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# Strategic Review

FEED THE FUTURE  
December 17, 2010

This presentation represents the preliminary strategic direction of a multi-year, whole-of-government, U.S. strategy to address food security in a Feed the Future country or region. It describes partner country progress and outlines how U.S. investments will align in support of partner country priorities. This document has not yet been approved or funded but will form the basis of a multi-year strategy in development.

# Introduction



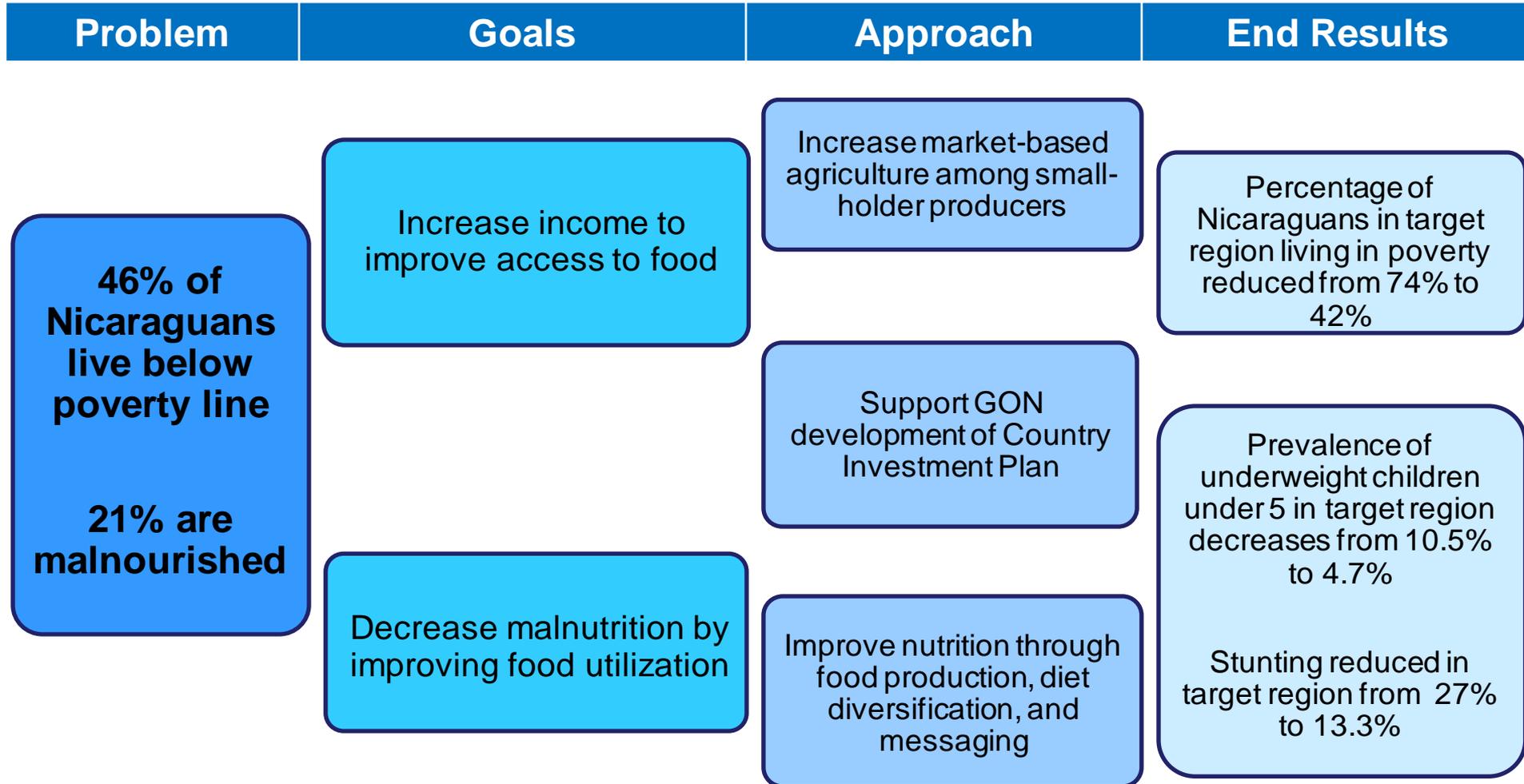
## Feed the Future Nicaragua

Introduction  
Country Data  
Strategic Decisions  
Country Readiness  
Approach  
Cross-Cutting Themes  
Proposed USG Engagement



