

GAFSP Call for Proposals: Producer Organization Proposal Template

Section 1: Basic Data

a. Project Name	CoRe - Corridor Resilient Resilient, inclusive, and transformative recovery of small farmers, women, youth, and indigenous people in the Dry Corridor of Nicaragua	
b. Country and Region	Nicaragua, Centro America	
c. Producer Organization (PO)	Name: National Union of Farmers and Ranchers (UNAG, acronym in Spanish)	
	Address: Residencial las Palmas contiguo al edificio Julia Gonzales Pasos Km 3 1/2 c. Sur, Managua. Postal code: 12051	
	Registration: Escritura No 5 constitución de Asociación civil. Número de identificación en el MIFIC 88-I. (See Annex 6.2: UNAG Certification of registration - MIFIC 2021)	
	Annual report: Annual report is delivered via email to the Ministry of Development, Industry and Commerce - MIFIC (See Annex 6.3: UNAG Financial Audit Report 2017 to 2020)	
	Primary Activities of UNAG	<ul style="list-style-type: none"> • Support to the commercialization and marketing of the production of the members • Rural community development through the extension work made by the network of Promoters UNAG • Improvement of the living conditions of its members • Food and nutrition security through agro ecological and sustainable production • Conservation of plant and animal biodiversity with the implementation of Community Seed Banks • Capacity building for its members in agriculture and livestock
Type of target farmers	Smallholders farmers (men, women, youth and indigenous) organized in cooperatives and other forms of associations affiliated to the UNAG, inhabitants of the Dry Corridor of Nicaragua	
d. PO Mission Statement	The UNAG is an organization of a trade union, business, democratic and pluralistic nature, autonomous and independent, which responds only to the interests of the homeland, its affiliates and the guild in general	
e. PO Focal Person (for this project)	Name: Manuel Antonio Morales Navarro Title: President UNAG Email: presidencia@unag.org.ni	
f. SE Focal Person	Name: Iván Felipe León Ayala Title: Representative FAO Nicaragua Email: ivan.leon@fao.org	
g. Total GAFSP Grant Funding Requested (<i>refer to Annex 1 – Project Budget Table</i>)	Amount Requested: US \$3,561,000	
h. Estimated project start and end date:	11/2022 to 06/2026	
i. Supervising Entity	<input checked="" type="checkbox"/> Food and Agriculture Organization (FAO)	
j. Has the PO previously received a GAFSP Missing Middle Initiative grant?	<input type="checkbox"/> Yes, please complete <i>Annex 4</i> <input checked="" type="checkbox"/> No	

Section 2. Project Description

2.1 Project Development Objective

CoRe main objective is to increase agricultural income and food security for smallholder farmers and recovery from COVID-19 impact in selected areas of Nicaragua's Dry corridor. The specific objectives are to increase agricultural productivity and improve the use of natural capital through the adoption of sustainable production, access to market as well as greater access to complementary value-chain services including finance.

2.2. Proposed project

Nicaragua is one of the countries with the highest poverty index in the region (24.9%¹), and it has been considered the sixth country most affected in the world by climate-related extreme events (CAF, 2014)². The driest municipalities from Nicaragua are considered among the most lagging territories in relation to prevalence of stunting (FAO, 2020)³. At July 2020, up to 500,000 Nicaraguans were suffering acute food insecurity related to extreme drought (FSIN, 2021)⁴. Currently, around 40% of the Nicaraguan population lives in rural zones and depends on agriculture and cattle raising at subsistence economy level.

Over the past few years, Nicaragua experienced a series of subsequent shocks, which seriously affected its inhabitants, in particular those living in the most vulnerable territories. These include socio-political crisis in 2018 that hampered the economy, the COVID-19 pandemic with a negative effect on employment and economic activities, and the aftermath of Hurricanes ETA and IOTA in November 2020⁵. According to data from the Ministry of Finance and Public Credit, affectations caused by both hurricanes reached USD 742 million in losses and damages, equivalent to 6% of GDP for that year⁶.

The area of intervention of **CoRe** is the Nicaraguan Dry Corridor (DC)⁷. The criteria used to establish its exact extent is based on zones whose dry season is longer than four months per year (Rojas, O., 2020)⁸. The DC covers 21% of the nation's landmass, and is administratively divided into 64 municipalities (42% of the 153 nationwide), in which live 37% of the total rural population. Of these, around 60% live in conditions of extreme poverty (MEFFCA, 2018)⁹. There are some 67,000 agricultural holdings in the DC, of which 46% are smaller than two ha¹⁰.

The DC is an area characterised by intensive low-productivity staple food growing systems (maize, beans, sorghum), as well as vegetables and coffee. People also raise poultry and pigs, mainly for subsistence-level family consumption, and to a lesser degree, sale at municipal markets. Although the Pan American highway crosses the region, and distances to markets are not significant, the lack of productive infrastructure, limited access to financing and scarce resources available for management of logistics, make it so that smallholders face difficulties reaching markets and create dependency on intermediaries to sell their products. Low and/or irregular rainfall, coupled with limited coverage by irrigation systems, translate into low productivity and reduce the amount of food available for family consumption (MFEWS and Action against Hunger, 2010)¹¹. Along the same lines, there are barriers to the introduction of new technologies and climate-smart practices, a deeply-rooted conventional production based on a high dependence on agrochemicals and monocultures, lack of training, limited financing, little technical assistance and low access to mobile telephone services in outlying areas.

¹ National Institute of Development Information, *Reporte de Pobreza y Desigualdad de la Encuesta de Medición de Nivel de Vida*, 2016.

² CAF-Development Bank, *Vulnerability Index to Climate Change in the Latin American and Caribbean Region*, 2014.

³ FAO (2020). Regional Overview of Food Security and Nutrition in Latin America and the Caribbean, (pp 55). <http://www.fao.org/documents/card/es/c/cb2242es/>

⁴ FSIN and Global Network against Food Crises, *Global Report on Food Crises*, 2021.

⁵ OCHA (2020). PLAN DE ACCIÓN NICARAGUA. <https://reliefweb.int/sites/reliefweb.int/files/resources/Nicaragua%20Plan%20de%20acci%C3%B3n.pdf>

⁶ Press release: *Hurricanes Eta and Iota Preliminary Physical Damage Report*, 2020. <https://www.el19digital.com/articulos/ver/titulo:110251-informe-preliminar-de-danos-materiales-de-hurricanes-eta-y-iota-presentado-al-cuerpo-diplomatico-agencias-de-cooperacion-y-ong> Access here.

⁷ The Nicaraguan Dry Corridor is part of the Central American Dry Corridor, which stretches from the Pacific Coast of Guatemala to Costa Rica and the so-called Dry Arch in Panama.

⁸ Rojas, O. *Agricultural extreme drought assessment at global level using the FAO Agricultural Stress Index System (ASIS)*. Weather Climate. Extreme, 2020.

⁹ Ministry of Family, Community, Cooperative and Associative Economy (MEFCCA), *Climate-Resilient Agriculture in the Nicaraguan Dry Corridor Project*, 2018

¹⁰ World Bank, *Dry Corridor Strategic Framework*, 2018.

¹¹ MFEWS and Action against Hunger, *Livelihoods Profiles in Nicaragua*, 2010. [Access here](#).

An analysis of the situation of rural women and youths undertaken by FAO in 2021 used the Food Insecurity Experience Scale (FIES), finding that 65% of households had some degree of food insecurity, 25% are exposed to severe levels, with less probability of being able to acquire sufficient food to satisfy their food energy needs. Another 20% were in a situation of moderate food insecurity, meaning they did not have regular access to sufficient nutritious food. Women in particular were forced to reduce the number of daily meals, sizes of portions served and consumption of several types of food, thus lowering their protein intake. On the other hand, the application by FAO of the Diet Diversity¹² tool in 80 DC communities indicated there was only scarce access to healthy foods such as fruits, vegetables and/or products of animal origin (eggs, poultry, and fish). These foods were replaced by the consumption of highly energetic foodstuffs such as grains, vegetable oil, sugar and coffee, among others.

CoRe will be implemented over a three and a half year period, with a total budget of USD 4.1 million. The National Union of Farmers and Ranchers¹³ (UNAG, acronym in Spanish), will be in charge of implementation through 192 affiliated Producer Organizations (PO) in 14 municipalities. According to its organic statutes, *“UNAG is a nationwide trade union organization that represents small and medium farmers and cattle ranchers, with no regard to political or religious preferences. Its work focuses on improving the living conditions of its male and female affiliates, by means of strategies leading to the strengthening of production, organization, merchandising and adding value to production”* (see Annex 6.4: *UNAG Institutional Document*).

The target population is 10,000 farmers, all of whom are organized in cooperatives and associations affiliated to UNAG. The intervention will focus on the provinces of Matagalpa, Estelí and Madriz, specifically on 14 municipalities and directly benefiting 4,369, of which 43% are women, 27% youth, and 13% indigenous (see section 2.3).

CoRe focus on reducing the vulnerability of livelihoods, increase the resilience and productivity of agricultural and livestock-raising systems, and promote economic opportunities for members of cooperative organisations affiliated to UNAG, with emphasis on young adults, women and indigenous. To reach these goals, approaches will be as follows:

- Climate-Smart Agriculture (CSA) based on FAO and UNAG experiences. There will be support for climate change (CC) adaptation measures, furthering food production in selected areas, improving productivity, creating resilience through the implementation of agro ecological practices, among others. Ensuring sustainable management of agricultural and natural resources, and increasing family income in order to alleviate poverty and strengthen the resilience of population groups in general, and women, young adults and indigenous in particular (see section 4.2).
- Information and communications technology, and Communication for Development¹⁴ will be key to issues such as access to markets and knowledge management on CSA (components 2 and 3). Recent FAO experiences with COVID-19 impact response and climate adaptation projects will be the foundation for these efforts¹⁵ (see section 2.7).
- As a differentiating element in terms of adoption, outreach and sustainability, the Project will follow the sustainable rural development Farmer-to-Farmer approach used in the “Promoters” programme, which UNAG has been implementing since 1987 (see Annex 6.5: *The UNAG Experience in the Farmer-to-Farmer Programme*). Today UNAG has more than 300 Promoters in the different rural communities of the country. Promoters will be central actors in the development of **CoRe**, with a double role: on the one hand, they will benefit from the strengthening of their capacities with the different

¹² FAO, *Study of diversity of household diets, RELEVA and AGRIADAPTA projects*. 2021. 80 DC communities were visited. It is a qualitative measurement of food consumption, that uses a points system to reflect the diversity and quality of foodstuffs consumed by the family in a particular household; as well as access to their diet, based on income. For data analysis purposes, the period of reference used was the 24-hour dietary recall.

¹³ UNAG Official Facebook Page: <https://www.facebook.com/unag.nicaragua/>

¹⁴ FAO's work in Communication for Development: <http://www.fao.org/communication-for-development/en/>

¹⁵ See information on the AGRIADAPTA project: [Access here](#) and [see de video here](#)

components of the project, and on the other hand, through this network of Promoters, the project will be mainly implemented at community level.

- Financial inclusion to ensure access to markets and generation of incomes for families. Actions and investments will be promoted so farmers and cooperatives gain access to sources of financing (soft loans or donations) (component 3). UNAG's small loans programme titled "Sowing Hope" will be adjusted and capitalised (see Annex 6.6: *UNAG Credit Policy*). In addition, an alliance will be forged with a commercial bank to design a special mechanism to promote finance access from women, youth and indigenous (see section 2.5).
- Economic empowerment of women and young adults: these population groups will be at the core of all Project components. Prior experiences of both UNAG and FAO in the DC will be used for reference, such as the Adaptajovenes Network promoted by FAO and Swiss Development Cooperation (SDC)¹⁶, and the post-COVID economic and entrepreneurial reactivation processes undertaken by FAO and the Canadian International Development Agency (CIDA)¹⁷. As well as lessons learnt when implementing the UNAG's Farmer-to-Farmer programme will be taken into account (see section 2.7).

CoRe's long-term impact is to reduce poverty among families affiliated to UNAG in the Dry Corridor. In order to achieve the development objectives of the project, it seeks to obtain the following outputs: **1)** UNAG and its producer organizations improves their management and governance capacity. **2)** Farmers organized in cooperatives and associations affiliated to UNAG produce in a manner that is both sustainable and climate-resilient. **3)** UNAG farmer organisations are capable to support their members to access to information, financing and markets.

