

Signatura:	EB 2012/107/R.11
Tema:	7 c)
Fecha:	7 de noviembre de 2012
Distribución:	Pública
Original:	Inglés

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Dar a la población rural
pobre la oportunidad
de salir de la pobreza

República de Nicaragua

Programa sobre oportunidades estratégicas nacionales

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Junta Ejecutiva — 107º período de sesiones
Roma, 12 y 13 de diciembre de 2012

Para **examen**

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Acrónimos y siglas

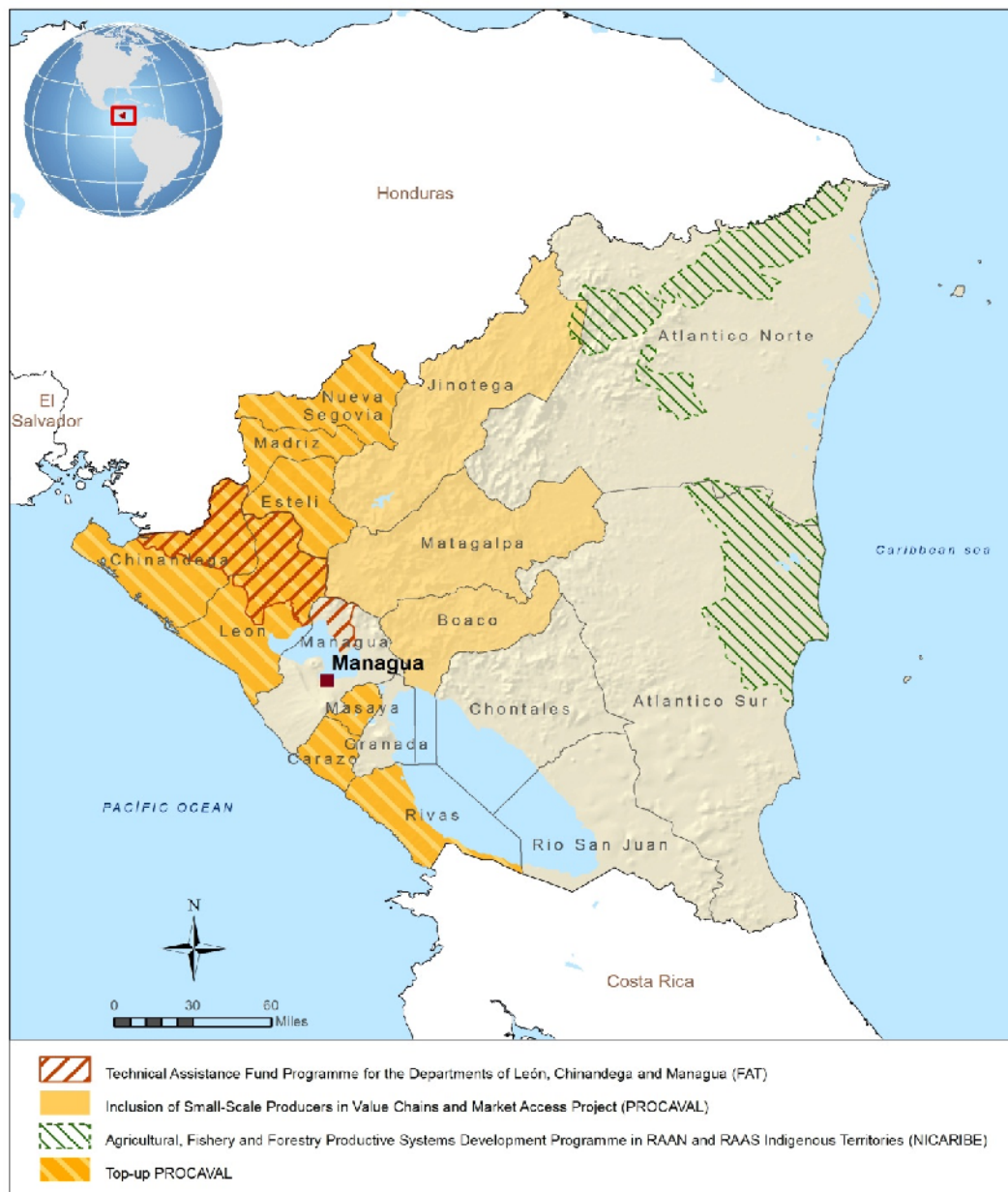
BCIE	Banco Centroamericano de Integración Económica
BID	Banco Interamericano de Desarrollo
CCDP	Plan de Desarrollo de la Costa Caribe
COSOP	programa sobre oportunidades estratégicas nacionales
COSOP-BR	programa sobre oportunidades estratégicas nacionales basado en los resultados
COSUDE	Agencia Suiza para el Desarrollo y la Cooperación
EMNV	Encuesta de Medición de Nivel de Vida
FAT	Programa del Fondo de Asistencia Técnica
IDR	Instituto de Desarrollo Rural
INTA	Instituto Nicaragüense de Tecnología Agropecuaria
MAGFOR	Ministerio Agropecuario y Forestal
MFCCA	Ministerio de Economía Familiar, Comunitaria y Cooperativa
MHCP	Ministerio de Hacienda y Crédito Público
MIFIC	Ministerio de Fomento, Industria y Comercio
NICARIBE	Programa de Desarrollo de los Sistemas Productivos Agrícolas, Pesqueros y Forestal en Territorios Indígenas de RAAN y RAAS
PBAS	sistema de asignación de recursos basado en los resultados
PIB	producto interno bruto
PNA	Programa Nacional de Alimentos
PNAIR	Programa Nacional de Agroindustria Rural
PNDH	Plan Nacional de Desarrollo Humano
PNF	Programa Nacional Forestal
PROCAVAL	Programa de Apoyo para la Integración de los Pequeños Productores en las Cadenas de Valor y para el Acceso a los Mercados
PRODESEC	Programa de Desarrollo Económico de la Región Seca de Nicaragua
PRONicaragua	Agencia de Promoción de Inversiones del Gobierno de Nicaragua
PRORURAL	Programa Sectorial de Desarrollo Rural Productivo Sostenible
RAAN	Región Autónoma del Atlántico Norte
RAAS	Región Autónoma del Atlántico Sur
RIMS	Sistema de gestión de los resultados y el impacto

Mapa de las operaciones en curso en Nicaragua

Republic of Nicaragua

IFAD-funded ongoing operations

COSOP



27-06-2012



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD

Fuente: FIDA

Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del Fondo Internacional de Desarrollo Agrícola (FIDA) respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.

Resumen de la estrategia en el país

1. Nicaragua es el segundo país más pobre de América Latina y el que tiene el menor ingreso per cápita de los países centroamericanos (USD 1 239, según datos del Banco Central de Nicaragua correspondientes a 2011). La economía del país ha crecido en los últimos 10 años, con tasas de 4,5% y 4,7% en 2010 y 2011, respectivamente, y entre 2005 y 2009 se lograron importantes avances en la reducción de la pobreza. A pesar de estos indicadores positivos, el crecimiento no es suficiente para alcanzar el nivel de otras economías de la región y hacer frente a los niveles de pobreza general (42,5%) y pobreza extrema (14,6%) que persisten en el país.
2. Como resultado del amplio proceso de consultas llevado a cabo para la formulación de este programa sobre oportunidades estratégicas nacionales basado en los resultados, el Gobierno de Nicaragua pidió al FIDA que prestara apoyo al desarrollo del sector agrícola, con especial hincapié en la ejecución del Programa Nacional de Agroindustria Rural (PNAIR).
3. En el PNAIR se utiliza un enfoque basado en las cadenas de valor y los mercados, y se da prioridad a la participación de los pequeños y medianos agricultores en empresas cooperativas y otras organizaciones de carácter asociativo. Sus principales objetivos son la gobernanza, el fomento de la capacidad, las inversiones para estimular la agroindustria, el desarrollo tecnológico, la calidad y la seguridad, y la promoción comercial. Las iniciativas del programa se centran en las cadenas más importantes del sector, tanto por su dinamismo como por el empleo que generan, que son: cereales básicos, raíces y tubérculos, frutas y hortalizas, productos lácteos y carne, café y cacao, y apicultura.
4. Sobre la base de estas consideraciones, la estrategia del FIDA en Nicaragua apoyará las iniciativas del Gobierno y las organizaciones de agricultores orientadas a impulsar el crecimiento del sector agrícola como vehículo para la reducción de la pobreza, la generación de empleo y la mejora del consumo de alimentos de las familias, así como la contribución a la sostenibilidad y la reproducción de buenas prácticas. Los objetivos estratégicos establecidos a fin de fomentar este desarrollo son los siguientes:

Objetivo estratégico 1 - Inclusión. Facilitar el acceso a los activos, los mercados y las actividades generadoras de ingresos, y aumentar las oportunidades de empleo. Esto se logrará por conducto de medidas positivas que contribuyan a la aplicación de estrategias para la inclusión de la población rural pobre en los procesos de desarrollo socioeconómico locales y nacionales.

Objetivo estratégico 2 - Productividad. Incrementar la productividad de la mano de obra mediante incentivos que faciliten el acceso a la información, la tecnología y los servicios técnicos y financieros.

Objetivo estratégico 3 - Sostenibilidad. Mejorar la sostenibilidad ambiental, fiscal e institucional.

5. La actual cartera de proyectos y la nueva financiación se utilizarán para alcanzar los objetivos estratégicos antes mencionados y se centrarán en las siguientes esferas: i) mejora de la productividad y la competitividad; ii) fortalecimiento de las capacidades de las comunidades indígenas y afrodescendientes de la costa del Caribe, y iii) apoyo a la elaboración de modelos innovadores, lo que comprende: a) estrategias inclusivas para el desarrollo de empresas dirigidas por mujeres y jóvenes rurales; b) estrategias de organización para las pequeñas empresas rurales, y c) estrategias de inversión y acceso a los mercados para los pequeños agricultores. La estrategia propuesta representa una ampliación de escala de las primeras dos esferas prioritarias. La tercera esfera se refiere principalmente a la gestión de los conocimientos para el fomento de la innovación.

