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Luz del Mañana is a rural community in the Department of Rivas in Nicaragua. It was founded in April 2011 with 25 families who were living in extreme poverty before joining Agros.

Over the last five years, the families at Luz have made important progress in moving their families out of poverty. They have achieved key improvements towards access to education, health and basic services. The families today have established small agricultural businesses that provide the majority of their annual income. However, they continue to lack the technical skills required to expand and elevate their agricultural production as well as the market access needed to sell their produce profitably.

Currently most families have fallen behind in their land loan repayment to Agros. Four out of five families have not made enough income to pay more than a small fraction of their land cost. A few families have decided to default on their loans despite having the financial capability to make the payments. Weak community governance, caused by seasonal migration to Costa Rica has created an atmosphere of low accountability, which has undermined Luz’s culture of repayment, an issue we’ll seek to address.

We propose a new two-year community stabilization plan with a focus on agricultural acceleration, market connections, and the strengthening of community governance to fulfill our commitment to the families of Luz before they transition to independence. These strong focal families want to build successful agricultural businesses, not just receive handouts. We are honored to be partners in their journeys toward healthy, dignified and prosperous lives.

Families from Luz del Mañana demonstrated the successful irrigation system from Lake Nicaragua that allows them to cultivate valuable watermelon, including the one Maria holds in the photo.
Our two-year community stabilization plan recognizes the reality that some families in the community are doing much better than others. We will target the most vulnerable households to assist them in lifting their living conditions to an agreed-upon community standard during the next twelve months.

Therefore we are adopting specific metrics that will help us place all families in comparable socioeconomic groups so we can target our resources and efforts most effectively. We expect to identify certain families to exclude from specific remediative efforts so that we can concentrate more resources within the families with the greatest needs.

As part of Luz’s stabilization plan, qualified farmers will also have the opportunity to opt into a contract to cultivate and sell their produce to a private sector partner. This will require an investment in farmers’ business-readiness and entrepreneurial skills because private sector partners demand higher standards in efficiency and production quality than our farmers are accustomed to. As part of their contract, farmers who opt in will receive financing for all crop inputs (seeds, fertilizer, etc) and 50% of their profits will be applied directly to the balance on their land loan with Agros.
03: THE PATH TO PROSPERITY INDEX

Our assessment of the socioeconomic progress of a community is complex because multiple poverty determinants need to be improved to generate change. Over the last year, Agros International has dedicated a lot of energy into building the Agros Path to Prosperity Index. This impact evaluation methodology uses a series of variable indicators to measure the level of wellbeing experienced by individual families and communities. The Agros Prosperity Index is multidimensional and provides a robust framework of analysis that maps the four main socioeconomic development stages experienced by a family on the journey from poverty to prosperity.

WHAT ARE THE STAGES ON THE PATH TO PROSPERITY?

RECOVERY:

Families who sign up to join a new Agros community come from broken environments where they’ve suffered extreme poverty. During Recovery we work to help these families stabilize themselves by restoring the basic living conditions.
required for a productive and dignified life. Families obtain, perhaps for the first time, access to clean water, adequate food, and basic healthcare. They build and move into what is often their first secure and dignified home.

**ASSET BUILDING:**

During this stage, families move from meeting basic needs to building their own material, social, and civic assets. In Asset Building, families begin developing their own agricultural businesses. For the first time they are self-employed. Working closely with Agros agricultural technicians, they receive seed capital and training in the financial, technical, and organizational skills that will help them become productive business-people. While families develop economic assets through their farms, we help unlock the often untapped potential of women and children in the community through organization and education. Pre-k and primary school attendance are a community priority, and attendance is monitored by parent-teacher organizations.

Agros staff help women organize savings groups to begin accumulating small reserves as they gain financial skills. They ability to contribute economically to their households and take small loans increases their confidence and decision-making skills. On a macro level, we work to increase families’ social capital by electing and developing a community board, establishing functional committees, and nesting the community within a network of alliances with local government, agricultural partners, and the national Ministries of Health and Education.

**ASSET GROWTH:**

At the Asset Growth stage our focus shifts primarily to economic development. Families’ increased resilience is evident in the fact that food security is no longer a threat during the gaps between harvests. Instead families learn about proper nutrition and diet diversity from *brigadistas*, volunteers within the community who undergo government training as a preventative healthcare team. Families’ agricultural businesses have moved from seed capital to a stage where they’re generating their own working capital, which the families can reinvest to grow their operations. As

Anthony and Moises enjoy watermelon grown by their families. Luz farmers grow three profitable harvests of watermelon per year.
families gain financial knowledge and experience, they’re able to responsibly manage more credit. Finally, when their farms begin to produce a predictable, high quality surplus at harvest, the farmers, in partnership with Agros agricultural staff, can place top priority on connecting with dependable markets to guarantee profitable sales.