Based on UNAG and FAO experience, and in order to achieve the outputs set forth, each of the three components will carry out the following activities:

- **Component 1** will address the output "*UNAG and its producer organisations improves their management and governance capacity*". The **core** on this component will be an institutional assessment of UNAG and its affiliated POs that will be conducted by FAO; based on this assessment, a strategy for strengthening UNAG and its affiliated PO capacity, including training and mentoring, will be developed. The topics to be covered under the programme are accounting and financial management, leadership, negotiation, organizational management and an introduction to the principles and practices of responsible investments in agriculture and food production systems. On-site mentoring for each of the more mature POs will follow the training program, offering them special topics related to organisational development, such as the ability to present and defend projects, membership registration systems, minutes of meetings, as well as report to the membership. Further, a specific training programme for UNAG's Promoters on the economic rights of women and their access to the means of production will be implemented, lead by UNAG's Women Secretary. Another **CoRe** activity, for all three components as a way to build back better, will be to design and implement a Communications for Development Strategy (CDS) based on the use of ICT tools. This strategy is especially oriented to three types of users (main actors of this project), the Promoters of the UNAG's Farmer-to-Farmer Program, the youth of the POs and women leaders at the community level (includes indigenous). This component will also support the consolidation of UNAG's national membership registration platform (physical and digital).
- **Component 2** will address the output "*Farmers organised in cooperatives and associations affiliated to UNAG produce in a manner that is both sustainable and climate-resilience*". The **core** of this component is the Climate-Smart Agriculture approach. Activities includes the activation of community networks that will manage water for multiple productive purposes; the establishment of irrigation systems for commercially relevant crops and products (maize, beans, sorghum, eggs, honey). Likewise, water-harvesting systems will be built or reactivated, followed by the installation of low-pressure micro-

¹⁶ See press release: Red Adapta Jóvenes fortalecen conocimientos en comunicación para el desarrollo y el uso de TICs. [Access here](#)

¹⁷ See social media information on the RELEVA project: [07/13](#); [07/27](#); [08/05](#); [08/06](#); [08/10](#); [08/11](#); [08/25](#)

irrigation systems. Another activity will be to develop a training programme especially on the topic of CSA adapted to conditions prevailing in the Dry Corridor; FAO will technically support this. The CSA programme will follow the Farmer Field School approach replicating it in a cascade format, where Promoters will have to share the knowledge with their communities. For that purpose and based on UNAG and FAO experience, Agro Ecological Field Schools (AEFS) will be implemented on selected farms in each municipality; AEFS will be leveraged with the use of ICTs as a mechanism to promote knowledge sharing (CDS - component 1). These AEFS will become learning centres from which technical management practices will be disseminated (see section 2.7). In order to be better prepared for future double affectations (pandemic plus drought), one of the activities will be the participative design of community plans for climate adaptation and climate-resilient agricultural solutions. This activity supported by FAO will be carried out in alliance with the local mayor's offices, private actors and institutions. In order to encourage youth inventiveness and innovation, in partnership with the AGROINNOVA program¹⁸ of the Nicaraguan Institute of Agricultural Technology - INTA, a special module mechanism will be implemented to promote the dissemination of low-cost CC adaptation technologies, led by young people. One highly relevant aspect of this component is family food and nutrition security. To that end, and based on the experience of UNAG affiliates¹⁹, bio-intensive productive gardens and Community Seed Banks (CSB) will be established (see Annex 6.7: *Community Seed Banks Guide*). The CSB and bio-intensive gardens will also allow to develop a programme that encourages healthy and nutritious food consumption habits, focused on conservation and alternative utilization of local food as a strategy to be better prepared for crises such as COVID 19 pandemic.

- **Component 3** will address the output *"UNAG farmer organisations are capable to support their members to access to information, financing and markets"*. Activities included in this component will be the training of UNAG Promoters and organisation leaders, women in particular, to identify market opportunities and formulate business plans (BP) to be supported by the project (loans or grants). Experts will be invited from government, the private sector and academy, to work on issues of interest identified by the POs during the design of the training. The component includes exchange visits, information sessions and commercial fairs, depending upon their interests and needs. A **core** activity for access to financing will be to capitalise and scale up the UNAG "Sowing Hope" credit programme, through which BP promoted by the project (and others from UNAG's members) will be financed. FAO will support the review and analysis of the current UNAG's credit policy to introduce in it responsible investment principles. Also, as part of the "Sowing Hope" Program, a small grants mechanism will be designed and implemented, especially aimed at financing productive initiatives of women, young people and/or indigenous. Additionally to the "Sowing Hope" Program, UNAG will seek to establish an alliance with the bank *"Banco de Fomento a la Producción"*, aiming to designing a finance mechanism exclusively for their cooperatives. Using project resources, a technical assistance program will be set up to support the initiatives financed by the loans and grants granted; likewise, POs will be accompanied as they prepare information and the process advances. As a COVID-19 mitigation measure, and in the framework of the CDS program (component 1), digital marketing initiatives will be financed in those communities and organisations meeting minimum requirements. This activity will benefit from prior FAO experience in the Dry Corridor²⁰. Finally, in this component FAO will support POs to formulate and implement sanitary protocols for safety management in the value chain, especially to prevent the spread of COVID-19 in the markets.

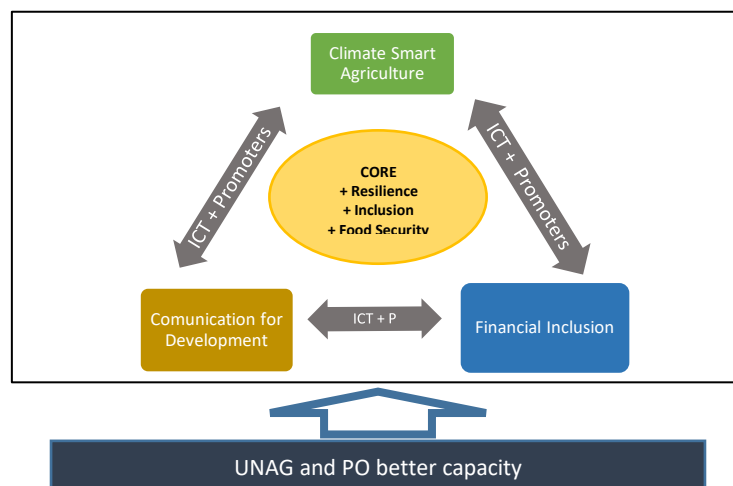
The overall strategy of the project, based on the intention to build back better, is founded on three pillars: Communication for Development, Climate-Smart Agriculture, and Financial Inclusion. These pillars interconnect by two elements that act as catalysts: the use of ICTs and UNAG's network of Promoters.

¹⁸ Launch of 3rd. Edition of the National Innovation Award: [See here](#)

¹⁹ Systematization of agro ecological production farms: [Access here](#)

²⁰ See press releases: [03/25](#) ; [06/18](#)

Sustainability will be determined by the institutional capacity built at UNAG and the Producer Organizations that will be improved by **CoRe** (see graph below).



2.3. Target population and targeting strategy

The activities addressed to strengthen UNAG capacity will benefit more than 10,000 smallholders living in the Nicaraguan DC. There will be 4,369 direct beneficiaries, members of 192 producers organisations affiliated to UNAG, of which 43% are women, 27% youth, and 13% indigenous (see table 1, and Annex 6.8: *Description of the organizations*). These smallholders live in 143 communities from 14 municipalities spread through four provinces (see Annex 6.1: Geographic Area of Intervention).

The project's targeting process consists of two stages, first geographic targeting and, second, where the families will be selected. A multi-criteria analysis was used for geographic targeting, as follows:

- 1) **Municipalities with the highest drought indexes over the past decade:** Annual mean rainfall in the DC is usually inferior to 800 mm and in some places as low as 500 mm. This project prioritises municipalities that have had irregular rainy seasons, with dry seasons lasting more than six months²¹.
- 2) **High levels of food insecurity on the FIES scale:**²² With data from the March 2021 FAO household survey, the DC municipalities with the highest indexes were selected.²³ Results show that 56% of respondents at some point did not have enough to eat. The municipalities with the highest score of FIES whose classification is from moderate to severe food insecurity were selected.
- 3) **Women are most vulnerable:** The same FAO survey found that around 70% of those interviewed had seen or heard about acts of violence perpetrated against women in the community. The majority of women (62%) earn less per month than men, and 86% have never had technical training. Only 14% had ever received a means of production from a project. Again, the municipalities with the highest percentages on the above criteria were selected.
- 4) **Affected by Hurricanes Eta and Iota:** According to data from a January 2021 FAO diagnostic carried out in the DC, 47% of those interviewed reported a reduction of more than 50% of their income. The main reasons for this are low production levels and the Hurricanes ETA and IOTA. The damage caused as these storms swept through had consequences for subsequent planting cycles, ruined secondary and tertiary access roads to farms, damaged soils and infrastructure, and caused the loss of bean harvests. In some municipalities, crop damage was total.
- 5) **UNAG presence:** This organisation of farmer cooperatives has been in the project area of influence for over forty years. This ensures it has a solid social foundation, knows the setting well and has relations with community leaders.

²¹ FAO, Estudio de caracterización del Corredor Seco Centroamericano, 2012. [Access here](#)

²² More about the Food Insecurity Experience Scale: [Access here](#)

²³ The survey shows that 47% of respondents have been unable to eat healthy and nutritious food for lack of money or resources. This situation is most prevalent among women older than 45 years, in particular if their schooling is at grade school level. Approximately the same percentage perceives the COVID-19 pandemic to be one of the causes of this situation. Finally, 35% of the households surveyed stated they felt hunger at times, but had not eaten for lack of resources or money.

Project priorities were defined by cross-referencing the aforementioned criteria. In the table below the results of the multi criteria analysis.

Table 1: Direct project beneficiaries

Province	Municipalities	Men	Women	Total	Youth	Indigenous	No Communities
Matagalpa	Dario	528	559	1087	310		21
	San Dionisio	445	187	632	208		9
	Terrabona	271	294	565	164		10
		1244	1040	2284	682	0	40
Madriz	Totogalpa	138	45	183	32	183	9
	Telpaneca	70	42	112	11	112	4
	San Lucas	29	15	44	4		4
	Las Sabana	20	23	43	4		4
	Palaguina	40	28	68	10		5
		297	153	450	61	295	26
Esteli	Pueblo Nuevo	360	300	660	157		30
	Condega	174	147	321	89		14
	San Jose de Limay	84	49	133	34		9
		618	496	1114	280	0	53
Nueva Segovia	Santa Maria	32	23	55	13		3
	Macuelizo	135	78	213	61		9
	Mozonte	166	87	253	75	253	12
		333	188	521	149	253	24
Total	14	2492	1877	4369	1,172	548	143

Direct project beneficiaries will be selected based on an identification process undertaken by UNAG among its associates in each of the municipalities in the area of intervention. This will be done by using registered information regarding farm size (smallholders owning less than 3.5 ha). Persons belonging to least favoured / most vulnerable groups (women and young adults actively working the land). Holdings located in indigenous territories and holdings in those places where crops are most exposed to climate change impacts and there is potential for crop diversification / adaptation to alternative technologies to reduce climate vulnerability. The next step during detailed project formulation will be to hold community assemblies at which the results of the identification process will be shared and issue a call for proposals from residents in the selected municipalities, thus ensuring that the work to be done reflects the needs and wishes of beneficiaries. This process will receive technical assistance from FAO.

2.4 Major obstacles to smallholder and related small business development in the food and agriculture sectors in the project area

Year 2020 was one of the three warmest years on record in Central America. Temperatures were 1.0°C above the 1981-2010 average²⁴. As noted earlier, the Nicaraguan Dry Corridor is a very vulnerable territory, in which drought, poverty and fragile livelihoods have been exacerbated by the hurricanes and COVID-19 pandemic.

