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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX I**

to the Commission Implementing Decision on the financing of the annual action plan in favour of  
Nicaragua for 2024

**Action Document for “Local Strategic Alliances for Adaptation to Climate Change, phase II”  
(ALLACC II)**

**ANNUAL PLAN 2024**

This document constitutes the annual work programme within the meaning of Article 110(2) of the  
Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

## 1 SYNOPSIS

### 1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Local Strategic Alliances for Adaptation to Climate Change, phase II (ALLACC II) OPSYS number: ACT-62328 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)/ Overseas Association Decision/European Instrument for International Nuclear Safety Cooperation Regulation
<b>2. Team Europe Initiative</b>	N/A
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Central America, Nicaragua, Dry Corridor, Upper Coco River Basin
<b>4. Programming document</b>	Multi-annual Indicative Programme 2021-2027
<b>5. Link with relevant MIP(s) objectives / expected results</b>	Priority Area No. 1 of the MIP 2021-27 “Environment and climate change adaptation/mitigation”  SO2 “Strengthen inclusive conservation and sustainable management of water resources to adapt to climate-related impacts and inclusive access to water and sanitation”  ER1 “Integrated watershed management implemented with a climate change adaptation approach and effective community participation, including preparedness for drought management”  ER2 “Improved availability, accessibility and efficient use of water and resources, particularly in rural areas”  ER3 “Improved access to sanitation, clean water and sewerage systems, particularly in rural areas”  SO1 “To increase environmental and biodiversity protection for environmentally sustainable development and as a response to climate change”

	<p>ER2 “Promoted sustainable management of forests, fragile ecosystems for local socio-economic development with effective community participation and minimising deforestation and forest degradation”</p> <p>SO3 “To increase community resilience with a focus on disaster risk reduction, prevention and preparedness to cope with climate-related impacts”</p> <p>ER2 “Improved resilience capacities for disaster preparedness and response in hazard-prone areas”</p>
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	<p>MIP 2021 – 2027 Priority area 1: Environment and climate change adaptation/mitigation. Specifically, Water supply and sanitation, water resources conservation: the sector will focus on water resources management and conservation, access to water (infrastructure, monitoring and information systems, technological aspects and awareness), sanitation/hygiene and the development of local capacities, under the framework of a green recovery approach with low carbon emissions.</p> <p>140 Water and Sanitation 312 Forestry</p>
<b>7. Sustainable Development Goals (SDGs)</b>	<p>Main SDG (1 only): SDG 6 - Ensure availability and sustainable management of water and sanitation for all</p> <p>Other significant SDGs:</p> <p>SDG 3 (Health and well-being), SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), SDG 10 (Reducing inequalities), SDG 11 (Sustainable cities and communities) SDG 13 (Climate action) SDG 15 (Forests, desertification and biodiversity).</p>
<b>8 a) DAC code(s)</b>	<p>14010 Water sector policy and administrative management: 21.3%</p> <p>14015 Water resources conservation (including data collection): 5.5%</p> <p>14030 Basic drinking water supply and basic sanitation: 54.1%</p> <p>14040 River basins development: 5.5%</p> <p>14081 Education and training in water supply and sanitation: 3.3%</p> <p>31220 Forestry development: 6.0%</p> <p>1516003 Human rights / Fight for gender equality and the promotion of women's rights : 4.3%</p>
<b>8 b) Main Delivery Channel</b>	To be determined
<b>9. Targets</b>	<p><input type="checkbox"/> Migration</p> <p><input checked="" type="checkbox"/> Climate</p> <p><input checked="" type="checkbox"/> Social inclusion and Human Development</p> <p><input checked="" type="checkbox"/> Gender</p> <p><input checked="" type="checkbox"/> Biodiversity</p> <p><input type="checkbox"/> Education</p> <p><input type="checkbox"/> Human Rights, Democracy and Governance</p>

<b>10. Markers</b> (from DAC form)	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>	
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>	
	Biological diversity @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>			
Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>			
Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

BUDGET INFORMATION	
<b>12. Amounts concerned</b>	<p>Budget lines: 14.020140 – Cooperation with Latin America</p> <p>Total estimated cost: EUR 20 000 000</p> <p>Total amount of EU budget contribution EUR 20 000 000</p> <p>Other contribution: <i>To be determined</i></p>
MANAGEMENT AND IMPLEMENTATION	
<b>13. Type of financing</b>	<b>Indirect management</b> with an entrusted entity to be selected in accordance with the criteria set out in section 4.3.1

## 1.2 Summary of the Action

Nicaragua, a small, open economy heavily reliant on agriculture and light manufacturing, faces significant challenges exacerbated by the socio-political crisis of 2018-2019, compounded by the COVID-19 pandemic and natural disasters. These crises have led to increased poverty rates, and environmental degradation, particularly in water resources management. The upper Coco River Basin, located in the Nicaraguan Dry Corridor, suffers from deforestation, land degradation, and inadequate water access, disproportionately affecting rural and indigenous populations, and within these groups, women are especially affected, as well as persons with disabilities.

The Dry Corridor is a particular geographical central American region (going from Nicaragua to Guatemala), highly vulnerable to extreme weather events, such as recurrent droughts caused by the El Niño phenomenon and climate variability. These climatic conditions have resulted in significant losses in basic grain crops, exacerbating food insecurity and increasing rural migration.

The upper Coco River Basin faces challenges such as steep terrain, deforestation, and water scarcity, leading to conflicts over water access, exacerbated by gender disparities and marginalized indigenous communities. In this context, this action proposes to support the implementation of an Integrated Water Resources Management (IWRM) process, which will promote the coordinated development and management of water, land and related resources to maximize economic and social welfare in an equitable manner, without compromising the sustainability of vital ecosystems.

The extent of deforestation and land degradation due to extensive agriculture, cattle ranching and illegal logging continue to harm the availability of local water resources, affecting the most vulnerable rural and indigenous populations. As evidenced in the most recent report on land use change at the national level (MARENA 2018), Nicaragua annual deforestation rate between 2000 and 2015 is around 100,815 ha. Protecting recharge areas and water sources of deforestation is a priority in order to guarantee access to superficial and ground water for domestic and productive uses. Besides, reforestation can be a source of socioeconomic opportunities for the population.

The **general objective** of the action is to contribute to the adaptation of the vulnerable population in Nicaragua's Dry Corridor to the effects of climate change. **Expected outputs** include i) the protection and conservation of vulnerable water recharge areas; ii) the establishment of participatory mechanisms for the implementation of IWRM; iii) the improvement of water supply, sanitation and water harvesting infrastructure; and iv) the strengthening of the socioeconomic empowerment of women.

The Action is part of the Priority Area 1 of the MIP 2021-27 “Environment and climate change adaptation/mitigation” It covers the cross-cutting themes of: addressing inequalities; capacity building and civil society participation; a human rights-based approach; gender equality and women’s empowerment; innovation, digitalisation and data generation; implementation of nature-based solutions; and generation & communication of statistics and information.

This action responds to key principles such as adaptation and mitigation of climate change, empowerment of women and inclusion of vulnerable groups-such as persons with disabilities-, and is aligned with international and

regional objectives and commitments related to sustainable development and water management. The action is expected to have a significant impact on improving water security, foster economic activities of the most vulnerable population and therefore reducing poverty, and promoting gender equality in water management. Additionally, the action will strengthen the position of the European Union as a key partner in the sector and reaffirm its commitment to inclusive and sustainable development and climate justice in Nicaragua.