República de Nicaragua

Programa sobre oportunidades estratégicas nacionales

I. Introducción

1. El FIDA ha colaborado con el Gobierno de Nicaragua desde la década de los ochenta; ha movilizado 250 millones de dólares de los Estados Unidos —USD 104 millones en forma de cofinanciación— y ha beneficiado a unas 670 000 personas. Entre 2005 y 2012, la financiación del Fondo ascendió a USD 57 millones, con contribuciones adicionales por valor de USD 43 millones procedentes de otras fuentes, con lo cual el total ascendió a unos USD 100 millones.
2. El Gobierno considera al FIDA un asociado estratégico debido a sus conocimientos y experiencia en la promoción del desarrollo rural. La preparación del presente programa sobre oportunidades estratégicas nacionales basado en los resultados (COSOP-BR) comprendió un amplio proceso de consultas con los pequeños productores, dirigentes indígenas y organizaciones de mujeres.

II. Contexto nacional

A. Situación económica, agrícola y de la pobreza rural

Antecedentes de la economía del país

3. Nicaragua es el segundo país más pobre de América Latina y el que tiene el menor ingreso per cápita de los países centroamericanos (USD 1 239, según datos del Banco Central de Nicaragua correspondientes a 2011). Según las cifras oficiales, la economía del país ha crecido en los últimos 10 años, con tasas de 4,5% y 4,7% en 2010 y 2011, respectivamente. A pesar de estos indicadores positivos, el crecimiento aún se considera insuficiente para alcanzar el nivel de otras economías de la región y hacer frente a los niveles de pobreza general (42,5%) y pobreza extrema (14,6%) que persisten en el país.
4. Según las cifras del Banco Central de Nicaragua, el sector agrícola es un importante motor de la economía y representa el 20% del producto interno bruto (PIB). Genera más del 60% de las exportaciones anuales, ocupa a más del 30% de la mano de obra y produce el 70% del suministro de alimentos. El sector creció a una tasa anual de casi 3% durante el período 2000-2010, que entre 2007 y 2010 alcanzó el 3,7%. Este crecimiento da muestra de la estabilidad de las políticas macroeconómicas del país y los elevados precios de los bienes exportables. La importancia del papel que desempeñan los pequeños agricultores (el 75% de ellos con menos de 3,5 hectáreas) es destacable, ya que producen el 80% de los cereales básicos, el 65% de los productos derivados de la ganadería y el 56% de las exportaciones del sector.
5. Entre los principales productos del sector se cuentan los cereales básicos, que representan el 40% del PIB agrícola; el café, que genera más del 50% de los empleos dentro del sector; y la ganadería, que constituye el 45% del PIB agrícola (datos del Banco Central de Nicaragua). Todos estos productos presentan rendimientos considerablemente menores y costos de producción considerablemente mayores que en otros países centroamericanos, lo cual implica que la baja productividad y las limitaciones tecnológicas obstaculizan la competitividad del país. Además, no hay vínculos adecuados entre estos productos y la demanda y las oportunidades comerciales, lo que constituye una traba para las inversiones en el sector. Esta situación requiere mejoras en la integración de la agricultura y la agroindustria rural y en la competitividad de las empresas rurales.

6. El sector agrícola en su conjunto está cobrando cada vez mayor importancia para la economía, aunque su especialización en la producción de productos básicos destinados al consumo interno y la exportación puede tener consecuencias para el desarrollo del país a mediano plazo. El Gobierno piensa modificar este modelo, para lo que se prevé promover las inversiones en sectores tales como los de la energía y el turismo, y desarrollar infraestructuras para estimular otros sectores. No obstante, a corto y mediano plazo, el sector agrícola debe aumentar la productividad, el valor agregado de los bienes primarios y la diversificación de los mercados y los productos.

Pobreza rural

7. Entre 2005 y 2009, Nicaragua logró importantes avances en la reducción de la pobreza. Según datos de la Encuesta de Medición de Nivel de Vida (EMNV), el número de personas que viven en condiciones de pobreza se redujo en 5,8 puntos porcentuales, y el número de personas que padecen una situación de pobreza extrema cayó 2,5 puntos porcentuales. En el sector rural se registraron cifras más prometedoras, ya que la tasa de pobreza nacional cayó 7 puntos porcentuales y la de pobreza extrema 4 puntos (en comparación con 4,1 y 1,1 puntos, respectivamente, en el sector urbano). Sin embargo, la pobreza en Nicaragua, y en particular la pobreza rural, sigue representando un reto porque el 42,5% de la población del país vive en condiciones de pobreza y 14,6% en situación de pobreza extrema. Entre la población rural, la tasa general de pobreza se ubica en 63,3% y la de pobreza extrema en 26,6%. Las zonas rurales del Caribe y la Región Central registran tasas de pobreza particularmente elevadas. Casi el 70% de la población de estas zonas vive por debajo de la línea de pobreza, y alrededor del 30% en condiciones de pobreza extrema.
8. Entre 2005 y 2009, Nicaragua registró una disminución de la desigualdad en los niveles de consumo de los hogares. El coeficiente nacional de Gini cayó de 0,41 en 2005 a 0,37 en 2009, con una dinámica similar en las zonas rurales y urbanas, aunque la desigualdad es menor en las zonas rurales (coeficiente de Gini 0,31) que en las urbanas (coeficiente de Gini 0,35). La disminución combinada de la pobreza y la desigualdad en el consumo sugiere que el crecimiento económico durante ese período contribuyó a mejorar la distribución de los ingresos en el país.
9. La estructura del mercado laboral en el contexto de la economía en general mostró pocos cambios entre 2005 y 2009. Los sectores de la agricultura y el comercio emplearon a la mayor parte de la población económicamente activa (32,8% y 31,7%, respectivamente), con menos participación en el sector de los servicios (18,6%) y la industria (16,8%). La importancia del empleo no asalariado es considerable, especialmente en el sector agrícola. Los asalariados representan el 58,7% de los trabajadores de los sectores no agrícolas (2,6 puntos porcentuales menos que en 2005) y el 33,8% del sector agrícola. En este último reviste importancia la participación de los miembros de las familias como trabajadores (que representan el 26,6% del total del empleo en este sector). Aunque la media de los ingresos del sector agrícola aumentó 18% entre 2005 y 2009, siguió siendo significativamente inferior a la de otros sectores, por ejemplo, representó el 68% de la media de los ingresos del sector de los servicios, el 66% de la del sector del comercio y el 58% de la del sector de la industria.
10. Unas competencias y oportunidades de empleo deficientes unidas a la pobreza constituyen uno de los desafíos más importantes. Alrededor del 67% de los hogares encabezados por personas que carecen de educación formal y el 44% de aquellos encabezados por personas que solo asistieron a la escuela primaria viven por debajo de la línea de pobreza. En estos grupos, el 28,6% y el 13,9% de los hogares,

respectivamente, viven en condiciones de pobreza extrema. En Nicaragua, la pobreza extrema es un fenómeno casi exclusivamente rural, y se da en los hogares encabezados por personas que tienen solamente educación primaria o menos y trabajan en el sector agrícola.

11. Los datos también revelan diferencias en los salarios que podrían relacionarse con importantes desfases en la productividad de la mano de obra del sector agrícola en comparación con el resto de la economía. Por ejemplo, si se consideran la edad y el nivel educativo, los ingresos por hora de las personas empleadas en los sectores no agrícolas en las zonas rurales son entre un 44% y un 52% superiores a los del sector agrícola. De modo similar, en las zonas rurales, si se consideran la edad y la región geográfica de residencia, la población con educación secundaria o universitaria gana un 25% y un 80% más en promedio, respectivamente, que la población sin ningún tipo de estudios.

Vulnerabilidad ambiental y clima

12. Debido a su situación geográfica y su geomorfología, Nicaragua es especialmente vulnerable a las catástrofes naturales. En el período 1991-2010, fue uno de los 10 países más afectados por el clima; sufrió las consecuencias de 43 fenómenos climáticos extremos. En los últimos 10 años, las catástrofes causaron más de 3 300 muertes y grandes pérdidas económicas, principalmente por los daños en la infraestructura y la agricultura. La vulnerabilidad a las catástrofes naturales que afectan la competitividad del país está relacionada con la degradación ambiental. Si bien el país ha puesto en práctica un sistema de detección y respuesta para los casos de catástrofes, se necesita contar con medidas de prevención y adaptación eficaces, en especial en respuesta a los fenómenos ambientales y climáticos.

B. Políticas, estrategias y contexto institucional

Contexto institucional nacional

13. El compromiso del Gobierno de combatir la pobreza y fomentar el desarrollo rural se plasma en las prioridades establecidas en el Plan Nacional de Desarrollo Humano (PNDH). Las políticas de desarrollo rural sostenible se expresan en el Plan de Desarrollo de la Costa Caribe (CCDP) y el Programa Sectorial de Desarrollo Rural Productivo Sostenible (PRORURAL), que aborda el tema de la inversión pública en el sector sobre la base del diálogo con las partes interesadas a nivel nacional y la comunidad de asociados cooperantes.
14. El CCDP tiene por finalidad construir una realidad económica que restaure los derechos de los habitantes de la región y su acceso a las oportunidades productivas, con el respaldo del régimen autónomo. Para el período 2012-2016, este plan comprende la aplicación de un modelo de desarrollo regional cuyos objetivos son los siguientes: i) mejorar el bienestar económico de la población caribeña; ii) lograr la transformación económica por medio de relaciones equitativas, sostenibles y armoniosas entre la población y la naturaleza, y iii) fortalecer la capacidad de las instituciones regionales para promover el desarrollo humano.
15. La finalidad del PRORURAL es incrementar los ingresos de las familias mediante la mejora de la productividad —aumentar el valor agregado en la producción primaria y promover la seguridad alimentaria— y del acceso al mercado dentro de un marco de equidad e integración para las comunidades indígenas y afrodescendientes. Este programa se ejecuta por conducto del Programa Nacional de Alimentos (PNA), el Programa Nacional Forestal (PNF) y el Programa Nacional de Agroindustria Rural (PNAIR).
16. El PNAIR ofrece el marco general para la estrategia del FIDA, y coordina las actividades orientadas a generar empleo y mejorar los ingresos de las familias rurales con los otros programas del PRORURAL y con el CCDP. Esto se logra mediante el aumento del valor agregado en los productos primarios, con énfasis en las cadenas de valor y el acceso a los mercados. Por medio de este enfoque, el

programa hace hincapié en la participación de los pequeños y medianos agricultores en empresas cooperativas y otras organizaciones de carácter asociativo. Sus prioridades son la buena gestión pública, el fomento de la capacidad, las inversiones para estimular la agroindustria, el desarrollo tecnológico, la calidad y la seguridad, y la promoción comercial. Las iniciativas del programa se centran en las cadenas más importantes del sector, tanto por su dinamismo como por el empleo que generan, que son: cereales básicos, raíces y tubérculos, frutas y hortalizas, productos lácteos y carne, café y cacao, y apicultura.

