

SYNOPSIS

Nepal PRRO 10676.0 “Food Assistance for Conflict-Affected Populations in Nepal”

Number of beneficiaries:	1,265,600
WFP food tonnage:	39,405 mt
WFP food cost:	US\$ 15,052,349
Total cost to WFP:	US\$ 48,777,940
Duration:	12 months (July 2007 to June 2008)

EXECUTIVE SUMMARY

1. Following a popular uprising in April 2006, the country ended an eleven-year conflict with the signing of a Comprehensive Peace Agreement between the new ruling coalition government known as the Seven Party Alliance (SPA) and the Communist Party of Nepal Maoists (CPNM). Faced with a multiplicity of immediate needs that require an emergency-like response, the new government must show political progress, address the underlying grievances that led to conflict, and support the needs of conflict-affected populations including returnees: Internally Displaced Persons (IDPs), ex-People’s Liberation Army (PLA) combatants and children associated with armed forces (CAAFAG). Further complicating matters, the government must now immediately address a new wave of tension and insecurity mounted by activist groups in the Terai and improve living conditions in ex-PLA cantonment areas, which if not adequately addressed, may lead to renewed conflict.

2. Despite the promulgation of the interim constitution and government and establishment of a United Nations Mission in Nepal (UNMIN) in January 2007, life threatening conditions persist across most of the country. Much of the population most affected by conflict are recovering from three consecutive years of severe drought. Loss of livelihoods and food insecurity has been further exacerbated by the extended conflict. New insecurity and ethnic tension have derailed government efforts to move forward with elections, improve law and order and access to basic services. Immediate, tangible “peace dividends” are required to support peace building efforts and reduce the risk of renewed conflict.

3. Under the PRRO, WFP will provide emergency food assistance to 1,265,600 conflict-affected people, between July 2007 and June 2008 in order to safeguard their lives and livelihoods and contribute to peace during the immediate post-conflict period in Nepal. Special emphasis will be placed on targeting marginalized and vulnerable groups including women, children, ethnic minorities and indigenous populations. WFP’s three priority areas for intervention will be: return and reintegration; critical infrastructure; and non-formal education.

4. WFP's established project infrastructure and deep field presence will be used to rapidly extend assistance to targeted groups in remote regions. This operation will be aligned with UNMIN's strategic framework for support to the peace process, directly addressing WFP's Strategic Objectives, the UN MDG's as well as augmenting other UN Country Team and government activities. The primary Government coordinating partner will be the Ministry of Peace and Reconstruction. The Ministries of Finance, Agriculture, Local Development, and Supply will also be closely involved.

5. Since this is a short-term intervention, planning has been done in conjunction with the UNDAF process, so that subsequent support for medium and longer term activities will be met through the regular Country Programme (CP) mechanism.

1. SITUATION ANALYSIS AND SCENARIOS

(a) Overall Context

6. Nepal, a landlocked country of approximately 29 million people in South Asia, has recently emerged from a decade-long civil war fuelled by the Communist Party of Nepal -Maoists (CPN-M). The insurgency began in the Mid-Western Region in the mid-1990s and later spread throughout the country. During this period 13,000 people were killed and an estimated two million fled to India, while another 200,000 people were internally displaced.¹ As a result, most social services, already limited in the remote regions of the country were largely suspended.

7. In April 2006, a popular uprising led to the reinstatement of parliament and paved the way for the Comprehensive Peace Agreement (CPA) signed on 21 November 2006. The CPA reaffirmed earlier commitments made by the Seven Party Alliance (SPA) and CPN-Maoists on the desire for a multiparty democracy. The CPA also revoked state powers from the King, set forth plans for the cantonment of ex-People's Liberation Army combatants, and outlined the formation of an interim legislature and government.

8. To facilitate the peace process, United Nations Security Council Resolution 1740 was adopted on 24 January 2007 and established UNMIN. The narrow mandate, primarily focused on monitoring of ceasefire arrangements, arms management, support for the electoral process, and monitoring of human rights, is set to expire in January 2008.

9. Despite political, security and institutional progress made in Nepal, emergency conditions remain the norm for most of the country's population. The country continues to face serious challenges in the transition to peace. Central issues related to underlying social and socio-economic grievances such as unequal access to food, basic services and economic opportunities, and perceived inability of poor, marginalized groups to influence the government remain unaddressed. Much of the population remains disconnected from the rest of the country as they lack access to roads, markets, electricity, and other basic services. Inadequate attention has been given to building confidence among marginalized

¹ Informal Sector Service Centre (INSEC), 2006

groups and other key stakeholders. As a result, a new wave of tension has emerged, largely initiated by activist groups including breakaway factions of the CPN-Maoists. New groups continue to pose security threats that have led to new displacement and disruption in the delivery of services, particularly in the Terai region. Dissatisfaction among ex-PLA combatants regarding poor living conditions in cantonment areas as well as the slow pace at which police and civil servants have returned to posts has further limited the government's effectiveness at handling tensions in the region. Without an effective response to increasing lawlessness driven by traditionally disenfranchised populations, the peace process could easily be derailed.