# Introduction

**A three-pronged Feed the Future approach will increase incomes and reduce malnutrition.**



# Country Context

## Forty-six Percent of Nicaraguans Live Below the Poverty Line



Map of Central America

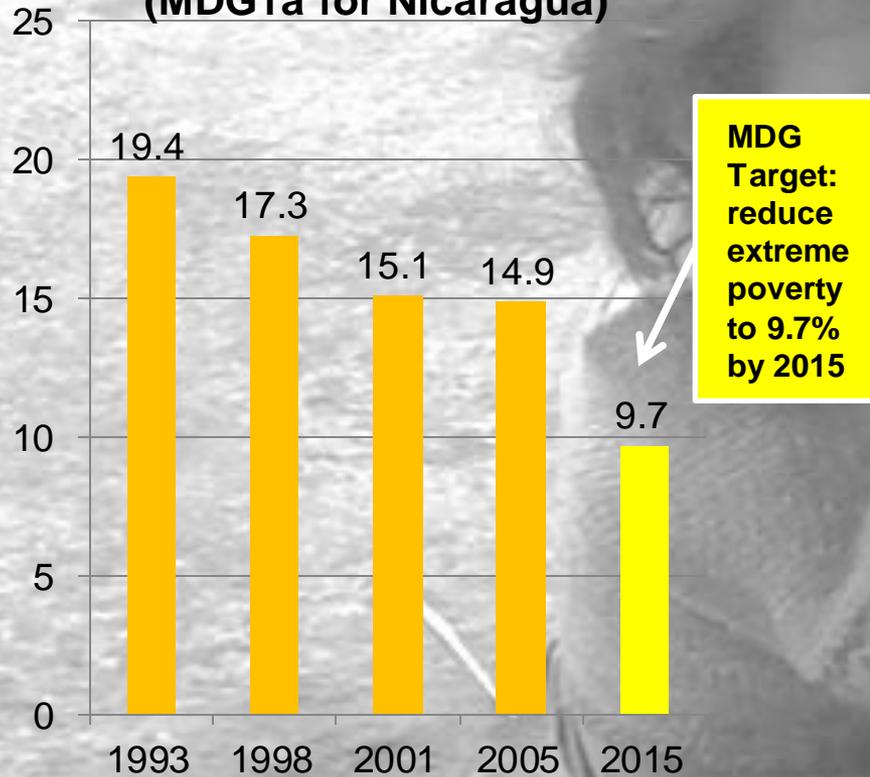
Demographics	
Population	5.142 million
Under 30 years old	67%
Under 15 years old	37%
Under 5 child mortality	27 per 1,000
Maternal mortality	170 per 100,000
School enrollment	86.5%
Economics	
GDP	\$6.1 billion
GDP per capita	\$1,071
Population living on <\$1.25/day	15.8%
Formal unemployment	8%
Workers in informal sector	65%
Female-headed households	31.4%

Sources: Below poverty line – UN MDG Official Data 2001; school enrollment – Nicaragua Demographic and Health Survey 2006; child and maternal mortality, population living on <\$1.25/day – UN MDG Official Data 2005; GDP, GDP per capita – IMF 2009; population statistics, formal unemployment, workers in informal sector, female-headed households – Census 2005.