PROSPERITY:

At the Prosperity stage, families within Agros communities have become economically sustainable and independent. They are able to provide for the needs of their children, homes, and businesses with a surplus available for emergencies. Prosperous families manage profitable agricultural businesses with strong commercial ties to the private sector and other market entities. At this point, families can generate ample income to pay off their land loans and finance projects like vehicles, housing improvements, and advanced education for their children.

AGROS’ COMMITMENT TO FAMILIES:

Agros commits to partner with families to the Asset Growth stage on the Path to Prosperity index. Why not all the way to Prosperity? There are several reasons including time, family realities, and diminishing returns.

In general, we aim to partner with a community for no more than eight years, planting the seeds in each family’s ability to reach Prosperity by investing in infrastructure, skills training, business development, and civic connections. Some highly motivated and entrepreneurial families might reach prosperity within six years and pay off their land early. Others, despite equal or even greater investment, will always lag behind. By aiming to reach a village-wide family average of growth by year eight, we believe we place Prosperity within every family’s grasp. This planned exit expects that families will continue their development on their own, enabling us to shift funding toward villages and families with greater need.
After five years of programmatic activities, Luz del Manana has reached an overall score of 47 points out of 100. This places the community in the border line between the asset building and asset growth stages. This means that all basic living conditions have been met and the community has achieved proper food security levels, dignified housing, adequate basic services, and reached milestones in health and education. Furthermore, most families have established relatively stable and profitable farms, but their income is still unstable because production is small and they lack access to major markets.
05: LUZ DEL MAÑANA TWO YEAR PLAN

In order to have the most positive effect on Luz’s Prosperity Index, and ultimately the greatest impact on Luz’s families, we will concentrate our activities over the next two years to address weaknesses identified by our community evaluations. The following are the low scoring areas where we can have the greatest impact:

TARGETED INVESTMENTS: MARKET DRIVEN AGRICULTURE

The community of Luz has been blessed with rich natural conditions of climate, soil, and ease of access to water. With the right investments over the next two years, Luz can produce and harvest all year long. In order to achieve this, we must invest in the implementation of a high value horticulture program focused on two main crops, sweet corn and watermelon, both of which are in demand within Nicaragua. The two crops will be planted in alteration, according to a recommended commercial model of technical best practices. This type of crop rotation will guarantee a constant supply to sell to local buyers. We will invest in several new technologies, including drip irrigation, a water tank, and increased capacity through technical assistance by Agros staff.

TARGETED INVESTMENTS: COMMUNITY ORGANIZATION

Luz has suffered to some extent from the impacts of farmer migration. A number of families have made use of Luz’s close proximity to Costa Rica to migrate seasonally and generate income as day laborers on construction or agricultural projects. This has been a challenge for Agros because farmers’ temporary absences affect our training programs and the function of the community governance bodies. Over the next twenty-four months we will be working together with families to strengthen the community board and the effectiveness of the governance committees. We believe this is crucial for securing the long-term self-governance of the community.
TARGETED INVESTMENTS: HOUSING

Luz reported the worst housing conditions of all active Agros communities. The poor housing conditions reflect, in some part, a lack of commitment and income developed due to seasonal work migration. Additionally, some families have been investing in items other than their homes and businesses. During these next twenty-four months, Agros will jointly work with families who are interested in improving their housing conditions, with an emphasis on those with economic limitations and less productive assets. Each housing improvement project will require a contribution from families in the form of labor and materials. For those families lacking materials or man power, we make special considerations on a case-by-case basis.

In line with our holistic model of family support, Agros will also continue ongoing investments to strengthen community systems in the following areas:

ONGOING INVESTMENTS: EDUCATION

In Luz, students commute to attend primary and high school in a nearby community. Agros partners with the Ministry of Education to encourage school attendance through community accountability. Parents meet regularly with local teachers in a Parent-Teacher Association that identifies attendance and behavior problems. In turn, parents in the association meet directly with the children’s families to discuss solutions.
ONGOING INVESTMENTS: FINANCIAL EMPOWERMENT

Agros will continue to support established financial savings groups within the community. Savings groups are a form of community bank that gives participants secure access to a community-funded savings and loan system, somewhat like a credit union. Participants set interest rates, create repayment schedules, and manage an emergency fund available by petition to any member of the community. Savings groups provide affordable loans, encourage saving toward goals and promote financial independence among women in the community.