10. Nepal's challenges are both immediate and immense and include rebuilding damaged infrastructure, opening up markets, establishing basic social services and economic opportunities for all, and enabling its citizens to participate in the emerging democratic institutions and governance structures. In order to establish public confidence in the peace process, initiatives are required to show demonstrable peace dividends as a sign of the interim government's investment and commitment to addressing the challenges facing the poor and disenfranchised.

11. Attention needs to be given to communities in former conflict zones and groups most heavily impacted by conflict especially disenfranchised and socially excluded groups, women, and returnees – IDPs, ex-combatants and former CAAFAG. These communities have been living in a perpetual state of crisis, and the need for quick-impact interventions is critical in order to sustain the transition to a new government. Failure to address the needs of these groups will jeopardize the overall security situation and the momentum of the peace process.

(b) Food security and nutrition situation

12. Nepal is classified as a least developed, low-income country with a Gross Domestic Product of US \$1,490 per capita (purchasing power parity) and ranks 138th out of 177 countries in the Human Development Index². Twenty-four percent of the population lives on less than US\$1 per day and 30 percent live below the national poverty line. Indicators for income level, education attainment and access to social services are poorest among ethnically marginalized and socially excluded groups including Dalits and hill Janajatis.³

13. Although Nepal has experienced improvements in some health indicators including infant, under-five and maternal mortality rates, its nutrition statistics are still some of the worst in the world. Forty-five percent of children below five years are underweight and one in every second child is stunted for their age.⁴ In the hill and mountain regions of Western Nepal, chronic malnutrition rates reach as high as 76 percent and prevalence of underweight is as high as 63 percent in some areas.⁵

² UNDP Human Development Report, 2006

³ Unequal Citizens Gender, Caste and Ethnic Exclusion in Nepal, 2006, DFID, WB

⁴ 2006 NDHS

⁵ WFP Poverty Mapping

14. Harsh terrain, geographic isolation, limited economic opportunities and lack of access to basic services and markets make living in parts of rural Nepal extremely difficult. Agriculture production is generally poor in the hills and mountains of the Mid- and Far-West Regions due to a lack of sufficient arable land, limited area under irrigation, and availability of agriculture inputs. The direct and indirect effects of conflict as well as erratic weather patterns and recurring natural disasters (i.e. drought, flooding and landslides) have further exacerbated the precarious food security situation. The 2006 Poverty and Malnutrition Report indicates that chronic food insecurity plagues much of Mid- and Far-Western Nepal – the areas most heavily impacted by the conflict and with the worst development indicators.

15. Results from multiple assessments including the 2007 FAO/WFP joint Crop and Food Supply Assessment, WFP Comprehensive Food Security and Vulnerability Analysis, WFP Nepal Vulnerability Assessment and Mapping (VAM) unit's ongoing food security surveillance, and a recent conflict-affectedness baseline survey have been used to define the target area and beneficiary population for this PRRO. More specifically, food security information has been overlaid with data from conflict-affected areas to determine the target population. Results from the conflict-affected survey confirm a negative correlation between the conflict and livelihood/food security indicators. Local food production was significantly affected by the reduced amount of family labour available; out-migration due to forced conscription campaigns led by the insurgents; confiscated farmland; obstruction in agriculture services and inputs; and frequent blockades. Women experienced an increase in work-load due to out-migration of men and were not excluded from forced recruitment drives. Protection issues including gender-based violence and social discrimination remain a concern even in the post-conflict Nepal.

(c) Scenarios

16. As Nepal emerges from a decade of civil war, and recurring drought and natural disasters in many areas, the country also faces the task of rebuilding damaged or neglected infrastructure, reintegrating returnees, and addressing underlying social and socio-economic grievances that led to the conflict. In this process, the government must also address potential spoilers that may benefit from continued chaos.

17. A number of factors must be managed in order to maintain the momentum of peace during the re-emergence of civil society and reinstatement of governance structures. It is imperative that immediate, tangible benefits are provided to build confidence and trust in the peace and transition process. In order to do this, an investment is required in basic service delivery and creation of short-term employment opportunities while longer-term recovery instruments – which may take months to finalize and years to yield disbursements and results – are instituted.

18. Even if elections are held by November 2007, it is unrealistic that government capacity and authority will be re-established in rural areas at sufficient levels in the

immediate to medium term. Therefore, new initiatives must seek to highlight both the country's new democratic reality while addressing the underlying causes that led to conflict. A clear and demonstrable peace dividend is required to inject much needed confidence among conflict-affected citizens, and encourage the peaceful participation in the process.

