroots organizations, especially in their ability to organize business management and support services.</p> <p>Weakness in demand for services difficult to provide services in poor rural areas.</p> <p>- Uneven development of cooperatives: Central Federations and unions strong and weak</p>	<p>Promote ability to negotiate with organizations and institutions outside the community</p> <p>Capitalize the minimum infrastructure community organizations (human capital and physical infrastructure)</p> <p>Support and incentives to local grassroots organizations to guide the process, organizing services, develop business plans that link local producers to markets.</p> <p>Increasing demand by strengthening local firms endogenous.</p>
Atlantic region: development of production, forestry and food security	Indigenous, black and mestizo	<p>Little support for economic development</p> <p>High rates of poverty and extreme poverty</p> <p>High rates of malnutrition and severe or moderate food insecurity</p> <p>Limited access to education beyond 6th grade</p> <p>Limited access to health services</p> <p>Lack of housing, schools, health clinics, potable water, electricity, and sanitation</p> <p>High vulnerability to natural disasters / extensive destruction of forests by the effects of Hurricanes and climate change.</p> <p>Limited labor market</p> <p>Limited or no public transport</p> <p>Lack of access to communication systems</p> <p>Small and difficult market access</p> <p>Restrictions on access to credit system</p>	<p>Capacity building at community level and territories in the institutions of governance and the production and reproduction</p> <p>Design and implement an investment program and comprehensive support to the territorial level, according to social and potential agro-ecosystem</p> <p>Promote bargaining and advocacy of communities and territories with donors, NGOs, regional government and central government.</p> <p>Form strategic alliances with universities and other training centers in the region to ensure access to long-term</p> <p>Promote community-level planning and territories as a tool to manage investment in social and economic infrastructure</p> <p>Involve community organizations and territorial planning, management and participatory evaluation of public services</p> <p>Ensure the inclusion of vulnerable communities through operational regulations</p> <p>Promote non-traditional markets to areas accessible (Caribbean, Honduras and other indigenous and African</p>

		<p>Persistence subsistence production systems and without access to markets by the high costs (transport and quality)</p> <p>Access to inputs and production tools with high costs</p> <p>The domestic financial system does not recognize (no policies) to the economic growth of the commons (Cn.Law Article 5 and 445)</p> <p>Low participation in value chain</p> <p>Low participation of women and youth in territorial governance and administration of the RR.NN</p>	<p>territories)</p> <p>Revitalising food management systems endogenous (seed varieties and practices agrobiodiversity friendly)</p> <p>Comprehensive promotion of agroforestry systems (food, traditional medicine, spirituality, recreation, fuel, shelter, tools, resources and conservation)</p>
Dry region and agricultural production	<p>Small and medium farmers and agricultural land with and without Cooperatives</p> <p>Women's Cooperative</p>	<p>Limitations on productivity resulting from the destruction of natural resources and their effects, erratic rainfall, and the meager soil quality.</p> <p>Few opportunities for access to: markets, adding value to agricultural products, agricultural diversification, nonfarm microenterprises, intensification and diversification.</p> <p>Limited access to quality support services.</p> <p>Persistence of traditional agricultural practices have had a negative impact on the productivity of agricultural production.</p> <p>Environmental degradation is more evident in the reduction of forest and water sources.</p> <p>Uncertainty of ownership of the land.</p>	<p>GRUN gives high priority to macro dry region on the basis of a comprehensive climate risk in particular drought.</p> <p>Validation, analysis and dissemination of "best practices" developed to promote rural development in the dry region.</p> <p>Enabling poor rural people to access market opportunities.</p> <p>A more rational use of water and soil conservation approach based on demand and natural resources.</p> <p>Introducing new crops to diversify production opportunities and employment.</p>
Institutional Strengthening	<p>Territorial governments</p> <p>Communal authorities</p>	<p>Lack of definition of the rights of communal ownership.</p> <p>Lack of coordination between government programs and institutions, and between different levels of government</p>	<p>Facilitate the learning process of the different forms of government and help the adoption of appropriate procedures to ensure fairness, transparency, and efficiency.</p> <p>Promote coordination of public services based on plans and priorities of the community and territory</p>