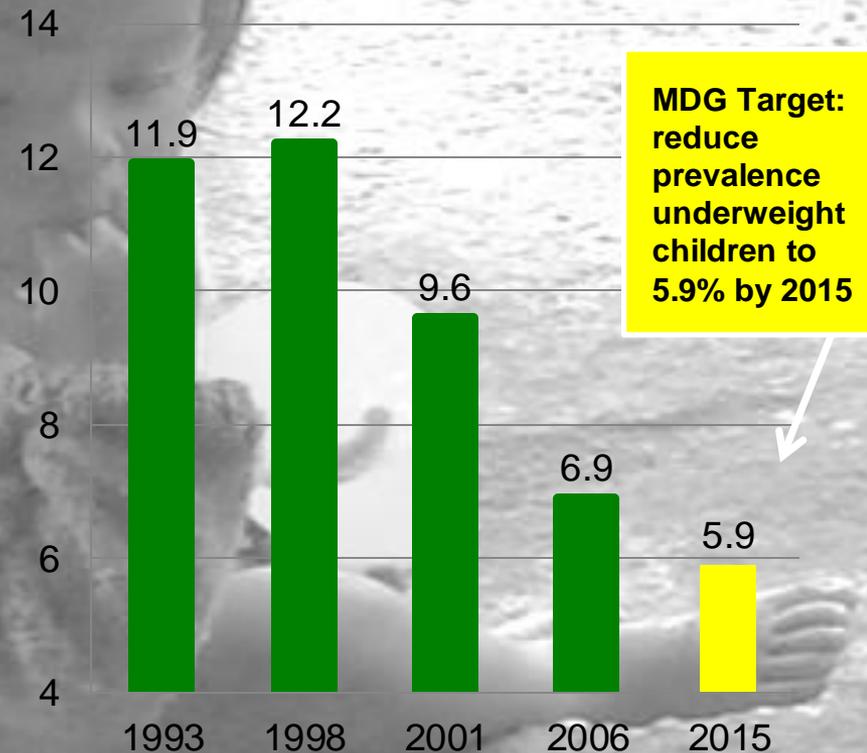
# Country Context

## How Does Nicaragua Measure up to MDG1 Targets?

**Percentage of People Living in Extreme Poverty (MDG1a for Nicaragua)**



**Prevalence Underweight Children Under 5 (MDG1c)**

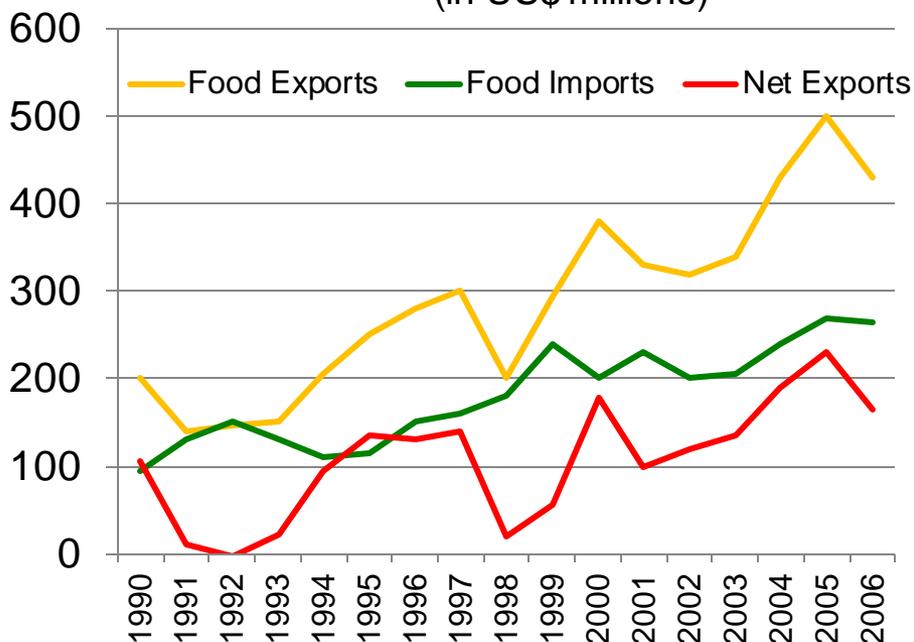


# Country Context

## Access to Food

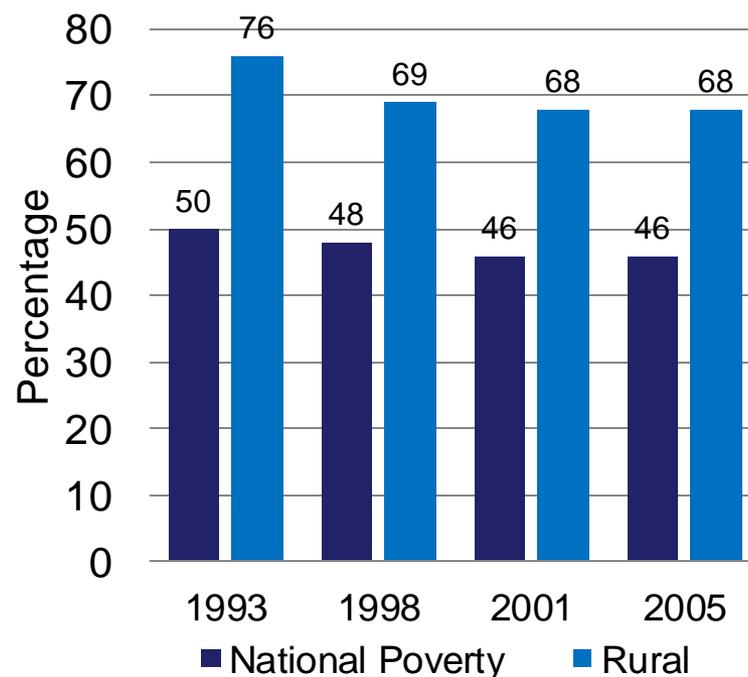
While food production and imports have increased over the last twenty years, many people still live below the poverty line and are not able to grow or purchase enough food.

### Food Imports and Exports (in US\$ millions)



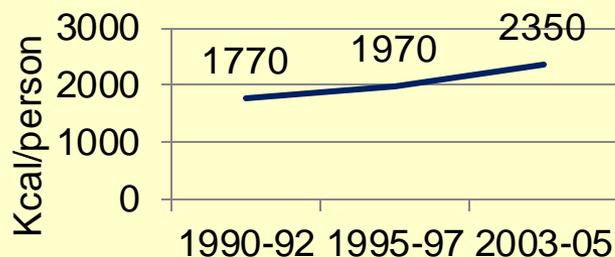
**A primary problem is access to food.**  
Nicaragua does not suffer from insufficient food production or food supplies – both have been growing since 1990.

### Percent of Population Below National Poverty Line



# Country Context

## Food Supply



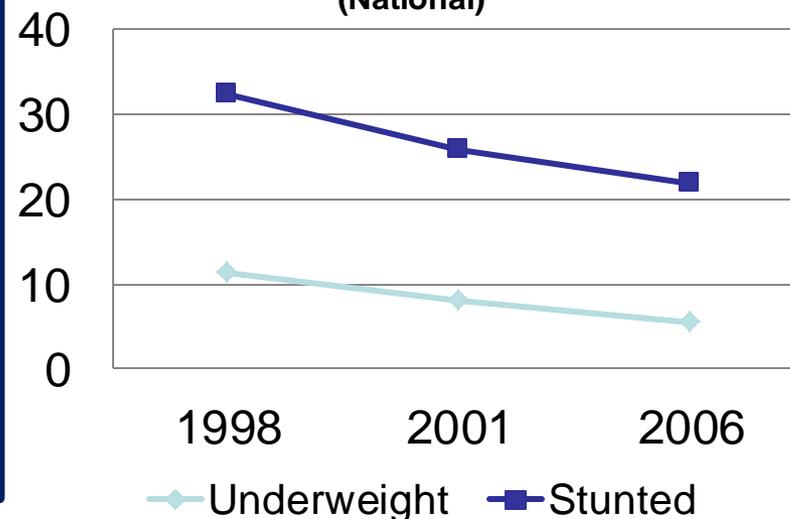
## Food Utilization

Although food supply has increased, 21.7% of children are stunted which demonstrates an insufficient amount of food and an unbalanced diet.

### WHY IS STUNTING SO IMPORTANT?

- High levels of stunting suggests chronic malnutrition early in life (0 to 24 months) while weight is recaptured to some extent over time.
- Stunting is a result of improper diet and insufficient food resulting in retarded cognitive development.