2. POLICIES, CAPACITIES AND ACTIONS OF THE GOVERNMENT AND OTHERS

(a) Policies, capacities and actions of the government

19. Since the signing of the Peace Agreement in November 2006, the government has been consumed with issues pertaining to cantonment area management; promulgation of an interim legislature and government that includes the Maoists; and preparations for national elections. Despite progress made to date, most Nepalese continue to face difficulty accessing basic social services and safety nets, which are still in disarray, particularly in remote areas, and are faced with increasing violence; Government presence is less than thirty percent in parts of rural Nepal. The short and medium term capacity of the government to extend authority and services to most of the country remains minimal. Survival for most Nepalese living in the remote parts of the country has become a daily struggle.

20. The National Food Corporation (NFC), the public food distribution agency, has a presence in 30 out of 75 districts with very limited capacity. NFC and agriculture services across the country remain under funded and are unable to meet the immediate food needs in conflict-impacted areas. NFC is only able to meet 25 percent of its mandate (39,000 MT) and is using less than 10 percent of its storage capacity (100,000 MT) annually.⁶ Conversely, WFP procures an average 46,000 MT annually and has a strong field presence and logistics capacity for delivery of food and services to people.

Policies, capacities, actions and coordination with other major actors

21. Under Security Council Resolution 1740, UNMIN has a twelve-month mandate which will be terminated or further extended upon the request of the Government of Nepal. UNMIN has a mandate to fulfil primary responsibilities largely limited to monitoring of ceasefire arrangements, arms management, support for the electoral process and human rights monitoring. Absent from the mandate are programmes necessary for immediate support and the sustainability of peace. The UNCT and WFP in particular have a unique opportunity to contribute to the peace and transition process through the broader UNMIN-coordinated strategic framework with new initiatives adapted to the evolving environment.⁷ Specifically, the PRRO will address strategic factors including: the need for a widespread field presence; tangible peace dividends that target high risk groups; and quick-impact initiatives.

⁶ NARM report

⁷ UNMIN Strategic Framework document

3. OBJECTIVES OF WFP ASSISTANCE

22. The majority of Nepalese people expect and will rate the immediate success of peace by improvements in their daily lives – absence of fear from conflict, access to food, economic opportunities, an accountable government that is able to provide basic services, and restoration of human security.

23. The overall objective of the PRRO is to safeguard lives and livelihoods and contribute to peace and stability in Nepal during the post-conflict period by protecting and strengthening livelihoods and establishing conditions that promote the rehabilitation and restoration of self-reliance among food-insecure, conflict-affected populations (SO-2).

2). More specifically, WFP food assistance will be used to:

- Reduce vulnerability and improve short-term food security in conflict-affected areas, particularly among high risk groups including IDPs, women and children;
- Contribute to the wellbeing of former CAAFAG in transit centres and vulnerable returnees during their reinsertion in their communities;
- Provide a basic safety net to conflict-affected, rural populations through the creation of quick-impact, economic opportunities that will contribute to the restoration of livelihoods and the construction of rural infrastructure and community assets;
- Contribute to the empowerment of marginalized and disenfranchised rural populations through action-based training in participatory programming and rights-based education.

24. With partners and under the overall UNMIN transition strategy, this PRRO will also contribute to the following protection-related outcomes in WFP project areas:

- Safe access to food for highly food insecure populations during lean seasons until elections are held and abusive and extortionist practices by non-state actors are reduced; special emphasis will be placed on protection and safe-access issues surrounding women, children and returnees;
- People in conflict-affected, food-insecure communities, particularly youth, and recent returnee - former IDPs, ex-combatants and ex-CAAFAG - will have access to employment as an alternative to spoiler tendencies such as militias and criminality;
- People in rural, marginalized communities will have full knowledge of their human and civic rights and responsibilities and will be increasingly able to claim them from responsible authorities.

25. OCHA will be a key partner for monitoring the protection-related outcomes in coordination and/or consultation with UNMIN and UN Office of the High Commissioner for Human Rights (OHCHR).

4. WFP RESPONSE STRATEGY

Nature and effectiveness of food-security related assistance to date

26. In 2005, WFP introduced the “Protecting Livelihoods in Crisis” activity to assist the most vulnerable populations in conflict zones. In June 2006, WFP launched an emergency operation to provide short-term food relief to 375,000 people in response to three consecutive years of severe drought in 10 districts of the Mid- and Far-West Regions. These areas will remain vulnerable to recurring disasters until appropriate short and long term investments are made that will mitigate vulnerability and build the economic capacity of these regions.

Strategy Outline

27. Under this new PRRO, WFP will support the peace process and supplement UNMIN’s broader strategic framework through strategies that address both peace and food insecurity in the context of Nepal’s post-conflict transition. This project will be included as part of the Consolidated and Transition Appeal Process and implemented in coordination with the Office for the Coordination of Humanitarian Affairs (OCHA), UN Children’s Fund (UNICEF), and Office of the High Commissioner for Human Rights (OHCHR), Food and Agriculture Organization (FAO) and United Nations Development Programme (UNDP).