During the consultation process for this proposal, carried out in August 2021 (see Annex 6.9: *Consultation Process Report*), participants reported experiencing in their communities an important increase in cases of COVID-19 infection, as had not been seen since the pandemic officially began in the country, almost a year and a half ago. There is fear, uncertainty and precariousness, since, due to the effects of the pandemic, the price of inputs for production, medicines and food continue to rise. Another effect of the pandemic and the general situation of the country is the significant drop in family income, which has stimulated the migration of thousands of young people from the northern region, to other countries in Central America, the United States and Panama as their main destinations. In recent months, according to producers in the workshops,

²⁴ World Meteorological Organization, *The State of the Climate in Latin America and the Caribbean, 2020*

there have been waves of migration, mainly of young people who travel on their own, facing multiple dangers.

In the DC zone, 50.5 % of the land is classified as affected by high droughts effects. Most of the population lives in conditions of food insecurity and malnutrition. Agri-food systems are neither inclusive, resilient nor sustainable, are inefficient and do not provide for sufficient income to live. Currently, there are unfavourable conditions for all inhabitants to maintain a healthy diet; additionally, there is also a very inefficient relationship with the markets, this harms the processing of production, which ends up with little or no added value.²⁵.

For the most part, traditional production models persist in the DC, with limited capacity to adapt to CC and external events. This has prevented the build-up of resilience, a situation exacerbated by the COVID-19 pandemic, whose main effect has been to increase prices for agricultural inputs, reduce demand foodstuffs, and further undermine already precarious household incomes.

The absence of an equitable merchandising system, transparent and without distortions undermines the sustainability of economic enterprises and value chains. A FAO study conducted in May 2021 about conditions of vulnerability among rural families in the Dry Corridor, provided data on the current state of local enterprises, markets, incomes and financing. Forty-seven per cent (47%) of respondents reported a reduction of over 50% in their income, the main reasons being low production and natural disasters. Eighty-five per cent (85%) were unable to save money over the past six months. Ninety per cent (90%) stated that lack of financial resources is the main cause of their vulnerability. Twenty-two per cent (22%) has some sort of enterprise going, of which 19% finance themselves. Less than five per cent (5%) has access to loans, only one per cent (1%) receives donations, and over seventy (70%) live in highly vulnerable conditions in terms of physical capital (meaning they reported having no assets such as corrals, chicken coops or pigsties, nor technologies such as an irrigation system). Most of those queried stated that the most significant damage caused by the hurricanes was the loss of their crops.

The limited economic and social participation of women and young adults under equal conditions is a structural factor that further debilitates the status quo in the DC, a situation worsened by the arrival of COVID-19. The recent FAO study conducted in 2021 in the DC indicated that the main challenges faced by women and young adults are unemployment (54%), poverty (50%), the high cost of living (28%), the drought (28%), and COVID-19 (21%).

The same study identified other factors that limit the economic and social participation of women and young, are the fact that only 39% of women finished primary school; only 14% received training or technical assistance, a figure that drops to 11% among the young. Further, 85% have not had access to a loan in the past 12 months, 86% have not benefited from a project, 70% do not have income-diversifying enterprises and 66% of women have no access to markets (77% in the case of young women and 63% in that of indigenous women). The use of ICT in merchandising continues to represent a challenge, as it does not suffice only strengthen capacities to propitiate better use of these tools.

As to access to natural resources such as water, most families (71%) have wells, but these no longer cover basic needs, let alone provide water for irrigation, thus further limiting their opportunities to produce food beyond the amount needed for self-consumption. The remainder gets water from natural sources, but due to droughts and extreme climate events, these are scarce and polluted. Whatever forests are still standing are under tremendous pressure, given that 88% of rural households use fuelwood for cooking and need to fetch it from ever farther away. Carrying water and fuelwood are both responsibilities that fall mainly to women, which increases the number of hours dedicated to reproductive work and leaving little time for income-generating activities. As for the impact of COVID-19, these were a main source of concern for all noted its deleterious effect upon production (high cost of inputs and seeds), merchandising (closure of businesses) and the well-being in general of families (hoarding of medicines, fear of leaving home).

²⁵ More information about the Dry Corridor: [Access here](#)

Most of the actions proposed in this project are the outcome of analyses of the various studies referenced and the qualitative experience garnered by UNAG as an organisation with a presence in all DC municipalities. Many of the aforementioned problems are systemic, some of which were compounded by the pandemic, such as the reduction of demand for products, job losses and the increase in the prices for agricultural inputs (distributors declare this is due to shortages, higher prices for raw materials and delays in the supply chain due to COVID-19).

2.5 Describe proposed linkages between project objectives and private sector actors

In its more than 40 years of existence as a trade Union organisation, UNAG has developed many relationships with actors in the private, financial and government sectors, as well as international NGOs and universities. In the framework of this project, the following are considered the main strategic alliances:

- **Banco de Fomento a la Producción (BFP)**²⁶. FAO through **CoRe** will support UNAG to forge an Alliance with the BFP (component 3) in order to create a finance mechanism to be designed during the detailed Project formulation phase. It will serve as a complement to UNAG's "Sowing Hope" program bringing a way to scale up program in term of quality and quantity. **CoRe** will offer technical assistance to the small projects that will potentially receive loans and grants.
- **Agricultural inputs companies:** During the project formulation phase, alliances will be sought with agricultural product distributors, for the purpose of designing and validating a possible instrument leading to access to inputs by farmers at preferential prices, consignment or inputs-for-work mechanisms, using the credits to be granted through the project.
- **Telecommunication companies:** FAO has previous experience of working with telecommunications companies at the DC developing initiatives through the provision of technology and agro climatic content on climate change adaptation. Alliances with these companies will be promoted by **CoRe**.
- **Gathering and/or exporting companies:** during the project formulation phase, partnerships will be sought to establish prices and potential advance harvest sales for beans and coffee, which are exportable products and have longer value chains.
- **Local private actors:** It is planned to work with ten mayor's offices on Community Plans vis-a-vis climate change and climate-resilient agricultural solutions, a process to which FAO will offer advisory services. For the construction of those Community Adaptation (component 2), will seek to invite private actors at the local level.

2.6 Describe expected results of this project and how they will be measured at output, outcome, and impact levels

The expected long-term impact of **CoRe** is the reduction of poverty among the families of the POs affiliates to UNAG in the Dry Corridor. The national poverty surveys conducted by INIDE and the Central Bank of Nicaragua would be use as a reference for its measurement.

It is expected that as a main outcome UNAG and its POs provide its affiliates with sustainable access to services, technical knowledge, markets and financing. Thus reducing the vulnerability of livelihoods, increasing agricultural resilience and productivity, and promoting economic opportunities by access to finance, mainly for women and youth; to stimulate their recovery from the COVID-19 impact and improve their food and nutrition security. To measure it the project will focus on three indicators: 1) Amount of increase in household income due to better access to markets and increased sales of their products. 2) Reduced percentage of households participating in the project experiencing moderate or severe food insecurity (FIES scale). 3) Number of new or expanding economic initiatives leading by women and/or youth that access financing.

To achieve the foregoing, the project proposes three outputs and their respective indicators as follows:

²⁶ Production development bank's Home page: <https://www.bfp.com.ni/>

1. UNAG and its producer organizations consolidate their management and governance capacity. To measure this output the project will focus on three indicators: 1) Number of UNAG members that are in the membership registration systems. 2) Number of UNAG promoters using ICTs to provide technical assistance and knowledge management. 3) Number of people from PO affiliated to UNAG trained in organizational management.
2. Farmers organised in cooperatives affiliated to UNAG produce in a manner that is both sustainable and climate-resilience. To measure this output the project will focus on two indicators: 1) Percentage of increase in yields due to implementation of climate-smart agricultural practices. 2) Number of hectares where Climate-Smart Agriculture (CSA) practices are applied.
3. UNAG's farmer organisations are capable to support their members accede to information, financing and markets. To measure this output the project will focus on three indicators: 1) Number of entrepreneurships (individual, familiar, and/or collective), which increase in production marketed due to new market information. 2) Number of agreements or partnership established with private sector to increase the access to finance and/or means of production to UNAG's members. 3) Number of POs members implementing new business plans financed through "Sowing Hope" program.

The project's monitoring and evaluation activities will have a dual purpose: (i) learning and (ii) accountability. As part of the accountability to the GAFSP and to FAO the scope of the project's M&E activities will extend to cover monitoring, performance assessment, and reporting on project implementation using the project annual work plan and budget and the logical framework.

The measurement of components, outputs, indicators and development objectives will take place by means of a Monitoring and Evaluation Plan that guide the work on matters such as performance, lessons learnt and project evaluation. The plan will include baseline data for indicators, goals, intermediate performance measures, and means of verification, data sources, indicator descriptions and methods by which to measure each of these. Information from participants will be disaggregated by sex.

The project will monitor and report on its physical and financial progress in relation to the work plan and annual budget. Results will be supervised by FAO following up on the indicators identified in the logical framework, as well as by using the risks record of phenomena that may affect project implementation, thus ensuring it is in a position to supervise and respond with timely mitigation measures.

This project requires the establishment of a baseline, a midterm review during its second year and a final evaluation.

2.7 What evidence is there that the proposed approach and activities will successfully address the issues identified?

For the preparation of this project, a rigorous analysis of primary and secondary information has been carried out to provide documented support and empirical data to the proposed approaches. Likewise, the more than four decades of operation of the UNAG and the more than 40 years of FAO presence in the country have been used as a basis for the design of this project.

CoRe design mainly has taken into account the lessons learnt and evidence generated over the past ten years through participatory research, the implementation of cooperation projects, specific studies in the intervention area, and the Farmer-to-Farmer promotor programme using the learning-by-doing methodology developed by UNAG and FAO. In addition, the evidence garnered from studies conducted by FAO in the Nicaraguan Dry Corridor was used (see earlier sections, above).

UNAG has worked with the National Agrarian University (UNA) and the National Council of Universities (CNU) for many years now, and has actively participated in meetings and undertaken research leading to developments in agriculture and cattle raising in Nicaragua. Some of these are used as references in this

project, among them: *Agro-ecology and Agribusiness: Foundations for Rural Development in Nicaragua*²⁷. *Agro ecological Evaluation of Two Coffee Agro-ecosystems with Coffee Arabica L. in San Ramón and Two in Condega*²⁸. *Agro ecological Evaluation of Two Agro-ecosystems with Cattle in Las Lagunas and Two in Boaco*²⁹. *Agro ecological Evaluation of Two Agro-ecosystems with Staple Foods in Diriamba and Two in Chinandega*³⁰. *From Agro ecological On-Farm Practices To Political Advocacy*³¹. *Systematization of the Economic Experience of Women Beneficiaries at UNAG, Estelí*³².

Further, UNAG is a leader in the Nicaraguan agriculture and livestock-raising sector, producing evidence, data and participating in platforms created to improve decision-making in the sector. Over the past years, the following studies and systematisations have been undertaken and are now under consideration for project formulation: *Community Seed Banks: Sowing Food*³³. *Agro-ecological Technical Manual*³⁴. *Field methodologies to determine depth, apparent density, organic matter, water infiltration to the soil, its texture and Ph*³⁵.

In addition, four FAO studies and diagnostics carried out in the DC were used in the formulation of this project. These have been very useful when analysing the problem at hand and designing an intervention strategy:

1. Characterisation and Socioeconomic and Cultural Analysis of Women, Rural Youth and Indigenous persons in Eight Provinces in the DC.
2. Diagnostic of conditions of vulnerability among rural families affected by COVID-19 and Hurricanes ETA and IOTA in the area covered by the AGRIADAPTA and RELEVA projects in the Nicaraguan DC.
3. Study on technology and digital marketing plan for promoting Rural Entrepreneurships in the DC, carried out in preparation for a project, in emergency response to the impact of COVID-19 on rural livelihoods and the food system.
4. Diagnostic on the status of existing economic enterprises in the in the area covered by the AGRIADAPTA and RELEVA projects in the Nicaraguan DC.

Finally, experiences and lessons learnt from relevant international cooperation projects were taken into account. These will contribute to further detailing project formulation:

- The NICAVIDA Project, financed by IFAD³⁶ in DC municipalities, indicates that the main barriers that constrain farmer families from adapting to CC are the droughts affecting their harvests, scarce access to water for human consumption, irrigation and cattle troughs. Also limited capacity to implement sustainable land management practices worsening soil degradation and erosion due to loss of forest cover and inadequate farming practices. Finally poor productivity, low schooling levels and few training opportunities.
- The PAIPSAN³⁷ project financed by GAFSP showed that the provision of training in agricultural technology and technical assistance to organized farmers, as well as the creation and promotion of income-generating activities is a good strategy in the context of Nicaragua. The project also supported training in nutrition, aimed at changing behaviour and raising awareness and knowledge about nutrition and the role of agriculture in the improvement of nutritional results.
- Projects implemented by FAO: AGRIADAPTA, financed by SDC, and RELEVA, financed by CDA.