17. El PNAIR coordina sus iniciativas con el CCDP para favorecer la transformación económica con especial atención al desarrollo de la agroindustria dedicada a la producción de alimentos en las zonas tropicales húmedas, el fomento de la elaboración en el sector de la pesca artesanal y la promoción de la capacidad de las comunidades. Además, impulsa las inversiones en infraestructura básica en los ámbitos del transporte y la generación de energía hidroeléctrica (para mejorar la producción local de alimentos) y los cambios en la producción propuestos para la región.
18. Incluso si se cuenta con este marco de políticas para el desarrollo de la agroindustria, existen limitaciones que afectan a la competitividad de las empresas rurales y a las oportunidades para aprovechar las condiciones del mercado y el entorno económico. Estas limitaciones se pueden observar en las carencias en cuanto a la capacidad, relacionada con la gestión empresarial, el conocimiento del mercado y el acceso a los servicios financieros y de otra índole. A su vez, esto se ve agravado por los problemas vinculados a la productividad y a las condiciones locales que requieren atención a corto y mediano plazo.

Armonización y alineación

19. El FIDA mantiene un diálogo constante con el Gobierno y los organismos de cooperación en materia de políticas, y ha participado activamente en los mecanismos creados a estos efectos. En particular, colabora en los grupos de trabajo del PRORURAL y coordina el grupo de trabajo sobre agroindustria.

III. Enseñanzas de la experiencia del FIDA en el país

A. Resultados, impacto y desempeño anteriores

20. El FIDA ha colaborado con el Gobierno desde la década de los ochenta, y ha proporcionado una financiación por valor de USD 104 millones y movilizado USD 150 millones adicionales, para beneficiar a unas 670 000 personas. Entre 2005 y 2012, la financiación ofrecida por el Fondo ascendió a USD 57 millones, con contribuciones adicionales por valor de USD 43 millones procedentes de otras fuentes, con lo cual el total ascendió a unos USD 100 millones. Durante este período, los principales cofinanciadores fueron el Banco Centroamericano de Integración Económica (BCIE), el Gobierno, los beneficiarios mediante contribuciones en efectivo, el Banco Mundial y Agencia Suiza para el Desarrollo y la Cooperación (COSUDE). En este mismo período, la cartera de proyectos representó el 53% del total financiado en los últimos 30 años.
21. Los proyectos en curso son los siguientes: i) el Programa del Fondo de Asistencia Técnica (FAT) para los departamentos de León, Chinandega y Managua, que finaliza en 2013, con un costo total de USD 20,6 millones de los cuales USD 14,2 millones son financiados por el FIDA; ii) el Proyecto de Apoyo para la Integración de los Pequeños Productores en las Cadenas de Valor y para el Acceso a los Mercados (PROCAVAL), aprobado en 2007, con un costo total de USD 38 millones de los cuales USD 20,3 millones son financiados por el FIDA; iii) el Programa de Desarrollo de los Sistemas Productivos Agrícola, Pesquero y Forestal en Territorios Indígenas de la Región Autónoma del Atlántico Norte [RAAN] y la Región Autónoma del Atlántico Sur [RAAS] (NICARIBE), aprobado en diciembre de 2010, con un costo total de USD 14 millones de los cuales USD 8 millones son financiados por el Fondo, y iv) una

donación otorgada al Ministerio Agropecuario y Forestal (MAGFOR) por una cuantía de USD 500 000 para apoyar la realización del cuarto censo agropecuario nacional, con un costo total de USD 6 millones. El FAT se financia mediante un préstamo en condiciones muy favorables; el PROCAVAL y el NICARIBE se financian por medio de donaciones (50%) y préstamos (50%) en condiciones muy favorables.

22. **Resultados.** Los resultados del programa sobre oportunidades estratégicas nacionales (COSOP) de 2005 indican que la cartera de proyectos ha beneficiado a unas 400 000 personas, y se prevé que los fondos suplementarios aprobados permitan beneficiar a otras 122 000. Según el COSOP de 2005, los resultados acumulados hasta la fecha pueden resumirse del siguiente modo: i) mejora de los procesos, mecanismos e incentivos para fomentar el acceso de las personas pobres de las zonas rurales a los mercados; ii) aumento de la capacidad y la eficiencia de las instituciones rurales que facilitan el acceso a los mercados y mejoran el entorno comercial a nivel local; iii) ampliación de escala de las estrategias y las mejores prácticas, así como de los conocimientos y las innovaciones en materia de políticas de desarrollo rural derivados de la ejecución de los proyectos, y iv) logro de un impacto positivo en relación con la inseguridad alimentaria y la malnutrición en la región seca del país.

B. Enseñanzas extraídas

23. La cartera de proyectos ha mostrado una transición desde un enfoque centrado en la seguridad alimentaria a uno basado en el fomento del empleo y el desarrollo comercial mediante la promoción de las microempresas rurales, y luego hacia un enfoque centrado en la inclusión de los pequeños agricultores en las empresas de mayor escala y la producción de productos de valor agregado. Las principales enseñanzas extraídas de esta experiencia son las siguientes:
- **Inclusión de los pequeños agricultores en los mercados.** Inicialmente, la atención al problema de la pobreza dio como resultado el establecimiento de mayores vínculos entre las familias del medio rural y los mercados dinámicos, por medio de la promoción de microempresas rurales y la creación de oportunidades laborales.
 - **Asociación y competitividad.** Las empresas rurales organizadas en asociaciones de diversos tipos son más eficaces en cuanto al diseño de propuestas y tienen más probabilidades de convertirse en empresas exitosas. Los procesos asociativos han dado como resultado mayores economías de escala, un incremento de la competitividad y la comercialización, y un mayor acceso a los servicios.
 - **Sentido de apropiación y participación en las empresas rurales.** El éxito de las empresas familiares y las organizaciones comerciales rurales depende del grado de apropiación existente. Del mismo modo, el hecho de que las organizaciones estén dispuestas a asumir riesgos crediticios indica un mayor sentido de apropiación y orientación respecto a las oportunidades de desarrollo comercial.
 - **Papel de la mujer en la economía rural.** A consecuencia de los conflictos registrados en la década de los ochenta, las mujeres han asumido un papel de dirección, y su participación en el proceso de adopción de decisiones en diferentes esferas de la vida política, social y económica se ha intensificado considerablemente. Esta función de liderazgo puede observarse a nivel de los gobiernos locales, los órganos legislativos, las instituciones públicas, los sindicatos y las organizaciones privadas. Esta capacidad puede profundizarse de manera importante en las zonas rurales, facilitando así el acceso de las mujeres jóvenes a los activos y los conocimientos, y contribuyendo al desarrollo de las empresas rurales en distintos niveles.

IV. Marco estratégico del FIDA en el país

A. Ventaja comparativa del FIDA en el país

24. Como se mencionara anteriormente, el Gobierno considera al FIDA un asociado estratégico debido a sus conocimientos y experiencia en la promoción del desarrollo rural. Los resultados y las enseñanzas que han generado la ejecución de los proyectos ofrecen la base para el diálogo y la elaboración de instrumentos normativos para el sector, especialmente en cuanto a la inclusión de las mujeres y los pequeños agricultores en las cadenas de valor y el acceso a los mercados, así como el autoempleo y la generación de oportunidades laborales.
25. El valor agregado que presenta el PNAIR favorece el empleo rural y los ingresos estacionales, además de mejorar la calidad del trabajo. El contexto normativo, las perspectivas de aumento de la producción y la productividad, la posibilidad de elaborar mecanismos para que los productores y sus organizaciones aumenten el valor agregado, y las oportunidades de integración en las cadenas de valor justifican la aplicación de una estrategia capaz de impulsar un mayor desarrollo de estos procesos. Algunos pequeños productores ya se han beneficiado de la participación en las cadenas de valor, y esta participación puede ampliarse y consolidarse. En algunas cadenas (cereales básicos, café), es evidente que los pequeños agricultores se han visto beneficiados. También es necesario buscar nuevos mercados y diversificar la producción.
26. Las experiencias de los proyectos del FIDA representan un conjunto de enseñanzas y cuestiones vinculadas a la labor del PRORURAL. Entre los elementos más importantes de la contribución del FIDA a este programa, cabe mencionar el uso del marco, el enfoque y los planes de negocios del PROCAVAL, así como el acceso a los mercados y la creación de oportunidades laborales, que a su vez son elementos del Programa de Desarrollo Económico de la Región Seca de Nicaragua (PRODESEC) y constituyen una parte fundamental del diseño del PNAIR.
27. Durante el proceso de consultas para la formulación del COSOP-BR, el Gobierno pidió al FIDA que apoyara el desarrollo del sector agrícola, con especial atención al diálogo sobre las políticas y la ejecución del PNAIR. Esto implica el establecimiento de medidas orientadas a incrementar la producción y la productividad —tales como el fomento del valor agregado de la producción primaria—, lo que podría contribuir a una visión pragmática y una mayor coordinación con otras partes interesadas. Asimismo, el Gobierno pidió al FIDA que continuara prestando apoyo para abordar las dificultades nacionales vinculadas con la mejora del acceso de los pueblos indígenas y afrodescendientes de las regiones autónomas de Nicaragua a las oportunidades y los recursos.
28. En el proceso de consulta también se estableció la dificultad y la importancia de la institucionalización en el sector y la necesidad de contar con una arquitectura institucional que permita abordar los riesgos y las oportunidades sectoriales y, en particular, el desarrollo de la agroindustria.
29. El Gobierno expresó interés en formular políticas específicas para los pequeños agricultores familiares, establecer metas para la contribución de estos actores económicos al PIB, y crear mecanismos de inclusión claros mediante un modelo centrado en las personas y sus organizaciones.
30. Una de las prioridades del Marco Estratégico del FIDA (2011-2015) es mejorar la capacidad de resistencia¹ a los riesgos vinculados al cambio climático y la degradación de los recursos naturales, con el fin de reducir la vulnerabilidad de los

¹ Entendida como "la capacidad de resistencia y adaptación a los fenómenos ambientales y climáticos".

beneficiarios y las inversiones del Fondo. La estrategia en el país fortalecerá su intervención por conducto de medidas adecuadas para contribuir a la prevención de estos cambios y la adaptación a ellos, lo que permitirá garantizar el éxito de las intervenciones propuestas.