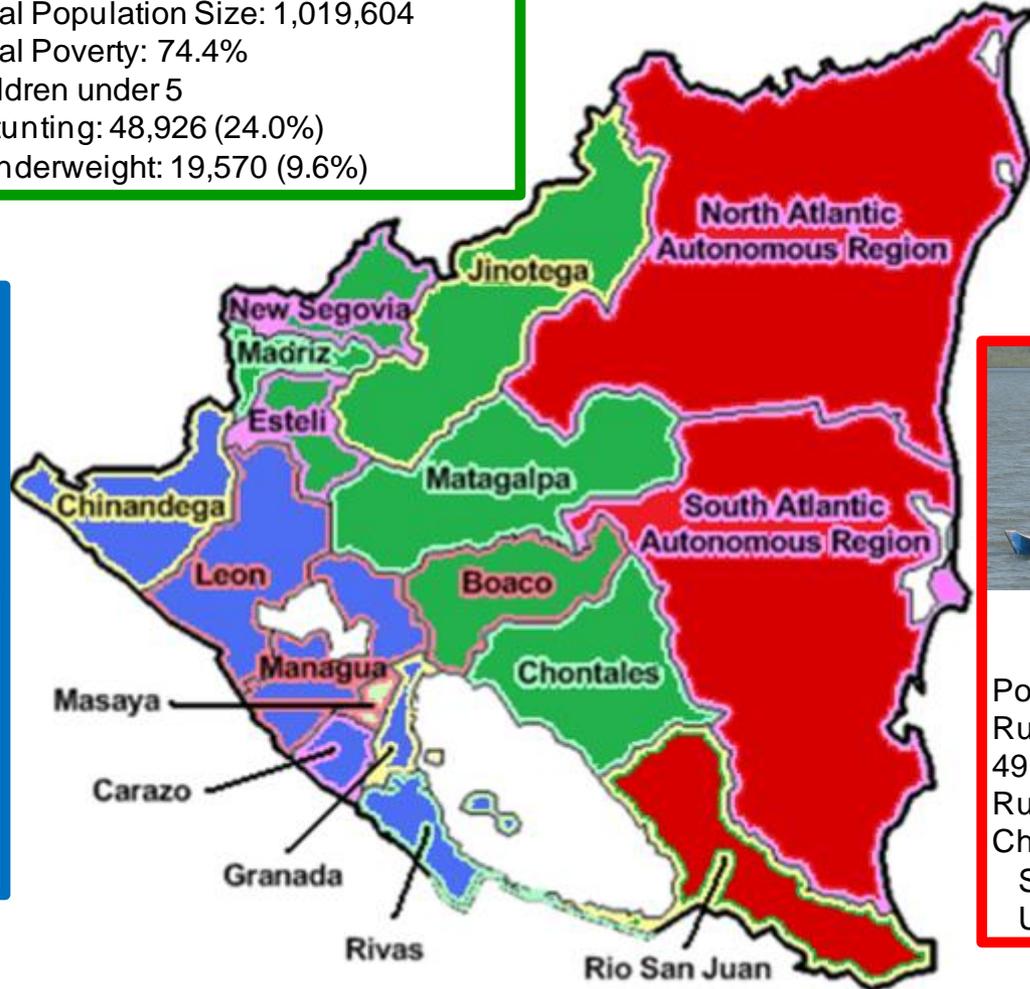
### Percent Underweight and Stunted Children Under 5 (National)



# Country Context

## Central

Population Size: 1,647,605  
 Rural Population Size: 1,019,604  
 Rural Poverty: 74.4%  
 Children under 5  
 Stunting: 48,926 (24.0%)  
 Underweight: 19,570 (9.6%)



## Atlantic

Population Size: 716,236  
 Rural Population Size: 491,760  
 Rural Poverty: 74.9%  
 Children under 5  
 Stunting: 19,854 (18.6%)  
 Underweight: 6,938 (6.5%)



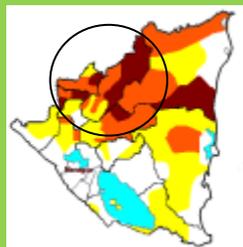
## Pacific

Population Size: 2,778,257  
 Rural Population Size: 755,175  
 Rural Poverty: 58%  
 Children under 5  
 Stunting: 33,550 (11.4%)  
 Underweight: 15,598 (5.3%)

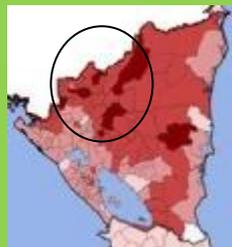


# Strategic Decisions

The North Central Region has both the highest incidence of poverty and prevalence of underweight children.



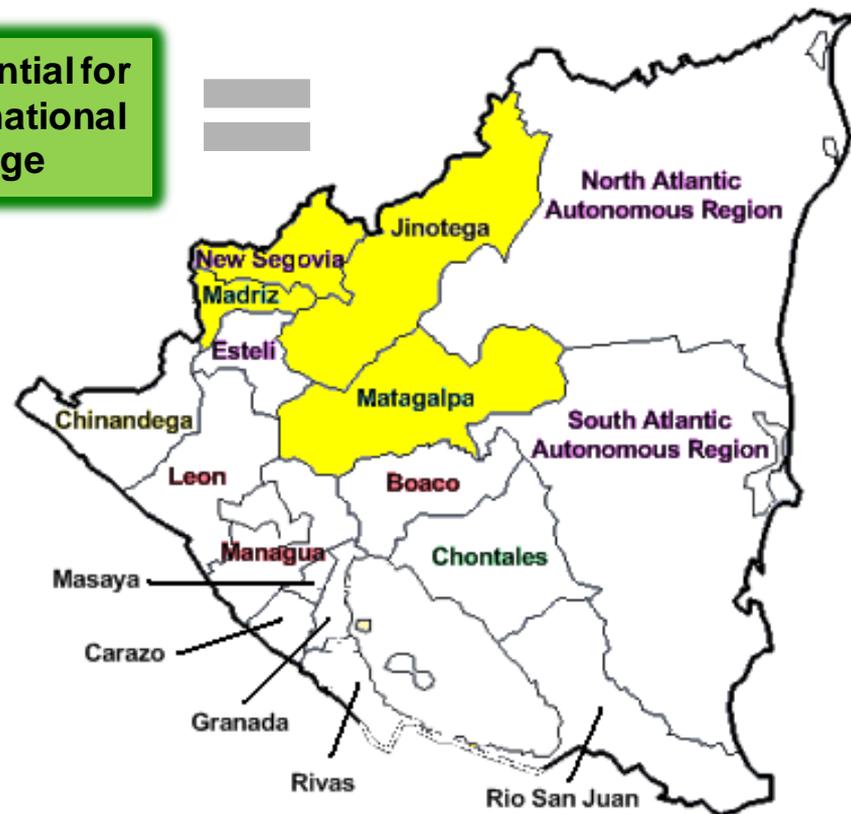
Poverty



Underweight



High potential for transformational change



Four departments will be targeted through Feed the Future:

- Jinotega**
- Matagalpa**
- Nueva Segovia**
- Masaya**

USAID is currently working in these departments on agriculture, health, and education activities.