The proposed action is linked to the New European Consensus for Development, aligned with the “European Green Deal<sup>1</sup>, the EU Biodiversity Strategy<sup>2</sup> and the EU Gender Action Plan (GAP) III in EU external action<sup>3</sup>. It is consistent with the EU Guidelines on Human Rights for Drinking Water and Sanitation<sup>4</sup> (2019). At the regional level, it is aligned with priority N.1 of the regional MIP for Latin America and Central America. At the global level, it responds to the climate change mitigation and adaptation commitments made by the international community through the Paris Agreement and the commitments outlined in the 2030 Agenda. It specifically addresses SDG 6 (Ensure availability and sustainable management of water and sanitation for all) and SDG 15 (Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss). The action will also contribute to the achievement of the SDGs: 2 (Zero Hunger), 3 (Good Health and Well-being), 5 (Gender Equality), 8 (Decent Work and Economic Growth), 10 (Reduced Inequalities), 11 (Sustainable Cities and Communities), 12 (Responsible Consumption and Production) and 13 (Climate Action).

The action responds to the Rio principle of “adaptation to climate change” and contributes to the principle of “mitigation of climate change” through promoting carbon sinking and markets. At the same time, it will also provide an alternative source of incomes to smallholders. The Project is a gender marker 1 as it has a specific expected output to strengthen women’s participation and empowerment in IWRM. It also contributes to Priority Sector 1 of the European Union’s Gender Action Plan (GAP III) 2021-2025 in Nicaragua, by “Increasing women’s resilience to climate change, in particular rural and indigenous women” and “Improving women’s decision-making on issues related to the environment and climate change”. It responds to the principle of “Leaving no one behind” by addressing the effects of climate change and guaranteeing the right to water to population groups vulnerable to the effects of climate change, indigenous populations and women, who are living in rural areas characterised by conditions of poverty and extreme poverty. Moreover, it is aligned with the GAP III key area of engagement ‘Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation’<sup>5</sup>. Likewise, the objective of the action it is harmonised with one of the main objectives of the Country Level Implementation Plan (CLIP) of Nicaragua: ‘Increase the resilience to climate change of women in all their diversity, and particularly of rural, indigenous, and Afro-descendant women’.<sup>6</sup>

Building upon lessons from previous interventions (ALLACC I implemented by GIZ with EU funds), the action prioritizes areas for reforestation, water source protection, and community strengthening. Basin committees will be trained and Community Water and Sanitation Committees (CAPS) will be strengthened to address the needs of the most vulnerable populations, with a gender perspective. All efforts will be focused on areas with high poverty rates and critical livelihood challenges due to desertification.

The project's success hinges on comprehensive stakeholder engagement, inclusive infrastructure development, and empowerment of marginalized groups, particularly indigenous groups and women. By addressing these key components, the project aims to enhance water security, mitigate climate risks, it seeks to build resilience, improve the livelihoods of vulnerable populations in the region, contributing to Gender Equity, and foster sustainable development in Nicaragua's Dry Corridor.

To foster a more comprehensive and impactful approach, the project will actively coordinate and synergize efforts with existing DG ECHO-funded initiatives in the Dry Corridor. This strategic alignment will help us strengthen

<sup>1</sup> The European Green Deal: [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en)

<sup>2</sup> EU Biodiversity strategy for 2030: [https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030\\_en](https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en)

<sup>3</sup> EU Gender Action Plan (GAP) III – An ambitious agenda for gender equality and women’s empowerment in EU external action [join-2020-17-final\\_en.pdf \(europa.eu\)](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en)

<sup>4</sup> EU guidelines on safe drinking water and sanitation: [https://www.eas.europa.eu/sites/default/files/hr\\_guidelines\\_sanitation\\_en.pdf](https://www.eas.europa.eu/sites/default/files/hr_guidelines_sanitation_en.pdf)

<sup>5</sup> [Joint report to the European Parliament and the Council ‘on the implementation of the EU Gender Action Plan \(GAP III\). JOIN \(2023\) 36 final, 20.11.2023](#)

<sup>6</sup> Gender Action Plan (GAP) III- 2021-2025, Country Level Implementation Plan (CLIP) Nicaragua, EU Delegation to Nicaragua, July 2023

the nexus between humanitarian, development, and peacebuilding (HDP). By identifying common objectives and leveraging complementary resources, we can maximize our collective impact and ensure a more sustainable and equitable outcomes.

Finally, it is important to mention that the action will be guided by a gender transformative approach (GTA) and has used and will use a GTA lens in determining priorities and activities.

### 1.3 Zone benefitting from the Action

The action is to be implemented in Nicaragua, which is an eligible country for NDICI- Global Europe, listed under developing countries and territories, (included in the OECD-DAC list of ODA recipients ), which are not members of the G20 group. Specifically on appendix 6: lower middle income countries and territories.

## 2 RATIONALE

### 2.1 Context

Nicaragua is at crossroads and at the centre of geopolitical clashes. The 2018 socio-economic outburst and subsequent violence and repression unleashed a process of deterioration of rule of law, civil and political rights and other fundamental values. The country is now at tipping point. Decisions today can have particularly far-reaching consequences for better or for worse. It is the poorest country in Latin America and the Caribbean, just after Haiti, with a GDP per capita of €2,173 in 2022<sup>7</sup>.

Nicaragua is a small, open economy dependent on agriculture and light manufacturing. Low human capital, large infrastructure gaps and a weak institutional and business environment affect its long-term sustainable growth. The socio-political crisis of 2018, followed by the COVID-19 pandemic and hurricanes Eta and Iota in 2020, led to a cumulative GDP loss of 8.8%, while poverty increased to 16% by the end of 2020. According to IMF data, since 2021 (10.3%) the growth rate tends to be positive with 3.8% in 2022 and estimated of 4.0% in 2023. However, increased informal employment and lower wages reduced household income for 28% of households. Remittances expanded during 2023, reaching about 27% of GDP due to an increase in emigration. Between January 2018 and November 2023, the accumulated inflation reduced the families purchase power in 19.65%. Slower growth, high food prices and fiscal consolidation are likely to slow the reduction of poverty and inequality in the medium term.<sup>8</sup> As indicated by Nicaragua's CLIP, the impacts of Climate Change in the country are disproportionately and distinctly accentuated for women. Climate Change affects women's workload and time use, the availability of water for domestic use and the production of basic foodstuffs for family food security, leading to higher levels of stress and health problems. The prevalence of undernourishment at 16.2 percent places Nicaragua at the highest level in Central America. However, women are key players in the fight against climate change; they are not only guarantors of family food security but have also proven to be vital for the development of adaptation activities and for environmental monitoring<sup>9</sup>.

Additionally, concerning persons with disabilities, it is important to mention that more than 15% of the Nicaraguan population suffers from some form of disability. While the causes vary, the principal reasons include deficiencies in perinatal care as well as limited medical resources for pre-and post-natal care<sup>10</sup>. In this regard, it is worth noting that according to Second periodic report submitted by Nicaragua on the Committee on the Rights of Persons with Disabilities in 2020, from 2015 to 2016, the Nicaraguan government focused on reinforcing the rights of persons with disabilities, guided by the Convention on the Rights of Persons with Disabilities, which improved inclusivity and delivered tangible results. Continuing its commitment to social rights, Nicaragua adhered to legal standards that support the prevention, protection, and assistance of persons with disabilities as outlined in the Optional Protocol. In the second periodic report to the Committee on the Rights of Persons with Disabilities, Nicaragua's

<sup>7</sup> World Bank. Nicaragua-GDP (<https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=NI> )

<sup>8</sup> World Bank. Nicaragua-General Panorama (2023). <https://www.bancomundial.org/es/country/nicaragua/overview#:~:text=Las%20remesas%20se%20expandieron%20considerablemente,14%2C2%20%25%20en%202021>

<sup>9</sup> Gender Action Plan (GAP) III- 2021-2025, Country Level Implementation Plan (CLIP) Nicaragua, EU Delegation to Nicaragua, July 2023

<sup>10</sup> [Including children with disabilities in Nicaragua's schools improves education for all, UN, Office for South-SouthCooperation, November 2021](#)

Government showcased its ongoing dedication to implementing best practices and promoting harmony in compliance with both international and domestic laws. This effort was underscored by extensive collaborations with all public service sectors and federations of persons with disabilities, ensuring that each initiative and achievement genuinely supports this community<sup>11</sup>. Furthermore, the consequences of Climate Change are exacerbated for persons with disabilities. Thus, persons with disabilities face heightened protection risks and barriers to inclusion and are likely to have specific, additional needs related to forced displacement in the context of disasters and Climate Change<sup>12</sup>.