²⁷ National Council of Universities. *La Agroecología y Agroindustria. Bases para el Desarrollo Rural en Nicaragua*, 2021. [Access here](#)

²⁸ European Union, UNAG, *Evaluación Agroecológica de dos Agroecosistemas con Café en San Ramón y Dos en Condega*, 2017. [Access here](#)

²⁹ European Union, UNAG, *Evaluación Agroecológica de Dos Agroecosistemas con Ganado Bovino en Las Lagunas, Boaco*, 2017. [Access here](#)

³⁰ European Union, UNAG, *Evaluación Agroecológica de Dos Agroecosistemas con Granos Básicos en Diriamba y Dos en Chinandega*, 2017. [Access here](#)

³¹ Alianza por la Agroecología, *De la practica agroecológica en la finca a la incidencia política*, 2016. [Access here](#)

³² National Agrarian University, *Systematization of economic experiences of women beneficiaries of UNAG*, 2005. [Access here](#)

³³ Plataforma Zona Alta de Matagalpa, *Bancos comunitarios de semillas: siembra y comida*, 2012. [Access here](#)

³⁴ Movement of Agroecological and Organic Producers and Producers of Nicaragua. *Agroecological Technical Manual*, 2019. [Access here](#)

³⁵ National Agrarian University, UNAG, *Manual: Metodologías de campo para determinar profundidad, densidad aparente, materia orgánica, infiltración del agua, textura y Ph en el suelo*. [Access here](#)

³⁶ Government of Nicaragua, IFAD. *Proyecto de Desarrollo Sostenible de las Familias Rurales en el Corredor Seco de Nicaragua*. 2016. [Access here](#)

³⁷ World Bank, GAFSP, *Caribbean Coast Food Security Project (PAIPSAN)*, 2015. [Access here](#)

2.8 In summary, why should GAFSP provide grant funding to the proposed project?

In Nicaragua, insufficient and inefficient financing continues to be a major constraint to business development, which exacerbates the impacts of COVID-19 and climate change. Inadequate access to relevant capacity building and financial services is hampering economic growth by undermining the adoption of new climate-smart technologies available and, limiting the development potential of MSME. Access to finance in Nicaragua is characterized by low and unequal access to credit; high cost of intermediation; and low availability and appropriateness of financial products. **CoRe** may be the only opportunity for many smallholders, women, youth, and indigenous people from DC to access financing, means of production, information, and markets. Likewise, the history, capacity and knowledge of UNAG after more than 4 decades of continuous work in the rural areas of Nicaragua, are valuable capital that contributes to the institutionalization, appropriation, and sustainability of the results to be achieved with the project.

Section 3. Context for the Proposed Project

3.1 Describe the state of the agriculture and food system in the project area, including any current and future pressures on the sector (e.g., climate risks)

Smallholders in the Dry Corridor (DC) grow mainly maize, beans, coffee, cassava, musaceans (bananas and plantains) and different types of squash (pipián, ayote). As to fruit, the most common are red mombin, guava, soursop, sapote, Spanish lime, tamarind, nance, citruses, mango, avocado and watermelon. Regarding tubers and vegetables, they grow tomatoes, sweet peppers, onions, potatoes, chayote and cabbage. Barnyard animals include poultry, cattle and pigs³⁸. Basic grains and coffee are the main products at commercial level, especially corn and beans, which are produced on an average of 2.8 ha per family. The income of small-scale basic grains producers averages are 91 USD / month³⁹.

All products are sold at local and/or regional markets through middlemen or collectors, by means of a structure based on intermediation (purchase or consignment, followed by sales at the aforementioned markets). Only coffee, and beans to a lesser extent, may reach foreign markets, but again through commercial intermediation.

Climate change and variation have become ever more evident over the past few years. It is estimated that 1.6 million Nicaraguans are at risk from hurricanes, while severe droughts may affect some 300,000 persons in the DC, a number that tends to rise in years when the *El Niño* climate pattern makes itself felt⁴⁰. This situation is exacerbated by the vulnerability of ecosystems as a result of forest cover degradation caused by an extensive agriculture and cattle raising model, soil erosion and the depletion of ground- and surface water sources, all of which lead to low productivity, food insecurity and poverty⁴¹.

In addition, it has been documented that the impact of climate change is greater on rural women and other vulnerable groups, above all as regards access to water sources and food / nutrition security, a situation that is compounded by gender inequalities and stereotypes, the sexual division of labour and the high load of unremunerated work, including the domestic variety⁴². Women spend three times more hours doing household chores than men, a relation that is even higher in the case of indigenous women.

In March 2021 FAO carried out a diagnostic in the project area of influence and found that part of the pressure is exerted by food insecurity, with 76% of respondents reporting that, at least over the past three years, they have not always had sufficient food, in particular since the onset of the COVID-19 pandemic and the period following Hurricanes Eta and Iota in November 2020. For instance, many families found their food reserves for the dry season drastically reduced, in the case of maize to a 30-day stock and with beans

³⁸ IADB, FONTAGRO, *Estrategia de diversificación y aumento de la productividad agropecuaria en el corredor seco de Nicaragua con base en la gestión integral del recurso hídrico*, 2019. [Access here](#)

³⁹ FAO, ACH, EU. *Characterization Study of the Central American Corridor*, 2012. https://reliefweb.int/sites/reliefweb.int/files/resources/tomo_i_corredor_seco.pdf

⁴⁰ IADB, FONTAGRO, *Estrategia de diversificación y aumento de la productividad agropecuaria en el corredor seco de Nicaragua con base en la gestión integral del recurso hídrico*, 2019. [Access here](#)

⁴¹ Adapted from the FAO Project "Technical Assistance to Innovation and Dissemination of Technologies for Adaptation to Climate Change in Agriculture (AGRIADAPTA)".

⁴² FAO, CANADA. *Rural Women, Key to Sustainable Development. An analysis in the socio-productive context on the Dry Corridor*, 2019.

to only 20 days, compared to the usual 50–60 day reserve they keep.

Although in Nicaragua there is no official disaggregated data on the prevalence of COVID-19 in the project area of influence, UNAG has recorded the productive and economic damage caused in this area. The impact caused by the pandemic must be coupled with the onslaught of the two hurricanes, because this double shock has meant that most households in the DC suffered a full loss or at least depletion of their food reserves, a situation reflected in 50% of the municipalities. Furthermore, in the second agricultural cycle harvest of the year 2020, some farmers noted damages of up to 70%, job losses caused by disruptions due to the pandemic, especially in the informal sector (coffee and sugar cane harvests, other local or distant sources of employment); during the peaks in the pandemic many products were not transported to market as a result of mobilization restrictions and fear of contagion among the population, which meant farmers and their families earned less. In addition, prices of agricultural inputs have risen by up to 45% in 2021, which creates a barrier to the reactivation of the main pillar of the local economy: agriculture and cattle raising.

Another consequence of COVID-19 is that a growing number of Nicaraguans who had migrated to Central American countries are now returning⁴³. Most of these come from rural backgrounds and are unlikely to find work in their homeland. This fact and the worldwide economic recession due to the COVID-19 pandemic have also hit the Nicaraguan economy, as remittances from source countries dropped. Fifty-four per cent (54%) of remittances sent by Nicaraguans living abroad come from the US, followed by Costa Rica (19%), Spain (12.5%) and Panama (5.3%). Together, these make up for 91.7% of all and are an important source of hard currency⁴⁴. Diminished remittances could worsen poverty and hunger among families that depend upon them, especially in the countryside⁴⁵.

3.2 How will the proposed project address medium- to long-term COVID-19 response and recovery of the agriculture and food sectors in a changing climate and support the principle of 'building back better'?⁴⁶

CoRe response to the reactivation of the agriculture and food sectors in a changing climate is to develop recovery activities and strengthen resilience, in view of the double vulnerability to which households are subject in the DC. (i) risk of drought, which affects agricultural systems, productivity in particular; and (ii) the impact of COVID-19, which leads mainly to diminished household incomes. Both situations have caused families to seek survival strategies, such as consuming the food kept in reserve and/or diminishing the use of some of the costlier inputs in their sowing-harvesting cycles, although this will further depress already low productivity. Put otherwise, there is an acute situation of household decapitalisation at a time when climate change allows no respite.

CoRe will be effective insofar as it implements short-term responses (focusing on food access and availability), and makes efforts to strengthen medium and long-term resilience (income through access to markets, increased productivity, dissemination of climate change adaptation technologies). It will improve food security, economic recovery and strengthens social capital (UNAG promoter network), while generating opportunities, especially for women, young adults and indigenous. At the same time, it strengthens the knowledge of business management and governance capabilities of UNAG and its affiliate organizations. The use of ICTs in all components of the project will be central both to increase access to information and markets, and to decrease COVID-19's spread.

As mentioned earlier in this document, concrete actions include: 1) providing financing to reactivate

⁴³ By August 2020, 58,094 Nicaraguan migrants had returned, thus increasing unemployment and affecting families that had benefited from the remittances they sent.

⁴⁴ Nicaragua Central Bank, *Report on family remittances*, (2019).

⁴⁵ CEPAL, FAO, *COVID-19 Report: How to Avoid that the COVID-19 Crisis Becomes a Food Crisis. Urgent Actions against Hunger in Latin America and the Caribbean*, 2020. [Access here](#)

⁴⁶ Deriving from its origins in disaster recovery, the term 'building back better' in the context of the present COVID-19 pandemic and recovery encompasses attention to economic recovery while addressing today's global environmental threats. See further information [here](#).

production, agricultural inputs, technical assistance, irrigation systems, grain storage equipment, among other things, to farmers; 2) promoting and adopting climate-smart practices; 3) establishing bio-intensive kitchen gardens, integrating the agro-ecological approach to food production systems; and 4) access to finance to strengthen economic enterprises that increase agricultural incomes. These actions will facilitate the mid term rehabilitation and the building up of resilience over the longer term, based on the principle of “building back better.”

As to the handling of COVID 19, UNAG will implemented the following actions through this project: 1) Strengthening capacity among UNAG network Promoters in the use of telecommunication tools for purposes of virtual management of certain accompaniment of institutional processes. FAO itself has had recent experience in the use of telecommunications to provide rural services. Currently there is an alliance with an ITC company, which may prove useful to the project; 2) Define biosecurity protocols for holding organizational activities (measures to be taken in the various governance spaces have been established); and 3) Identifying critical junctures in the production and distribution chain at which biosecurity practices can take place and thus protect farmers as well as any other actors in the chain.

3.3 What are the linkages between the proposed project activities and strategic priorities relevant to the involved PO(s)?

CoRe is directly at the core of UNAG’s strategic priorities, and those of its POs, specifically as to four of its strategic lines of work. i) Food security based on sustainable production systems that ensure food of high nutritional value by promoting agro-ecology through bio-intensive kitchen gardens. ii) Adaptation and mitigation of the effects of climate change through the promotion and diversification of production, using an agro-ecological approach; agroforestry systems and the protection of natural resources (soils in particular). iii) Biodiversity conservation - UNAG has been a pioneer in the creation and strengthening of Comunitarian Seed Banks nationwide, thus encouraging local production of native and domesticated foreign seeds, as well as the growing of perennial crops in combination with semi-perennial crops, crop rotation, with adequate soil coverage, including leguminous species, which is crucial to increasing soil productivity and sustainability. iv) The development of knowledge management capacities, the main pillar of the Farmer-to-Farmer programme as implemented over the past decade (see annex 6.4: *UNAG Institutional Document*).

3.4 Are the proposed project activities aligned with national priorities (the country’s agriculture and food security strategies, the national COVID-19 Response Plan, or other approved development plans) and are any linkages to government programs proposed?

The activities proposed herein are in alignment with the new National Anti-Poverty Plan 2022 – 2026, and also its link to the following policies⁴⁷: food security and improved nutrition for all through the transfer of value-adding technologies that bolster household economies; the establishment of integrated kitchen gardens in which to grow vegetables, fruit, climbers, tubers, medicinal and ornamental plants, for purposes of both self-consumption and the marketing of any surplus; a gender policy aimed at increasing the conscious protagonism of women in sustainable human development, this through educational and training processes, and practices to enhance their leadership and develop their own businesses and enterprises; and a youth policy to foster their knowledge and support them as they come up with innovative, creative ideas and entrepreneurship.