# Strategic Decisions

## **ANALYSIS conducted for developing Food Security Strategy**

- Governance Dimensions of Food Security in Nicaragua (2005)
- Demographic Health Survey (2006)
- World Bank Nicaragua Poverty Assessment (2008)
- Final and Mid-term Evaluations of Development Assistance Programs in Agriculture 2002-2008 (2009)
- Assessment of the Food Security Situation in Nicaragua (2009)



## **GAPS identified through this analysis**

- Agricultural Sector Enabling Environment and Competitiveness
- Agricultural Sector Productivity: Constraints and Opportunities
- Evaluation of Past Donor Assistance Programs
- Challenges and Opportunities under FTAs and Market Liberalization
- Food Security and Nutrition
- Climate change and Gender



## **PLANNED ACTIVITIES to address gaps**

- Integrated Food Security Strategy, Program and Implementation Plan
- Donor Baseline Exercise (September 2010)
- Interagency Development Needs Assessment (December 2010)
- USAID Agricultural Assessment (December 2010)
- Nicaraguan Agricultural Census (Due July 2011)

## Strategic Decisions

**Feed the Future changes how USAID/Nicaragua tackles food security.**

- **Reduces geographical coverage of Mission technical programs.**
- **Leverages big impact private sector investments.**
- **Develops local partnerships through direct USAID assistance.**
- **Improves food utilization through messaging in conjunction with household food production.**
- **Strengthens local government and citizen participation through volunteers and weighing centers.**
- **Promotes technology transfer and application in micronutrients and resilient crops.**



# Approach

**The Mission's food security strategy involves a three-pronged approach to improve families' food access and utilization.**

## Proposed Strategy

1. Support Government of Nicaragua in formulating and implementing Country Investment Plan.
2. Increase incomes among small-holder producers through market-based agriculture and expanding/strengthening value chains and value-added processing.
3. Improve nutrition through food production, diet diversification, and messaging.



# Approach

## USAID collaboration with Government of Nicaragua (GON)

### EXAMPLES OF SUCCESSFUL ENGAGEMENT WITH GON

#### Food Security Donor Group

- GON, civil society and donors created a working group to improve dialogue on Food Security.

#### Basic Health Service Delivery

- USAID works productively with the Ministry of Health especially in rural areas through the community based health system.

#### CAFTA-DR

- Strong USG-GON cooperation on trade agreements has allowed Nicaragua to substantially increase their exports.

#### Agricultural Census

- GON, FAO and USAID cooperation to carry-out an Ag Census to capture key data for Food Security strategy and CIP.

#### Disaster Preparedness Working Group

- Donors, civil society and the GON mobilized food aid for drought relief activities. GON agency led the effort.

### TOP POLICY PRIORITIES

#### Role of the private sector

*Continue working with GON on refining private sector role in reducing prevalence of underweight children and in developing water/sanitation activities.*

#### Multilateral dialogue

*Increase Food Security Secretariat effectiveness in furthering national-level dialogue around sustainable and innovative models for reaching beneficiaries.*

#### Whole of Government Approach

*Encourage GON to include additional relevant ministries in food security strategy.*

