

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 2022⁷.

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.⁸ 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 monitoring⁹.

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 care¹⁰. 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

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

⁸ 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>

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

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