

**Emergency Operation Democratic People's Republic of Korea**  
**Title: 10757.0- Emergency Assistance to Population Groups Affected by Floods and Rising Food and Fuel Prices**

**Duration:** 1 September 2008- 31 November 2009

**Number of beneficiaries:** 6,237,000

**WFP food tonnage:** 629,938mt

**WFP food cost:** US\$ 297,369,729

**Total cost to WFP:** US\$ 503,646,114

**EXECUTIVE SUMMARY**

The progressive improvement in food security experienced by the Democratic People's Republic of Korea (DPRK) between 2001 and 2005 has been reversed in recent years, and the country's reliance on external food supplies is again increasing. In 2007, domestic food availability dropped significantly due to summer flooding and reduced external assistance and imports. For the 2007-2008 marketing year (November/October), FAO has estimated the cereal deficit to be 1.66 million tons - the largest food gap since 2000-2001. The country has also suffered the effects of the global commodity crisis, with rampant increases in market prices for staple foods and fuel.

The WFP/FAO Rapid Food Security Assessment (RFSA) of June 2008 concluded that food availability, accessibility and utilization deteriorated sharply between 2007 and 2008. The continued constraints on the agricultural sector - further compounded this year by fertilizer shortages - mean that food shortages are likely to extend into the 2008/09 agricultural season.

The impact of food shortages has been unevenly divided amongst the population, with urban households in areas of low industrial activity being the most affected. These groups have been hard hit by higher food prices, reductions in public food rations as well as lower employment and salaries caused by industrial recession. Vulnerable groups including young children, pregnant and lactating women and elderly people remain particularly vulnerable to food insecurity and malnutrition due to their particular dietary needs.

This Emergency Operation is consistent with the findings of the RFSA, which recommended that emergency food assistance be provided to the most vulnerable groups and geographical areas to prevent a further deterioration in the health and nutritional status. The overall strategy will be to meet the urgent food needs of the population while simultaneously improving nutritional quality over the medium-term.

The operation will provide comprehensive and well-targeted food assistance to food-insecure populations through mother child health nutrition activities; feeding of primary school children, elderly people and other vulnerable groups; and food for community development activities. The operation is in line with WFP's new Strategic Plan (2008-2011) and its Strategic Objectives 1, 3 and 4, and supports United Nations Millennium Development Goals 1, 4, 5 and 7.

It remains clear that, in the immediate-term, the agriculture sector alone will not be able to meet national food requirements and that external assistance will be required. Humanitarian

assistance will also need to be complemented by more comprehensive interventions aimed at improving agricultural production. If conditions permit and should resources be forthcoming, WFP will reduce humanitarian aid after this emergency operation and return to the recovery/development-oriented programme commenced with the PRRO.

## **1. SITUATION ANALYSIS AND SCENARIO(S)**

### **(a) The overall context**

- 1) The Democratic People's Republic of Korea (DPRK) continues to suffer chronic food insecurity, high malnutrition rates and economic problems, and remains reliant on external food assistance to meet the needs of its 23 million people. Recent studies indicate that DPRK has been as vulnerable to the global crisis as other countries, with domestic staple costs increasing in line with global food prices and the price of fuel surging by 50 percent in the second quarter of 2008.
- 2) External trade, mainly with neighbouring China, accounts for a progressively larger part of the economy; up from US\$2 billion to around US\$3 billion between 2000 and 2006. The economy also underwent rapid changes between 1990 and 2005: the service sector almost doubled in size while the industrial sector fell from 50 to 35 percent. Industrial decline, spurred by a lack of equipment, raw materials and dilapidated infrastructure, have resulted in large-scale unemployment and underemployment, particularly in the industrialized northeastern provinces. It is estimated 40 percent of factories stand idle and another 30 percent are operating well below capacity. Residents in these areas are particularly vulnerable to poverty and food insecurity but there are similarly marked differences between socio-economic groups and urban/ rural areas.
- 3) The most dramatic change to the economic landscape in recent years has been the expansion of markets. Such activities have been important sources of additional income as state pensions and salaries have remained almost unchanged. However, due to the rapid increase in food prices the same dependence on markets is making people increasingly vulnerable.
- 4) The government has successfully pursued agricultural sector adaptations to improve national food production, significantly improving harvest output from the famine years of the mid-1990s. Nonetheless, agricultural production remains constrained by limited availability of arable land (estimated at only 18 percent); unfavorable weather conditions; lack of agricultural inputs such as fertilizer; weak transport infrastructure, as well as fuel and energy shortages. The country also suffered two consecutive years of natural disasters in 2006 and 2007. The floods of August 2007 were particularly damaging; striking the southern food-producing regions at the peak of the growing season and damaging up to 25 percent of standing crops of maize and rice.