28. The core elements of WFP’s peace support strategy for crisis-affected populations in Nepal are:

1) Critical Infrastructure – This activity will provide short-term food security to vulnerable and marginalized populations and an opportunity to rebuild/construct critical infrastructure through FFW schemes in rural areas highly impacted by conflict. Examples of projects will include repair of downed suspension bridges and repair or (re)construction of schools, health clinics and roads in key areas. The focus of the critical infrastructure component will be to improve market access, create short-term employment opportunities and facilitate access to basic social service delivery.

2) Return and reintegration – A general ration will be provided to former CAAFAG in transit centres. Subsequently, a two-month rehabilitation/reintegration package may be provided to returnees, including vulnerable IDPs, ex-PLA combatants and CAAFAG. Communities in cluster areas of return will also be targeted through FFW schemes. This community-based approach is intended to help facilitate an atmosphere conducive for reconciliation and build the absorption capacity of communities to receive returnees in areas where resources are already stretched thin. Examples of projects include small irrigation systems, water stands and small infrastructure projects.

3) Non-formal Education – This component will complement the other two activities by providing remote, food insecure populations with education and training that will better prepare them to participate in the building of a new country. Participants will have an

opportunity to improve their understanding of basic human and protection rights, gain a better understanding of community participation and improve their awareness on rights and responsibilities. Participation in adult education will be made available at the community level or at food distribution centres. There will be a strict firewall between the distribution of food and the non-formal education component. This activity will only be carried out with the explicit support of UNMIN and in coordination with standardized content. WFP will not be responsible for the content but rather serve as the vector for delivery of the content.

29. Indirectly, projects should improve human security by offering immediate economic opportunities and providing information on basic human rights and protection, mitigating the effects of potential spoilers including disenfranchised activists groups that might respond violently if their immediate needs are not met.

30. The PRRO will contribute to WFP's Enhanced Commitment to Women (III, V and VI). Programme activities will be open to both males and females. It is estimated that between 50-55 percent of beneficiaries will be women. At least fifty percent of membership in user committees including executive positions will be reserved for women. Gender-awareness and protection will be integrated into the non-formal education components of the PRRO.

31. In the medium to longer term, the UNDAF will guide the support provided by UN agencies to Nepal for the next three years during the transition process and will support the government's three-year interim national plan. The four priority areas of the UNCT and government include: national institutions, processes and initiatives to consolidate peace; quality basic services; sustainable livelihoods; and human rights, and gender and social inclusion.

Exit Strategy

32. It is anticipated that the PRRO will operate for the duration of UNMIN's mandate, which is likely to be extended past January 2008, as a date for constituent assembly elections has yet to be set. For planning purposes, we are assuming a six month extension until June 2008. WFP's initiative will address short-term food insecurity among the most needy while providing opportunities for asset creation, short-term labour and education. Medium to longer term reintegration and recovery strategies to support social sector reform will be developed simultaneously under the UNDAF. In the interim, the 2008-2010 Country Programme extension will prioritize activities in the health, nutrition and education sectors.

33. This PRRO will provide an immediate, tangible peace dividend, critical to maintain the momentum of the peace and transition process and instill people's confidence in the government. Subsequent assistance from WFP will shift towards a support role as communities regain their livelihoods and the government, along with UN and other organization partners, provide functioning social safety nets.

34. From the start of the project, WFP will do strategic planning with government, NFC and bilateral donors on how immediate food assistance will fit into the broader plan for transition under a longer-term strategy for building central and local capacity to address seasonal gaps in chronic food deficit areas.

35. Monitoring for transition to an extended protracted operation or the next phase of the Country Programme will be incorporated into VAM surveillance and M&E performance monitoring systems. Criteria with benchmarks for a responsible and appropriate transition include:

- Return of functioning local government (i.e. percentage of village administrators at post, police posts re-established, government capacity at district and sub-district levels);
- Introduction and/or strengthening of basic national safety nets in project areas (i.e. NFC financing and stockpiling; resources available at health posts and schools);
- National elections held;
- Level of law and order restored in project area;
- Return and reintegration of IDPs, ex-combatants and former CAAFAG;
- Protection indicators (i.e. freedom of movement, perception of threats, degree of taxing/extortion) particularly among high-risk groups including women and children
- Longer-term commitment of other actors in livelihood and infrastructure activities in the target area;
- Contributions and distribution rates of peace-building and multi-donor trust funds; target and disbursement rates reaching projects in the WFP target area;
- Disbursement rates of lenders (World Bank and Asian Development Bank) on rural infrastructure and human development related loans.

5. BENEFICIARIES AND TARGETING

36. This PRRO will focus on two main groups – food-insecure populations in conflict-affected areas, particularly those compounded by recurring natural disasters, and returnee populations including former IDPs, ex-PLA combatants and CAAFAG.

37. Out of the estimated 200,000 IDPs, thousands have already returned or re-established their livelihoods elsewhere. Three broad categories exist among the IDP population in Nepal including: a) land-owners, civil servants and political leaders fearing extortion; b) individuals that fled forced recruitment by the CPN-Maoists; and c) common people from poor, rural communities displaced by conflict. Common concerns among both returned and existing IDPs include inadequate food, shelter, access to social services, discrimination by receiving communities and protection issues. WFP assistance will predominantly target the third category as they are believed to be the most vulnerable and in need of external assistance to re-establish their livelihoods.