CoRe is also aligned with the key national policies and strategies being implemented by the National Production, Consumption and Commercial System (SNPCC in Spanish)⁴⁸, in particular with its National Strategy to Promote Family Agriculture for Food and Nutrition Security 2019 – 2021⁴⁹. The Strategy is linked to lines of action that aim to promote crops rich in iron and zinc (rice, beans, maize, cassava and sorghum)

⁴⁷ See more about the National Development Plan 2022 – 2026: <http://www.pndh.gob.ni/descargas.aspx>

⁴⁸ See more about National Strategies : [Access here](#)

⁴⁹ See more about the National Strategy to Promote Family Agriculture for Food and Nutrition Security. [Access here](#)

in rural areas; the use of native and improved seeds that are resistant to droughts, pests and diseases; and the recovery of nutritious ancestral crops.

Furthermore, **CoRe** is aligned with the principles and guidelines of the National Climate Change Policy, which focuses on ensuring gender equity and the incorporation of youth and vulnerable groups (women, indigenous and Afrodescendant peoples, rural communities) in the actions, measures, plans and strategies concerning climate change at all levels⁵⁰.

Likewise, UNAG has institutional relationships that will be key for the implementation of **CoRe's** activities with **National Agrarian University (UNA)**⁵¹, **Nicaraguan Institute of Agricultural Technology (INTA)**⁵², **Ministry of Family Economy (MEFCCA)**⁵³, and **Nicaraguan Institute of Territorial Studies (INETER)**⁵⁴.

Finally, **CoRe** will take into account the national strategic COVID-19 management plan, which ensures that biosecurity protocols are observed in the various spheres of activity, in this case, the food supply chain.

Section 4. Cross-cutting Themes

4.1 Does the proposed project address any of the GAFSP priority crosscutting themes?

- Gender and empowerment of women and girls
- Climate resilience
- Improved nutritional outcomes

4.2 Describe how the project will address the identified thematic focus area(s).

Gender and empowerment of women and girls:

Some of UNAG's member organizations are women's organizations with more than 20 years of experience promoting the development and economic and ideological empowerment of women. UNAG, through their Women's Secretariat, will promote the replication of the best results of previous projects in order to develop processes of this type with other organizations and areas benefited by **CoRe**. Specific actions to contribute to the empowerment of women will be incorporated into the three project components and their strategies, for example, in the training and knowledge management program, in the investment strategy, in the climate change adaptation plans and in the value chains to be promoted. Some specific actions for this can be found in chapter 4.3.

Climate resilience:

According to the Nationally Determined Contribution (NDC)⁵⁵, Nicaragua was the sixth most vulnerable country in the face of climate change. The last report by the Intergovernmental Group of Experts on Climate Change (IPCC), published on 9 August 2021, for the first time offers a more detailed regional climate change analysis in its Interactive Atlas⁵⁶. For Central America, it makes the following predictions: droughts and wildfires, already increasingly observed in the past, will continue increasing in future, especially with higher temperatures (high confidence for droughts, but medium confidence for wildfires); forecast of more extreme rainfall (very probable); forecast of river and flash floods (medium confidence); and forecast of

⁵⁰ National Assembly of the Republic of Nicaragua, Presidential Decree (15-2021): Creation of the National Climate Change Management System and Establishment of the Principles and Guidelines of the National Climate Change Policy. [Access here](#)

⁵¹ UNAG has worked with UNA for decades on research and development initiatives. In the framework CoRe, actions will continue for research and dissemination good agro ecological practices in the DC. In addition, modules will be developed with UNA for the training programmes in component 2. National Agrarian University's Home Page: <https://www.una.edu.ni/>

⁵² UNAG has worked in coordination with INTA before. In the context of the present initiative being formulated for GAFSP, collaboration will be expanded in those work pillars that are strategic for UNAG: i) applied research and exchanges of experience on agro ecological production; and ii) promotion and good practices by which to establish and manage community seed banks. Nicaraguan Institute of Agricultural Technology's Home Page: <https://inta.gob.ni/>

⁵³ Through the project, the participation of UNAG economic enterprises in the promotional fairs the Ministry holds in different parts of the country will be planned. Ministry of Family, Community, Cooperative and Associative Economy's Home Page: <https://www.economiafamiliar.gob.ni/websitemefcca-mvc/>

⁵⁴ A work agreement will be reached with the institute in the framework of the agro-climatology strategy currently under development by FAO, in particular to promote access to the climate information issued through its agro-climate bulletins. This will allow the network of UNAG promoters working with the project to provide climate-based technical assistance. Nicaraguan Institute of Territorial Studies' Home Page: <https://www.ineter.gob.ni/> More information about the FAO's agro-climatology strategy: [Access here](#)

⁵⁵ https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Nicaragua%20First/Contribuciones_Nacionales_Determinadas_Nicaragua.pdf

⁵⁶ <https://interactive-atlas.ipcc.ch/>

more abundant rainfall in the Northern part of Central America during the rainy season (medium confidence).

In this scenario, **CoRe** will support the implementation of climate change adaptation measures, bolstering food production in the selected areas, enhancing productivity, building resilience to climate change, ensuring the sustainable development of agricultural and natural resources, and increasing family earnings, to alleviate the effects of COVID-19 and strengthen the resilience of communities, particularly women, indigenous and young persons.

Through the Climate-Smart Agriculture approach (component 2), will be develop actions identified in the updated NDC of Nicaragua: firstly, water-harvesting and promotion of efficient irrigation systems in the Dry Corridor, through an investment plan to strengthen community networks for water management in an environment with a changing climate; additionally, the construction or rehabilitation of rainwater-harvesting systems will be financed to store water efficiently during rainy seasons and use it during dry seasons in low-pressure irrigation systems and for livestock consumption; secondly, actions to increase productivity in a climate change scenario, aimed at smallholder producers, through native and improved seeds that are resistant to droughts, pests and diseases, soil restoration and conservation through organic integrated nutrition based on crop nutrient demand and soil availability, management of natural resources by smallholder producers (for instance, the inclusion of grain legumes and soil-improving plants into the crop-rotation system), and recovery of ancestral knowledge. **CoRe** will also strengthen community seed banks, which have proven to be an effective method to obtain improved genetic material that is better adapted to the specific climate conditions of each area. The project will promote alternative strategies to generate earnings, so as to ensure that smallholder producers create sustainable, climate-resistant assets as a safety net, to prevent food insecurity in times of crisis and the total loss of crops due to droughts or heat waves.

By training Promoters, young, indigenous and women, and implementing the Communications for Development Strategy by using ITC's (component 1), data on resilient farming practices, adequate soil preparation periods, adequate quantities of input, soil and crop nutrition, weather information, early detection and treatment of pests and diseases, will be provided through ICT (webpages, social networks, web apps, and the Digital Villages Initiative promoted by FAO in rural areas⁵⁷. Furthermore, they will facilitate harvest predictions through ex ante strategic thinking about how to make decisions regarding the sowing of certain crops in municipalities frequently impacted by droughts, considering the changes caused by rainfall, phenologic phases, etc.; which will help farmers make decisions and guarantee more food production. These activities will be carried out in alliance with INETER and FAO. The proposal is to train at least 120 community Promoters on the use of climate information and planning tools for adaptation strategies in agriculture⁵⁸.

Lastly, with the help of this project, community-based plans for climate adaptation and climate resilient farming solutions will be formulated to make communities better prepared to face climate change effects.

Improved nutritional outcomes:

CoRe will support the cultivation of gardens under the bio-intensive method, which is based on agroecology and focuses on the self-consumption of various healthy and fresh products. This multipurpose strategy facilitates the growing of food for family consumption in small spaces with a low demand of resources (water and soils) that serve as a learning space for the validation of low-cost practices and technologies; and it also helps to increase know-how about food conservation. This not only contributes to nutrition but also to making families more resilient in a changing climate context, as well as in face of adversities like COVID-19.

⁵⁷ Launching of the Digital Villages Initiative in Latin America and the Caribbean <https://www.youtube.com/watch?v=MdHnGGNN5eQ>

⁵⁸ <https://www.ineter.gob.ni/boletinagrometeorologico/2021/BOLAGROMET15082021.pdf>

Based on FAO's experience with the Inter-University Council on Food Security and Sovereignty⁵⁹, two information campaigns will be launched by the project to raise awareness among 10,000 people about the importance of improving nutrition, food safety and increasing the consumption of nutritious products.

Another line of work will be the reactivation of production and investments (components 2 and 3), elevating the productivity of marketable goods, so that households receive higher earnings and thus have more money to buy food. Through the Filed Schools farmers will receive agricultural inputs as well as technical assistance (component 2) to increase the average yields of the main crops in the project influence area by 20% (maize, beans, sorghum), as well as market access support for those who have applied for credit or loan (component 3).

4.3 Specify how the participation and role of women smallholder producers will be increased in POs and smallholder producer groups as a result of the proposed project

CoRe proposes to work with UNAG and its member organizations, which are of two types: i) legally constituted cooperatives, and ii) various forms of community-based associations, organized around socio-productive interests, such as community seed banks, promoter networks, youth groups, women's groups, water interest groups, entrepreneurship groups, among others. On the basis of these organization forms, the project intends to:

- A minimum quota of 80% of the total women participating in the implementation of the project, will receive direct benefits (equipment, inputs, training, finance). 40% of the project investment resources will be aimed specifically at women.
- Increase female and youth participation in decision-making in their organizational structures and local agendas. To this end, the project will support the establishment of a baseline for the 14 municipalities where it will be implemented, to know the level, quality and current forms of participation of women in their structures and local agendas. From this baseline, concrete actions will be derived to increase female and youth participation.
- Based on the results of the study on rural women and youth led by FAO in 2021, which includes the municipalities covered by the project, some recommendations will be incorporated: processes to develop female and youth leadership, creation of self-help networks to promote social empowerment and promotion of investments to generate income and economic empowerment, with the aim of reducing the existing inequalities in access to productive resources and services, as to the load of household chores and caretaking, and in decision making in the family and community.
- Time-saving practices and technologies for women can be incorporated, such as cookstoves with low fuelwood consumption, water systems for various uses near the house, and corresponsibility in household chores by addressing new masculinities in the family.

Motivation to participate will be promoted basically by the exchange of experiences among women. UNAG has had more than 20 years of experience in processes of ideological empowerment of women, which has made possible for them to achieve relevant progress in their economic empowerment. Learning about these experiences in their own words has motivated women groups and organizations with less advances in that regard; **CoRe** will potentiate this dynamic.

In the project monitoring system a record will be kept of all developed actions, separated by sex, to be able to measure female participation, assets acquired, earnings obtained and access to financing.

Section 5. Project Implementation, Sustainability and Budget

5.1 Risks to achieving the proposed project's objectives and potential negative externalities

⁵⁹ Campaigns: CNU (National Council of Universities), CIUSSAN (Inter-University Council on Food Security and Sovereignty) and FAO launch campaigns for healthy habits in Nicaragua: <https://www.unan.edu.ni/index.php/polisa/cnu-ciussan-y-fao-lanzan-campana-de-habitos-saludables-en-nicaragua.cdp> - <https://www.cnu.edu.ni/lanzan-campana-universitaria-estilos-de-vida-saludable-aportando-al-buen-vivir/> and promote these in media networks: https://www.youtube.com/channel/UCgSW5OVRO3rKg_udhuHNdRQ

Even though the proposed project is based on previous experiences acquired by UNAG and FAO in projects financed by different donors, various risks have been identified, with potentially negative impacts on the objectives. Total identified risks are described in Table F, with their respective level of impact.

Institutional capacity for implementation:

- Lack of process planning by UNAG: There is a low possibility that this risk occurs, but it would have a strong impact on the project. Mitigation measures are described on table F.
- Communication between stakeholders at the internal level and other key actors be they public, private, or part of the Nicaraguan state. Mitigation measures are described on table F.
- Misconduct of persons in charge of farmer organizations; mismanagement of funds by farmer organization members, particularly by someone acting as treasurer or other person in charge of project finances. Mitigation measures are described on table F.