- 5) Following a government request in August 2005 to end humanitarian emergency operations, WFP reoriented its food assistance to recovery/development-oriented activities under a significantly reduced protracted relief and recovery operation (PRRO 10488.0 Recovery Assistance for Vulnerable Groups in the Democratic People's Republic of Korea). At the peak of operations, WFP was reaching up to 1.2 million beneficiaries in 50 counties in five provinces.
  
- 6) On May 12, 2008, the DPRK Government again approached WFP to provide emergency food assistance to meet urgent needs resulting from the August 2007 floods and the poor 2007/08 harvest output. Shortly thereafter, negotiations for greatly improved operating conditions and expanded geographical assistance took place in Pyongyang. A revised Letter of Understanding outlining the parameters for implementation of WFP food assistance was concluded with the DPRK government counterpart, the National Coordinating Committee (NCC) on 27 June 2008.

**(b) The food security and nutrition situation**

- 7) Based on official statistics obtained from the government, FAO has estimated that agricultural production in DPRK came to around 3 million tons (milled base, or 3.6 million tons un-milled) in 2007-2008. With an overall annual demand of around 5.2 million mt of cereals,<sup>1</sup> FAO projected that the country will suffer a cereals deficit of 1.66 million mt in 2008 - the largest deficit since 2001. Food availability has also been negatively affected by lower food aid and commercial imports; supplies received during the 2005-2006 and 2006-2007 marketing years came to only 315,000 tons and 775,000 tons respectively, a mere 26 percent and 63 percent of what was received in 2005.
  
- 8) Agricultural production is mainly concentrated in the lowland provinces of South Hwanghae, North Hwanghae, North Phyongan and South Phyongan. Rising fuel prices in the first half of 2008 has made it increasingly difficult to transfer cereals from surplus areas to food-deficit counties in the North. As a result already stark regional differences in food accessibility have become further pronounced. Urban populations dependent on the Public Distribution System (PDS)<sup>2</sup> are particularly vulnerable as public food rations have been progressively cut according to official sources; down from 500 grams per person per day in November 2007 to only 150 grams (around 500 calories per day) in June 2008. Given rapidly eroding purchasing power and limited formal incomes, urban populations are instead increasingly relying on petty trade and informal jobs, opportunities which are still limited.

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<sup>1</sup> Calculated on an annual consumption of 167 kg/capita of cereals (including potato in cereal equivalent), which represents about 1,600 Kcal, or roughly 75 percent of the average person's daily energy requirement.

<sup>2</sup> The Public Distribution System is a state-run system tasked with delivering staple foods to 65 percent of the country's population at subsidized prices. Despite a declared revival of the PDS in October 2005, the PDS has functioned erratically since the early 1990s.

