

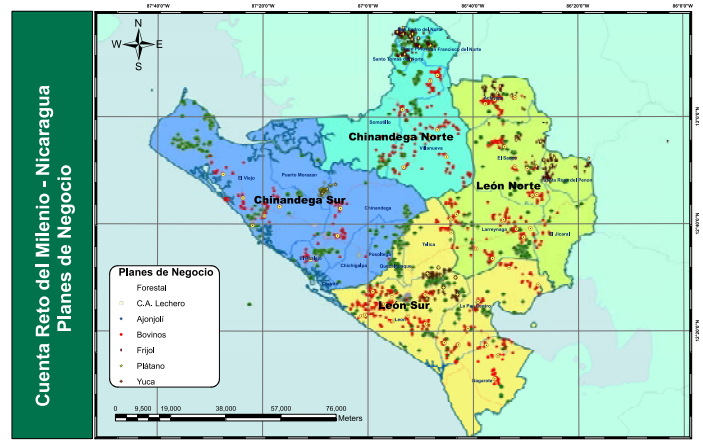


Women's Incomes and Trees Sprout up in Nicaragua

Until recently, the ten members of the Cooperativa Forestal de Múltiples Servicios de Chinandega Norte (CO-FOCHINORTE), a tree nursery cooperative in Chinandega, Nicaragua, were struggling to make ends meet. The women, single mothers for the most part, split their time between the tree nursery and other jobs—the co-op in which they had set their hopes for a better future made barely enough money to cover the tree nursery's overhead expenses but not enough to pay its members' salaries.

All of that changed in 2007 when CO-FOCHINORTE, together with five other local micro-enterprises, won a public bid to supply trees for an innovative forestry development project. Funded by the United States' Millennium Challenge Corporation through a five-year compact with Nicaragua and designed by Nicaraguans themselves, the project will stimulate Northwestern Nicaragua's rural economy by expanding tree plantations for commercial use and developing all components of the value chain – nurseries, timber companies, carpenters, and export activities. The project was designed taking into account environmental best practices and standards -- making it not only good for business and women micro-entrepreneurs, but good for the environment.

According to Danelia Rivera, CO-FOCHINORTE's vice-chairwoman, the contract with MCA-Nicaragua, the organization responsible for implementing the compact, allowed them for the first time to produce trees on a large scale and to pay their members a decent salary. CO-FOCHINORTE produced 100,000 trees in 2007 and the group performed so well that it secured a second, larger



Map of Nicaragua's Northwestern region showing the departments of Leon and Chinandega where the MCA-Nicaragua is concentrating its poverty reduction efforts. (Map courtesy of MCA-Nicaragua.)



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contract with MCA-Nicaragua for 2008. The group has re-invested some of its profits back into the business and has plans for future investments.

In the compact's first year, MCA-Nicaragua has developed 7 nurseries and planted over 1.4 million trees, spurring the creation of direct and indirect jobs in the region—the nurseries, for example, hired approximately 150 people to work in the production and distribution of trees and plants. MCA-Nicaragua expects to increase the number of nurseries to 11 and the number of trees planted to 3 million by the end of 2008. By the fifth year of the compact, MCA-Nicaragua's goal is to forest at least 10,000 hectares with approximately 12 million trees, thereby creating hundreds of new jobs and investing in the future of the region.



Danelia Rivera is vice-chairwoman of CO-FOCHINORTE, a tree nursery co-op that supplies MCA-Nicaragua with trees for its commercial forestry project.

Although still early, the compact with Nicaragua is already changing people's lives. Danelia Rivera and the other nine members of the co-op never imagined they could make a living by doing what they love the most: planting and farming. Now, with their salaries, they can buy food and clothing for their children. As Danelia explains, "We have increased our business' capital with the support of MCA-Nicaragua. As a result, our tree nursery will yield increased profits and we will bring home higher salaries."



The Millennium Challenge Corporation, a U.S. government agency designed to work with developing countries, is based on the principle that aid is most effective when it reinforces sound political, economic, and social policies that promote poverty reduction through economic growth.

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