	Municipal governments Dry Zone and Atlantic region	<p>Limited implementation capacity of central government ministries and regional levels.</p> <p>Weak public sector capacity to regulate forest exploitation and facilitate resolution of conflicts over access and ownership of land and resources</p> <p>Conflicts of leadership divisions (games), institutional crisis</p> <p>Weaknesses of local governments in the orientation of rural development processes and the promotion of linkages between organizations and local markets to do business.</p> <p>Weaknesses of the local presence of central government agencies for rural development.</p> <p>Institutional weaknesses in agriculture and rural public sector with both redundancies and gaps in the functions and activities.</p>	<p>Strengthen community capacity to participate in environmental monitoring</p> <p>Legalization policies of territorial authorities and community, fluid and agile.</p> <p>Develop strategic partnerships between: organizations, traders, NGOs, municipalities and professional associations.</p>
Vulnerability and Natural Resource Management	<p>Dry zone and Atlantic Region</p> <p>Small and medium farmers and agricultural land with and without Indigenous, black and mestizo</p>	<p>Limited technical and managerial capabilities for the use and sustainable management of natural resources</p> <p>Lack of rules and regulations agreed with communities for sustainable management of natural resources</p> <p>Illegal harvesting of forest</p> <p>Pressures on the land for the expansion of livestock and extensive agriculture (oil palm and others) for agriculture and livestock enterprises</p> <p>Extensive expansion of monocultures (oil palm) at the expense of native forest destruction.</p> <p>Pollution from natural sources (rivers and other) by chemicals, solid waste and mining</p> <p>Lack of sanitation services and actions to reduce the increasing pollution of water sources (rivers, tributaries and</p>	<p>Involving rural families and communities national programs aimed at strengthening the capacity of communities for sustainable management of water resources, soil, forests and biodiversity.</p> <p>Integrate the vision ethnic and native cultural principles defined national policy for natural resource management and adaptation strategies and mitigation to climate change.</p> <p>Build a system of financial incentives to support initiatives of sustainable natural resource management in accordance with the management capacity of stakeholders</p> <p>Directly involve local and community organizations throughout the planning, organization, implementation of activities of sustainable handling of natural resources and environmental monitoring.</p> <p>Using the spatial approach to mapping the process of land titling as a support tool for natural resource management and territorial planning</p> <p>To encourage, train and set in rural environmental sanitation and sustainable management of waste liquids,</p>

		<p>groundwater)</p> <p>The communities do not participate in policy and strategic plans of territorial environmental management (threat to the conservation and sustainable use of water, soil, forest and biodiversity)</p> <p>Environmental degradation of natural resources, a higher frequency of natural disasters and greater effects on climate change.</p> <p>Problems of food security and nutrition increase vulnerability and insecurity of poor rural families.</p>	<p>solids and chemicals.</p> <p>Systematize, disseminate and use best practices and traditional indigenous knowledge on sustainable management of natural resources and environmental</p> <p>Develop and implement management plans for natural resources and territorial approach with the effective participation of rural actors.</p> <p>Using the watershed approach to the use and management of water sources.</p> <p>Use systems and cost efficient to establish cropping systems and water use.</p> <p>Promote and establish sustainable ecosystems agricultural production market attachment means eating for adapting agriculture to climate change.</p>
Provision of services in rural areas (financial and nonfinancial)	<p>Dry zone and Atlantic Region</p> <p>Small and medium farmers and agricultural land with and without</p> <p>Indigenous, mestizo and African descent</p> <p>Cooperatives and producer associations</p>	<p>Weaknesses in the services market operations.</p> <p>Insufficient capacity to promote private business operators, local business organizers, traders, NGOs and professionals.</p> <p>The disconnect between local markets and national or regional markets.</p> <p>Very limited access to adequate funding for agricultural cycles</p> <p>Lack of long-term financing</p> <p>Limited credit windows in indigenous territories and Afro</p> <p>Gaps in financial policies to ownership patterns and production collectives (traditional systems of communities)</p>	<p>Improve systems and mechanisms for rural business development and supporting rural services market (financial and nonfinancial).</p> <p>Improve systems and mechanisms for private agents capable of promoting rural enterprises.</p> <p>Promote partnerships with financial institutions with a presence in the region</p> <p>Advice for community initiatives in development of rural banks</p> <p>Designing public policies in the domestic financial system to promote entrepreneurship communities with collective legal concept.</p> <p>Promotion of pilot projects and community enterprise community (traditional figures of production and market)</p> <p>Implement young emperors with products originating in traditional knowledge systems</p>