- 9) As the role of the market as a food source has gradually increased, food price increases are having an impact on food security. The cost of rice in June 2008 was 2.5 - 3 times more than at the same time last year while the price of maize was four times higher. A distressing trend observed in 2008 has been the worsening terms of trade between cereals and other traded commodities (e.g. beans, eggs, chickens, rabbits); as cereal prices are increasing more rapidly, households are suffering a significant erosion of purchasing power.
- 10) The WFP/FAO Rapid Food Security Assessment (RFSA) conducted in June 2008, confirmed a significant deterioration in food security in most parts of the country.<sup>3</sup> Close to three quarters of respondents have reduced their food intake, over half are reportedly eating only two meals per day (down from three) and dietary diversity is extremely poor among two thirds of the surveyed population. Most families have daily consumption consisting of only of maize, vegetables and wild foods, a diet lacking protein, fats and micronutrients.
- 11) To cope with the food shortages, households are increasingly relying on a multitude of coping strategies, including foraging for wild foods and receiving assistance from relatives. Such activities are particularly common during the lean season (June-September) when stocks of the previous year's harvest run low. During the RFSA, respondents expressed fear that even these strategies would soon be exhausted as the current food shortages were affecting all the population.
- 12) As a result, the nutritional situation of the vulnerable population is at risk and the health of children appears to be showing a negative trend, with an increase in cases of malnourished and ill children being reported and observed in hospitals and institutions. The last countrywide WFP/UNICEF/Government Nutrition Assessment from 2004 showed stunting rates at 37 percent, underweight at 23 percent and wasting at 7 percent among children under-6. Maternal anaemia was around 35 percent.
- 13) The RFSA findings indicate that North Hamgyong, Ryanggang provinces and some counties in South Hamgyong are suffering an acute food and livelihood crisis due to insufficient food intake, poor dietary diversity, indications of increasing wasting rates and a rapid spread of diarrhea and illnesses. These areas could suffer a humanitarian emergency over the period August-October 2008 unless additional external food assistance is urgently provided. Other areas, currently deemed to be food insecure (predominantly Kangwon, parts of South and North Hwanghae and South Phyongan) due to high stunting levels, unstable access/uncertain availability of sufficient food and a chronic dietary diversity deficit, are at risk of quickly degrading to an acute food crisis without adequate food assistance.

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<sup>3</sup> The RFSA covered 53 counties in eight out of the country's ten provinces. The remaining two provinces (Chagang and North Phyongan) were assessed by US NGOs using a similar methodology.

(c) Scenarios

- 14) This emergency operation has been planned based on the assumption that the DPRK will be in need of large-scale food assistance up until the main harvest of October/November 2009. A critical period will be August-October 2008 as both stocks from the main harvest and the spring crops will have been depleted and there are limited external food supplies in the country. Additional well-targeted food assistance will be crucial to prevent a further deterioration in the health and nutritional status of the most vulnerable groups and regions.
- 15) FAO forecasts that the October/November 2008 harvest will be 70-75 percent of an average year's output due to inadequate fertilizer supplies, meaning the current food shortages will extend into the next agricultural year. The risk that the country will again suffer summer flooding remains, which could lead to further crop destruction and/or require general food distributions of emergency food aid. In such an event, WFP will have contingency stocks available in the country to rapidly respond.

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

### **(a) Policies, capacities and actions of the government**

- 16) The DPRK Government began in early 2008 to publicly acknowledge that the country was again facing food shortages due to the destruction caused by the August 2007 floods and the low 2007-2008 harvest output. Several public policy statements placed solving the food problem at the top of the national agenda and measures to increase agricultural production were promoted. Local populations were also mobilized to undertake disaster mitigation activities such as construction of river embankments. Such actions were generally sound but lacked sufficient resources to become effective.
- 17) Legal measures introduced in October 2005 to revive the PDS remain in place but appeared to be less actively enforced as food shortages grew more serious. While restrictions on market trade may have contributed to upholding public food rations for a longer period, domestic supplies are simply too limited to ensure full cereal rations to all PDS-dependants.
- 18) On 12 May 2008, the DPRK Government officially requested WFP for emergency food assistance to meet food shortages caused by the floods and resulting crop losses. The government also attempted to source external food supplies through discussions with China in March and June, but it has not been possible to confirm the exact amounts agreed upon.
- 19) In May 2008, the DPRK and the US governments concluded a protocol allowing for the distribution of up to 500,000 tons of food assistance under improved operating conditions and expanded humanitarian access. The bulk of the food contribution is to be channeled through this Emergency Operation (up

to 400,000 tons), while the remainder will be distributed by a consortium of five US NGOs (up to 100,000 tons). The improved operational conditions contained within the protocol have been extended to WFP in a Letter of Understanding concluded with the DPRK government counterpart the NCC on 27 June 2008. During the expansion of food activities, which began in August 2008, the final month of the PRRO, WFP received good cooperation from government officials at all levels.