ONGOING INVESTMENTS: HEALTH AND WELL-BEING

Luz is home to a community-based system of healthcare volunteers called the brigadistas. Agros has partnered with the Ministry of Health to connect the families of Luz to this rural healthcare outreach system, which provides training and oversight for a team of volunteers, primarily women, within the community. Because it's difficult for families to access urban centers where doctors are located, brigadistas are trained to provide essential preventative healthcare and oversight for the most vulnerable in the community, including mothers and young children. Brigadistas oversee pregnancies, create birth plans, weigh and measure children under 2 to protect against malnourishment, train the community water committee, promote family planning, implement a general community health and nutrition plan, and refer serious issues to professional care.

Agros health and wellbeing staff supplements the brigadista system with additional trainings on hygiene, proper-handwashing, disposal of sewage, and safe food preparation. Agros also coordinates with the Ministry of Health to organize biannual health fairs where families can receive immunizations, pap smears, prostate exams, and consultation on existing conditions and illnesses.

Family psychological well-being is also prioritized. The survival mentality families develop to cope with resource-scarcity and trauma can cripple their ability to set goals and achieve them. To counter this, Agros staff offer couples the opportunity to participate in “Growth Groups” where they practice healthy goal-setting skills by writing life plans. These written documents, co-signed, set out a goal (like paying off their land loan, serving God, or ensuring their children finish school) and a step by step process to achieve it.
<table>
<thead>
<tr>
<th>Line Item</th>
<th>Phase 1</th>
<th>Phase 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL INCOME GENERATED FOR FAMILIES:</strong></td>
<td>33,690</td>
<td>106,164</td>
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<td><strong>DIRECT PROGRAM EXPENSES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Productive infrastructure</td>
<td>12,916</td>
<td></td>
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<tr>
<td>- Agricultural inputs</td>
<td>21,488</td>
<td>18,388</td>
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<tr>
<td>- Training and technical assistance</td>
<td>27,806</td>
<td>24,322</td>
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<tr>
<td>- Access to market and commercialization</td>
<td>17,859</td>
<td>16,855</td>
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<tr>
<td>- Health investments</td>
<td>22,036</td>
<td>13,458</td>
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<tr>
<td>- Credit officer cost</td>
<td>5,687</td>
<td>3,918</td>
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<tr>
<td>- Central America administrative overhead</td>
<td>53,868</td>
<td>45,467</td>
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<td><strong>SUBTOTAL: DIRECT PROGRAM EXPENSES</strong></td>
<td>161,660</td>
<td>122,408</td>
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<tr>
<td><strong>INDIRECT PROGRAM EXPENSES:</strong></td>
<td></td>
<td></td>
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<tr>
<td>- Seattle administrative overhead</td>
<td>48,498</td>
<td>36,722</td>
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<tr>
<td><strong>SUBTOTAL: INDIRECT PROGRAM EXPENSES</strong></td>
<td>102,366</td>
<td>82,190</td>
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<td><strong>TOTAL INVESTMENT IN LUZ DEL MAÑANA:</strong></td>
<td>210,158</td>
<td>159,131</td>
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<tr>
<td><strong>Total investment per family</strong></td>
<td>8,406</td>
<td>6,365</td>
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</tbody>
</table>
**BUDGET GLOSSARY:**

**Income:** total income that families are projected to receive for all productive activities (including crop cycles financed by Agros as well as crops financed individually by families).

**Direct program expenses:** Nicaragua-based expenses associated with running a village. These costs include personnel expenses, inputs, infrastructure investments and health activities.

**Indirect program expenses:** Seattle-based expenses associated with running a village.

**Productive infrastructure:** physical structures that make farming more efficient and allow our families to improve their crop production (i.e. irrigation systems, a coffee wet mill, tilapia tanks).

**Agricultural inputs:** all resources that are used in farm production such as seeds, fertilizers, and disease control products.

**Training and technical assistance:** cost of our agriculture personnel. This includes salaries, benefits and travel costs.

**Access to markets and commercialization:** cost of personnel associated with the marketing and contract negotiation for the sale of a particular harvest. This may also include the costs of storing, transporting and packaging products.

**Health investments:** cost of training, materials, and support needed to teach our families about balanced nutrition, safe water, and disease prevention.

**Credit officer:** cost of salaries, benefits and travel for credit officers, who support the families’ farming businesses with financial management and training.

**Central America administrative overhead:** cost of Nicaragua office rent, phone, internet, and banking fees.

**Seattle administrative overhead:** cost of Seattle office salaries, benefits, rent, telecom, and support for fundraising, accounting, and administration activities.