B. Objetivos estratégicos

31. Los canales por los que se desarrollará la intervención estratégica del FIDA en Nicaragua son los siguientes:
 - **Inclusión.** El FIDA continuará aplicando estrategias para la inclusión de la población rural pobre en los procesos de desarrollo socioeconómico locales y nacionales, con el fin de incorporar la experiencia y conocimientos del Fondo en las políticas. Esto se llevará a cabo en lo relativo a la generación de ingresos, el aumento de las oportunidades laborales para las mujeres, los jóvenes y los pueblos indígenas y afrodescendientes, y en cuanto al acceso a los activos y los mercados por medio de programas que apliquen medidas positivas que compensen la mayor vulnerabilidad.
 - **Productividad.** En términos generales, la productividad se refiere a la relación entre el nivel de producción y los insumos utilizados. La presente estrategia hace hincapié en la productividad de uno de los factores operacionales del sector rural: el empleo. Por tanto, las operaciones del FIDA en el país se centrarán en la mejora de las capacidades individuales y colectivas, así como en la mejora de los procesos productivos, tales como las disposiciones institucionales que promueven el acceso de los pequeños agricultores y los habitantes de las zonas rurales en general a los mercados con mayor valor agregado. Concretamente, se refiere a facilitar el acceso a la información, la tecnología, la financiación, los bienes públicos, las inversiones y los servicios técnicos para generar valor agregado mediante la creación o la diversificación de la base productiva.
 - **Sostenibilidad.** La sostenibilidad a mediano plazo de los procesos de desarrollo rural es un aspecto fundamental para el FIDA de índole multidimensional que comprende, sin limitarse a ellas, las cuestiones ambientales. Por lo tanto, se deben tomar en consideración las capacidades del Estado y los territorios. La presente estrategia también se centrará en las dimensiones fiscales e institucionales, que se consideran esenciales para alcanzar los objetivos de desarrollo. Dado que estas tres dimensiones de la sostenibilidad constituyen la base para lograr el desarrollo rural a mediano plazo, el programa de operaciones del Fondo en Nicaragua las incorporará al diseño de sus préstamos y donaciones, así como a los conocimientos derivados de sus productos.
32. Sobre la base de estas consideraciones, la estrategia del FIDA en el país apoyará las iniciativas del Gobierno y las organizaciones de agricultores orientadas a impulsar el crecimiento del sector agrícola como vehículo para la reducción de la pobreza, la generación de empleo y la mejora del consumo de alimentos de las familias, además de contribuir a la sostenibilidad y la reproducción de buenas prácticas. Los objetivos estratégicos establecidos a fin de fomentar este desarrollo son los siguientes:
 - Objetivo estratégico 1 – Inclusión.** Facilitar el acceso a los activos, los mercados y las actividades generadoras de ingresos, y aumentar las oportunidades de empleo. Esto se logrará por conducto de medidas positivas que contribuyan a la aplicación de estrategias para la inclusión de la población rural pobre en los procesos de desarrollo socioeconómico locales y nacionales.
 - Objetivo estratégico 2 – Productividad.** Incrementar la productividad de la mano de obra mediante incentivos que faciliten el acceso a la información, la tecnología y los servicios técnicos y financieros.
 - Objetivo estratégico 3 – Sostenibilidad.** Mejorar la sostenibilidad ambiental, fiscal e institucional.

33. Los instrumentos aplicados para alcanzar estos objetivos estratégicos se centran en la ampliación del alcance de mejores prácticas y conocimientos innovadores sobre el terreno, a fin de integrarlos en las políticas de desarrollo rural y las prácticas de las familias y organizaciones rurales. Además —y en colaboración con otros asociados cooperantes, instituciones públicas y organizaciones de agricultores—, el FIDA promoverá la gestión de los conocimientos, mediante la normalización de las innovaciones exitosas a fin de lograr la aplicación de prácticas de desarrollo rural más eficaces. Mediante el diálogo sobre políticas resultará más fácil repetir las mejores prácticas e incorporarlas a las políticas nacionales de desarrollo rural. El método aplicado consistirá en el seguimiento sistemático, la adopción de técnicas de medición de resultados, y la utilización de procesos técnicos, de evaluación y de aprendizaje.

C. Oportunidades de innovación

34. Se prevén oportunidades en las siguientes esferas:
- **Mejora de la productividad y la competitividad** en las cadenas de producción donde hay una fuerte presencia de pequeños agricultores (café, cacao, frijoles y leche) mediante el desarrollo de capacidades y mecanismos que permitan hacer uso de las oportunidades que presenta el entorno comercial del país.
 - **Fortalecimiento de las capacidades de las comunidades indígenas y afrodescendientes de la costa del Caribe** para la gestión del uso productivo y sostenible de los recursos naturales en sus territorios.
 - **Apoyo a la elaboración de modelos innovadores**, lo que comprende:
 - i) estrategias inclusivas para el desarrollo de las empresas dirigidas por mujeres y jóvenes rurales; ii) estrategias de organización para la economía familiar (o las pequeñas empresas rurales), basadas en las capacidades y los activos que las familias beneficiarias obtuvieron a través de los programas de transferencia, y iii) estrategias de inversión y acceso a los mercados para los pequeños agricultores.
35. La estrategia propuesta representa una ampliación de escala de las dos primeras esferas prioritarias, con el apoyo del Gobierno y otros organismos cooperantes. En el ámbito de dicha estrategia se emplearán innovaciones tecnológicas y productivas para facilitar la inclusión socioeconómica de los pequeños agricultores en la economía nacional y local y su interacción con los mercados. En el período que abarca el COSOP, la aplicación de la estrategia dará lugar a resultados concretos que se podrán medir.
36. La tercera esfera se centra más en la gestión de los conocimientos para la innovación. Se financiará principalmente mediante donaciones e incluirá la selección de asociados estratégicos para su ejecución, como, por ejemplo: el Programa Nuevas Trenzas para caracterizar al nuevo tipo de mujer rural; la Escuela de Economía de París para el análisis de las políticas de protección social y las estrategias de salida; y la Agencia de Promoción de Inversiones de Nicaragua (PRONicaragua) para la promoción de las inversiones en los territorios y los vínculos productivos.

D. Estrategia de focalización

37. Aunque se ha reducido, la pobreza en Nicaragua aún es generalizada y se concentra en las zonas rurales, donde la tasa es más del doble de la registrada en las zonas urbanas. En términos absolutos, esto significa que en una población rural de 2,4 millones de habitantes, más de 1,5 millones viven en condiciones de pobreza y 655 000 en situación de pobreza extrema. En este contexto, y considerando que las políticas de focalización establecidas en el PNAIR son compatibles con las políticas de focalización del FIDA, se ha seleccionado un grupo meta de 600 000 personas (unas

90 000 familias) integrado por: i) las familias de los pequeños productores de cereales básicos, café, cacao y productos lácteos; ii) las mujeres y los jóvenes con o sin acceso a tierras, que tienen posibilidades de desarrollar actividades generadoras de ingresos, y iii) los pueblos indígenas y afrodescendientes rurales pobres que viven en los territorios de la costa del Caribe.

38. El Gobierno estima que se necesita una financiación por valor de USD 200 millones para atender las necesidades de este grupo objetivo. Actualmente, el Gobierno puede proporcionar USD 50 millones, que permitirían beneficiar a 210 000 personas (33 000 familias), con lo que faltarían USD 150 millones para poder atender a 300 000 personas. Esta carencia podría solucionarse por conducto de: i) el sistema de asignación de recursos basado en los resultados (PBAS) del FIDA para 2013-2015; ii) recursos presupuestarios, y iii) contribuciones de otros organismos bilaterales y multilaterales, como, por ejemplo, el BCIE y el Banco Interamericano de Desarrollo (BID).

E. Vinculaciones con las políticas

39. El PRORURAL es un componente fundamental del PNDH, cuyas prioridades son el crecimiento económico, la estabilidad macroeconómica (junto con el aumento del empleo), y la reducción de la pobreza y la desigualdad. Las prioridades también incluyen la inversión en infraestructura para facilitar la transformación productiva y el cambio social. Tanto el plan nacional como el del sector rural se están revisando y se actualizarán. El PRORURAL se centra en tres programas que abarcan las esferas de: producción de alimentos, agroindustria rural y silvicultura. La labor del FIDA está estrechamente vinculada a los programas sobre los alimentos y la agroindustria a través de la cartera de proyectos existente en colaboración con el Ministerio de Economía Familiar, Comunitaria y Cooperativa² y el MAGFOR. Los principales desafíos se relacionan con la reducción de la pobreza rural, la seguridad alimentaria, el apoyo a las personas vulnerables y el acceso a los mercados.
40. El PNAIR se estableció en consulta con diversas partes interesadas, entre ellas, el sector privado y la comunidad de donantes. El PRODESEC y el PROCAVAL —que son financiados por el FIDA— aportaron información sobre enfoques, enseñanzas y metodologías en relación con las cadenas de valor y el acceso a los mercados. El programa ofrece un marco para la consecución de los objetivos del COSOP y también para el diálogo sobre las políticas y la innovación.
41. El programa de desarrollo humano para la costa Caribe de Nicaragua se relaciona con el enfoque innovador del COSOP que permite a las comunidades indígenas y afrodescendientes elaborar un modelo inclusivo y sostenible de producción y gestión de los recursos dentro de sus tierras comunales.
42. El Gobierno ha formulado una estrategia nacional para el medio ambiente y el cambio climático con especial atención a las actividades de adaptación. Esta es una oportunidad tanto para el diálogo sobre las políticas, dentro del marco de la política sobre cambio climático recientemente aprobada por el FIDA, como para la planificación programática con miras a fomentar la productividad y la sostenibilidad.

² Durante la elaboración de este COSOP, el Gobierno informó al FIDA sobre la creación del Ministerio de Economía Familiar, Comunitaria y Cooperativa, que absorberá las funciones del Instituto de Desarrollo Rural (IDR).

V. Gestión del programa

A. Gestión del COSOP

43. Se hará un seguimiento de la marcha de la ejecución del COSOP mediante el uso de los resultados y los indicadores establecidos en el marco de resultados. Los indicadores de resultados se formulan sobre la base de los indicadores del sistema de gestión de los resultados y el impacto (RIMS) del FIDA, y los datos se obtendrán de los sistemas de seguimiento y evaluación de los proyectos.
44. En los exámenes anuales del COSOP se emplearán los mecanismos establecidos por la División de América Latina y el Caribe. El informe anual incluirá información sobre la gestión de la cartera de proyectos y el progreso general de estos, a lo que seguirá un informe agregado del RIMS, el progreso en el seguimiento de los proyectos, el asesoramiento sobre las políticas y las actividades de gestión de los conocimientos. Los resultados se analizarán conjuntamente con las partes interesadas a nivel nacional.
45. El FIDA y el Gobierno realizarán una revisión a mitad de período del COSOP en 2015 y efectuarán los ajustes necesarios en función de las enseñanzas que surjan de la revisión o de las nuevas prioridades.