Evaluation of Negative Externalities: The identified risks are of environmental, social and political nature; all risks are described in detail in Table G.

- Climate-related extreme weather events, such as floods, droughts, storms, hurricanes: These events could bring about the decision to temporarily suspend project activities, or could cause significant damage in communities where the project is implemented, affecting programming and expected achievements. They could also imply a redefinition of targets and redirection of strategies to follow, thereby affecting proposed outputs and outcomes. Mitigation measures are described on table G.
- Socio-political instability: In the year 2018, Nicaragua underwent a social and political crisis, which had a negative impact on the country's economy and the relations between different social sectors. UNAG refrained from playing any active role in this situation, with the understanding that the farmers in the organization have different political standpoints, and that its mission is to promote social development. In 2021, national elections will be held, and there is a low risk that a similar crisis to the one in 2018 might occur.

5.2 What are specific design measures that will be incorporated to increase the likelihood of sustainability of the project activities or outcomes?

The project was formulated after a rigorous analysis of the problems afflicting the population of the Dry Corridor, as well as through a highly participatory consultation process, in which communities have proposed solutions on the basis of their experiences (see Annex 6.9: *Consultation Process Report*). The project strongly believes in strengthening UNAG and its affiliate organizations. To ensure sustainability, actions will be carried out to strengthen cohesiveness among its members, accountability, inclusion of women and young persons, and the Farmer-to-Farmer Programme, already institutionalized within UNAG.

Strengthening the social capital in communities where the project is implemented will contribute to the sustainability of processes. The network of promoters will receive technical training on the maintenance of project equipment, as well as on agro ecology, climate-intelligent practices and ITC. The technical team, UNAG leadership and entrepreneurs will be strengthened by FAO staff in negotiation techniques and business administration, to be able to continue generating earnings and maintaining the business models supported by the project. The costs of these activities have been included in the project budget, and UNAG will create a fund to monitor and support the groups of farmers after the end of the project.

There will be a local contribution to all activities included in the project design, especially in the form of labour force of the project beneficiaries themselves, as a factor enhancing empowerment and project ownership. Community climate adaptation plans and climate resilient agricultural solutions will be constructed in a participatory manner, and will include activities oriented at strengthening the communities' capacity of minimizing exposure to shocks (early warnings, equipment with assets, protection of water sources, improvement of earnings, food reserves, inclusion, strengthening of social cohesion, public-private partnerships). Moreover, the capacity to adapt and make informed decisions on alternative livelihood strategies (community planning and management, diversification of crops and earnings, access to

meteorological information and market through ITC); all these are key aspects to build resilience.

5.3 Who has been involved or consulted in the development of the Proposal?

In August 2021, a consultation process was carried out with the potential beneficiaries of the project (see Annex 6.9: *Consultations Process Report*). Four workshops were developed with community leaders and representatives of UNAG member organizations from each of the 14 identified municipalities. Ninety-eight (98) producers actively participating in the sessions, of which twenty (20) were women and thirty-seven (37), were young people.

The participating community organizations were: mixed and women's cooperatives, mixed, youth and women's groups and community seed banks. The methodology consisted of starting with a presentation of the results framework of the proposal: impact, objective, components and a gross breakdown of activities. To begin the dialogue presentation, space was created for the presentation of participants in the consultation sessions, as well as an introduction to the partnership between FAO and UNAG that has existed for several years. In addition, the objective of the GAFSP fund was explained, as well as the mechanisms foreseen for the coordination and implementation of the project, if approved. At all times, appropriate language was used for the audience.

At the end of the presentation, a consultation session was initiated based on four questions: 1) what are the main problems affecting your municipality? 2) How are they reflected in this project proposal / Does it respond to your current needs? 3) What other elements do you consider necessary to incorporate into the proposal? 4) In what areas can UNAG's work (and services) with your organizations be further strengthened?

The consultation process has allowed for the adjustment of several actions proposed in the project design, especially those related to building more resilient production systems, income generation and participation of women and youth. If the concept note is approved, it is planned to continue with a broader consultation process, involving universities, government entities and the private sector, as well as a FPIC process with the indigenous communities of the northern region in the departments of Nueva Segovia and Madriz.

5.4 Provide a description of the PO's structure, including membership, and services offered by the PO.

The National Union of Farmers and Cattle-Ranchers (UNAG) is a nationwide sector organization of 50,000 farmers. Its work guidelines are centred on improving the living conditions of their affiliates through strategies to strengthen production, organization, commercialization, addition of value to production and generation of income.

UNAG's organizational structure consists of:

- **National Congress:** composed of 501 delegates from the entire country
- **National Council:** national body composed of 168 province delegates; highest decision-taking level during recess of the congress. Meets once a year.
- **National Board of Directors:** Composed of the chairpersons of the provinces; meets bimonthly basis.
- **Executive Committee:** Formed by 5 persons (Chair of the National Board of Directors, Vice-Chair, Secretary, Statutory Auditor, Head of Women's Secretariat). Space for operational implementation of the decisions of the Board of Directors; meets once a month.

UNAG has 18 branches, they work independently from the national office⁶⁰; seven offices work based on funds for projects and interests generated through production loans. The organization has a **national education team** that articulates with technical teams and territorial promoters to carry out activities to build technical capacities and knowledge management in UNAG member organizations. 99% of UNAG members

⁶⁰ In the provinces of Estelí, Madriz, Nueva Segovia, Matagalpa, Jinotega, Leon, Chinandega, Bluefields, Siuna, Nueva Guinea, Managua, Rivas, Chontales, Rio San Juan, Granada, Boaco, Carazo, Masaya

are owners of their lands, 34% are women and 66% men. 11% of members are youth, 44% are women.

Each member of UNAG is supposed to pay 30 CS per month (US\$ 0.85) to cover the services received. It is estimated that currently less than 50% of members pay this amount of money, because the majority of the organization's branches have reduced their activities and services because of COVID-19.

The UNAG central office is in the city of Managua, and it employs the following staff: an administrator, a responsible of the technical area, an assistant to the Chair, and a security guard. Each branch has its own staff, their own offices, means of mobilization and computer equipment to operate. It has an important patrimony that includes buildings at the central level and those of its subsidiaries, as well as farms in different parts of the country, financial resources for credit to its affiliates.

5.5 Describe the proposed project implementation arrangements

The implementation of **CoRe** lies in the hands of UNAG, who will hire a coordinator and technical / administrative staff for this purpose. A core structure for the implementation will be the local UNAG's Promoters network; they will lead the implementation at community level of all components, being at the same time beneficiaries. FAO will backstop the project offering technical advice, some procurement and accompaniment during execution.

The project will be led by a Steering Committee composed of the President of UNAG, the Head of the UNAG Women's Secretariat, one representative from POs involved, and the Representative of FAO in Nicaragua. This Committee will ensure the achievements of project objectives and outputs, define the moments of project evaluation, approve the operative annual planning, ensure the implementation of a learning agenda, and transparent accountability processes.

FAO and UNAG will formulate rules of operation, as well as a project manual for monitoring, evaluation and learning, in which key moments of the project management cycle, intermediate reviews and final impact evaluations will be defined. UNAG will be responsible for safeguarding the means of verification and evidence for implemented activities, FAO will be able to verify the quality of these means and to propose improvement actions, as well as to make monitoring field visits in order to verify advances towards the achievement of project objectives and indicators.

Before the implementation of the project, a work breakdown structure (WBS) will be constructed in a participatory manner, on the basis of which more detailed implementation plans will be developed. UNAG will be responsible for implementing annual plans of operation and will write quarterly progress reports with the help of means of verification. FAO will supervise the implementation, especially as to strategic aspects of the project; as well as of writing the reports required by GAFSP.

5.6 Describe the proposed financial and implementation arrangements between the SE and the PO

FAO, under the coordination of its Country Representative, will be the agency receiving and managing the funds, in accordance with the terms and conditions established by GAFSP. The implementation towards UNAG will be subject to FAO rules and procedures, including trustee responsibilities, acquisitions and economic safeguards.

FAO and UNAG will sign an implementation agreement, under FAO regulations, in which the following will be defined: partial disbursements, linked to concrete outputs or deliverables as agreed between the parties, as well as budgets and cash flows. The implementation of the project will be results-based, and FAO disbursements will be made accordingly, thereby reducing risks of under-execution, aiming at efficiency and effectiveness in budget management and achievement of project results.

UNAG will prepare duly backed quarterly financial reports and present these to FAO, together with technical progress reports, drafted based on the outputs or deliverables agreed upon between the parties.

5.7 The overall project budget presented in the *Tables A, B and C in Annex 1*.

5.8 PO's readiness: Provide information regarding the PO's:

UNAG is an organization with a long history in Nicaragua, over the last four years UNAG has negotiated for and implemented funds from various donors. The most recent project portfolio includes:

- Project 1: Building capacities for advocacy on public policies in Food and Nutrition Security of three smallholder farmer organizations promoting agro ecology and organic agriculture. Donor: European Union. Period: 2014-2017. Amount: USD 1,224,854.
- Project 2: Improvement of food security of 2,324 peasant families and climate change adaptation, through the implementation of an organic and agro ecological model of agriculture, with a rights and opportune based approach, applying the Farmer-to-Farmer methodology. Donor: WE EFFECT. Period: 2018-2020. Amount: USD 280,000.
- Project 3: Basic database management system for UNAG in the departments of the Dry Zone in Northern Nicaragua. Donor: INTERTEAM. Period: 2017-2020. Amount: USD 42,615.
- Project 4: Upscaling agro ecology as a systemic and holistic production model to improve the quality of life of peasant farmers. Donor: SWISSAID. Period: 2017-2021. Amount: USD 300,000.
- Project 5: Research on plots with the ASA program. Donor: Catholic Relief Services (CRS). Period: 2019. Amount: USD 27,000.

Since its foundation, UNAG has built experience in the management of contracts, and at least 41 years of experience in the management of project contracts with different international and government cooperation agents. Project resources have been used to strengthen the agricultural production of UNAG members, as well as for investments on farms, technical assistance and loans.

Other activities: 1) A collaboration agreement with the National Agrarian University (UNA) for the development of rural training, research and outreach. ii) A collaboration agreement with the National Livestock Commission (CONAGAN) to improve livestock competitiveness with UNAG partners. iii) From 2008 to 2012, UNAG executed contracts through its Agribusiness division⁶¹ to commercialize some products of its members: export of 15,000 hundredweights of coffee, 13,100 MT of cattle-on-the hoof and beans to Venezuela. Black and red beans were exported to Costa Rica and the United States of America.

⁶¹ At present, the Agribusiness division does not function as a consequence of the slump of the Venezuelan market.

List of Annexes

- **Annex 1:** Project Budget Tables
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 - **Annex 6.3.** UNAG Financial Audit Report 2017 to 2020
 - **Annex 6.4.** UNAG Institutional Document
 - **Annex 6.5.** The UNAG Experience in the Farmer-to-Farmer Program
 - **Annex 6.6.** UNAG Credit Policy
 - **Annex 6.7.** Community Seed Banks Guide
 - **Annex 6.8.** Description of the organizations
 - **Annex 6.9.** Consultation Process Report

Annex 1 – Project Budget Tables

Provide comprehensive budget information for the proposed project. All figures should be in US\$ and rounded to the nearest '000.