38. More than 30,000 former PLA combatants, including a yet to be determined number of former CAAFAGs, have been registered and are temporarily settled in 28

cantonment and satellite areas. The majority of Maoist cadres including supporters are young (18-30 years of age), partly educated and predominately from marginalized groups and socially excluded castes including Janajatis (hill ethnic group) and Dalits; 18 percent of cadres are female.

39. The majority of former combatants, like IDPs, were primarily subsistence farmers prior to the conflict and are likely to struggle to regain their livelihoods and will remain vulnerable to poverty, food insecurity and reprisal from surrounding communities where resources are already stretched thin.⁸ Under the reintegration and recovery component of the PRRO, WFP will provide an initial food reintegration/rehabilitation package for up to 30,000 ex-PLA combatants, including minors, as they leave cantonment areas and transit centres. Community-based assistance will also be provided to areas with a high number of returning ex-combatants.

40. While thousands of IDPs fled their homes as a direct or indirect result of conflict, some of the most vulnerable, conflict-affected households remained in their communities due to lack of resources to move elsewhere. The majority of these populations are small landowning households in rural, food-insecure areas exacerbated by conflict. Rural households rely on subsistence production for up to seven months of consumption. As a result of conflict, many of these households lost alternative livelihood strategies (i.e. casual labour, trade) on which they depended. With social services and sustainable economic opportunities yet to be (re-)established, these households are increasingly vulnerable to adapting negative coping mechanisms. For this reason, WFP will target a broader category of conflict-affected communities in food-insecure areas to receive short-term food assistance that will allow them to re-establish their livelihoods.

41. Beneficiaries will receive an emergency food ration during traditionally food deficit periods for an average of four months. More than one million people will directly benefit from WFP food assistance under the PRRO, including 38,500 returnees and their families (Table 1).

Table 1. Beneficiary Caseload and Food Requirements by Type of Intervention

Intervention Type	FFW/T Participants	General Distribution	2-Month Reintegration Package	Bene-ficiaries*	Tonnage
Critical Infrastructure	100,000	-	-	560,000	18,000
Reintegration/Recovery					
▪ CAAFAG Transit Centre	-	9,200	-	9,200	457
▪ Returnee Reintegration Package	-	-	38,500	215,600	5,198
Community-Based Reintegration	87,500	-	-	490,000	15,750
Total	187,500	9,200	38,500	1,265,600	39,405

*The average family size is 5.6 persons. The total number of beneficiaries is 9,200 less than the sum of the beneficiaries under each intervention type. The difference accounts for the fact that beneficiaries for transit centre feeding are expected to benefit from the returnee reintegration package.

⁸ Joint Inter-Agency Mission Report to Mid-Western Region Dec 2005, UNHCR et al.
Joint Inter-Agency Mission Report to Eastern Region, May 2006, UNHCR et al.

Table 2. Food Requirements by Type of Intervention 2007 – 2008 (MT)

Intervention Type	Number of HHs	Bene- ficiaries	Year 1 (Jul. – Dec. 2007)	Year 2 (Jan – Jun. 2008)	Total (MT)	Total (%)
Critical Infrastructure	100,000	560,000	7,650	10,350	18,000	46
Reintegration/Recovery						
▪ CAAFAG Transit Centre		9,200	457	-	457	1
▪ Returnee Reintegration Package	38,500	215,600	5,198	-	5,198	13
Community-Based Reintegration	87,500	490,000	5,906	9,844	15,750	40
Total	226,000	1,265,600	19,211	20,194	39,405	100

6. NUTRITIONAL CONSIDERATIONS

42. Despite the improvement in some health indicators over the past five years – maternal, infant and under-five mortality rates – nutrition indicators remain at emergency levels. Acute malnutrition (11.7 percent) and stunting (42.8) among children under-five years as well as the prevalence of iron-deficiency anaemia among small children and women (38 and 42 percent respectively) remain high. These indicators are largely a reflection of acute and chronic undernourishment, respectively, and are attributed to dietary deficiencies that are often times exacerbated by vulnerability to parasitic infections. Forty percent of the population has a calorie intake lower than the national recommended level of 2,200kcal/day.⁹ In order to boost calorie intake and contribute to macro-nutrient requirements, a ration of cereal (rice) and pulses has been included in the emergency food basket. The reintegration/rehabilitation package for returnees will include 120 kilograms of coarse rice and 15 kilograms of pulses, sufficient to meet 65 percent of their basic energy requirements for two months, assuming an average household size of 5.6.¹⁰

43. Under community-based FFW activities, participants will receive 40 kilograms of rice and 5 kilograms of pulses for every 10 working days per month for an average period of four months. This ration will provide about half of a household's monthly cereal requirements during seasonal lean periods. The FFW ration is based on a work norm of 4 kilograms of rice per work-day and the standard used under other similar WFP-Nepal FFW activities.