## Key File 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)

Institution	Strengths	Weaknesses	Opportunities	Threats	Notes
Ministry of Finance	Has extensive experience and expertise in negotiations with the IC and is efficient in its responsibility as the representative of the Borrower and in particular responsible for ensuring the financial aspects and relations with funding agencies as well as budgetary issues and the matching funds.	Has limited capacity to monitor and evaluate projects.	IFAD relations - Nicaragua can be strengthened even more from the good relations that already exist. It is appropriate to make an effort to greater involvement of the Ministry in monitoring and evaluation of operations.	There are no threats in the short to medium term.	IFAD maintains an ongoing dialogue with the Ministry and this dialogue can be strengthened and expanded
Ministry of Agriculture and Forestry-MAG-FOR.	Responsible for formulating policies and strategies for agricultural and forestry development. He has held an important leadership role in the formulation and implementation of inclusive PRORURAL. Especially in the sectoral operational planning and the design and operation of a monitoring and evaluation sector. Strategic role in food security programs as leader of the Food Production Programme and specifically as executor of BPA.	Alongside his role in policymaking must perform functions such as implementation of projects and coordinate the provision of services and incentives to producers to raise funds to enable it to operate, weakening their ability to assume leadership of the sector. It has low implementation capacity and field presence. Bureaucracy and organizational deficiencies detract from efficiency. Specializing in agricultural development, has limited experience in rural development.	Cooperation with the MAG-FOR is necessary in designing policies and strategies. His leadership role in formulating PRORURAL, has opened opportunities for coordination with public and private sector management and the IC. Strengthened the role and outcome of the institutional modernization, combined with the sectoral policy can rationalize the use and allocation of resources and be more efficient in the role it deserves.	Their ability to maintain leadership, to coordinate the PRORURAL and especially the MFCCA, the dependence of this from the Presidency. Having to rely on external resources to maintain much of its operational structure.	
Ministry of Familiar, Communal, Cooperative and Associative Economy MFCCA	You have access to external resources. He has developed extensive experience in resource management and implementation capacity. Has made progress in institutionalizing processes and approaches of the projects	Shows a major institutional weakness, it depends on the externally funded projects to maintain its institutional structure. It has limited capacity to provide continuity to the strategies, methods and results of the	The process of formulation of sectoral policy has provided an appropriate framework for modernization and for the formulation of rural development policy. This will strengthen their	The main risk to the MFCCA is unable to develop its own institutional capacity, which can sustain and to continue the projects after completion.	