**(b) Policies, capacities and actions of other major actors**

- 20) The two largest bilateral food providers, China and Republic of Korea (ROK), both face constraints in continuing large-scale bilateral food deliveries to DPRK due to domestic inflation in food prices and internal policy changes. As a result, bilateral food imports and aid dropped significantly in 2008; by mid-year only 110,000 tons had been provided, only 15 percent of the 738,000 tons of the previous year. Moreover, external assistance of chemical fertilizer, normally averaging 300,000 tons per year, was not delivered in time for the planting season in May-June. At the time of preparing the Emergency Operation, prospects for improvements in bilateral assistance seemed unlikely.
- 21) Five UN agencies continue to be operational in the country operating under the UN Strategic Framework for 2007-2009: FAO, UNICEF, UNFPA, WFP and WHO. Activities focus on sustainable energy, environmental management, increased food availability and basic social services (public health, child and maternal health and nutrition, education, water and sanitation). The departure of UNDP in March 2007 has diminished the capacity of the UN Country Team notably in the field of economic management. Nonetheless, advancements have been made in humanitarian policy formulation and contingency planning. In 2008, the UNCT extended the current Strategic Framework by one year to receive the results of the UNFPA census planned for September 2008.
- 22) The NGO presence in DPRK was reinforced in 2008 by the arrival of the consortium of five US NGOs designated to distribute part of the US food contribution in Chagang and North Pyongan Provinces in parallel with this Emergency Operation. Other NGO activities will continue to take place under the umbrella structure known as the European Union Programme Support (EUPS). Out of the six EUPS units operational in the country, only one is active in food assistance programmes. Moreover, WFP relief disaster activities will also be complemented by those of the IFRC and the Korean Red Cross—both organizations played an important role following the floods of August 2007.

**(c) Coordination**

- 23) Coordination of humanitarian and development activities will continue to take place through weekly meetings held in Pyongyang under the chairmanship of the WFP Country Director who has been acting as Resident Coordinator following the departure of UNDP. WFP will also actively lead the Food

Security Working Group and participate in the meetings of the Working Groups on Health and Nutrition and Agriculture. Although OCHA does not have representation in DPRK since 2005, WFP will regularly provide information and pursue cooperation with the OCHA regional bureau in Bangkok through the office of the Resident Coordinator. WFP will employ a Programme Officer to handle liaison with the US NGO consortium, ensuring that the two food assistance programmes follow a similar implementation strategy.

### **3. OBJECTIVES OF WFP ASSISTANCE**

- 24) The overall goal of the EMOP is to mitigate the disproportionate impact of the increase in food and fuel prices and to assist in the recovery of livelihoods of those affected by the severe flooding in 2007.
- 25) The operation is in line with the WFP new Strategic Plan (2008-2011). The specific objectives are to:
  - Save lives by preventing food shortages from developing into crisis conditions in the most food insecure areas, particularly the northeast (WFP Strategic Objective 1).
  - Stabilize or reduce vulnerability to hunger by supporting the government's efforts towards improving food security through local food production and food-for-community-development projects (WFP Strategic Objective 3)<sup>4</sup>.
  - Maintain and/or improve the nutritional status of the most risk groups (young children, pregnant and lactating women and elderly people) by providing them with regular access to minimum energy and dietary requirements to maintain and/or improve their nutritional status (WFP Strategic Objective 4)

The operation supports UN Millennium Development Goals 1 (Eradicate extreme poverty and hunger), 4 (Reduce child mortality), 5 (Improve maternal health), and 7 (Ensure environmental sustainability).

### **4. BENEFICIARIES AND TARGETING**

- 26) This Emergency Operation will target key vulnerable groups in 131 counties in eight provinces: Ryanggang, North Hamgyong, South Hamgyong, Kangwon, North Hwanghae, South Hwanghae, South Phyongan and Pyongyang, up from 50 counties supported under the PRRO. Blanket feeding will be done for orphans, pregnant and lactating women, children under 10 years of age, and pediatric inpatients in provincial and county hospitals. These groups were identified by the RFSAs as most at risk due to their specific dietary needs and continued high malnutrition rates and have traditionally been targeted for WFP assistance. WFP will restart food distributions to the most vulnerable among the elderly population - those over 60 years of age.

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<sup>4</sup> FFCDD will focus on protection of the environment, disaster mitigation and rural development within a medium-term strategic framework

Elderly people are strongly affected by rising food prices as their pensions have been stagnant and they often suffer poor health.