44. Former CAAFAG will receive cooked meals during their stay in transit centres, assuming a three month stay. The general ration is based on the average individual daily calorie intake and is similar to the food basket provided by WFP to the Bhutanese refugees. The food basket and individual daily rations will include 450 grams rice, 60 grams pulses, 30 grams of vegetable oil and 7.5 grams of salt. Subsequently, children

⁹ Department of Health, MoH Nepal 2006

¹⁰ The household size used for this PRRO is 5.6 based on the national average.

may receive an initial reintegration package based on the family ration size mentioned above.

Table 3. Food Ration and Energy Value by Type of Intervention

	Number of Days	Family Ration (kg/month)	Daily Ration (g/person)	Kcal/ person-day	Caseload	Total (MT)
CAAFAG Transit Centre (Individual Daily Ration)						
Cereals	90	-	450	1620	9,200	375
Pulses		-	60	204		50
Vegetable Oil		-	30	270		25
Salt		-	7.5	-		7
Sub-Total		-	560	2,094		457
Returnee Reintegration Package (family ration - 5.6 persons)						
Cereals	60	60	357	1,286	38,500	4,620
Pulses		7.5	45	152		578
Sub-Total		67.5	402	1,438		5,198
Community-Based Reintegration (family ration - 5.6 person) *						
Cereals	120	40	238	857	87,500	14,000
Pulses		5	30	101		1,750
Sub-Total		45	268	958		15,750
Critical Infrastructure/Community Works (family ration - 5.6 persons) *						
Cereals	120	40	238	857	100,000	16,000
Pulses		5	30	101		2,000
Sub-Total		45	268	958		18,000

* Note: The individual daily ration equivalent in the table above is based on the 30-day ration, times the average number of months of assistance – and is not based on work-days.

7. IMPLEMENTATION ARRANGEMENTS

Participation

45. Working closely with the GoN, this PRRO will build on WFP's comparative advantage under ongoing programmes and 40-years of experience working in the most remote areas of the country where the impact of conflict has been the most severe, food insecurity remains high, and where populations have been largely cut-off from development gains. These are also areas where infrastructure is badly needed, knowledge of responsibilities of citizenry is largely non-existent, and the capacity of communities to absorb returnees is limited.

46. WFP will capitalize on its large field presence as well as structures, mechanisms and partnerships developed under the drought-PRRO and Country Programme activities in many of the same target areas. Except for general rations distributed in CAAFAG transit centres and the two-month reintegration package for returnees, a FFW modality will be used to provide assistance to the targeted food insecure populations. This is consistent with the approach used to implement other ongoing WFP programme activities and will avoid undermining long-term development projects.

47. Training modules on non-formal education will be combined with FFW activities under the “Critical Infrastructure” and community-based “Reintegration and Recovery” components. Training will be incorporated into FFW schemes such that each household will participate for 8 days in FFW projects and receive 2 days of human, protection and civic education training in a month to complete the 10-day work. The training will be optional and offered as a complement to the work related activity. Project schemes will be selected by using a participatory approach requiring the involvement of local user groups and district officials. Participation in programme activities will be self-selecting and, except for an initial reintegration package for returnees, will use a community-based approach. Female and child-headed households and others with no able-bodied members to participate in FFW schemes will receive the same food ration through special targeting and distribution mechanisms.

48. This PRRO will be implemented over the course of one year. Project schemes and food distribution cycles will be coordinated with normal agriculture seasons, activity patterns and lean periods when households are most vulnerable to food insecurity.

Collaborative and Institutional Arrangements

49. Under the “Non-formal Education” activity component, WFP will work with UNMIN, other UN agencies and external institutions to design the training modules on basic human and protection rights as well as non-formal education on the broader role of individual rights and responsibilities. In addition to working with UNMIN and other UN agencies, a network of local NGO partners will conduct the trainings at the field level.

50. As stated, partnerships will be developed with organizations and government ministries including the newly formed Ministry of Peace and Reconstruction (MoPR) that have technical expertise and complementary resources to contribute to the “Critical Infrastructure” activity component. WFP and partners will also utilize strong, collaborative partnerships already established with the Ministry of Local Development (MLD) to provide complementary resources, and implement some project activities including social mobilization and food management in some instances. Close collaboration with the MoPR and MLD will be critical to identifying and prioritizing key infrastructure projects.

51. Under the “Reintegration and Recovery” activity component, WFP will work with UNICEF to provide food to former CAAFAG in transit centres and, where appropriate, a reintegration package upon their return home. Cooperating Partners will provide a reintegration/rehabilitation package, where appropriate, to the other vulnerable returnees including former IDPs and ex-combatants. Quick impact projects identified by communities will be implemented with technical support from NGO partners. Close collaboration with UNICEF, UNDP and UNMIN will be critical to provide a comprehensive, targeted assistance to returnee populations.