B. Gestión del programa en el país

46. El FIDA seguirá supervisando directamente la cartera de proyectos en Nicaragua, prestando apoyo a la ejecución y el fortaleciendo la capacidad de los equipos de gestión de los proyectos. También continuará prestando apoyo a las actividades de gestión financiera y de las adquisiciones y contrataciones para garantizar que los proyectos cumplan con los procedimientos y que se adopten las mejores prácticas, además de evitarse retrasos en la ejecución. Los proyectos se ajustarán a las Directrices del FIDA para la adquisición de bienes y la contratación de obras y servicios en el ámbito de los proyectos. Ninguno de los proyectos en curso se considera en situación de riesgo.

C. Asociaciones

47. Los asociados principales son el BCIE, los organismos que integran el Fondo Común del PRORURAL, el BID y el Banco Mundial. Las principales instituciones asociadas son el Ministerio de Economía Familiar, Comunitaria y Cooperativa —con el cual el FIDA ejecutó NICARIBE y PROCAVAL—, el MAGFOR —que tuvo a su cargo la política del sector—, la Secretaría para el Desarrollo de la Costa Caribe, los gobiernos regionales y los gobiernos territoriales de la costa del Caribe. Otros asociados son: el Instituto Nicaragüense de Tecnología Agropecuaria (INTA), el Banco Produzcamos, el Ministerio de Fomento, Industria y Comercio (MIFIC) y PRONicaragua. Las organizaciones de productores también son asociados de gran importancia, al igual que el sector privado, que ha llevado a cabo experiencias fructíferas por conducto del PROCAVAL.

D. Gestión de conocimientos y comunicación

48. La formulación de la estrategia para la gestión de los conocimientos y la comunicación se basará en una evaluación de las necesidades en esta esfera. Su aplicación comprenderá: i) la realización de un taller sobre la estrategia para la gestión de los conocimientos y la comunicación; ii) la selección de información o experiencias que se analizarán para generar y difundir enseñanzas; iii) la elaboración de instrumentos para la sistematización de la comunicación, como por ejemplo, bibliotecas electrónicas, bases de datos de contactos, copias de seguridad de archivos, elaboración de planes, resultados de planes, etc.; iv) la elaboración de instrumentos para ofrecer a los usuarios retroinformación sobre los resultados logrados (sistematización de buenas prácticas, boletines impresos, etc.), y v) la celebración de seminarios, conferencias y reuniones.

49. Se prestará especial atención a las siguientes actividades: i) el establecimiento de contactos entre diversos actores a nivel de los usuarios, técnicos y oficiales, conjuntamente o por sectores; ii) la celebración de reuniones periódicas de productores de una determinada cadena de valor, que hayan logrado progresos similares en relación con los planes ejecutados; iii) la realización de visitas sobre el terreno o viajes de intercambio entre productores, y iv) la aplicación del aprendizaje adquirido a nivel de las cooperativas o las organizaciones de productores, en el marco del COSOP, y con el apoyo de universidades e instituciones educativas.

E. Marco de financiación con arreglo al PBAS

50. El COSOP abarcará dos ciclos del PBAS, a saber: 2013-2015 y 2016-2018. Con arreglo a las puntuaciones y los actuales criterios del PBAS, se supone que los fondos del FIDA disponibles para el período 2013-2015 se mantendrán entre USD 17 y USD 18 millones, aproximadamente. En el cuadro 1 se ilustra el cálculo de la asignación que corresponde a Nicaragua. Los fondos disponibles se asignarían a un solo proyecto por un período de seis años, que se desarrollaría posteriormente para que la cartera de proyectos alcanzase un tamaño razonable.

Cuadro 1
Cálculo del PBAS para el primer año del COSOP

Indicadores	Primer año del COSOP
A i) Marco normativo y jurídico de las organizaciones rurales	4,53
A ii) Diálogo entre el Gobierno y las organizaciones rurales	4,06
B i) Acceso a la tierra	3,69
B ii) Acceso al agua para la agricultura	3,44
B iii) Acceso a los servicios de investigación y extensión agrícolas	4,00
C i) Condiciones propicias para el fomento de servicios financieros rurales	3,94
C ii) Clima favorable a la inversión para las empresas rurales	4,00
C iii) Acceso a los mercados de insumos y productos agrícolas	3,50
D i) Acceso a la enseñanza en las zonas rurales	4,00
D ii) Representación de las mujeres	3,67
E i) Asignación y gestión de recursos públicos para el desarrollo de las zonas rurales	3,88
E ii) Responsabilización, transparencia y corrupción en las zonas rurales	3,94
Suma de puntuaciones agregadas	46,63
Promedio de las puntuaciones agregadas	3,89
Calificación de los proyectos en situación de riesgo (2011)	5
Evaluación de las políticas e instituciones nacionales (2009)	3,5
Puntuación del país	2 914,42

51. La puntuación del PBAS se actualizó en reuniones de consulta celebradas en el país en abril de 2011. Las dos principales variables de resultados son la calificación de los proyectos en situación de riesgo y la evaluación del sector rural. Actualmente no hay proyectos considerados en situación de riesgo, y la puntuación de la evaluación del sector rural fue de 3,89. En algunas zonas, los resultados no alcanzan el nivel medio logrado y requerirán atención, entre estos resultados están: B i) acceso a la tierra; B ii) acceso al agua para la agricultura, y C iii) acceso a los mercados de insumos y productos agrícolas. La asignación de fondos con arreglo al PBAS se revisa anualmente y depende de una serie de variables, como, por ejemplo, el programa general de préstamos del FIDA y la disponibilidad de recursos. Por lo tanto, es posible que los compromisos anuales del Fondo se sitúen bastante por encima o por debajo del monto actual. A continuación se presenta el posible impacto de los resultados de los proyectos y el sector en la asignación anual en función de hipótesis de carácter muy indicativo (cuadro 2).

Cuadro 2

Relación entre los indicadores de resultados y la puntuación del país

<i>Hipótesis de financiación</i>	<i>Calificación de los proyectos en situación de riesgo (+/- 1)</i>	<i>Puntuación de los resultados del sector rural (+/- 0,3)</i>	<i>Variación porcentual de la puntuación del país con arreglo al PBAS respecto de la hipótesis básica</i>
Hipótesis baja	4	3,59	-22%
Hipótesis básica	5	3,89	0%
Hipótesis alta	6	4,19	24%

F. Riesgos y gestión del riesgo

52. El proceso de consulta y sistematización de las enseñanzas extraídas ha permitido determinar los riesgos más sensibles en relación con la fase de ejecución del COSOP.
53. Existen riesgos vinculados a los cambios en las instituciones del sector rural, a raíz de los cuales se pueden modificar las funciones y responsabilidades de las diferentes entidades a cargo de la ejecución de las políticas y los programas sectoriales. Por otra parte, la integración de los proyectos y las actividades en las estructuras operacionales de las instituciones presenta riesgos relacionados con su capacidad y eficiencia administrativa que pueden afectar la eficacia de la ejecución de la cartera de proyectos. Este riesgo se mitiga gracias a la experiencia adquirida en los proyectos de finalización reciente, con la supervisión directa y el seguimiento sistemático, así como mediante el apoyo a la ejecución.
54. Existen riesgos vinculados a los mercados que pueden manifestarse de diferentes formas. Es posible que el proceso de modernización de los sistemas de comercio se acelere, al tiempo que podría registrarse una caída de la capacidad de los pequeños productores o las organizaciones para adaptarse y responder a estas exigencias. Esto ocasionaría que los pequeños productores marginados no puedan integrarse a los mercados y las cadenas de valor. Este riesgo puede minimizarse por conducto de una estrategia que comprenda: asociaciones entre productores, fomento de la capacidad, gestión empresarial y procesos asociativos, asociaciones público-privadas y agroelaboración.
55. Los riesgos importantes que deben enfrentar los productores o sus empresas son las limitaciones relativas a los servicios de apoyo técnico y la gestión, así como los conocidos problemas de acceso a los servicios financieros. Estos riesgos se mitigarán mediante el fomento de la capacidad y el acceso a los bienes públicos, la información y las tecnologías que permiten mejorar la productividad de la mano de obra. La búsqueda de estrategias eficaces y la financiación y contratación innovadoras de servicios técnicos son algunas formas de gestionar estos riesgos.
56. La vulnerabilidad ambiental y fiscal representa un riesgo elevado. Los fenómenos climáticos adversos pueden afectar las capacidades productivas, con posibles efectos en la continuidad y sostenibilidad de los planes de los productores, especialmente en cuanto a la productividad y el desempeño del mercado. Para mitigar estos riesgos, las medidas previstas son fortalecer la resistencia de los vínculos y mejorar la capacidad relativa a la gestión de riesgos en los territorios.
57. En las regiones autónomas de la costa del Caribe, existen riesgos políticos e institucionales vinculados a los cambios en la legislación regional que podrían afectar las relaciones entre las instituciones del Gobierno central y las instituciones autónomas del Caribe nicaragüense. Los procesos relacionados con la autonomía se están consolidando, pero pueden surgir distintos puntos de vista entre los diversos actores de la política nacional y local.
58. La mitigación de estos riesgos requiere: un seguimiento estricto, supervisión, transferencias globales de conocimientos, la aplicación de la experiencia del FIDA, el desarrollo de asociaciones y el fortalecimiento del diálogo sobre las políticas. Para la gestión temprana de algunos de estos riesgos, el Fondo empleará mecanismos de

observación y análisis sistemático. Los riesgos pueden reducirse al mínimo por medio de un diálogo continuo entre el FIDA y el Gobierno, así como con los asociados que tienen una experiencia y capacidades amplias.