- 27) WFP will introduce a new beneficiary group under this Emergency Operation called “Other vulnerable groups” (OVG), which is intended to cover adolescents, the handicapped and workers in low-productivity factories, amongst others. The same food can also be used to address deepening vulnerability among existing beneficiary categories. In the event that staff of beneficiary institutions are found to be food insecure, they would be eligible for inclusion under this category (OVG). This would be decided on a case-by-case assessment and assistance would consist essentially of on-site food rations targeted primarily to the northeastern provinces.
- 28) As the RFSA classified the northeast and parts of the flood-affected South as particularly vulnerable, WFP will prioritise these areas for food-for-community-development projects and support under the beneficiary category OVG. These areas will account for approximately two thirds of beneficiaries. Through food for community development, WFP will target poor urban workers and their dependants, mainly in secondary cities in the northeast that have been hard-hit by the industrial recession.

## 5. NUTRITIONAL CONSIDERATIONS AND RATIONS

Beneficiary groups and daily ration / person (g)	Beneficiaries	Days/year	Commodities (g per day)						Kcal/day
			RM B	Cereals	Pulses	Oil	CMB / CSM	Biscuits	
<b>Orphanages</b>									
Children in baby homes (below 5 years)	2,091	365	100	150	50	25	50		1,527
Children in children centers (5-6 years)	1,459	365	100	250	50	25	50		1,877
Children in boarding schools (7-16 years)	5,280	365		450	50	25		60	2,215
<b>Pregnant/Lactating Women</b>									
Farm Households	151,916	365			100	25	130		1120
PDS dependants	326,714	365		250	100	25	130		1,940
Nursery Children (6 months - 4 years)	758,764	300		150	50	25	100		1,372
<b>Kindergarten Children (5 - 6 years)</b>	414,749	250		250	50	25	50	60	1,705
<b>Primary School Children (7 - 10 years)</b>									
Farm households + PDS dependants	974,000	250						60	244
PDS dependants	654,702	365		250					825
<b>Inpatients (6 mos-16 years) in Pediatric Hospitals</b>	2,122	365	100	250	50	25	50		1,120
Accompanying mothers	2,122	365		250					825
<b>Pediatric wards (70% of total</b>	6,795	365	100	200	50	25	50		1,096



beds in all pediatric hospitals)								
<b>Elderly</b>	940,849	365		250	25			1,096
<b>FFCD participants</b>	700,000	45		800				350*
<b>FFCD dependants</b>	1,400,000	45		600				330*
<b>Other vulnerable groups</b>	450,000	120		1,000				1,100*
<b>Contingency/relief activity</b>	100,000	48		350	50	25		1,621

Explanation: RMB - Rice Milk Blend, CMB - Cereal Milk Blend, CSM - Corn Soya Milk Blend, Biscuits - Fortified biscuits 200 Kcal added for cold weather

\*Kcal calculation based on 365 days.

- 29) Food rations have been developed on the basis of nutrition requirements of the populations as identified by the RFSA and previous assessments performed by WFP and its partners. These rations are aligned with past WFP operations. The most vulnerable groups will receive locally produced fortified foods, including Corn Soya Blend (CSB), Rice Milk Blend (RMB) and Cereal Milk Blend (CMB). These commodities, produced in WFP-supported local factories, have been used in DPRK for many years and have gained wide acceptance among target populations.
- 30) WFP food rations will be closely coordinated with the UNICEF programme for distribution of F-100 and plumpy nut – a ready to use food for severely malnourished children. Should donor contributions predominantly consist of cereals, WFP may pilot distribution of Micronutrient Powder (MNP) as a short-term measure under this Emergency Operation. The activity would be conducted together with UNICEF.
- 31) An estimated 100,000 tons of food will be carried over from PRRO 10488.0 to this Emergency Operation, consisting predominantly of in-kind cereal donations. Out of the 539,000 tons net requirement, WFP has received an early pledge of up to 300,000 tons from the US.

## 6. IMPLEMENTATION ARRANGEMENTS

### *Programme Strategy*

- 32) The overall strategy of this Emergency Operation is to meet the urgent food needs of the population. As in the past, the National Coordinating Committee for WFP under the Ministry of Foreign Affairs will be responsible for coordinating WFP assistance. For the first time since WFP began operations in DPRK, WFP has received a comprehensive list of all child institutions and Public Distribution Centers (PDCs)<sup>5</sup> in the form of the Global Implementation Plan (GIP). The GIP will ensure better follow-up, enable integrated interventions and facilitate measurement of impact under different contexts.