52. Field Level Agreements will be signed with Cooperating Partner(s) for the management of food commodities at extended and final delivery points (EDP/FDPs), food distribution activities and implementation of project scheme activities.

Non-food items

53. Collaborating partners in “Critical Infrastructure” will provide technical support as well as resources for non-food inputs including construction materials. Locally available resources will be used for simple infrastructure such as small irrigation systems, mule trails and repair of water taps to be constructed under the community-based “Reintegration and Recovery” schemes. ODOC funds will be used to complement partner resources to complete identified project schemes.

Logistics arrangements

54. Due to the geographical remoteness, harsh terrain and absence of road networks, a large portion of the hill and mountain areas are inaccessible for food deliveries except by air. Extreme weather conditions during the monsoon and winter seasons add to logistical constraints and require the pre-positioning of food prior to the start of these seasons. When feasible and appropriate, trucks, mules and porters will be used to deliver food to EDP/FDPs; however in areas without a viable road network or other alternative, food will be delivered by aircraft. Approximately, 30 percent or 12,000 Mt of food will be delivered by fixed-wing plane or helicopter.

55. In order to expedite the timely delivery and distribution of food, WFP will explore the possibility of borrowing stocks from the government’s National Food Corporation. The Logistics unit will provide technical support to the CPs, participate in field missions to monitor EDP/FDP activities and thoroughly review and analyze claims and supporting documents submitted by the CPs.

Procurement plans

56. Whenever possible, WFP will procure rice from local suppliers subject to stock availability, competitive prices and cash resources as per standard corporate guidelines. Under this PRRO, WFP-Nepal expects to procure 70-80 percent of the total food requirements from local suppliers. Advantages of local purchase include cost-savings in ocean and overland transportation costs, timely delivery in close proximity to delivery/distribution sites, and support for the local economy. WFP will closely monitor the local market and commodity prices in order to avoid the risk of distorting prices. Food quantities provided under the PRRO will represent less than 10 percent of cereal stocks available in the open market in order to avoid any disincentive effect on local markets. Regional procurement will also be considered when advantageous from a cost and/or market perspective.

57. All of the LTSH costs (US \$594/MT) are budgeted under this PRRO. Costs include transport of locally procured commodities to EDP/FDPs. External and overland

costs for the transport of in-kind contributions arriving in Calcutta, the main entry point for Nepal, have also been included in the budget. Suppliers will deliver commodities directly to the EDPs, at which point Cooperating Partners (CP) will take over responsibility for the storage, handling, and further delivery and distribution of commodities to beneficiaries at the FDPs.

8. PERFORMANCE MONITORING

58. Programme activities – EDP management, food distribution, FFW/T project schemes and overall cooperating partner performance – will be monitored by WFP sub-offices with the support of the Country Office.

59. Cooperating Partners will report to WFP sub-offices through monthly progress reports and a final report. Reports will include information on the quantity of food distributed, number of user groups, participants and beneficiaries (disaggregated by age, gender and caste) and project schemes (disaggregated by assets created). An evaluation will be conducted within the last three months of the project; the cost has been included in the DSC and ODOC budgets.

60. WFP's VAM unit will utilize its thirty-member field based surveillance team to collect "real-time" data on the food security and general post-conflict situation. Working and living among the communities where they operate will enable field monitors to strengthen established networks of key informants. These relationships and their experience working in conflict situations, will also make the WFP field surveillance team an exceptional source of grass-root information on community needs and targeting activities for post-conflict recovery.

61. In joint collaboration with OCHA and under the broader strategic framework of UNMIN, the WFP VAM field surveillance system will be used to collect information on food security and other vulnerability factors in the peace and transition process including governance, unemployment, land rights and health care on behalf of UNMIN. This field-based data will be used to drive the UN-consolidated response for post-conflict recovery and will support the Government of Nepal's (GoN) peace building efforts. Outputs will be made available to GoN, UN agencies, and I/NGOs at the central and field level. The surveillance team will be partly funded on a cost-sharing basis with UNMIN and OCHA.

9. RISK ASSESSMENT AND CONTINGENCY PLANNING

(a) Risk assessment

62. Much of the recent security incidents have been focused in the Central and Eastern Terai regions of Nepal – areas which will be covered under this PRRO, assuming a minimum level of security for operations is maintained. Special considerations for operating in the hills and mountains of the Mid- and Far-Western regions, where the majority of PRRO activities will be implemented, fall broadly into three categories: operational space; political 'influences'; and logistics support.

1) Operating in remote locations – Conflict-affected populations targeted under the PRRO live in some of the most remote parts of Nepal. Access to many of these communities is achievable only by walking long distances on hazardous tracks or using commercial aircrafts to district headquarters.

2) Political ‘influences’ – Although the interim government includes the Seven Party Alliance and CPN-Maoists, much of rural Nepal and many locations under the PRRO coverage remain outside of national government control. As a result, WFP will maintain oversight of targeting and project implementation; continue to prioritize interventions based on need and avoid potential misuse motivated by political affiliations; and prioritize target areas where government authority has been restored.