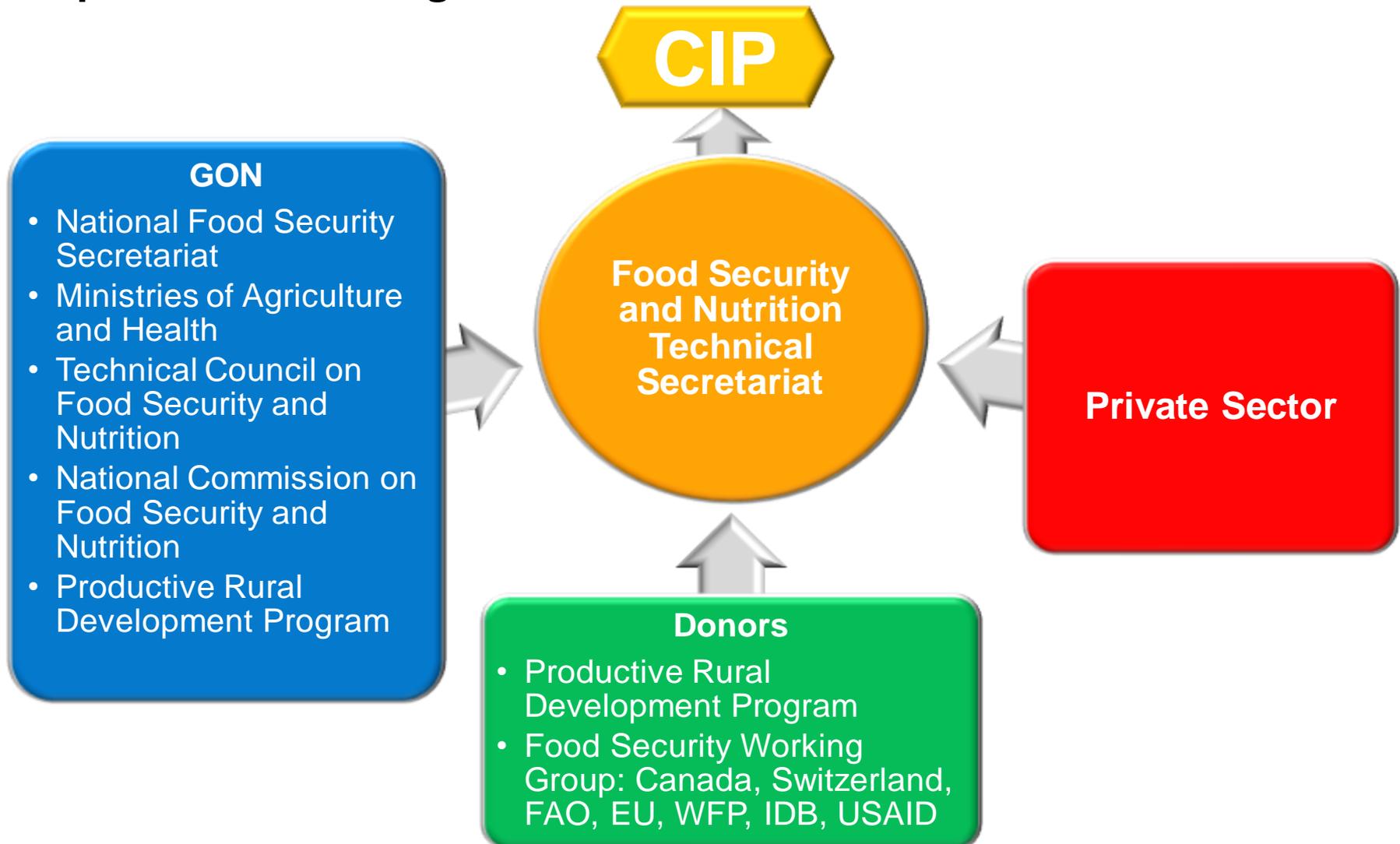
# Approach

**Nicaragua has made significant steps in developing a Country Investment Plan.**

<b>2009 and 2010</b>	<p><b>Late 2008: Donors and GON agree food security is priority through 2010.</b></p> <p><b>June 2009: GON passes Food Security Law.</b></p> <p><b>December 2009: GON publishes “National Strategy for Food and Nutritional Security and Self Sufficiency.”</b></p> <p><b>March 2010: USAID’s FY10 Implementation Plan approved.</b></p> <p><b>April 2010: USAID chairs donor FS Working Group. FS and Nutrition Technical Secretariat conceptualized.</b></p> <p><b>August 2010: Nicaraguan National Food Security Secretariat created.</b></p> <p><b>September 2010: Donors meet with GON to discuss food security and formally present FtF.</b></p> <p><b>October 2010: GON submits investment plan to Global Agriculture and Food Security Program.</b></p> <p><b>November 2010: USG launched Feed the Future at World Food Day event in Managua.</b></p>
<b>2011 Plans</b>	<p><b>January Donor FS and Nutrition Technical Secretariat begins work with GON on Country Investment Plan (CIP) development.</b></p> <p><b>April GON and Donor FS and Nutrition Technical Secretariat review draft CIP.</b></p> <p><b>June First draft of CIP completed.</b></p>

## Approach

**The Food Security and Nutrition Technical Secretariat provides the platform for dialogue and coordination with the GON on the CIP**



# Approach

## Increase Incomes

- Two thirds of Nicaragua's exports are agriculturally based.
- Over 80 percent of producers have farms of less than 35 hectares.
- More than 40 percent have less than 3.5 hectares.
- Nicaragua's comparative advantage is abundant arable land and resources.

**USAID will work with small farmers and cooperatives on:**

- Access to international and regional markets
  - New technologies and systems
- Target SMEs with links to small holder producers
  - Value added processing

# Approach

**In prioritizing value chain selection, three commodities are the most promising: coffee, horticulture, and beans**

Commodity	GON Development Priority <sup>1</sup>	Small-holder Production <sup>2</sup>	Current or High Export Potential <sup>3</sup>	Significant Production within Central Mountain Zone <sup>4</sup>	USAID Agricultural Assessment <sup>5</sup>
Sugarcane			X		
Coffee	X	X	X	X	X
Seafood			X		
Horticulture	X	X	X	X	X
Beans	X	X	X	X	X
Banana/Plantain	X	X	X		X
Rice	X	X		X	
Corn	X	X		X	
Cattle	X	X	X	X	X
Dairy products	X	X	X	X	X
Cocoa	X	X	X		X

**Additional selection criteria not represented on the chart include: environmental impact, land management/property issues, and production cycles.**

# Approach

Three value chains are proposed due to their importance to the rural poor in addressing income and nutrition



## BEANS

- Nutrition staple
- Target population can access the crop
- Regionally important export crop – black and red beans
- Untapped production potential
- Job creation with processing – particularly for women

Staple Food



## HORTICULTURE

- Target population can access the crop
- Formal national and regional market demand outstrip supply
- Untapped production potential
- Job creation with processing – particularly for women

Nutritional Value



## COFFEE

- Small farmer crop
- One of top agricultural export
- International demand for specialty coffee outstrips supply
- Off-farm job creation – particularly for women

Export Potential

# Approach

## Reduce Malnutrition

The Mission's interest in areas of incomes and nutrition builds on lessons learned with past USAID food assistance programs and links into successful ongoing health service delivery and health education projects with the Ministry of Health.