<sup>5</sup> Public Distribution Centers are the physical outlets of the PDS. There are over 4,000 PDCs in areas targeted for WFP assistance.

- 33) Mother and Child Health – Given the poor nutrition situation indicated by the RFSAs, WFP will seek to support all pregnant and lactating women, orphans and children under 5 in the 131 targeted counties with pulses, oil, and fortified foods. Fortified foods will be delivered to child institutions while cereals, pulses and oil for pregnant and lactating women will be distributed through the PDCs. The food basket in urban areas will also contain cereals as PDS-rations fall far short of meeting beneficiaries’ caloric needs and PDS-dependant women have less access to this commodity than their peers in rural areas.
- 34) Primary school children – In the absence of adequate cooking facilities in most schools, WFP will distribute locally produced fortified biscuits to all primary school children in targeted counties during each school day (i.e. 250 days per year). Given their higher vulnerability, PDS-dependent families of primary school children will receive an additional per capita daily take-home ration of 250 grams of cereals throughout the year through the PDCs. Since school attendance is compulsory in DPRK, WFP will seek to measure the impact of its programme through qualitative interviews with teachers on attention span and by tracking the number of days lost due to illness.
- 35) Children in Hospitals - DPRK’s health care system includes large pediatric hospitals at provincial level and pediatric wards in county level hospitals. In targeted counties, full rations of cereals, pulses and oil will be provided to child inpatients aged 6 months to 16 years at all pediatric hospitals, and all pediatric wards of county hospitals, with meals being prepared at the hospital. The ration fully meets the recommended energy requirement for their age. It also includes rice milk blend (RMB) for the second phase of severe malnutrition rehabilitation. Mothers accompanying their hospitalized children will be given a cereal ration of 40 percent of the energy requirement of 2,300 kcal.
- 36) Elderly – Elderly people are normally highly respected and well cared for in the Korean culture. Nonetheless, there are elderly households facing significant food gaps in vulnerable urban areas. WFP will target this category with supplementary rations of cereal and pulses (around 1,000 calories per day) provided through the PDCs.
- 37) Food For Community Development – WFP along with the government has been successful over the past years in implementing food-for-community-development (FFCD) projects, which focus on improving long-term food security. WFP will build on its expertise and partner network (including FAO and the Ministries of Land and Environment, and Agriculture) to implement a range of activities, including:
- Rapid rehabilitation of flood-damaged infrastructure to revive local administrations;
  - Emergency rehabilitation activities to support crisis-affected industrial workers;
  - Construction of disaster mitigation structures in view of anticipated floods;

- Emergency recovery of severely affected watersheds due to slope land cultivation and deforestation;
  - Improvement of slope land agriculture productivity as it remains a critical coping strategy for the most vulnerable; and
  - Tree planting and land reclamation projects.
  - Emergency rehabilitation in support to crisis affected industrial workers.
- 38) Other Vulnerable Groups (OVG) – The rationale for this beneficiary category is to allow decentralized decision-making based on changing vulnerability patterns during the course of the year. In practice, if WFP field monitoring visits reveal the emergence of new vulnerable groups or patterns of deepening vulnerability, each sub-office in consultation with provincial and county officials will have food stocks to immediately respond to the problem. Cereal rations of 1,000 grams per capita can then be provided for a period of up to ten days per month through the PDCs.
- 39) Contingency/relief activity – Due the DPRK’s continued vulnerability to natural disasters and the limited domestic capacity, WFP will retain a small contingency stock to rapidly respond to disasters such as floods or industrial accidents. A stock of 1,900 tons, sufficient to respond to the immediate needs of 100,000 disaster-affected people for 45 days, will be pre-positioned in warehouses on the east and west coast prior to the start of the rainy season in July-August.<sup>6</sup> Should further needs be identified by a rapid assessment, WFP would have sufficient time to undertake a budget revision or take other appropriate measure to continue the intervention.
- 40) Local Food Production – Building on the success of previous operations, WFP will continue to support local food production (LFP) of fortified foods. WFP provides overall management of the programme, as well as the raw materials and funding for equipment, packaging materials and spare parts while the government operates the factories, employs workers, provides electrical power, building maintenance and in some cases transport of the finished product to the beneficiary institutions.
- 41) Locally produced commodities (CSB, CMB, RMB and biscuits) will be included in the food basket targeted towards the most vulnerable beneficiaries in the country. Under this Emergency Operation, WFP plans to expand this activity to produce around 55,000 tons of fortified food for around 2.5 million children and pregnant and lactating women. The total number of factories should be 13 by September 2008 and further factories may be opened in areas with high malnutrition levels. For the first time, WFP will explore the possibility of supporting the rehabilitation of local factories like bean paste factories and local mills with manual fortification interventions.
- 42) Non-food items – As in previous years, most non-food item procurement will consist of spare-parts and packaging materials for local food production

