



# Nicaragua



*"We feel very blessed that God has put MEDA in our path," said Connie Andino, a Leon*

*farmer, "Until now, it felt as though we had been forgotten by everyone."*

# Rebuilding an Economy with Sesame Seeds

## Background

With massive unemployment, huge external debt and low per capita income, Nicaragua is a poverty-stricken country with many challenges. While some gains have been made economically, Nicaragua still qualifies for the Heavily Indebted Poor Countries initiative – HIPC. Because of this debt load, economic growth is very slow. Assistance to small businesses is critical in helping to overcome seemingly impossible hurdles.

## MEDA's Assessment

Leon is a northern province in Nicaragua that is still reaping what was sown by the dictatorship of General Anastasio Somoza. Before Somoza, Nicaragua was famous for producing sesame seeds. Farmers took great pride in their land. But Somoza changed things into a feudal-like kingdom where a handful of rich families controlled the land. The once proud farmers became lowly farm hands. And the prized legacy of sesame seeds was destroyed.

The Somoza dictatorship converted most of those crops to cotton. This change became a nightmare as few crops destroy the land like cotton. The land was sucked of valuable nutrients, necessitating the use of massive amounts of insecticide and fertilizers.

The land was returned to the poor in 1979. But the terrible soil conditions have devastated the poor farmers. They had regained their pride of ownership but were left with several new challenges. How do you rebuild the land so it is fertile again? How could they diversify their farms to ensure stability?

MEDA began studying the situation. We saw that farmers were only using a fraction of their land. What really needed to happen was a full training program including education on bringing the land back to profitable production without destroying the soil through overuse of chemicals. Building strong markets for crops and obtaining financing for these initiatives were also a key part of the assessment.

MEDA also recognized the needs of the women in the local communities. These women feared that if the crops failed, they would have to leave their children and go to work in the city. They wanted to buy some chickens and cows and raise them for food. In addition to training them to help with the farming, MEDA provided opportunities for them to start small businesses.



## Outcomes:

1000 Nicaraguans will benefit from:

- *Improved agricultural production technology*
- *More effective and efficient marketing systems*
- *Improved access to production and marketing finance*
- *Development of a functioning sesame industry association*
- *Greater gender equality and improved environmental stewardship programs*

## Cost:

Life of Project: \$2,400,000

Funder/Partner: Canadian International Development Agency (CIDA)

MEDA Match Needed: \$228,000