According to figures from the World Bank, Nicaragua loses an annual average of 1.72% of GDP due to climate variability and climate change. Access to safe water and sanitation remains inadequate, especially in rural areas. According to the latest official data published (ANA 2020), drinking water coverage in rural areas is 55.4% and sanitation coverage is 50.9%.<sup>13</sup> The lack of integrated water resources management is exacerbated by climate change in extreme vulnerable areas such as the Nicaraguan Dry Corridor. The Dry Corridor is a particular geographical central American region highly vulnerable to extreme weather events, such as recurrent droughts and climate variability. These climatic conditions have resulted in significant losses in basic grain crops, exacerbating food insecurity and increasing rural migration.

The upper Rio Coco basin (CARC, as in Spanish acronyms) is located in the Dry Corridor, and it is home to mostly rural municipalities, with several restriction for water access. The previous action ALLACC I, was implemented in this areas, and showed proper adaptability to the local political context, channelling investments directly to local stakeholders. There is already fluidity in this cooperation scheme that is closer to local water committees and private sector. The results of ALLACC I set up an ideal context to increase support for the implementation of the already successfully proved IWRM, scaling up the actions to new municipalities.

The selected area for this Action is located in the **upper part of the Coco River basin (CARC)**, covering an area of 2,398.57 km<sup>2</sup>. This area is home to seven “Chorotega” indigenous territories distributed in six municipalities; these areas coincide with areas of “high” and “very high” poverty rates (between 74% and 83%) calculated on the basis of Unsatisfied Basic Needs (INIDE, Census 2005<sup>14</sup>).

According to the 2022 UNDP Human Development Report, Nicaragua’s estimated GNP per capita is US\$3,646 for women and US\$7,661 for men. This reflects the great inequality in the access to paid work. Access to land is also very limited for women (15% of total land). These factors, related to the mainly male dominated culture, especially in rural areas, strongly limit women’s participation in decision-making spaces and their empowerment. Water management is highly related to women dynamics, since they typically are in charge of water access, transport and use. This demands time and efforts that limits their options for education, paid work, and social leadership. In this regard, the impact of prolonged dry spells is likely to be more pronounced in households headed by women, who often face greater challenges accessing agricultural markets due to a persistent gender gap in rural areas<sup>15</sup>. Moreover, the most acutely felt effect by both women and men in the western and northern rural areas of the country is undoubtedly the scarcity of water, which also serves as a clear example of how climate change impacts differ by gender. While men experience the impacts of drought on the production of major crops, women’s relationship with water is very different, as they require it for various uses. For women, water is a resource whose proximity is vital for the home and garden, crucial for the well-being and nutrition of their families. The availability of water underpins the small-scale domestic productions (gardens) they manage and the carrying out of reproductive work (domestic and caregiving), a role almost entirely assigned to women. Significantly, in Nicaragua women are important agents of change and possessors of significant knowledge and skills for everything related to mitigation, adaptation, and risk reduction in the face of climate change, which makes them crucial actors in this area<sup>16</sup>.

<sup>11</sup> [Second period report submitted by Nicaragua under article 35 of the Convention, due in 2013, Committee on the Rights of Persons with Disabilities, July 2020](#)

<sup>12</sup> [Climate change may lead to a higher risk of forced displacement through an increased frequency and intensity of extreme weather events. People with disabilities face heightened protection risks and barriers to inclusion, Disability, Displacement and Climate](#)

<sup>13</sup> ANA / SININBU. <https://aguasaneamiento.info.ni/nimbu/>

<sup>14</sup> Only official datasource available, verified by specific assessment of the area.

<sup>15</sup> [Nicaragua, Dry spell in northern Nicaragua- Briefing note, START Network, Acaps, July 2019](#)

<sup>16</sup> Gender Country Profile of Nicaragua, EUD to Nicaragua, April 2020



## 2.2 Problem Analysis

From local assessments and lessons learnt from the ALLACC intervention, there are 5 main problems that have been analysed as follows:

### **a) Deficiencies in the implementation of Integrated Water Resources Management (IWRM).**

In its last measurement (2020) the indicator on implementation of IWRM was 30/100 (low degree of implementation<sup>17</sup>). Nicaragua reported an upper-medium level in terms of legal and political framework (60/100), since there is significantly developed political, legal and institutional framework for water governance. However, key aspects such as planning, instruments for water basin management, local regulations, private sector, local population, and women's participation are in a low level (30/100). In order to achieve the goals of the 2030 Agenda, local stakeholders (duty-bearers) should increase their technical and organisational capabilities for water governance and integrated management as well as incorporating a gender approach that contributes to women's participation.

This is mainly due to weaknesses in the institutions operating in the sector, weak participation and coordination between stakeholders (duty-bearers) (mainly at local level), and lack of resources. This situation has been worsening over the last 5 years, due to the decline of international cooperation programmes, of civil society stakeholders (duty-bearers) (mainly NGOs) and the private sector operating in IWRM.

The upper basin of the Coco River (CARC) faces several challenges in terms of water and forest management. Essentially the terrain is very steep, with shallow and rocky soils where it scarcely rains during the year. This area was originally populated by pine forests and some formations of dry tropical forest. However, during the last fifty years the forest area changed its use for agriculture, inadequate timber harvesting, uncontrolled cutting for firewood, frequent forest fires and uncontrolled agricultural plot burning. Pests, such as the pine bark beetle, have also contributed to this situation. During the rainy season, aggressive rain events due to "La Niña" phenomenon<sup>18</sup>, have incremented soil erosion causing more aridity, less overall sustained and distributed rain, less humidity and the loss of crops leaving people in extreme poverty. We can expect that climate change will further exacerbate extreme events. Recently wells are desperately being dug on the river beds to get some water for human consumption and farm animals.

The selected area presents similar conditions to those faced by the ALLACC project, with very dry areas, poverty and technical difficulty to reach vulnerable populations with WASH infrastructure. The new selected area has a greater number of communities and microwatersheds that influence the Coco River basin ecosystem's health. The most impoverished populations tend to be in indigenous territories with steep slopes where rainwater is difficult to retain; however, these populations do not have the economic resources or the uprooting attitude necessary to move to other places. Therefore, they are condemned to remain in the same places where they previously had greater availability of water but now, due to climate change and desertification, they do not access to enough water for domestic consumption, much less likely for agricultural productive purposes.