3) Logistics support – An emerging number of activist groups and much of the recent agitation in the Terai region have effectively invoked violence, general strikes and transport or customs blockades. If general insecurity and frequent ‘bandhs’ persist, they will continue to have negative impact on WFP operations including the ability of commercial suppliers and transporters to deliver food as well as Cooperating Partners’ ability to distribute food and implement other project activities.

(b) Contingency Planning

63. WFP will continue to update contingency plans (i.e. renewed conflict and insecurity, particularly in the Terai region; a major earthquake; avian influenza pandemic) on a regular basis in order to mitigate or minimize disruptions in operational space and project implementation.¹¹ In the event of a major natural disaster or other complex emergency, WFP will lead the food security sector and logistics cluster under the IASC cluster approach. A review of the 2005 inter-agency contingency plan for Nepal is currently underway. When necessary and feasible, WFP will continue to arrange convoys for the movement of food when supplies are interrupted.

10. SECURITY

64. This PRRO will operate under a Phase Three security level (only Kathmandu valley is under phase II). All WFP sub-offices, vehicles and staff are MOSS/MIST compliant.

65. All missions travelling to remote areas carry satellite phones, and medical evacuation arrangements are in place. Effective 24 July 2007, UN Department of Safety and Security (UNDSS) radio rooms will be the first point of contact for all emergencies.

66. Security orientations/briefings will be conducted with all new staff, Cooperating Partners, and beneficiary groups to ensure that activities are implemented in compliance with the Basic Operating Guidelines (BOGs).

¹¹ UNCT Contingency Planning for Nepal, May 2005

11. RECOMMENDATION

67. The Executive Director is requested to approve the proposed Protracted Relief and Recovery Operation for Nepal PRRO 10676.0.

Date: _____

Josette Sheeran
Executive Director, WFP

ANNEX IA

WFP PROJECT COST BREAKDOWN

	Quantity (mt)	Average cost (US\$) per mt	Value (US \$)
COSTS			
A. Direct operational costs			
Commodity 1- Rice ¹²	34,995	342	11,989,987
Commodity 2 – Pulses	4,378	692	3,030,627
Commodity 3 – Vegetable Oil	25	1,219	30,475
Commodity 4 - Salt	7	180	1,260
...			
...			
...			
...			
...			
Total commodities	39,405		15,052,349
External transport			734,038
Landside transport			1,200,670
ITSH			22,205,908
Total LTSH			23,406,578
Other direct operational costs			3,330,170
Total direct operational costs			42,523,135
B. Direct support costs (see table below for details)			3,063,725
C. Indirect support costs (7 percent of total direct costs)			3,191,080
TOTAL WFP COSTS			48,777,940

¹² This is a notional food basket used for budgeting and approval purposes. The precise mix and actual quantities of commodities to be supplied to the project, as in all WFP-assisted projects, may vary over time depending on the availability of commodities to WFP and domestically within the recipient country.

ANNEX IB

DIRECT SUPPORT REQUIREMENTS (*dollars*)

Staff	
International professional staff	809,100
National professional officers	347,250
National general service staff	580,635
Temporary assistance	6,000
International Consultants	57,780
National Consultants	40,000
Overtime	3,000
Staff duty travel	440,000
Staff training and development	86,000
Subtotal	2,369,765
Office expenses and other recurrent costs	
Rental of facility	49,200
Utilities (general)	43,800
Office supplies	43,000
Communication and IT services	150,000
Insurance	25,200
Equipment repair and maintenance	13,000
Vehicle maintenance and running cost	121,710
Other office expenses	61,800
United Nations Organizations Services	82,800
Subtotal	590,510
Equipment and other fixed costs	
Furniture tools and equipment	15,000
Vehicles	-
TC/IT equipment	88,450
Subtotal	103,450
TOTAL DIRECT SUPPORT COSTS	3,063,725

LIST OF ACRONYMS

BOGs	Basic Operating Guidelines
CAAFAG	Children Associated with Armed Forces and Armed Groups
CP	Cooperating Partner
CPA	Comprehensive Peace Agreement
CPN-M	Communist Party of Nepal- Maoists
EDP	Extended Delivery Point
FAO	Food and Agriculture Organization
FDP	Final Delivery Point
FFW/T	Food-For-Work and Training
GoN	Government of Nepal
IDP	Internally Displaced Person
MLD	Ministry of Local Development
MPR	Ministry of Peace and Reconstruction
NFC	Nepal Food Corporation
NFI	Non-Food Item
NGO	Non-Governmental Organization
OCHA	Office for Coordination of Humanitarian Assistance
OHCHR	Office of the High Commissioner for Human Rights
PLA	People's Liberation Army
SO	WFP Strategic Objective
SPA	Seven Party Alliance
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
UNICEF	United Nations Children's Fund
UNCT	United Nations Country Team
UNMIN	United Nations Mission in Nepal
VAM	Vulnerability Assessment and Mapping