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 (Federation of Agro-Industrial Cooperatives of Nicaragua, Federation of Cooperatives for Development), 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 per cent and 4.7 per cent 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 per cent) and extreme poverty (14.6 per cent) 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 per cent of GDP and in 2011 these reported a growth of 18.5 per cent, while total revenues increased 19.3 per cent 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 per cent over 2011, while social spending grew 8.9 per cent, mainly in the sectors of education, health and asset transfers to rural women. By the end of 2011, the fiscal deficit reached 2.7 per cent of GDP and total public debt amounted to US\$5 243 400 000, equivalent to 71.8 per cent of GDP, ranking above the reasonable limit of public debt (35 per cent 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 per cent of GDP, producing more than 60 per cent of annual exports and providing more than 30 per cent of the labor force and 70 per cent of the food. The sector grew at an annual rate of nearly 3 per cent during the period 2000-2010, which increased to 3.7 per cent 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 per cent with less than 3.5 hectares– who produce 80 per cent of the basic grains, 65 per cent of the livestock and generate 56 per cent 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 per cent. In terms of value, exports increased by 66 per cent 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 per cent of agricultural GDP. Of these, beans account for 13 per cent and occupy 22 per cent of total farmed land. Coffee represents 17.3 per cent of exports in the last three years, generating 14.7 per cent of national employment in the same period, and more than 50 per cent of the jobs in the sector. Livestock in 2010 generated 7.5 per cent of the GDP, 45 per cent of the agricultural GDP and 27 per cent 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 (PNHD: *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 Nicaragua³, 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*)⁴, the number of people living in poverty in the country decreased between 2005 and 2009. The population living in poverty decreased by 5.8 per cent, and the number of people living in extreme poverty fell by 2.6 per cent. During this period, overall poverty decreased 7 per cent in the rural sector, and extreme poverty decreased 4 per cent. Overall and extreme poverty in the urban sector decreased 4.1 per cent and 1.1 per cent, respectively.

11. Despite this progress, poverty continues to be a widespread phenomenon in Nicaragua, where 42.5 per cent of the population lives below the poverty line and 14.6 per cent in extreme poverty. Poverty in rural areas continues to be higher than in urban zones, as 63.3 per cent of the rural population lives in poverty, and 26.6 per cent in extreme poverty. Likewise, eight of every 10 people (78.1 per cent) 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 per cent below the general poverty line, while in urban zones, this figure is 7.2 per cent. 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 per cent, which are also less likely to find themselves living in poverty. Estimates indicated that in 2009, overall poverty was at 44.6 per cent when the head of household is a man, and 38.1 per cent when it is a woman. This may be explained by the effect of social programmes focused on women and a greater propensity for saving.

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

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

13. **Job Market.** According to the EMNV, in 2009 the agricultural sector employed 32.8 per cent of the Economically Active Population, and was also the sector that generated the most jobs. Salaried workers represent 50.6 per cent, self-employed workers 37.8 per cent and family workers 11.7 per cent. In relation to agricultural and non-agricultural jobs, the salaried workers category drops to 33.8 per cent, while family worker increases to 26.6 per cent.

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

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

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>SO1 (Inclusion). 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>SO2 (Productivity). Labour productivity is improved through incentives which facilitate access to information, technology, and technical and financial services;</p> <p>SO3 (Sustainability). Environmental, fiscal and institutional sustainability is improved.</p>	per cent of rural population living above poverty line.	Number of people accessing to projects services	Facilities and conditions for access to credit in rural areas
		per cent 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.
		per cent 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.
		per cent 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.
		per cent of increased added value by employed rural workers	Km of rehabilitated rural roads	Strengthening the fiduciary management abilities of sector institutions.
		per cent 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
		per cent 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 per cent) are in the form of highly concessional loans and US\$14.6 million (26 per cent) 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 (Peasants' Development Fund /Banco Produzcamos), the World Bank, the SDC and the CABEI, which has been IFAD's main cofinancing partner during this period, representing 38 per cent of all cofinancing. Contributions from credit institutions and the beneficiaries themselves represent 40 per cent (20 per cent each), while contributions from the government counterpart represented approximately 13 per cent of total cofinancing.

3. During this period, the loans and grants portfolio amounted to 53 per cent 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 per cent 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 per cent donation and 50 per cent 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 per cent 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 per cent to 43.2 per cent; 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 per cent in 2005⁵ to 1.3 per cent; and *overall malnutrition* also decreased within the programme's area of coverage, from 6.7 per cent to 4.6 per cent, reflecting both the current and/or past nutritional state of children.

⁵ 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
Total		104 196 000	146 749 000	250 945 000

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.

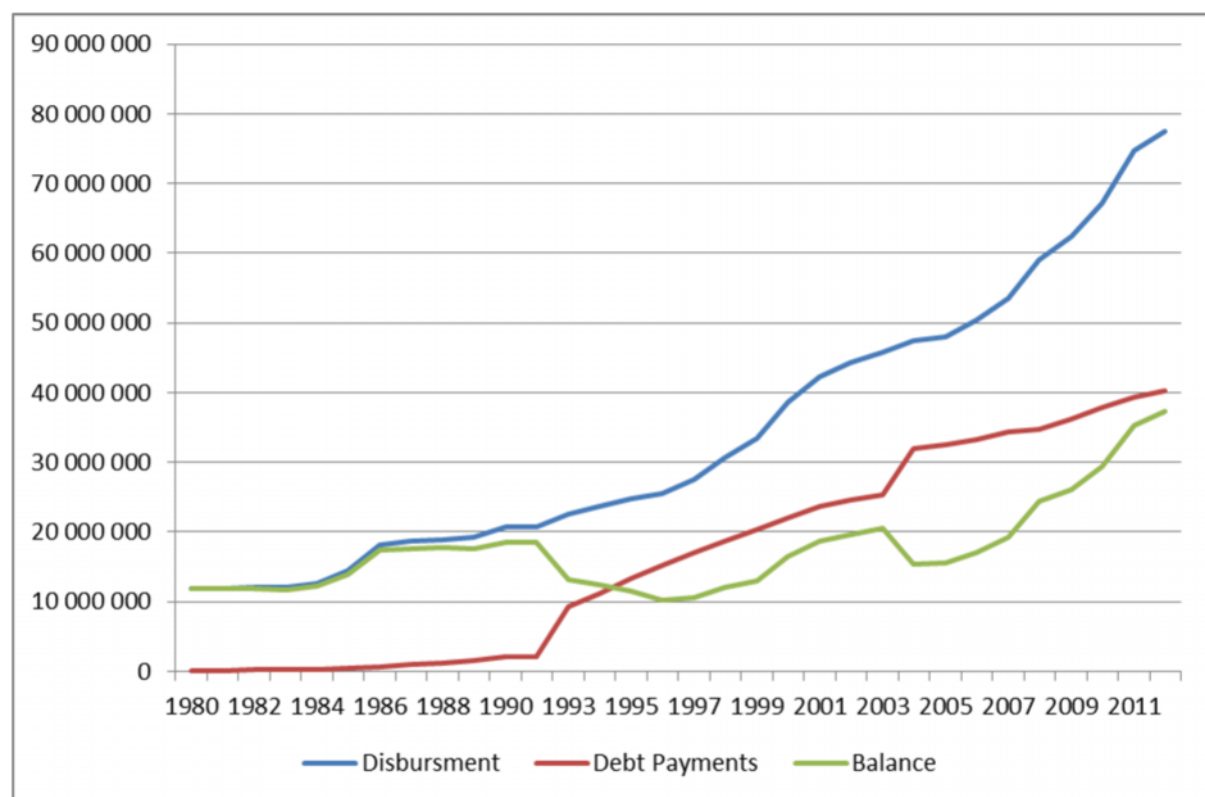
8. Among the principal funding organizations that have participated in these projects as cofinancers are the IDB, the European Union, the Government of Venezuela, WFP, SDC, the World Bank and CABI.

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 per cent of funding within the category of highly-concessional loans and 50 per cent 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)



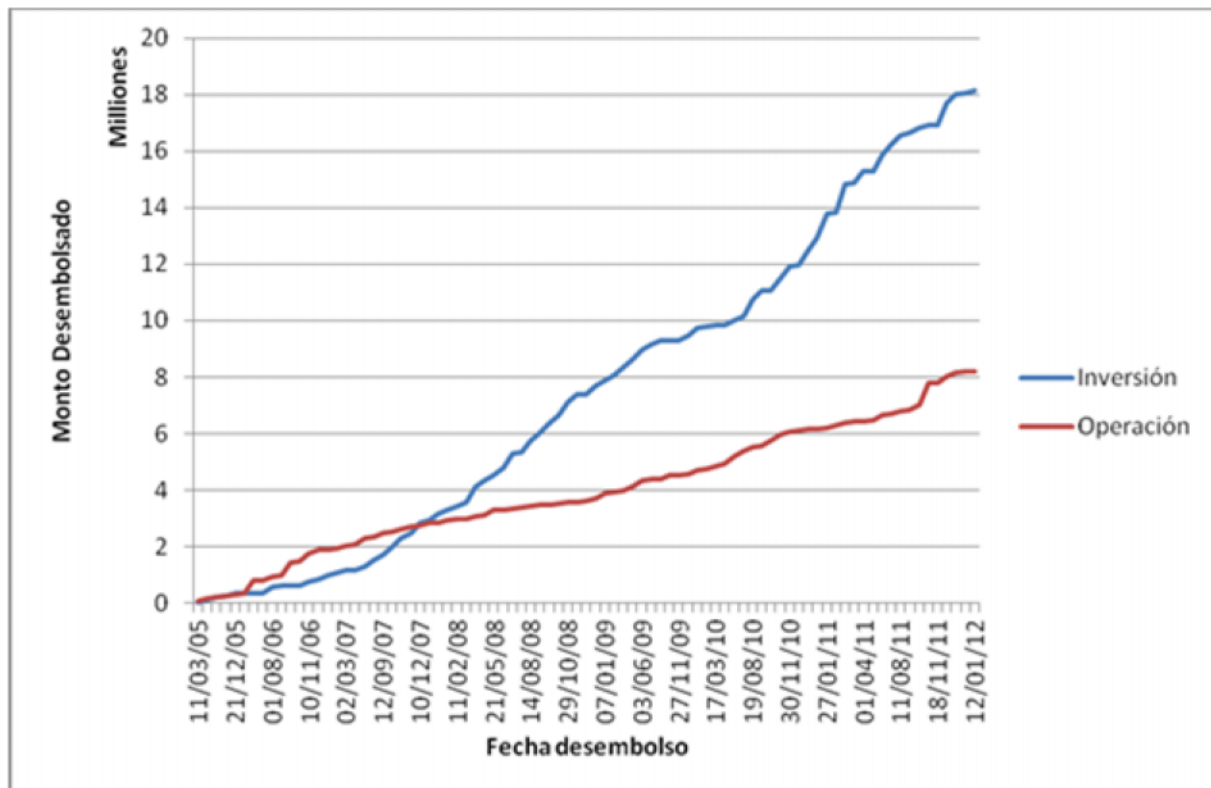
Progress of COSOP disbursements and investment and operation expenses, 2005-2009

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 expenditures⁶.