### **b) Conflicts related to water use**

- Conflicts derived from domestic vs productive water use which increase in the dry season, because there is almost no capacity to capture and store enough water in homes and schools.
- Gender related conflicts which occur due to a lack of a gender-sensitive approach in water management; currently, there is no consideration of the differences in impact and interests between men and women with respect to access and water usage.
- Conflicts related to river sand mining are common, there is no effective regulation of this practice and the miners are often accused of causing running surfacewater depletion, riverbed widening and lowering, reduced biodiversity and overall watershed erosion. The UN is identifying river sand as a strategic resource under threat<sup>19</sup>.
- Conflicts with the indigenous population due to an important asymmetry of power: despite the efforts made through the ALLAC I project, the Chorotega *indigenous population* remain marginalized, without influence on decisions related to the use of their own natural resources, including water, forest and soils. The majority of local actors do not recognize the indigenous communities' dominion over their own lands, as well as,

<sup>17</sup> Source: <https://unepdhi.org/>

<sup>18</sup> Opposite of "El niño" effects on lack of rain, "La Niña" causes heavy rainfall in short periods of time inducing erosion.

<sup>19</sup> <https://news.un.org/en/story/2022/04/1116972>



their organizational forms: therefore, they face conflicts related to water with an important asymmetry of power.

**c) *Lack of capacities***

Stakeholders (duty-bearers) involved in water resources management often lack training, technical assistance and equipment necessary to perform their role. Social organisation and coordination at territorial level is rather weak. In the first phase, with the support of de EU through ALLACC I, an Integrated Water Resource Management Plan for three river sub-basins: Macuelizo, Inali, and Tapacali<sup>20</sup>, was designed and approved as a main tool for water management and currently serves as a frame for IWRM implementation in that section of the upper Coco river basin, proving that this approach is a suitable way to improve stakeholders (duty-bearers) capacity for water management. In the case of the Dipilto river sub-basin, it was officially approved with the support of the Swiss Cooperation. However, there are still larger sections of the upper coco river basin (CARC), tributary rivers sub-bassins located North and East of ALLACC I intervention area with vulnerable physical and social conditions without adequate water management structures were ALLACC II will scale up and build management capacity. There is difficulty in adequately monitoring water availability and quality, and there is also a lack of meteorological stations to monitor the resource throughout the basin. In addition to the lack of technical skills, there is generally little openness to the participation of women, who are not taken into account to express their opinions or to carry out IWRM related roles.

Indigenous authorities<sup>21</sup> have an important role to play in the protection and conservation of their territories and in the recovery of ancestral knowledge. In order to exercise this role, indigenous governance structures must be strengthened in their institutional capacity, and in the recognition of women's right to participation and decision-making. Free Prior and Informed Consent (FPIC) has been historically neglected to this populations in their territories and currently they do not have an organizational presence in the water governance structures. The project will make every effort to ensure that this participation includes a representation of indigenous women.

The Water and Sanitation Committees (CAPS), which are territorial, civil society organisations directly responsible for the management of water and sanitation systems at local level, face organisational problems, limited technical capacities, and lack of official registration. These entities are the most exposed when conflicts are created among the population. CAPS have traditionally been very masculinized structures, with little presence of women in positions of responsibility and decision-making.

There is a need to foster greater technical coordination between stakeholders (duty-bearers) involved in IWRM at the local level, in order to facilitate and implement activities around infrastructure for water access, water storage, sanitation, reforestation, and water sources protection. This is also a key element for sustainability of the actions, since forest, water and soil management are long term processes.

**d) *Deficient water and sanitation infrastructure***

In the municipalities targeted by the proposed Action, drinking water and sanitation (excreta disposal) coverage is highly **insufficient**, especially in rural areas. Water systems, where they exist, have increasing problems of coverage due to increased demand (population growth) and decreasing flows and water table levels in the dry season. Water quality monitoring does not cover the entire rural demand. In the communities the latrine systems are mainly old and obsolete, and when there is rain and runoff they flood and contaminate water and the environment. Open air defecation is a widespread practice. There are cases of cultural resistance to the use of chlorine for water purification. Rural areas do not have the same institutional support and subsidies for drinking water as urban areas. Sanitation infrastructure generally lack safety structures (locking systems, fences) to ensure that girls and women can safely use them, including their menstrual hygiene practices, in safety and privacy.

<sup>20</sup> All sub-bassins of the Coco River that cover part of the Upper Coco River Basin (CARC)

<sup>21</sup> Political constitution of Nicaragua. Article 5: "The State recognizes the existence of indigenous peoples, who enjoy the rights, duties and guarantees set forth in the Constitution and especially those of maintaining and developing its identity and culture, have their own forms of social organization and manage their affairs local; as well as maintaining the communal forms of ownership of their lands and the enjoyment, use and enjoy them"

*e) Gender discrepancies*

Globally, water management policies and strategies generally *do not specifically take gender considerations into account* and women are sometimes absent from decision-making and policy-making processes. **Socially**, there are still gender stereotypes that attribute less capacity for water resource management to women, although the lack of water affects them with particular intensity. CAPS are sometimes a reflection of the patriarchal system that reflect men in the most important **decision-making positions**, reinforcing their power and leadership. The predominant global culture in rural areas determines that it is the woman who provides the water in rural homes, “if they spend it, that they look for it”.

Women and girls often have to travel long distances to fetch water for their homes, which creates diverse problems, ranging from health problems due to carrying excessive weight (some buckets can weigh up to 20 kilos), school absenteeism and the absence of recreational and leisure spaces for girls, to dedicate themselves to water carrying tasks, lack of time in the case of women to dedicate to productive activities, caring for family members when they fall ill due to lack of water for personal hygiene, and greater exposure to sexual abuse when they travel long distances in sparsely populated areas. It is difficult to find women occupying paid positions in IWRM, and this is due to the sexual division of work and gender roles that assign women voluntary work and paid work to men, assuming that they have more rights or are better prepared to perform it, women who face such stereotypes are questioned socially and familiarly.

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The **Overall Objective** (Impact) of this action is to contribute to the **adaptation of vulnerable population located at the Dry Corridor in Nicaragua to the effects of Climate Change**, particularly those related to **water access and integrated water management**.

The **Specific Objective** (Outcome) of this action is to strengthen the stakeholders/duty-bearers' capacities for implementing **IWRM with a gender approach**, including protection, conservation and access to water and sanitation, in the upper Coco River Basin. This outcome will be achieved by integrating the protection of recharge zones, and water sources, improvement of drinking water infrastructure and enhanced water governance with participatory decision making processes at water- basing level, and improved socio-economic and technical empowerment of women.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objective are:

- 1.1 **Protected and conserved vulnerable water recharge zones, water sources and soils**, facilitating water retention, infiltration, thus increasing water availability. Actions will include mechanisms for carbon sinks by agroforestry and reforestation, generating alternative incomes and jobs.
- 1.2 **Established participatory mechanisms**, instruments (climatic and river monitoring stations and the basin master plan for the new intervention area), and management structures (basin committees) for the implementation of IWRM in the Upper Coco River Basin, including community, municipal, inter-municipal and basin level, with a meaningful participation of women and youth in spaces related to water resource control and decision making.
- 1.3 **Enhanced and incremented water supply**, sanitation and water harvesting infrastructure, based on IWRM, indigenous and gender approach, in the upper Coco river basin (CARC).
- 1.4 **Improved socio-economic and technical empowerment of women**, ensuring their participation in paid work in activities developed in the framework of IWRM.