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<sup>6</sup> The contingency stock provision was successfully used following the floods in July 2006 and August 2007, allowing WFP to rapidly distribute emergency food assistance to flood-affected populations.

factories. WFP will support communities with tools such as shovels and pick axes for food-for-community-development projects. With regard to logistics, WFP will continue providing for efficient port handling and sound warehousing by procuring much needed logistics support equipment.

- 43) Partnerships - WFP will partner with multiple line ministries, UN agencies and NGOs to bring in complimentary inputs to strengthen the impact of food assistance. Sectoral strategies will be worked out and joint programming will be explored with WFP not necessarily taking the lead but rather supporting other agencies within their respective mandates:
- Nutrition: rehabilitation of hospitals and child centres, training of midwives and health care providers, educating mothers on care practices, distributing Information, Educational and Communications (IEC) materials and providing of Vitamin-A and iron tablets (UNICEF, WHO, FAO).
  - Agriculture: activities to promote higher yields from existing crops, improved slope-land agriculture, and rehabilitation of damaged infrastructure and the promotion of small-scale irrigation canals (FAO, UNDP<sup>7</sup>).
  - Energy: small-scale infrastructure activities at village level (solar, wind, etc.) as well as promoting fuel-efficient stoves at both household and institution level. As part of the agro-forestry strategy, energy-trees will also be planted and good practices on management of tree-wood for energy will be promoted (UNDP).
  - Local market development: piloting the use of food vouchers to promote household's ability to purchase small-scale food and other items critical to the consumption needs of the most vulnerable (UNDP).
- 44) WFP will also work very closely with the consortium of US NGOs that will be operating a parallel food assistance programme in Chagang and North Phyongan provinces. To ensure a homogenous impact of the two interventions, beneficiary categories, food baskets and rations sizes will be streamlined and implementation arrangements will be similar to the extent possible.
- 45) Logistics arrangements - WFP will be responsible for the international transportation of commodities to the DPRK. Anticipated entry points by sea are Nampo, Hungnam, and Chongjin. The commodities will arrive in bulk and or as bagged cargo. Commodities arriving in bulk will be bagged by WFP, making continued use of the services of international bagging contractors engaged on a retainer basis. Food will also be imported through two rail entry points, Sinuiju and Namyang. Discharge will be carried out by the government, taking over possession and assuming responsibility for arranging landside transport, storage and handling (LTSH) from main entry points to beneficiaries in accordance with WFP's distribution plans. WFP will reimburse part of the transport costs with a fuel reimbursement levy of US\$8 per ton. This rate may be revised in the future to take into account rising fuel prices in which case a new LTSH rate may be applied. In such circumstances, WFP may do a budget revision to increase the rate.

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<sup>7</sup> Activities will depend on the resumption of UNDP operations in DPRK.

- 46) The balance of US\$7 per mt is envisaged for storage and port handling upgrades as well as upgrades of the Commodity Movement Processing and Analysis System (COMPAS). A capacity development strategy of government counterparts is envisaged under this Emergency Operation to ensure efficiency and cost-saving. This could include provision of training packages in supply chain management procedures, as well as procurement of logistics assets to support streamlined movement of WFP commodities.
- 47) Procurement plans - Due to the inability to make local food purchases in DPRK, it is envisaged that all commodities required for the Emergency Operation will be imported. Around 60 percent of contributions are expected to be in-kind commodities, mainly cereals. The remainder will be purchased on the global market with a preference for regional procurement to save cost and cut delivery time.