(former IDR)	implemented. Has been integrated into coordination processes for formulation and implementation of sectoral policies and strategies. It has laid an important resource managed by territorial cooperation. Has been assigned the leadership role in developing policies and programs of rural agroindustry.	projects implemented. The lack of a monitoring and impact assessment will prevent adequate follow-up actions and results. The lack of instruments to facilitate the institutionalization of processes in the field of A and A	implementation capacity and the impact of their projects. The new authorities have built a clear strategic approach based on the results to be reflected in its target population. Integration into the MFCCA government entities that perform activities.		
National Institute of Agricultural Technology INTA	The process of decentralization of extension functions by promoting Private Technical Assistance (PTA) has been successful. Runs efficiently generating programs and transfer of agricultural technology with emphasis on food security and income generation. Has local presence, serving small producers and manages comprehensive support systems and developing important programs of seed, among others.	Depends heavily on foreign aid to sustain the operational structures. The dependence on external resources has led it to close offices in some regions and some programs have been canceled.	The government's emphasis to programs of poverty alleviation and food security, market orientation and not welfare approach. The technological basis of the institution is a platform to support the development of production and testing and introduction of adapted crops for food security and the market, especially the production of seeds adapted	There are no specific threats, other than a possible lack of resources.	INTA is expected to be strengthened in its ability to accelerate technological innovation by providing quality services and specialized services in technical assistance and seed production adapted.
Development Secretariat of the Caribbean Coast-SDCC	The SDCC, attached to the Secretariat of the Presidency of the Republic, is the body responsible for establishing the relationship of coordination between the Autonomous Regional Councils of the Caribbean Coast, the Government and various Ministries of State. The SDCC is responsible for monitoring and control and execute projects implemented in the autonomous regions. It has good capacity to influence actions and projects to promote the Coast	Its structure is very low, low budget and operational capacity and presence at the Coast Regions is limited. His role is more in the field of public policy and operational task of operating as a liaison between the National Government and the Autonomous authorities requires constant attention and mediation skills. It has no capacity to enter into commitments to external resources directly by the ministry is an entity of the presidency.	It is a key moment for the project from the design stage to implementation and for relations with the national government and the autonomous regions. The close connection with the Presidency of the Republic and with the Council and Government of the RAAN and the RAAS, is essential for the strategic and political as well as for project monitoring and	The greatest risk of SDCC is a political institution in the failure to maintain current policies towards the coast and on the processes of the Project. Also it can manifest themselves in their real ability to support with technical proposals and institutional changes and economic and	The SDCC is the strategic and political space of the design and subsequent implementation of the Project. Also it is adequate space for coordination (with the autonomous governments) and the accompanying monitoring and



	and has the capacity for coordination with all public sector institutions and External Cooperation.		supervision.	political processes that are taking place in the autonomous regions given their limited operational capability.	evaluation. To this should be appropriately strengthened.
Associations of Municipalities	Structure of networks between municipalities to support decentralization. High levels of agreement between municipalities.	The associations have limited resources and rely on municipal contributions to its budget.	The decentralization and transfers are the greatest opportunity for associations to strengthen their skills and improve their contribution and link with the municipalities.	The skills with others who have similar roles and competing for resources.	
Bank Produzcamos	Development Bank which has multiple sources of resources for integrating different financial institutions. Provides concessional resources				
Grassroots Organization	Important development of small organizations and their networking and second-level organizations as FENACCOOP. Five major grassroots organizations (UNAG UPANIC, UNAPA, UNICAFE and APPEN) that integrate more than 60% of farmers in the country.	Present organizational weaknesses, opportunities and achievement of market integration, which are recognized and are being corrected. 45% of the cooperatives have no legal status. Have weaknesses related to its development more as a political-union, that management and services or economic. Many of them depend on foreign aid for operating	The greatest opportunity for these organizations is the recognition that for the small producer, the chances are greater if you have some level of association, a condition that favors their insertion into markets and value chains. Given the challenges of economic and institutional changes and context in the country have been strengthened and specialized to service delivery, financial management and capacity building of its affiliates.	The actors are better positioned in the markets and value chains require strong organizations as partners and allies with skills developed.	
NGOs, service	They have varying levels of development and fieldwork. They have proven to be especially effective when working directly	Difficulties managerial and development of new initiatives. Service delivery has been linked to its range of capabilities to	Are present in most of the country. It has great potential for development, especially in	Not be able to transform and develop mechanisms of care that meet demand and	

	with grassroots organizations and more recently the private sector. Some of them have entered the commercial field, performing work of gathering and marketing products to supplement the provision of services.	meet the real demands of the target population. Many of them depend on foreign aid to operate.	the provision of services based on demand and especially if they are associated with the marketing and sale of products	ensure its sustainability.	
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### Key File 3: Complementary donor initiative/partnership potential