## 3.2 Indicative Activities

### **Start-up activities (inception phase)**

- Climate Risk Assessment study
- Technical baseline study of the basin water resources (inventory of water sources, surface and groundwater quality, hydraulic flow metrics, groundwater, and surface water levels)
- Specific gender and socio-economic studies to identify gaps, needs and opinions of women, elders, persons with disabilities, level of population vulnerability, the cultural and social acceptance of the actions to be proposed
- Study to identify, prioritize and develop a strategy for attending indigenous territories
- Monitoring and Evaluation system design (M&E) systems design, with a gender, disability-inclusive, human rights and conflict management approach

### **Activities relating to Output 1.1:**

- Studies to identify and prioritize vulnerable water recharge zones and water sources with a gender and inclusive approach.
- Studies for multi-temporal analysis of land use change, focusing on degraded soils.
- Reforestation, agroforestry management initiatives and conservation of prioritized water recharge zones (Contributing to carbon sequestration)
- Conservation of prioritized water sources

### **Activities relating to Output 1.2:**

- Preparation of basin diagnosis as part of the Integrated Water Resources Management Plan in accordance with the guide for the preparation of Integrated Water Resources Management
- Rural Water and Sanitation Information System (SIASAR<sup>22</sup>) information update for the action area.
- Participatory preparation of basin action plans that include priority measures for adaptation to climate change, protection of water resources and conservation of recharge zones, incorporating the following management functions:
  - Site identification for meteorological and hydraulic monitoring stations.
  - Climate and water resources information system strengthening, use of a web platform for hydro-meteorological monitoring.
  - Technical assistance and institutional strengthening (trainings, workshops) for Basin Committees members such as Community Water and Sanitation Committees (CAPS), indigenous communities, municipal Units for Environmental Management (UMAS) at different levels.
  - Gender equality, new masculinity, self-esteem and psychosocial care promotion workshops within the CAPS and gender focal points in the institutions and committees focusing on youth, persons with disabilities, and indigenous people.
  - Indigenous ancestral knowledge integration in IWRM plans.
  - Experience exchange and dissemination of and good practices in administrative, technical, social and environmental issues (including gender, right to W&S, and conflict management).

### **Activities relating to Output 1.3:**

- Studies to identify and prioritise W&S systems and water harvesting infrastructure<sup>23</sup> in the basin with a gender, disability-inclusive, and conflict analysis approach. Studies to adequate the “Payment for results systems” for water provision in rural areas.
- Design, construction, and social accompaniment of drinking water, sanitation and water harvesting systems, including prioritized health centers and schools
- Provision of water harvesting and storage kits for extreme vulnerable households in the basin (elders, persons with disabilities or similar vulnerable conditions)
- Training of households on water harvesting, plumber, safe water uses and management.

<sup>22</sup> SIASAR Global (Rural Water and Sanitation Information System) is a joint initiative launched by the governments of Honduras, Nicaragua and Panama that soon expanded to other regions, <https://www.ircwash.org/resources/rural-water-and-sanitation-information-system-siasar>

<sup>23</sup> This should include a technical analysis study of 3 basic harvesting options: buildings as catchments, surfaces for channelling runoff into infiltration zones, or underground sand dams in river beds still functional in dry season.

**Activities relating to Output 1.4:**

- Certified training courses and support for women, including those with disabilities, in work related to IWRM (wastewater management, drinking water management, water treatment, plumber, pipefitting and sprinkler Fitting Plumber).
- Pilot projects related with incentives for women employment in IWRM initiatives, including women with disabilities.
- Advice and training in the development of business plans and sustainable and environmentally friendly ventures.
- Promotion of management skills workshops with a focus on self-esteem and community participation of women, including those with disabilities, for IWRM decision-making spaces.

### 3.3 Mainstreaming

**Environmental Protection & Climate Change**

**Outcomes of the SEA screening** The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

**Outcomes of the EIA (Environmental Impact Assessment) screening** The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment)

**Outcome of the CRA (Climate Risk Assessment) screening** The Climate Risk Assessment (CRA) screening concluded that this action is at risk (CRA will be conducted)

The project activities and outcome can be potentially affected by natural hazards associated to climate change such as droughts, soil erosion & surface runoff due to storms, or hurricanes. The action's design takes into account the possible effects of climate change over the area of intervention. (e.g. scenarios of available water flow in the future, increase in temperature, forest fires, etc.). All the proposed technical studies, including a detailed CRA will incorporate adaptation action design and contingency plans for the most vulnerable areas.

**Gender equality and empowerment of women and girls**

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that it has the gender-specific output "Improved socio-economic and technical empowerment of women, ensuring their participation in paid work in activities developed in the framework of IWRM". In addition, the gender approach is transversal to the four outputs with specific activities and methodologies.

**Human Rights**

The action guarantees the right to drinking water and sanitation to the poorest and most vulnerable population (rural communities with difficult access to these services), based on the principle of "leaving no one behind". It directly benefits the population of the Chorotega indigenous territories and is developed in areas where the level of extreme poverty is very high (over 35% in most of the municipalities of the intervention area). It is well in line with the provisions of the EU Human Right guidelines on safe drinking water and sanitation and its core elements: affordability, acceptability, quality, availability and accessibility.

**Disability**

As regards the OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This means that the action does not specifically target disability. However, it is foreseen that actions of access to W&S and training and awareness-raising activities will take into account persons with disabilities and their specific needs in order to facilitate their participation and decision-making within the framework of vulnerable groups. Moreover, according to what is stated in this action, persons with disabilities are in a particularly vulnerable situation regarding the consequences of Climate Change. Therefore, the Action would take into account aspects of protection, accessibility, and inclusivity for people with disabilities.

**Reduction of inequalities**

Despite the fact that the action is labelled as I-0, by supporting the strata of the population without access to W&S and having a focus on gender and the most vulnerable groups (indigenous populations, children,

economically desperate youth, persons with disabilities) the action helps to reduce inequalities between population strata. It also has an effect on reducing inequalities in the right to W&S between the urban sector (where this right is mostly guaranteed), and rural areas.

### **Democracy**

Operating through community and territorial organisations (CAPS, basin and micro-basin committees, indigenous governments) and favouring coordination spaces at the local level (coordination tables between all the duty bearers involved in W&S in the territory), the action favours and encourages the participation of the whole of society in the planning of activities and in decision-making. The preparation of the IWRMP will be carried out in a participatory manner guaranteeing the presence of institutions and representatives of the population.

### **Conflict sensitivity, peace and resilience**

The project envisages awareness-raising and training actions for Basin Committee members, that will promote conflict resolution around water use and forest resource management.

### **Disaster Risk Reduction**

The action will contribute to the reduction of disaster risks, related to landslides and floods through supporting soil and forest resource conservation. At the same time, the action will contribute to reducing the effects of water scarcity, such drought and annual dry periods, by increasing the capacity and skills for water capture, storage and conservation. Additionally, the action will actively seek complementarities with existing DG ECHO-funded initiatives, as well as, other EU projects in the Dry Corridor to leverage the synergies. This collaborative approach will maximize our collective impact and ensure a more sustainable and equitable outcome.

## **3.4 Risks and Lessons Learnt**

<b>Cate-gory</b>	<b>Risk</b>	<b>Proba-bility</b>	<b>Impact</b>	<b>Mitigation measures</b>
1	Risk 1. Tense relations with the Government and/or bureaucracies limit the coordination with duty bearers	High	High	Coordinate with institutions including at the technical level and mainly at the local level, from the programming phase of the IWRM Plans, thus also facilitating their approval.
3	Risk 2. Low participation of institutions and organisations in training and coordination spaces.	Medium	High	Involve stakeholders/duty bearers in the planning and organisation of activities, taking into account gender, disability-inclusive and human rights-based approaches. Coordinate activities at times that are more accessible to the stakeholders/duty bearers.
1	Risk 3. Political polarisation leads to the exclusion of some stakeholders/duty bearers and/or exacerbates conflicts in communities.	Medium	High	Promotion of spaces for participation at the community level. Involvement of regional/local/indigenous governments. Constant communication, transparency and accountability. Conflict management training.
1	Risk 4. Disasters, epidemics and extreme weather events impede the development of the activities in the project.	Medium	High	Take into account the possible effects of climate change from the programming phase of interventions (e.g. scenarios of available water flows in the future, increase in temperature, good practices against fires, etc.). Implement adaptation actions and contingency plans for the most vulnerable areas.
3	Risk 5. Male-dominated culture and cultural resistance to adopting good W&S practices and conservation of water, soil and forests limit the scope of action.	High	High	Strengthen the components of awareness-raising and social accompaniment, implement the gender approach transversally throughout the project and carry out affirmative actions to increase women's access to decision-making spaces and economic resources.