Current health programs are working to improve health

- USAID programs have extensive experience in the areas of:
- Diet diversification
  - Nutrition monitoring
  - Breastfeeding
  - Behavior Change Communication
  - Food supplements

## Approach

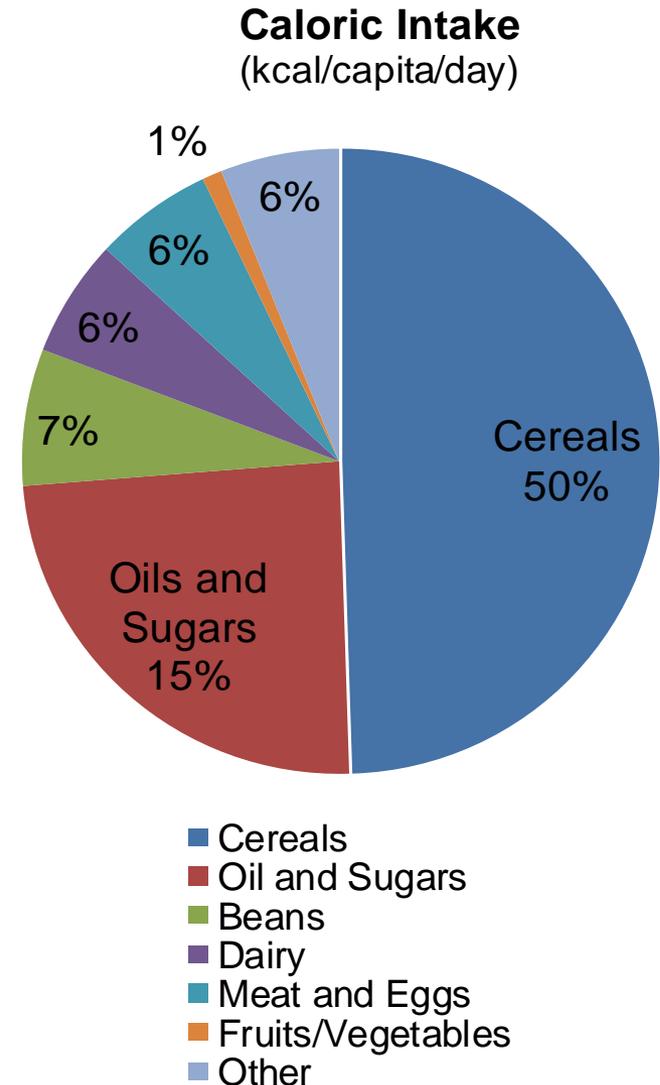
### Fruits and vegetables account for only 1% of the Nicaraguan diet

#### USAID will target households to:

- Increase basic food production through home gardens.
- Encourage the diversification of household diets.
- Continue targeted messaging programs for improved food utilization.

#### This approach will focus on:

- Promoting public-private partnership agreements.
- Supporting female entrepreneurship.
- Building global climate change and disaster resilience.
- Continued capacity building of local organizations to engage in Feed the Future implementation.



## Feed the Future will build on mission activities that have successfully leveraged private sector resources in health, education, agriculture, and trade

Current agricultural activity with Catholic Relief Services has leveraged approximately \$33 million through alliances with the private sector and municipal governments.

(Leverage 1.65 to 1)

Examples Include:

\$170,000 in private investments from **La Colonia** (the largest local supermarket chain) has generated more than \$450,000 in new sales, 30 new products, and over 190 new jobs for SMEs. Leverage: 2.5 to 1

\$50,000 in investments by **Café Soluble** has resulted in nutritionally fortified foods and drinks and health and nutrition technical assistance to community “maternal houses.” Leverage: 1 to 1

\$1.17 million in in-kind support from the Municipality of La Trinidad for agricultural based investments in the community.

\$2.87 million in cash support from the Howard Buffet Foundation for agricultural based investments.

Agreements are in place with **Ritter Sport** to purchase cocoa from small producers, with Nicaraguan chocolate marketed as high-quality and organic. Additionally, a large regional MOU with **WalMart** is currently being discussed.

Walmart 

**LA COLONIA**  
SUPERMERCADOS

**Ritter**  
SPORT

**CSSA**  
Café Soluble, S.A.

therainbow  
**NETWORK**

  
VegyFruit S.A.

## Cross-Cutting Themes

### The participation of both women and men is crucial to all Feed the Future interventions

- Women headed households make up 38.1% of the households in the targeted areas and the proportion is increasing because of poverty and employment migration.
- Women play leadership roles in enterprises and cooperatives. Seven cooperatives are led by women.