Organism Agency	Priority sectors and areas of action	Strategy period in the country.	Complementarity / synergy / potential
World Bank	Rehabilitation and reconstruction of housing and social infrastructure, including roads. Reactivation of the productive sectors (agriculture, fisheries, forestry). Institutional strengthening. Generalized Access to Financial Services Land Administration and Regularization of Land Tenure systematic Economic Administration (effectiveness, efficiency and transparency in the use of public resources) To support the implementation of the Strategy of Poverty Reduction. Access to Care services and innovations in agriculture, forestry and natural resources.	2009-2012	Support for infrastructure and productive reactivation. Actions on institutional strengthening. Cover topics of production, services (AT and SFR) and local economic development.
Inter-American Development Bank	Fiscal sustainability and strengthening governance; Reliability of power supply and improvement of the existing road network, (iii) management and coverage of social services, including development of a social welfare system, (iv) development of production, and (v) institutional management for disaster prevention. Adequacy of Health Services Agriculture and Forestry Contributing to increased domestic and international trade of animal products, vegetable and forestry in the country. Support technological innovations that increase productivity. Promotion of sustainable agricultural productivity. Housing, water and sanitation	2008-2012	Promotion of sustainable agricultural productivity Adequacy of Health Services Agriculture and Forestry Contributing to increased domestic and international trade of animal products, vegetable and forestry in the country. Support technological innovations that increase productivity
Central American Bank for Economic Integration	Productive Development Support Productive Transformation Support (PTP) Rural road infrastructure and productive Electrification Security	In Force	Development and changing production Rural Infrastructure
UNDP as implementing	Governance in the Caribbean Coast Community Empowerment	2008 - 2013	Productive development, revenue generation and strengthening of local governments.

agency.	Support for the Rehabilitation and Reconstruction of the RAAN Watershed management with a focus on risk management Provision of renewable energy Agroforestry production systems and income-generating capacity of local institutions, cultural rescue. Natural resource management and environmental service delivery Water and Sanitation		
German Cooperation GIZ	Policies, land use and development of competitiveness. Specific actions in community forestry, value chain development in cocoa and timber. Training in the Rural Sector, to generate revenue, increase productivity of small and medium rural enterprises. Regional Rural Development to strengthen the public, local governments, institutions and companies to enable them to foster economic, social and ecological development.	2009 - 2013	Community management and institutional framework for managing natural resources and socioeconomic development
FAO	Food chains. Production of food and seeds. Agroindustrial production Climatic Changes	2012	Implementation of socio-economic initiatives in rural communities and in response to climate change effects
SDC Switzerland	Promoting Financial Services for Small Business and Small Farmers Food Production Climate Change	Running	Implementation of socio-economic initiatives in rural communities and in response to climate change effects
AECI Spain	Democratic Governance Rural Development and Fight Against Hunger Basic Social Services: Education, Health, Water and Sanitation Economic Growth for Poverty Reduction Environmental Sustainability Combat Climate Change Gender and Development Humanitarian Aid.	2012	Implementation of socio-economic initiatives in rural communities and in response to climate change effects
Finland	Rural development and rural poverty reduction. Strengthening good governance and development of health services.	2009 -2012	Economic development initiatives for rural poverty reduction

Ford Foundation	Research: Support in municipal planning. Systematization logging felled by Hurricane Felix. Community Adaptation to climate change. Production	2009-2013	Matching theme in production and climate change.
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**Key File 4: Target group identification, priority issues and potential response**