2	Risk 6. Inflation determines that input prices increase significantly compared to project forecasts.	Medium	High	Procurement processes through pre-defined contracts.
1	Risk 7. Increased migration from the dry corridor to other communities and /or other countries	Medium	Medium	Proper selection of trainees to ensure their commitment to the intervention area.
Gender Equality	Risk 8. A gender-blind, neutral, or negative context and problem analysis could reinforce existing gender inequalities and non-realisation of human rights in the sector, and hinder the efficiency and sustainability of the action.	Medium	Medium	<p>Knowledge and tools of gender mainstreaming are available.</p> <p>Gender-sensitive monitoring, use of sex-disaggregated data, and gender-sensitive indicators.</p> <p>Gender mainstreaming is applied in all phases of the support services.</p>
1	Risk 9. Project funds could be appropriated by the Government. This could lead to misuse of resources and erode the reputation of the project.	Low	High	Financial resources will be disbursed directly to project implementing partners. No funds will be channelled through the Government. Additionally, a close monitoring of the project will be ensured.

**Lessons learnt:**

- Support inter-institutional coordination for decision-making and problem-solving, to strengthen the capacities of weaker entities (e.g., UMAS) and achieve greater sustainability.
- Encourage training and exchange of good practices between peers (technicians to technicians, producers to producers).
- Encourage the participation of beneficiaries (rights holders) from the planning of water and sanitation systems, taking into account the specific views of women and the most vulnerable people- such as persons with disabilities. Ensure cost recovery.
- Work with men to deconstruct gender stereotypes and attitudes of patriarchal hegemony that limit women's participation
- Recover good climate change adaptation and forest management practices previously developed in the area.
- Maintain constant communication with all stakeholders (duty bearers), operate with transparency and accountability.



### 3.5 The Intervention Logic

The intervention logic is based on the principles of the IWRM: environmental sustainability, social equity and economic efficiency. The goal is to include water, land, and related resources in an integrated management plan, ensuring equal access to adequate quantity and quality of water. IWRM is a participatory planning and implementation tool, to promote adequate coordination between users (productive, domestic), regulatory institutions and community organizations.

If the project is able to elaborate a proper geophysical and social baseline, and an adequate monitoring and evaluation system within the first 4 months of implementation (inception phase), then it will be possible to gain efficiency during implementation. In the meantime, by detecting and prioritizing vulnerable water recharge zones and water sources it will be feasible to direct all activities to protect and conserve these zones, water sources and soils, facilitating water retention, infiltration, thus increasing water availability (Output 1.1) If the action is able to establish and maintain 1,400 ha of agroforestry management in groundwater recharge areas, then, it is expected that local stakeholders (duty-bearers) will be able to capture around 42,000 carbon tons by the end of the project. Rural households will receive an annual income for carbon sinks, and in the mid-term, revenues from forestry management. Based on Solidarity Networks experience in Nicaragua, the annual income related to the agroforestry arrangement, is estimated at 5 carbon tons/ha, around USD 100/ha/year.

Implementation will take place only at the local level. The main stakeholders (duty-bearers) will be territorial and community lead structures involving directly the beneficiaries (rights holders) (vulnerable population) with proportionality between men and women in all activities to directly benefit the communities, avoiding political manipulation and reinforcing EU's commitment to the Nicaraguan people.

If training is provided, fluid information systems and Basin Committees will be established (promoting experience exchange sessions to champion gender equity and indigenous inclusion in IWRM spaces), enabling a platform for inclusive management (Output 1.2). This component is the backbone to lay the basis for a sustainable and equal approach in all the actions to be implemented.

Once there are proper and inclusive IWRM commissions, and the baseline information is complete, if the activities related to the construction of infrastructure projects take place (Output 1.3), as well as social inclusivity, disability-inclusion, and gender mainstreaming (Output 1.4), then women will have access to economic resources derived from infrastructure projects and their proper management.

The achievement of the expected outcome is conditioned to i) the existence of a collaborative environment and spirit between all actors, ii) that there is no gender discrimination or other type of discrimination for participation in IWRM, iii) that the developed actions satisfy the needs of the beneficiaries (rights holders) and iv) that there are no phenomena such as disasters, epidemics or extreme weather events that could prevent the achievement of what is planned. If the 4 outputs are achieved, then the local basin committees will be able to increment water supply in quality and quantity, sanitation and water harvesting capacity. This will demonstrate the stakeholder's (duty-bearers') gained capacity for implementing IWRM with a gender, disability-inclusive and human rights-based approach, including protection, conservation and access to water and sanitation, in the upper Coco River Basin. (Outcome)

The action will boost the implementation of IWRM in the CARC considering the need to adapt to climate change and taking into account the participation of the population, community organisations, indigenous authorities, and civil society. Coordination with the institutions will only be at the technical level, requesting permits for the agroforestry initiatives through the technical office of the National Forestry Institute, training the members of the local committees responsible for management of water resources which include civil society organisations (potable water and sanitation committees CAPS), representatives of indigenous population, private sector, technical officers of the national water authority (ANA) as well as technical staff from the national water supply company ENACAL. The training will cover how to adequately manage equipment, infrastructure maintenance and integrated management of water resources (IWRM).

Subsequently, if the stakeholder's (duty-bearers') in the upper Coco River Basin are strengthened to implement IWRM, a participatory plan is made and followed, then this will undoubtedly contribute to the adaptation of vulnerable population located at the Dry Corridor in Nicaragua to the effects of Climate Change (Overall objective). The logic behind this intervention is that if the project manages to build proper local structures of water governance, then all stakeholders (duty-bearers) will have access to sufficient water sources in quantity and quality for all vulnerable populations in the basin- such as women or persons with disabilities. Additionally, the action will actively seek complementarities with existing DG ECHO-funded initiatives in the Dry Corridor to leverage the synergies and maximize the collective impact.