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 per cent of the total, at the end of 2007 it was 50 per cent. The opposite occurs now, with investment expenditures representing 70 per cent and operation 30 per cent.

⁶ 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.

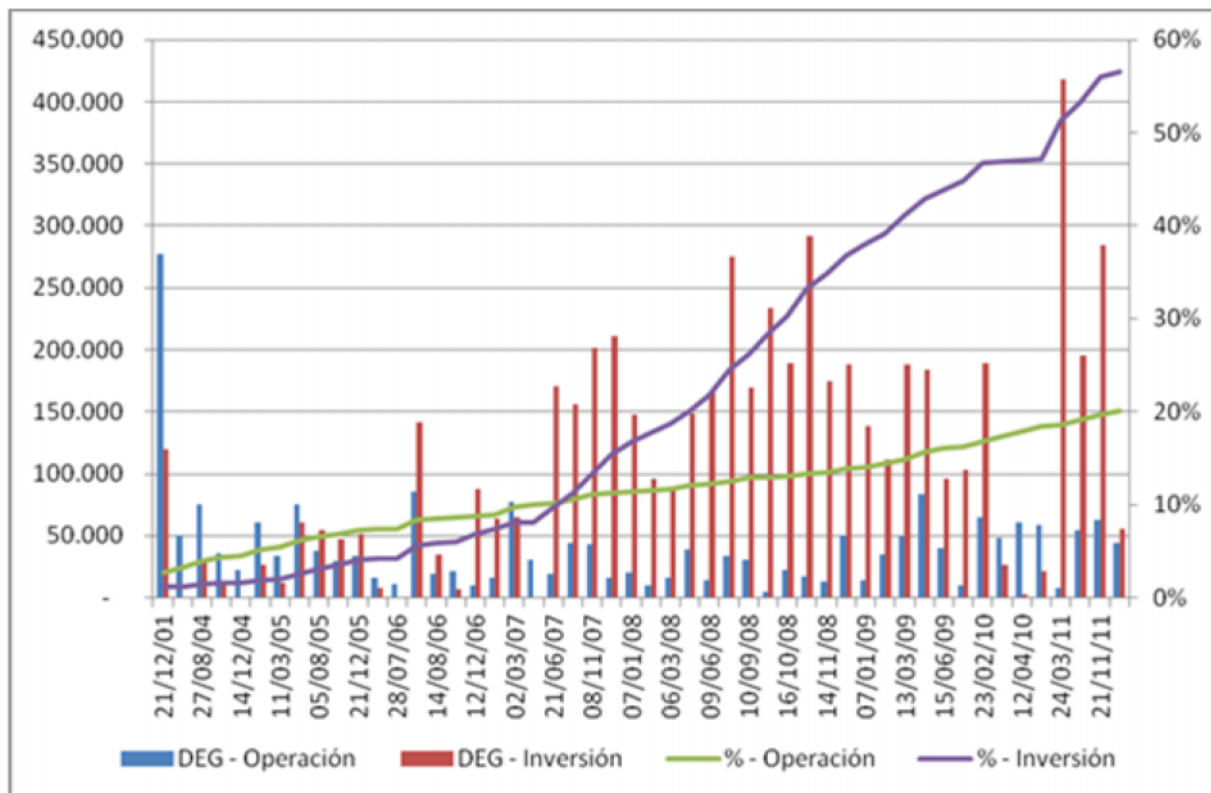
Figure 2: FAT, PRODESEC, PROCAVAL: Disbursements by type of expenditure



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.

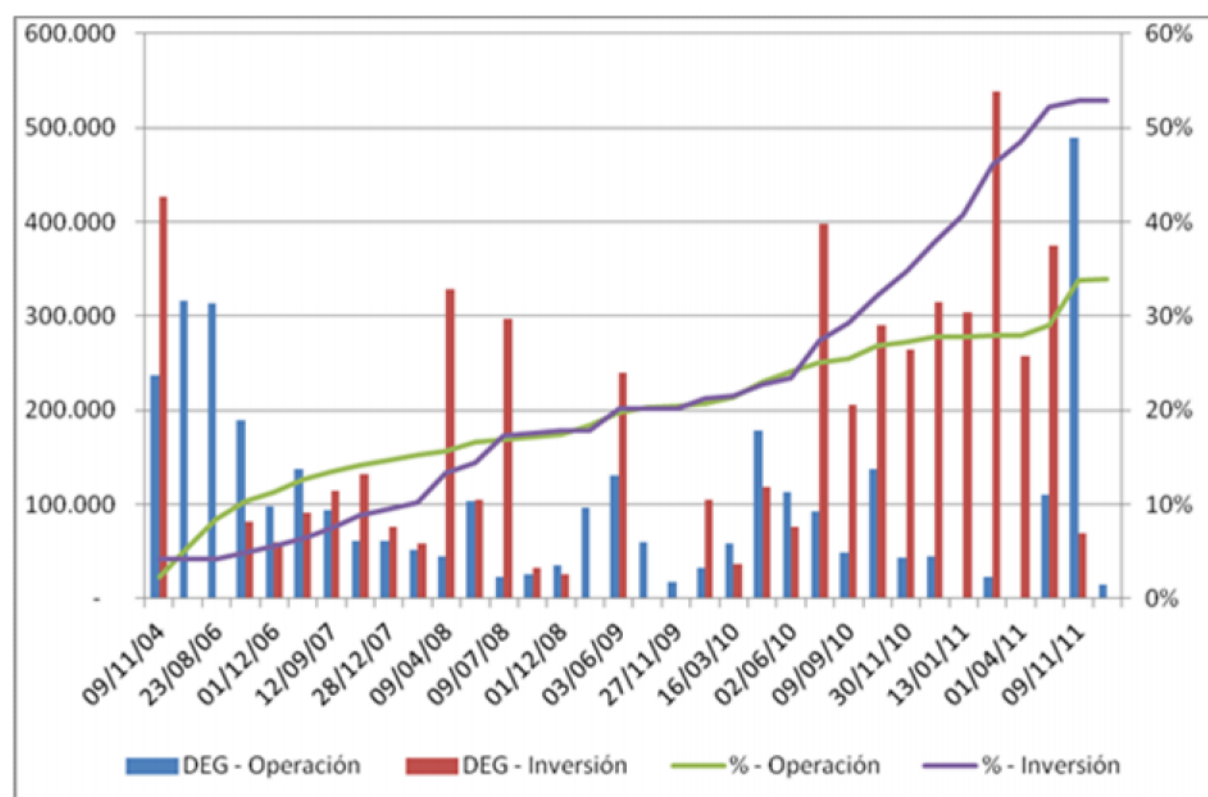
Figure 3: FAT: Disbursements and type of expenditure



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.

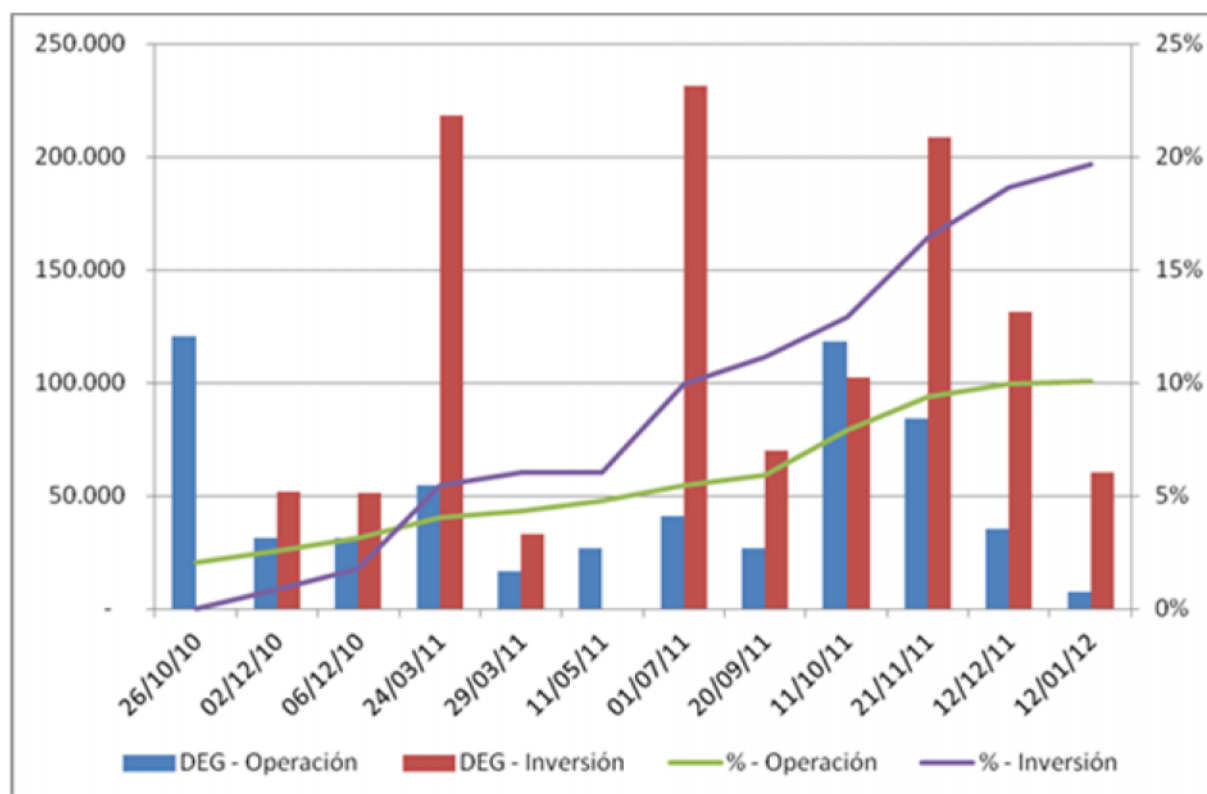
17. PRODESEC, for its part (Figure 4), shows reasonable behavior in terms of its ratio of operational expenditure to investments according to the cycle of projects, transitioning from initial costs and implementation costs when the programme began, to consolidated proposals and increased investments 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).