Table A: Summary of Overall Project Funding

Funding Source	Amount	Has this funding been secured (Yes/No)?
GAFSP grant amount requested	\$3,561,000	n/a
PO co-financing ⁶²	\$180,000	yes
Other Funding Sources (SE, ODA, international NGOs, etc.)	\$100,000	No
Total Project Funding	\$3,841,000	

Table B: Detailed Project Budget (for each component indicate who will administer the funds and manage procurement – SE or PO)

Components	Activities	GAFSP Funding Requested		Other Funding Sources Amount (US\$)
		Amount Requested (US\$)	Fund management and procurement (SE or PO)	
Component 1: UNAG and its producer organizations consolidate good management and governance capacity	Activity 1.1. Conduct an organizational maturity assessment of UNAG and affiliated POs	\$20,500	SE	
	Activity 1.2. Develop a participatory strategy for strengthening UNAG's institutional capacity that includes the definition of a training and mentoring plan, and actualize UNAG's membership registry	\$77,000	PO / SE	\$47,000
	Activity 1.3. Design and implement an organizational development-training program for all participating POs (the training includes introduction to the principles and practice of responsible investment in agriculture and food systems)	\$111,000	PO / SE	
	Activity 1.4. UNAG's women's secretary implement a training program on women's economic rights and access to means of production, designed for UNAG's Promoters network, and to be replicated by them a community level	\$90,000	PO / SE	\$24,000
	Activity 1.5. Design and implement UNAG's Communication for Development Plan, based on the use of Information and Communication Technologies (among other, oriented to market access, adaptation to climate change, and COVID-19 prevention)	\$220,000	PO / SE	\$20,000
Component 2: Farmers organized in cooperatives and/or associations affiliated to UNAG produce in a manner that is both sustainable and climate-resilient	Activity 2.1. Develop a training program on Climate Smart Agriculture in the conditions of the Dry Corridor, based on the Agro ecological Farm Field School methodology (activity 2.2)	\$177,000	PO / SE	\$20,000
	Activity 2.2. Establishment of Agro ecological Farm Field Schools for Farmers powered by the use of ICTs (including inputs for family replication)	\$309,000	PO	\$18,000
	Activity 2.3. Establishment of bio intensive gardens for food production at the household and community level	\$326,000	PO	\$180,000
	Activity 2.4. Develop a training on healthy eating habits and nutrition, as well as a broader campaign to promote healthy lifestyle habits	\$20,438	PO	
	Activity 2.5. Execute an investment plan to build or rehabilitate multipurpose community water systems, establishment of irrigation and drainage systems, and strengthen community networks capacities for self-management, administration and protection of water	\$694,000	SE	\$12,000
	Activity 2.6. Design and implement of community climate adaptation plans and climate resilient agricultural solutions, this activity will be developed in partnership with local mayors' offices	\$64,000	SE	

⁶² Include financial contributions only. Additional information on financial and in-kind contributions can be described under question B.3.

	and local private actors			
	Activity 2.7. In alliance with the AGROINNOVA program from the Nicaraguan Institute of Agricultural Technology, design and implement a special mechanism to promote the inventiveness of producers and the dissemination of low-cost climate change adaptation technologies, led by young people	\$25,000	PO	
Component 3: UNAG farmer organizations are capable to support their members to access to information, financing and markets	Activity 3.1. Adequate UNAG's credit policy and capitalize UNAG's "Sowing Hope" Program to provide grants and small credits for seed capital funds to economic ventures from POs	\$484,000	PO / SE	\$180000
	Activity 3.2. Design a finance access mechanism with BFP Bank, focused on women and youth	\$13,000	SE	
	Activity 3.3. Identify economic ventures value chains and formulate marketing and sales plans	\$24,000	SE	
	Activity 3.4. Implementing a technical assistance program to support the small projects that will be funded by "Sowing Hope" Program and/or BFP Bank specially in its process of accessing markets	\$158,000	PO	
	Activity 3.5. Diagnose ICTs and digital market opportunities, based on the product offerings of POs, and formulation, funding and implementation of digital marketing plans for POs that have the required maturity, as a mitigation measure to the effects of COVID-19	\$60,100	SE	
	Activity 3.6. Formulate and implement sanitary protocols for safety management in the value chain, especially to prevent the spread of COVID-19 in the markets	\$25,000	SE	
Project Management, Technical Support, Monitoring and Evaluation		\$430,000	PO / SE	
Support Costs		\$232,962	SE	
TOTAL BUDGET FOR ALL COMPONENTS		\$3,561,000		\$501,000

B.1. Clarify the underlying assumptions for the proposed budget: For example, indicative unit costs for major investments including how derived, training and workshops, program coordination costs, additional budget notes, etc.

- Note 1: The budget includes technical support, training, supplies, vegetative material, agricultural implements, and communication activities. Market research and previous project experience were used to evaluate the costs of critical investments.
- Note 2: A project coordinator, five field technicians, a value chain technician, an organizational development technician, and a communications manager will make up the project technical-operational coordination structure. The project team fees were estimated based on the level of responsibility and national wage standards. In addition, specialist consultants in the project's many areas, such as communication for development, gender, youth, finance, marketing, and others, will be hired.
- Note 3: Component 1 consists mainly of i) Training for promoters and technicians to record UNAG membership and farm production statistics, as well as upgrading of the national producer registry's digital platform (1.2). ii) 800 Promoters and Po leaders will be trained in organizational development for what was previously considered food, didactic material, methodological specialists, and other operating costs (1.3). iii) Specialized assistance, work sessions with focus groups, minimum technology provision, and the promotion of places for disseminating the strategy are all part of the development communication plan (1.5).
- Note 4: Component 2 consists mainly of i) Establish at least 30 community networks for community self-management of drinking water, including training costs, investment plan design, installation supplies, and operational costs (2.5). ii) Installation of irrigation and drainage system on 56 hectares. We will employ hydraulics experts and purchase supplies for the installation (2.5). iii) The procurement of agricultural supplies and tools for the construction of 2,000 bio-intensive gardens (2.3). iv) Purchase of 3,000 production kits, containing corn, bean, sorghum, and fertilizer seeds, as well as providing technical support (2.2). v) The climate-smart agricultural program will require technical assistance,

training, and communication equipment to implement (2.1).

- Note 5: Component 3 consists mainly of i) 600 producers will have access to financing and technical assistance to develop their economic enterprises (3.1). ii) Producer organizations will be able to access work sessions with focus groups and specialized services to design marketing campaigns that include the use of information technology (3.5). It is also planned to finance a network of technical assistants that can technically assist the credits and donations, with at least one technician for every two municipalities (3.4).

B.2. Will the PO provide any financial or in-kind contribution to the project?

UNAG, through its own funds in its branches in Estelí, Madriz, Matagalpa and Nueva Segovia, will provide a cash counterpart in the amount of US\$180,000.00 to the component 3 project. This fund is used to facilitate small production credits to its members so that they have access to financing and can improve their food security and income.

UNAG, through its members that make up the producer organizations, will contribute to the project with a counterpart in kind (labor) of USD 320,200.00 dollars as shows in the table b. Being the Promoters key to support the implementation of activities, replication and technical advice to the producers participating in the project.

Annex 2 – Proposal Stage Results Monitoring Matrix

Table D. GAFSP Tier 1 and Tier 2 Core Indicators

#	Tier 1 impact indicators for all GAFSP projects	Check if Yes
1	Food and nutrition security ▶ Mandatory Food Insecurity Experience Scale (FIES) indicator and optional indicators are Food Consumption Score (FCS), Minimum Dietary Diversity-Woman (MDD-W) and Minimum Dietary Diversity - Children (MDD-C)	<input checked="" type="checkbox"/>
2	Household income	<input checked="" type="checkbox"/>
3	Crop yield (apply only to those projects with explicit productivity gain goals)	<input checked="" type="checkbox"/>
#	Tier 2 indicators for all GAFSP projects, <i>Mandatory Breakdowns</i>† (unit) ▶ Indicator notes	
1	Number of beneficiaries reached, gender disaggregated, percentage who have been helped to cope with impact of climate change ▶ People receiving benefits from the project. ▶ Disaggregation for gender and those receiving Climate-Smart Agriculture (CSA)-specific support.	<input type="checkbox"/>
2	Land area receiving improved production support, <i>percentage of these that are climate smart</i> (ha) ▶ Area that adopted new inputs/practices, new/rehabilitated irrigation services, land registration, etc. ▶ Disaggregation for climate-smart interventions.	<input checked="" type="checkbox"/>
3	Number of smallholders receiving productivity enhancement support, gender disaggregated, climate-smart agriculture support ▶ Number of end-users who directly participated in project activities. ▶ Includes technology/technique adoptees, water users with improved services, those who had land rights clarified, people offered new financing/risk management services. ▶ Using CSA approaches.	<input checked="" type="checkbox"/>
4	Number of producer-based organizations supported (number) ▶ Relevant associations established or strengthened by project.	<input checked="" type="checkbox"/>
5	Volume of agriculture loans that are outstanding ▶ Volume of outstanding loans for agriculture and agribusiness in a financial institution	<input type="checkbox"/>
6	Percentage of beneficiaries with secure rights to land, property, and natural resources (percent of total beneficiaries) †† ▶ Measured as those with legal documentation or recognized evidence of tenure and those who perceive their rights are recognized and protected.	<input type="checkbox"/>
7	Roads constructed or rehabilitated, percentage resilient to climate risks (km) ▶ All-weather roads built, reopened, rehabilitated, or upgraded by project. ▶ Percentage that are designed to withstand changes in climate.	<input type="checkbox"/>
8	Number of post-harvest facilities constructed and/or rehabilitated (number) ▶ Includes markets, agro-processing/storage/quality control facilities.	<input type="checkbox"/>
9	Volume of agricultural production processed by post-harvest facilities established with GAFSP support, <i>by food group</i> (tons) ▶ Tons of total produce processed sorted by 10 major FAO food groups.	<input type="checkbox"/>
10	People benefiting from cash or food-based transfers, <i>gender disaggregated</i> (number of people) ▶ Number of people who benefited from cash or food transfer interventions.	<input type="checkbox"/>
11	People receiving improved nutrition services and products, <i>gender disaggregated, age disaggregated</i> (number of people) ▶ Number of people who received nutrition counseling/education, recipients of Ready-to-use-Therapeutic Foods, bio-fortified foods, and Vitamin A and micronutrient supplements. ▶ Number of people receiving extension support for nutrition-relevant techniques (e.g., homestead gardens, Farmer Field School support, etc.).	<input type="checkbox"/>
12	<i>Direct employment provided; gender disaggregated</i> (full-time equivalent) ▶ Number of direct employees in a client company. ▶ Part time jobs aggregated to full-time equivalent.	<input type="checkbox"/>
13	Persons receiving capacity development, <i>gender disaggregated, organization type</i> (number of people) / ▶ Agricultural and non-agricultural rural training and capacity building support provided. ▶ Distinguishes between individual producers/household members, civil society organization staff, and government officials.	<input checked="" type="checkbox"/>
14	Number of substantive deliverables on food security processes completed (number) ▶ Measures “soft support” for institutional development provided through discrete deliverables. ▶ Deliverables include policy studies, strategies and plans, best practices, and lessons learned, among others.	<input type="checkbox"/>

Table E. Proposal Stage Results Monitoring Matrix

Indicators	Unit of measurement	Baseline	End-of-project target	Data sources (Data collection instruments)
Project Development Goal:				
To reduce the vulnerability of livelihoods, increase agricultural resilience and productivity, and promote economic opportunities, mainly for women and youth affiliated to the National Union of Farmers (UNAG) in the Nicaraguan Dry Corridor, to stimulate their recovery from the COVID-19 impact and improve their food and nutrition security				
Increased in household income due to better access to markets and increased sales of their products	U\$ per household	TBD	Baseline + U\$ 180	Mid-term review reports Final Evaluation Report Sales record Success stories
Reduced percentage of households participating in the project experiencing moderate or severe food insecurity (FIES scale)	% Of households	56 %	Less than 20 %	Food and Insecurity Experience Scale (FIES) Report
Number of women, indigenous and/or youth participating of new, or expanding, economic initiatives	Number of women, indigenous or youth	TBD	1,000	Mid-term review reports Final Evaluation Report Success stories
Component level indicators				
Component 1: UNAG and its producer organizations consolidate their management and governance capacity.				
Number of UNAG members that are in the membership registration systems	Number of members registered at UNAG	7600	25000	Strategy documents Technical reports of the Monitoring System Newsletters
Number of UNAG Promoters using ICTs to provide technical assistance and knowledge management	Number of Promoters	10	150	Technical reports of the Monitoring System Systems designs Funding requests approved to access funds
Number of people from PO affiliated to UNAG trained in organizational management	Number of trained people	TBD	2,620	Methodological and curricular design Memories of training events
Component 2: Farmers organized in cooperatives and/or associations affiliated to UNAG produce in a manner that is both sustainable and climate-resilient				
Percentage increased in yields due to implementation of climate-smart agricultural practices (main crops: corn, beans, sorghum)	Kg/Ha	TBD	Baseline + 20%	Mid-term review reports Final Evaluation Report Success stories
Number of smallholders receiving productivity enhancement support, climate-smart agriculture support	Number persons participated in project activities	TBD	3000	Technical reports of the Monitoring System Memories of training held (lists)
Number of hectares where Climate-Smart Agriculture (CSA) practices are being applied	Number of hectares	TBD	2,297 Has	Technical reports of the Monitoring System