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

\* **Carbon sequestration** refers to the process of capturing and storing carbon dioxide (CO<sub>2</sub>) from the atmosphere through the integration of trees in agricultural systems. Agroforestry combines the cultivation of trees with crops and/or livestock, creating a multifunctional land-use system that provides numerous environmental, social, and economic benefits. The trees in agroforestry systems act as carbon sinks, absorbing CO<sub>2</sub> through photosynthesis and storing it in their biomass and in the soil.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To contribute to the adaptation of vulnerable population located at the Dry Corridor in Nicaragua to the effects of Climate change.	<p>1. Proportion of bodies of water with increased water quantity and quality disaggregated by water body type (river, lake, groundwater) and river basin district with the EU support<sup>24</sup>.</p> <p>2. Level of water conflicts in the prioritized hydrographic units.<sup>25</sup></p> <p>3. CO2 sequestration in areas of terrestrial and freshwater ecosystems under protection and/or sustainable management<sup>26</sup></p>	<p>1 TBD</p> <p>2 TBD</p> <p>3. 0</p>	<p>1. TBD Baseline</p> <p>2. TBD Baseline</p> <p>3. 42,000 Carbon tons captured.</p>	Final report	<i>Not applicable</i>
Outcome	1 Strengthened the stakeholder's (duty-bearers') capacities for implementing IWRM with a gender approach, including protection, conservation and access to water and sanitation, in the upper Coco River Basin	<p>1.1 Areas of terrestrial and freshwater ecosystems under sustainable management (ha) with EU support.<sup>27</sup></p> <p>1.2 Proportion of Stakeholders (duty-bearers) in the prioritized hydrographic units with knowledge and equipment for implementing IWRH Actions at different levels<sup>28</sup>.</p> <p>1.3 Number of CAPS that improve their organizational, operational, environmental and financial performance in the SIASAR System.</p> <p>1.4 Proportion of women in managerial positions in WASH groups supported by EU</p>	<p>1.1 0 Ha</p> <p>1.2 0 %</p> <p>1.3 TBD Baseline study.</p> <p>1.4 TBD Baseline study</p>	<p>1.1 At least 1,400 ha under sustainable management</p> <p>1.2 At least 80 % of Stakeholders (duty-bearers) in the prioritized hydrographic units</p> <p>1.3 At least 30% of CAPS have green qualifications on at least 2 performance categories (Operational and financial); and at least 75 % have at least 1 performance category with green qualification</p> <p>1.4 Women occupy at least 40% of managerial positions in IWRM groups.</p>	<p>Baseline surveys. Action plan implementation reports</p> <p>Internal monitoring system for the project</p> <p>Interim and final evaluation of the project</p>	<p>There is political stability and relations with the technical staff of the institutions and local authorities remain fluid.</p> <p>There is job stability and migration is limited.</p> <p>High participation of institutions and organisations in training courses and coordination spaces.</p> <p>Territorial stakeholders (duty-bearers) can participate in IWRM, without discrimination.</p> <p>Disasters, epidemics and extreme weather events do not impede the development of project activities.</p>

<b>Output 1</b>	1.1 . Protected and conserved groundwater recharge areas, water sources and soils, facilitating water retention, infiltration, thus increasing water availability	<p>1.1.1 Number of vulnerable water recharge areas under IWRM with EU support</p> <p>1.1.2 Number of water sources under sustainable management with the EU support</p> <p>1.1.3 Total area under Agro-forestry management (ha) with the EU support</p>	<p>1.1.1 0 vulnerables areas under EU support</p> <p>1.1.2 0 water sources under EU support</p> <p>1.1.3 0 ha under agroforestry</p>	<p>1.1.1 TBD</p> <p>1.1.2 TBD</p> <p>1.1.3 1,400 ha under Agro-forestry management</p>	1.1.1 Project reports. Monitoring system for the project	Institutional stakeholders (duty-bearers) and organisations involved in IWRM have the necessary information, will and time to participate in the training sessions.
<b>Output 2</b>	1.2 Established Participatory mechanisms, monitoring instruments, and structures for the implementation of an IWRM in the Upper Coco River Basin, including community, municipal, inter-municipal and basin level, with a meaningful participation of women in different spaces related to water resource control and decision making.	<p>1.2.1 Signed Agreements among municipalities and Central Institutions on the implementation and financing of IWRM action plans</p> <p>1.2.2 New Basin committees implementing their IWRM plans</p> <p>1.2.3 Signed Agreements on water uses at the hydrographic unit level, including municipalities, and communities, implementing IWRM.</p> <p>1.2.4 Number of meteorological and/or hydrometric stations that are in operation and their data are registered based on a monitoring protocol.</p>	<p>1.2.1 0 agreements</p> <p>1.2.2 0 Basin committees</p> <p>1.2.3 0 Agreements</p> <p>1.2.4 0 stations</p>	<p>1.2.1 At least 6 agreements by the end of the project</p> <p>1.2.2 2 new committees by the 2nd year of the project. Women representing at least 40 % of members and board</p> <p>1.2.3 At least 32 agreements by the end of the project</p> <p>1.2.4 7 new stations by the 3rd year of the project. At least 20 stations reporting data by the end of the project.</p>	Project reports. Monitoring system for the project	<p>National institutions and local authorities are interested in investing in IWRM and in fostering spaces for participation.</p> <p>Territorial and community stakeholders (duty-bearers) have an interest in organising themselves.</p> <p>Institutions and territorial organisations are actively involved in the selection of priority areas.</p>

<sup>24</sup> (SDG 6.3.2)/INTPA D4 Booklet Water

<sup>25</sup> INTPA D4 Booklet Water

<sup>26</sup> INTPA D4 Booklet Water

<sup>27</sup> GEF 2.9/ INTPA D4 Booklet Water

<sup>28</sup> INTPA D4 Booklet Water

<b>Output 3</b>	1.3 Enhanced and incremented water supply, sanitation and water harvesting infrastructure, based on IWRM, ethnic and gender approach, in the upper Coco river basin (CARC)	<p>1.3.1 Number of persons reached through campaigns promoting adequate sanitation practices (the report will indicate disaggregated data by rural or urban location, gender, disability status and ethnicity.)</p> <p>1.3.2 Number of people with access to improved drinking water and/or sanitation with EU support (GERF 2.3.8) (disaggregated by gender and disability status)</p> <p>1.3.3 Number of households with new connections to improved drinking water source in suburban areas with EU support (disaggregated by gender and disability status)</p> <p>1.3.4 Number of households accessing water through project-supported water harvesting facilities, disaggregated by gender, disability status and ethnicity</p> <p>1.3.5 Increased Wastewater treatment capacity in urban areas (m3) with EU support</p>	<p>1.3.1 0 persons reached</p> <p>1.3.2 0 people with access</p> <p>1.3.3 0 households</p> <p>1.3.4 0 households</p> <p>1.3.5 TBD baseline</p>	<p>1.3.1 700,000 persons reached overall</p> <p>1.3.2 2,300 households, at least 25% indigenous by the end of the project.</p> <p>1.3.3.TBD</p> <p>1.3.4 TBD</p>	<p>SIASAR.</p> <p>Project reports.</p> <p>Monitoring system for the project</p>	<p>Institutions and territorial organisations are actively involved in the selection of priority areas.</p> <p>The newly identified sources provide sufficient water in quantity and quality.</p> <p>There is good acceptance for the W&amp;S and water harvesting systems proposed through the project.</p> <p>Input prices do not increase significantly compared to project forecasts.</p> <p>Sectoral institutions allocate human and financial resources for the implementation of management instruments.</p>
<b>Output 4</b>	1.4. Improved socio-economic and technical empowerment of women, ensuring their participation in paid work in activities developed in the framework of IWRM.	<p>1.4.1 Number of women with increased training, financial opportunities, access to technology and other resources for IWRM with the EU support, disaggregated by age, ethnic group and disability</p> <p>1.4.2. Number of women obtaining certificated training on IWRM – related jobs promoted by the project, disaggregated by age, ethnic group and disability</p>	<p>1.4.1 0 women</p> <p>1.4.2 0 women</p> <p>1.4.3 0%</p>	<p>1.4.1 At the end of the project, 600 women with enhanced technical and financial capabilities,</p> <p>1.4.2 At the end of the project, 300 women certified for paid works related to IWRM</p>	<p>Project reports.</p> <p>Monitoring system for the project</p>	<p>Institutions have the political will and resources to play their role in the protection and conservation of natural resources.</p> <p>The population is willing to accept and implement economic activities that do not lead to a further advancing of the agricultural frontier.</p>



		1.4.3 Percentage of women trained by the project hired in IWRM-jobs at different levels, disaggregated by age, ethnic group and disability.		1.4.3 At least 35% at the end of the project		
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## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation Modalities [applicable for Project modality or for complementary support to a BS]

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>29</sup>.