<b>Typology</b>	<b>Levels and causes of poverty</b>	<b>Measures to combat</b>	<b>Priority Needs</b>	<b>Support from other initiatives</b>	<b>Response COSOP</b>
Landless farmers, farm workers and farm	High level of food insecurity. Strong deficiencies in basic services. Poor access to the labor market. Lack of productive capacity and labor. Generally suffer more from exclusion.	Promoting new technologies and better agricultural knowledge and skills. Capacity building to take advantage of employment opportunities in the priority value chains.	Training for better jobs. Differentiated services according to their abilities and potential. Technical, financial and capacity building to develop their activities in the agricultural and non agricultural.	With government agencies responsible for programs for poverty reduction and food security, such as food production program, seed production, performed by government entities.	
Small and medium producers	Subsistence economy, supplemented by occasional overtime income plot. High vulnerability to natural factors, social and economic. High level of food insecurity. High deterioration of natural resources, their production is highly dependent on weather conditions. Traditional production and low yields, poor diversification. Strong deficiencies in basic services and access to markets for goods and services. Lack of knowledge and skills to develop and exploit business opportunities. Rural women, especially heads	New production technologies and economic alternatives based on specific characteristics of the agricultural region. Improving capabilities to identify and exploit business opportunities. Access to technical and financial resources to implement new technologies and knowledge. Access to infrastructure and basic services, education and health services.	Access to technical, financial and knowledge to improve and diversify their agricultural production and agriculture. Market access for goods and services. Technical education to enhance their productive capacities and economic. Building and strengthening their social capital, local organizations and their ability to seize new opportunities. Develop skills to identify and do business. Differentiated services according to their characteristics and potential, particularly women and	Transfer programs and projects for investment and capitalization resources (financial and human) to develop profitable productive activities. Linking to reimbursable financing programs of the Government.	

	of households suffer from higher levels of exclusion. Workforce in their family plots is mainly		youth.		
Intensive peasant farmers and microentrepreneurs	Economic activities are generally poor and unprofitable. Poor knowledge and low insertion in the markets. High vulnerability to social and economic factors. Strong deficiencies in basic services and access to markets for goods and services. Lack of knowledge and skills to take advantage of business opportunities. Rural women represent an important group and suffer from higher levels of exclusion. Workforce in their family plots is mainly	New production technologies for their economic activities. Improve their ability to identify and exploit business opportunities. Access to technical and financial resources to implement new technologies and knowledge. Access to infrastructure and basic services. Access to education and health services.	Access to technical, financial and knowledge to improve their activities. Improving market access for goods and services. Technical education to improve their production and economic. Building and strengthening their social capital, local organizations and their ability to seize new opportunities. Develop skills to seize new opportunities and do business. Differentiated services according to their characteristics and potential, particularly women.	Government programs that provide support services to small rural businesses to improve communications, methodologies and knowledge. Funding rural providing for your needs and demands.	
Families and communities	Widespread poverty and HDI measures quality of life index (UNDP) Highest poverty rates in the municipalities of the largest indigenous populations. Jobs focused on agriculture characterized by low performance, high vulnerability and lack of	Temporary and permanent relocation of indigenous communities to Bilwi (Puerto Cabezas) and Managua for employment. Basic grains, hunting, and limited extraction of NTFPs for	Make available the land rights and management capacity of the commons. Food security through subsistence and market promotion. Training in livelihoods and natural resource management	Management with public institutions to coordinate and improve access to basic services. Partnerships with regional universities and other educational and training. Strategic alliances with local NGOs and financial	

	access to markets. Limited access to basic services (education, health, water and electricity). Housing shortage and other basic infrastructure. The policy and regulations of the national financial system are not conducive to investment in the community property system	subsistence (extensive systems cutting, slashing, burning) Sale of rights to third parties to exploit the forest; Rescue of fallen timber	Access to capital for investment Access to technical Accompaniment to strengthen community organization and territorial	institutions.	
Non-indigenous poor families settled within the indigenous community space	History of displacement and armed conflict (1980s); Irrational exploitation of natural resources in enclaves of foreign companies; Relative exclusion of public investments; External Programmes and projects ill-suited to community needs; Negative impact of environmental degradation and natural disaster. Government welfare approach in promoting productive communities Conflicts over land and access to resources, low capacity related to land management The input costs of production are the highest in the country The road and port infrastructure under increasing costs.	Renting land to farmers Market sale of parcels of land rights Fishing (for communities near the Atlantic coast) Food security programs of the government Third-farm wages Join organization's function external projects (internal and not their own)	Public sector services more responsive to and inclusive communities. Investment in social infrastructure Accompaniment to manage and resolve conflicts Environmental health of communities Organize production units in terms of internal social fabric of communities	Management with public institutions to coordinate and improve access to basic services Partnerships with regional universities and other educational and training Strategic alliances with local NGOs and financial institutions.	•