				Farm management plans.
Component 3: UNAG Producers Organizations are capable to support their members to access to information, financing and markets.				
Number of entrepreneurship (individual, familiar, and/or collective), which increase in production marketed due to new market information	Number of entrepreneurship	0	28	Technical reports of the Monitoring System Prepared and Approved Digital Market Business Plans Systematized training sessions
Number of agreements or partnership established with private sector to increase the access to finance and/or means of production to UNAG's members	Number of agreements	TBD	1	Technical reports of the Monitoring System Agreements documentation Memories of meetings held
Number of POs members implementing new business plans supported and financed through "Sowing Hope" or BFP mechanism	Business plans	0	60	Technical reports of the Monitoring System Marketing and sales plans

Annex 3 - Risks and Negative Externalities

Table F: Project Risk Assessment

Risk	Likelihood (L, M, H)	Risk rating	Risk description	Proposed mitigation measures
<p>Technical design: The project management triangle is not balanced (time - scope - cost).</p>	L	H	<p>The main objective sought by the management triangle is to implement projects efficiently, effectively, achieving the objectives and goals set. It consists of a triangle formed by 3 pillars (Time, Scope, and Cost). These variables are correlated; the modification of one affects the others. There is a low probability that the risk will occur, and if it occurs, it will have a high impact on the project.</p>	<ol style="list-style-type: none"> 1. Manage scope: prioritizing tasks, which will allow to plan and allocate resources effectively. 2. Before project start-up, apply a work breakdown structure (WBS). 3. Make a good analysis of the financial and human resources that are required and estimate costs from detailed calculation reports to have a more accurate approximation of the total budget. This risk is related to the occurrence of external events that could affect the execution and logical approach of the project, which could aggravate a possible contractual rigidity in the GAFSP donor chain, which would prevent adjusting the products and indicators.
<p>Technical design: The project lacks flexibility in its design and deliverables</p>	M	H	<p>This risk is related to the occurrence of external events that could affect the execution and logical approach of the project, which could aggravate a possible contractual rigidity in the GAFSP donor chain, which would prevent adjusting the products and indicators.</p>	<ol style="list-style-type: none"> 1. Prepare plans to mitigate the identified risks; based on a good context and situation analysis. 2. Maintain good communication with FAO and donors of funds, based on transparency to ensure active involvement of stakeholders. 3. With the support of FAO, receive specialized advice on risk management and challenging contexts. 4. Maintain a culture of continuous monitoring; to be aligned with the resources and committed planning.
<p>Technical design: Some project innovations are not scalable</p>	M	M	<p>There is a risk that there will not be the expansion and scalability of innovations, but we may obtain good results in a small dimension.</p> <p>There is a moderate probability that the risk will occur, and if it happens it would have a moderate impact on the project.</p>	<ol style="list-style-type: none"> 1. Do exercises based on empathy to identify the mechanisms and practices that infect producers, we believe that involving young people can have good results. 2. Build on the experience of the Farmer-to-Farmer program to achieve a progressive link to innovations, through information, simple communication, reflection, and comparison of the observed advantages. 3. Involve the leadership of UNAG, FAO, Nicaraguan technical entities in the project, highlighting the benefits of these technologies. 4. Rely on external innovation programs or initiatives that are working and have impacts, stimulating the exchange of experiences. 5. Communicate in a creative and simple way the advances and experiences among the participants.

Risk	Likelihood (L, M, H)	Risk rating	Risk description	Proposed mitigation measures
Technical design: The design lacks an approach of inclusion of women	L	H	If the gender approach is not included in the design, inequality, and poverty will be perpetuated in the dry corridor of Nicaragua. In other projects developed by UNAG, it has been validated that women are crucial agents of change in the fight against rural poverty. Climate change affects women's rights in different ways.	<ol style="list-style-type: none"> 1. During the design of the project, carry out a broad consultation with the bases and include aspects contained in the gender strategy of the UNAG. 2. During the design, the coordinator of the UNAG's women's and youth secretary was involved. 3. In the design, a minimum participation quota of 43% of women is being assigned for the implementation of the project components. 4. Receive technical assistance from FAO, taking up its expertise, considering the results of the study of rural women and youth carried out by FAO in 2021.

For Likelihood: L (low probability), M (moderate probability), or H (high probability).

For Risk rating: L (low risk or impact), M (moderate risk or impact), or H (high risk or impact).

G. Potential negative externalities or spillover effects *that could arise from the project implementation*

Potential Negative Externalities	Likelihood (L, M, H)	Risk rating (L,M,H)	Description of potential negative externalities	Proposed mitigation measures
Environmental: Irrigation systems cause pressure on water bodies or soil erosion.	L	M	<p>If the project promoted inefficient irrigation systems, this would demand more water and put pressure on existing water bodies, increasing water consumption.</p> <p>On the other hand, traditional risk systems cause soil erosion on sloping terrain.</p>	<ol style="list-style-type: none"> 1. The project will not support water retention works, it will work in places where these structures already exist, and the main objective will be the improvement and reactivation of irrigation systems. 2. Promote actions aimed at the protection and restoration of water sources. 3. The installation of drip irrigation, which is more efficient and requires less water, will be promoted. 4. Before installing the irrigation systems, there will be designs to ensure that the principles of water economy, biological requirements of the crops, and soil characteristics, have been included. 5. The irrigation systems to be installed are small, and the pressure on the water table and the flow of the water sources are of very low impact; they will also be activated at critical moments of the crop.
Gender: Resistance of men to work, get involved, or be willing to change their attitude regarding overcoming gender and generational gaps.	M	L	<p>There is a risk of finding men who show resistance, from the sexism that might be rooted in rural society. This situation would prevent rapid progress in the processes of ideological, political, and economic empowerment of women and youth</p>	<ol style="list-style-type: none"> 1. Implement the UNAG gender strategy at different levels, to guarantee a political framework favorable to the participation of women and youth. 2. The project develops actions aimed at developing the human capital of women, indigenous and young people. 3. Plan integrated actions, recognizing the difficulty of separating the economic activities of women from the roles and responsibilities they have in their homes and communities. 4. With men and young people, reflection processes and training on new masculinities will be implemented. 5. The project will analyze data disaggregated by sex, to be used in the processes of awareness and change of social imaginary.
Political: Manipulation of Community Organizations by political parties	M	M	<p>From a political point of view, there is a risk that political parties will try to exploit or manipulate farmers' organizations for their political agenda or ends.</p>	<ol style="list-style-type: none"> 1. The Implementation Support Unit will carefully examine farm organizations before including them in project activities, to determine the organization's history and functions to ensure compatibility with planned project activities. 2. The project will refrain from using farmers' organizations that receive funds from a political party

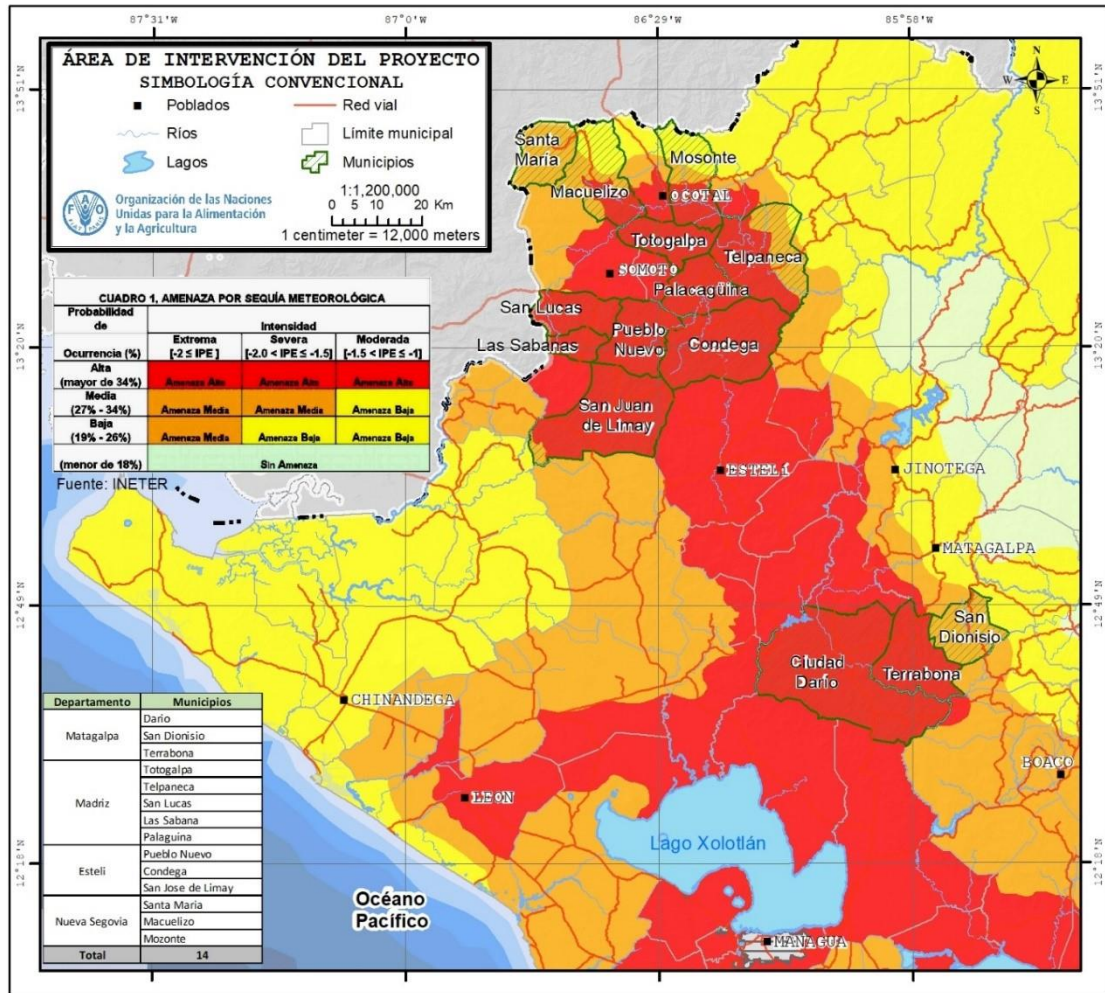
Potential Negative Externalities	Likelihood (L, M, H)	Risk rating (L,M,H)	Description of potential negative externalities	Proposed mitigation measures
				as service providers. 3. The project will exclude any explicit representation of political organizations, in any event, carried out with project resources.
Administrative: Misconduct by those responsible for producer organizations	L	H	The stakeholder risk of mismanagement of funds by members of producer organizations; by someone acting as treasurer or another holder of the position of managing the project's financial resources.	1. The project will train at least two people from each producer organization in the financial management skills and practices necessary to properly manage and account for the use of funds so that more than one person can read and understand all accounting documents. 2. The project will introduce procedures for the management and accounting of resources. 3. Monitoring and review of the financial records of the organizations.
Health: Increase in COVID-19 cases in the project's area of influence	M	M	Impact of collaborators or target groups of the project due to COVID-19.	Prevention measures: 1. Start the campaign to prevent the risk of infection and spread of the COVID-19 through the agricultural supply chain. 2. Implement the FAO sanitary protocol. Mitigation measures: 1. Apply emergency protocol to COVID-19, to avoid contagion and spread. 2. Alternative modalities will be implemented to guarantee the implementation of field activities and minimize risk.

Annex 5 - Proposal Preparation Team

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Annex 6 - Supporting documents

Annex 6.1. Geographic Area of Intervention



Annex 6.2. UNAG Certification of registration - MIFIC 2021



Adobe Acrobat Document

Annex 6.3. UNAG Financial Audit Report 2017 to 2020



Adobe Acrobat Document

Annex 6.4. UNAG Institutional Document



Adobe Acrobat
Document

Annex 6.5. The UNAG Experience in the Farmer-to-Farmer Program



Adobe Acrobat
Document

Annex 6.6. UNAG Credit Policy



Adobe Acrobat
Document

Annex 6.7. Community Seed Banks Guide



Adobe Acrobat
Document

Annex 6.8. Description of the Producers Organizations



Adobe Acrobat
Document

Annex 6.9. Consultation Process Report



Adobe Acrobat
Document