#### 4.3.1 Indirect Management with an entrusted entity

The Action may be carried out through indirect management with a entrusted entity, with demonstrated experience and solid track record in the water sector, in the cross-cutting application of gender and indigenous peoples approaches, and climate change adaptation, with prior knowledge of the area of intervention. This management modality provides the opportunity to scale up actions in the water sector, benefiting highly vulnerable population of the Dry Corridor without compromising the EU's political position.

The entity, will be selected by the Commission's services using the following criteria:

- Experience and track record in the integrated water resources management sector;
- Experience in the cross-cutting application of gender and climate change issues;
- Ideally, knowledge and previous experience in Nicaragua, preferably in the area of intervention and the institutional framework of the IWRM sector in the country;
- Guarantees of transparency and absence of conflicts of interest.

The implementation by this entity entails

- Procuring external experts for a gender analysis and technical assistance for gender mainstreaming Outputs 1.1, 1.2, 1.3 and 1.4
- Procuring the baseline and end-line study based in the Gender sensitive monitoring system
- Procuring external experts for a study to identify, prioritize and develop a strategy for attending indigenous territories in the upper Coco River basin.
- Implementing actions for Outputs 1.1, 1.2, 1.3 and 1.4 with emphasis on adaptation to climate change, through actions to strengthen the capacities of the stakeholders (duty-bearers) involved, the

<sup>29</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

protection, conservation and access to water in prioritised areas, and the generation of spaces for participation and actions that promote gender equality.

- Procuring external experts for systematization of experiences and results, Mid-term review, and Final Assessment;
- Procuring external audit services for the programme

#### 4.3.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In the case indirect management with an entrusted entity cannot be implemented due to circumstances outside of the Commission's control, the preferred alternative will be a direct management Grant implementation modality. The purpose of the grant modality will be the same as the purpose of the action implemented through indirect management, contributing to all four outputs. The type of applicants targeted will be NGOs, international organisations and other entities selected in line with Article 28(9) NDICI-Global Europe Regulation. Another alternative option should be implementation in direct management through a service contract.

#### 4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
<b>Implementation modalities</b> – cf. section 4.3.1 Indirect Management with an entrusted entity. Covering outputs 1, 2, 3 and 4.	20,000,000
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	May be covered by another decision, or be part of the contribution agreement
<b>Contingencies</b>	0
<b>Totals</b>	20,000,000

#### 4.6 Organisational Set-up and Responsibilities

The governance of the project will be addressed in three levels with a Steering Committee (SC), a Technical Committee (TC) and Local Management Committee (LC).

The Steering Committee will be the highest decision-making body, with the function of facilitating the implementation and supporting the execution of the project. The SC will meet twice a year, and it shall consist of the Commissioned Entity, the European Commission, and representatives of the public institutions. As deemed necessary, the Committee may invite representatives of other institutions involved in the project to

participate in its meetings. The Steering Committee will have the role of making strategic decisions (strategic steering level), concerning the programme's objectives and results.

The Technical/Operational Committee will manage and technical/operational coordinate the implementation of the expected outputs. This committee will have regular meetings, at least every other month, and it will consist of the Commissioned Entity, and representatives local authorities. Other stakeholders could be invited to the Technical Committee meetings based on the topics to be discussed. The main functions of the Technical Committee meetings will be planning the Annual Operational Plan, (AOP) and coordination of activities. This committee will also systematically monitor all the program indicators. The Commissioned Entity will facilitate the overall consistency of technical support, through the participatory drawing up of the AOPs, their implementation, supervision and monitoring of goals and indicators.

The local management committee will play roles of local management and operational coordination. It will consist of delegates from local representatives of sectoral institutions, basin committees, representatives of indigenous authorities and CAPS. At least 40% of the members of this committee shall be women. The Commissioned Entity will coordinate this Committee and provide the necessary information on progress, activities, results and indicators for the Technical and the Steering Committee. The Commissioned entity will coordinate for monitoring the implementation of the AOP, identifying constraints and the required inter-institutional support to address them.

The Management Unit must include two experts: gender and conflict management and indigenous communities. These experts shall be part of the project team since the beginning (inception phase) ensure the application of the gender and conflict management approaches in all project activities. The Steering and Technical Committees will systematically monitor the integration of specific views and addressing barriers blocking of women, indigenous peoples and the most vulnerable population (those in poverty, without access to W&S or persons with disabilities).

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results as measured by corresponding indicators, using as reference the log frame matrix (for project modality).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews). Roles and responsibilities for data collection, analysis and monitoring:

The implementing entity will be directly responsible for the creation and application of the action monitoring system, which foresees the following steps:

- Specific gender and socio-economic studies to identify gaps, needs and opinions of women, level of population vulnerability, the cultural and social acceptance of the actions to be proposed;
- Review, and if necessary adjustments, of the Logical Framework indicators, which will then be submitted to the EU.
- Designing a M&E systems with a gender, human rights and conflict management approach, and baseline study
- Development of the baseline with funds from the action's budget.

The monitoring system will cover technical and financial aspects, related to the objectives, outputs and activities of the project. To ensure gender tracking, where foreseen and possible, monitoring data will be disaggregated by gender and disability status. The data will also be disaggregated by ethnicity and a specific marker will be used to highlight actions that specifically target the most vulnerable population (those in poverty and without access to W&S). Furthermore, all monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach, and rights of the persons with disabilities, including inclusion and diversity.

The monitoring system should be designed in a participatory manner and seek to include duty bearers in its design, application and use. It is essential that monitoring becomes a learning tool, going beyond reporting, and that it helps in understanding whether and how the intervention facilitates changes in the drivers of inequality, and why. The monitoring system should include both quantitative and qualitative indicators to facilitate participation and understanding by all duty bearers.

It is planned to integrate a tool into the geo-coded database for online monitoring. The management unit must include a person in charge of the system, who will ensure that specific instruments are implemented to collect all the necessary data for monitoring both the quantitative and qualitative indicators. These instruments will be developed with the active participation of the other stakeholders involved. The monitoring system will allow data to be updated during the implementation of the programme.

At least every 4 months, the information will be systematised and transmitted to the Technical Committee for validation, inform and propose actions to the Steering Committee. The annual report will include the performance indicators and the annual planification, based on these data. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

## 5.2 Evaluation

Having regard to the nature of the action, a mid-term and final evaluation(s) will be carried out for this action or its components via independent consultants contracted via an implementing partner.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to

- The adequate choice of the specific areas of intervention,
- The quality and the technical and social acceptance of the works and actions carried out,
- The strengthening of the organisations and institutions operating in IWRM,
- The specific impact that the action is having on women, indigenous population and the most vulnerable population (those in poverty and without access to W&S).

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision) taking into account in particular the fact that:

- Water conservation strategies
- Carbon sinks
- Surface water management.
- Wastewater treatment
- Women integration in IWRM-related jobs

The EU Delegation will participate in the steering committee of the evaluations and will validate the final reports. Evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. A gender, disability, and human rights expert will be part of the evaluation team. The evaluation reports may be shared with the partners and other key duty-bearers following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation may be covered by another measure constituting a Financing Decision, or be part of the contribution agreement.

### 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements. The audit of this action may be covered by another decision.

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries (rights holders) or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.



## Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options);

<b>Action level (i.e. Budget Support, blending)</b>		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
<b>Group of actions level (i.e. top-up cases, different phases of a single programme)</b>		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
<b>Contract level</b>		
<input checked="" type="checkbox"/>	Single Contract 1	Indirect Management with an entrusted entity, 20,000,000 EUR
<input type="checkbox"/>	Single Contract 2	
	(...)	
<b>Group of contracts level (i.e. series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)</b>		
<input type="checkbox"/>	Group of contracts 1	