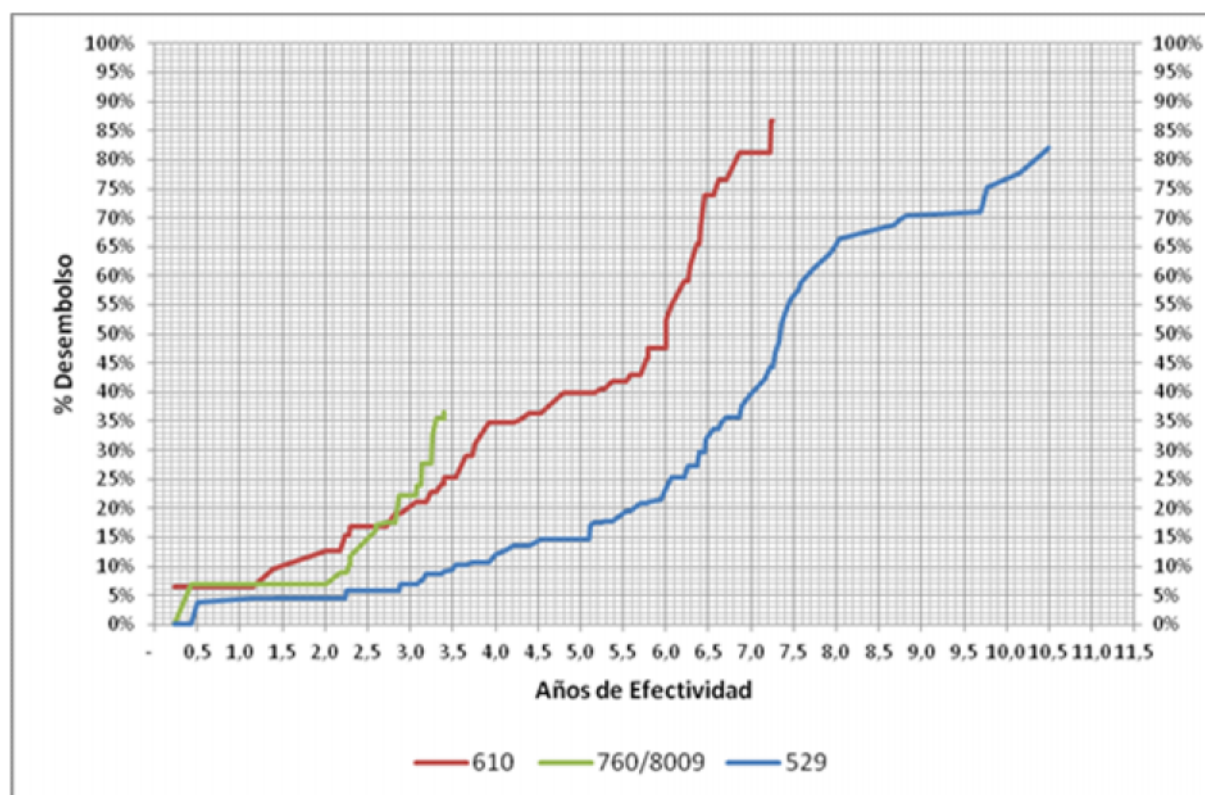
Figure 5: PROCAVAL: Disbursements and type of expenditure



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: per cent Disbursed, by years of effective operation

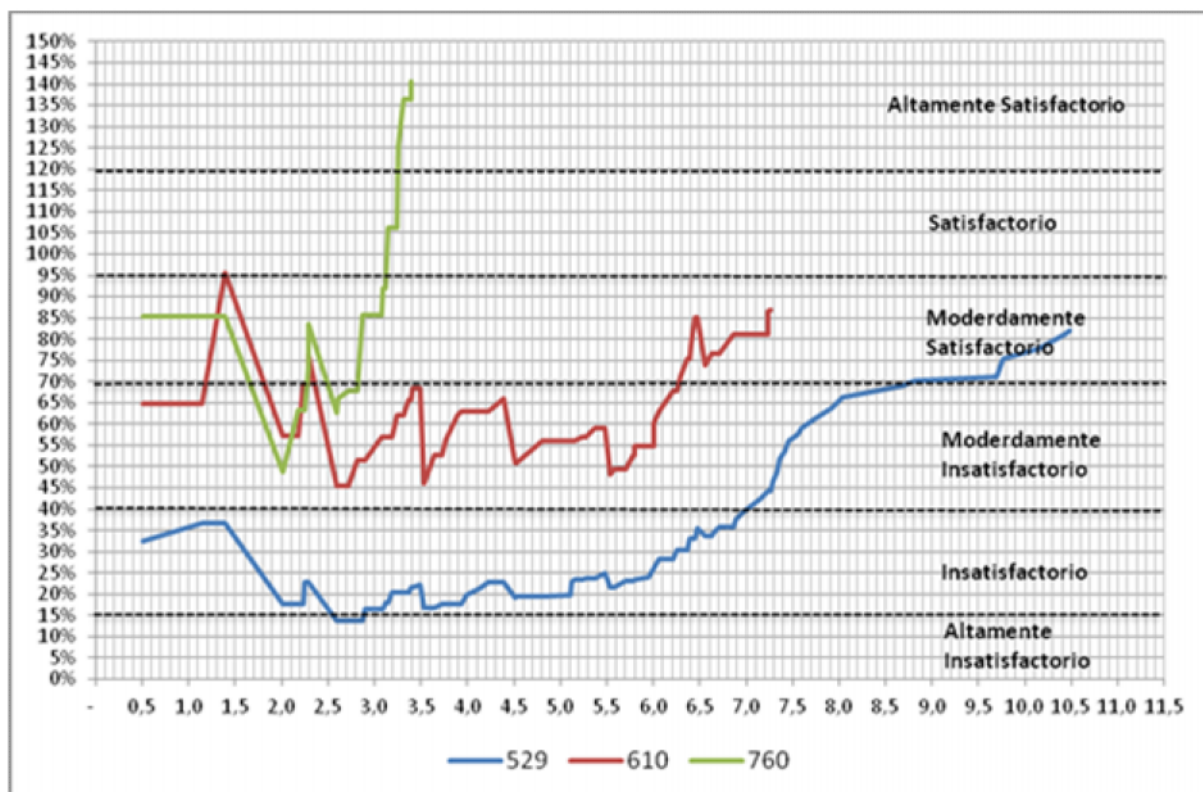


20. FAT and PROCAVAL, after the initial deposit was made in the special account, took a little more than two years to complete the first disbursement. PRODESEC, however, made its first disbursement in the first year.

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 per cent after 3.5 years (20 per cent 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 per cent 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

A. 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.

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

4. Nicaragua has a population of 5.8 million, largely rural (60 per cent 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 per cent, while in the last five years there has been an average annual growth of 4.23 per cent in agricultural production and 10.5 per cent 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 per cent to 14.6 per cent; and rural extreme poverty has been reduced from 30.5 per cent to 26.6 per cent, 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 contributed to reduce it. However, **general poverty** still reaches 42.5 per cent at national level and 63.3 per cent of the **rural population**; a percentage that almost doubles the one faced by urban areas (26.8 per cent).

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.

C. 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.

D. Justification and Rationale

9. Despite the average growth experienced by the agricultural/rural sector of 7-8 per cent 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.

E. 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.

F. 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.

G. 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.

H. 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 CABI 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

I. 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.

J. 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.

K. 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 Incluyente 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.

L. 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)

- 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 Diaz	Fiduciary and Implementation Support Expert

- 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
Key Government Institutions		
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
Agency directors and managers and project coordinators of on-going IFAD Projects		
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
Farmers Organizations and Civil Society Organizations		
UNAG	Alvaro Fiallos	President
UPANIC	Manuel Alvarez	President
FECOSESA	Javier Pasquier	President
FENIAGRO	Madeleine Herrera	Manager
Development Partners		
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> <ul style="list-style-type: none"> - Uneven development of cooperatives: Central Federations and unions strong and weak 	<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	Small and medium farmers and agricultural land with and without Cooperatives Women's Cooperative	<p>Limitations on productivity resulting from the destruction of natural resources and their effects, erratic rainfall, and the meager soil quality. Few opportunities for access to: markets, adding value to agricultural products, agricultural diversification, nonfarm microenterprises, intensification and diversification. 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. Validation, analysis and dissemination of "best practices" developed to promote rural development in the dry region. Enabling poor rural people to access market opportunities. A more rational use of water and soil conservation approach based on demand and natural resources. 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	Dry zone and Atlantic Region Small and medium farmers and agricultural land with and without Indigenous, black and mestizo	<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 Indigenous, mestizo and African descent 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 (former IDR)	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 implemented.	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 projects implemented.	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 implementation capacity	The main risk to the MFCCA is unable to develop its own institutional capacity, which can sustain and to continue the projects after completion.	

	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.	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	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 and has the capacity for	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 supervision.	The greatest risk of SDCC is a political institution in the failure to maintain current policies towards the coast and on the processes of autonomy. Difficulties can manifest themselves in their real ability to support with technical proposals and institutional changes and economic and political processes that	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 evaluation. To this

	coordination with all public sector institutions and External Cooperation.			are taking place in the autonomous regions given their limited operational capability.	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 National Federation of Agricultural and Agribusiness Cooperatives. Five major grassroots organizations (UNAG UPANIC, UNAPA, UNICAFE and the Nicaraguan Association of Non-Traditional Export Products and Goods) that integrate more than 60 per cent of farmers in the country.	Present organizational weaknesses, opportunities and achievement of market integration, which are recognized and are being corrected. 45 per cent 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 with grassroots organizations and	Difficulties managerial and development of new initiatives. Service delivery has been linked to its range of capabilities to meet the real demands of the	Are present in most of the country. It has great potential for development, especially in the provision of services	Not be able to transform and develop mechanisms of care that meet demand and ensure its	

	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.	target population. Many of them depend on foreign aid to operate.	based on demand and especially if they are associated with the marketing and sale of products	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

Typology	Levels and causes of poverty	Measures to combat	Priority Needs	Support from other initiatives	Response COSOP
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 of households suffer from higher levels of exclusion. Workforce in their family plots is mainly	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 youth.	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.	

Intensive peasant farmers and microentrepreneurs	<p>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</p>	<p>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.</p>	<p>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.</p>	<p>Government programs that provide support services to small rural businesses to improve communications, methodologies and knowledge. Funding rural providing for your needs and demands.</p>	
Families and communities	<p>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 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</p>	<p>Temporary and permanent relocation of indigenous communities to Bilwi (Puerto Cabezas) and Managua for employment. Basic grains, hunting, and limited extraction of NTFPs for subsistence (extensive systems cutting, slashing, burning). Sale of rights to third parties to exploit the forest; Rescue of fallen timber</p>	<p>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. Access to capital for investment. Access to technical. Accompaniment to strengthen community organization and territorial</p>	<p>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.</p>	

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 organizations 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.	•
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