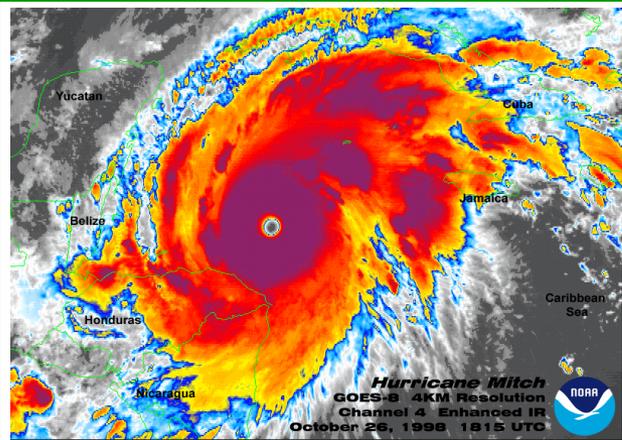


#### Illustrative activities

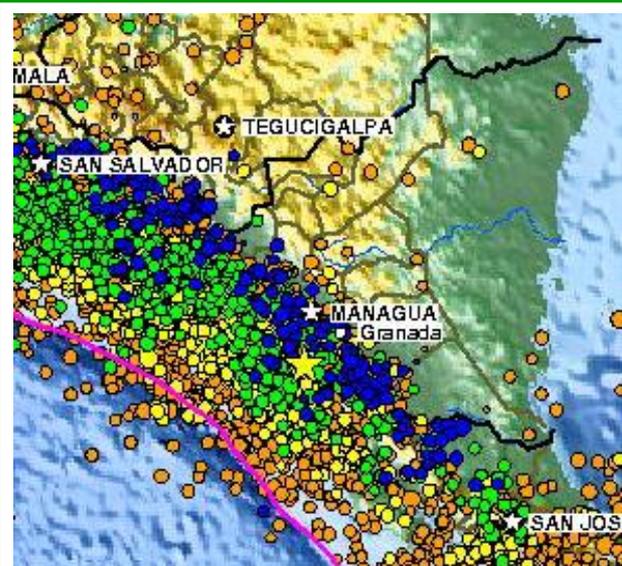
1. Target women and children through nutrition behavior change communication programs.
2. Increase incomes through household gardens, micro business support, community cooperatives and support networks and access to microfinance.
3. Target educational programs for men that focus on the nutritional needs of women and children.

## Cross-Cutting Themes

### Hurricane Mitch



### Seismic Activity 1990-2006



## Natural disasters and global climate change greatly impact Nicaragua's advancement

Climate change is affecting the occurrence of slow (drought) and rapid (tropical storm) onset natural disasters in Nicaragua.

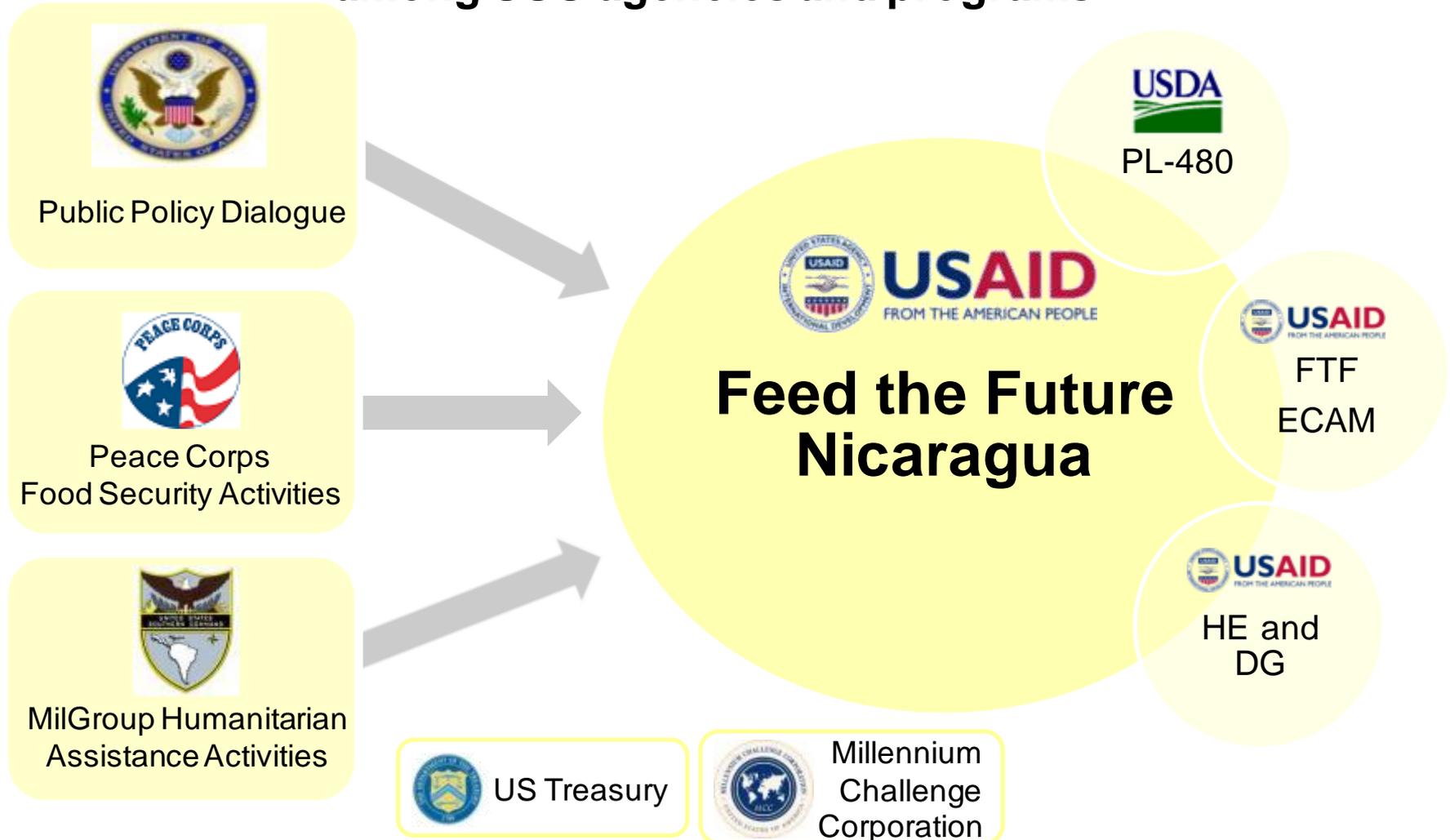
FAO reports that basic grain production was down by more than 50 percent. In five of Nicaragua's 17 Departments, losses were greater than 60 percent.

Feed the Future will strengthen family and community disaster preparedness and resilience by:

- Improving food production and post-harvest storage
- Improving disaster preparedness and early warning systems
- Supporting the dissemination of new cropping strategies (e.g., drought resistant crops, rational water use)

# Proposed USG Engagement

The whole of government approach in Nicaragua will harmonize current portfolios with Feed the Future and build new synergies among USG agencies and programs



# Thank you!