## **7. PERFORMANCE MONITORING**

- 48) Under the improved operating conditions, WFP will increase international staffing numbers from 10 to 59, including for the first time Korean speakers. Close to half of the staff will be regularly involved in field monitoring activities, working out of four area offices and supporting sub-offices established throughout the eight targeted provinces.
- 49) The frequency of monitoring visits will increase sizably; up from once a quarter in each county to twice a month. WFP will be able to do up to 1,000 monitoring visits per month to child institutions, households and hospitals. With monitoring modalities agreed with Government, WFP will be better able to more freely select sites and interviewees. Monitoring will greatly facilitated by the comprehensive list of beneficiary institutions received under this Emergency Operation.
- 50) WFP will monitor multiple points of the supply chain including transshipment points, provincial and county warehouses, PDCs and school storage locations. WFP will for the first time have access to county warehouses and dedicated warehouses for its commodities. The use of COMPAS, introduced in August 2007, will be crucial to continue to track and report on commodities.
- 51) In addition to regular monitoring activities, WFP plans to assess the food security situation and evaluate the impact of the food assistance programme through a Nutritional Assessment in September 2008 and Crop and Food Supply Assessment Missions in October 2008 and 2009. Such assessments will be performed in partnership with UNICEF, FAO and the host government

and will be closely coordinated with those conducted by US NGOs in Chagang and North Phyongan.

A detailed list of monitoring indicators is presented in the logistical framework (annex II).

## **8. HANDOVER STRATEGY**

- 52) As was evident in December 2005, the DPRK Government is very conscious about not being overly dependent upon international food aid and is constantly prioritizing measures to improve the food security for its population. Nonetheless, it remains clear that in the immediate term, the agriculture sector alone will not be able to meet national food requirements and that more economic investments and reforms will be needed to promote sustainable food production and improved food access. WFP will continue efforts for the capacity building of counterparts promoted under the PRRO to ensure that advances made will be maintained.
- 53) Humanitarian food assistance must be complemented by more comprehensive interventions aimed towards helping the country resume the progressive improvement in agricultural production experienced between 2001 and 2005. Assistance should follow a multi-tiered approach supporting improvements in e.g. infrastructure, flood prevention and disaster mitigation. Should such assistance be forthcoming and/or sufficient bilateral food supplies be made available, this should allow WFP to reduce humanitarian aid after this Emergency Operation and return to the recovery/development-oriented programme commenced with the PRRO.

## **9. SECURITY CONSIDERATIONS**

- 54) UN Security Phase I is in effect throughout the country and there have been no serious incidents of attacks on UN staff or destruction of property since operations began in 1995. While there is no formal memorandum of understanding with regard to security, the Government has stated through the Protocol Department of the Ministry of Foreign Affairs that it will take full responsibility for the security of United Nations and other international staff, and has undertaken to provide logistics support in the event of a medical evacuation.
- 55) Since 2006, WFP has been allowed to use both Very High Frequency (VHF) handsets and High Frequency (HF) radios in its vehicles, which has greatly improved both staff safety and operational efficiency. WFP communications now have nationwide coverage but in some more remote areas reception is irregular. While WFP international staff is also allowed to use mobile telephones, the use of satellite phones is still not permitted and efforts in this area will continue. The Country Office in Pyongyang is Minimum Operational Security Standards (MOSS) compliant while the sub-offices are expected to ensure MOSS compliance by using the expedient of vehicle-mounted HF

communications to provide a primary emergency communications link to Pyongyang. In line with United Nations Department of Security and Safety recommendations, WFP will consider establishing a 24/7-radio room facility to provide appropriate field support and to cater for after hour emergencies.

**10. RECOMMENDATION**

- 56) The Executive Director and Director-General of FAO are requested to approve the proposed Emergency Operation 10757.0 Emergency Assistance to Population Groups Affected by Floods and Rising Food and Fuel Prices.

**APPROVAL**

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Executive Director

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Director-General of FAO

Date:.....

Date:.....

## ANNEX 1A

<b>WFP PROJECT COST BREAKDOWN</b>			
	<b>Quantity (mt)</b>	<b>Average cost (US\$ per mt)</b>	<b>Value (US\$)</b>
<b>COSTS</b>			
<b>A. Direct operational costs</b>			
Cereals	525,686	341	179,385,091
Oil	19,842	1,700	33,748,861
Pulses	57,456	964	55,374,369
Sugar	7,432	497	3,693,704
DSM	4,142	3,762	15,582,204
Blended Food	15,380	625	9,612,500
<b>Total commodities</b>	629,938		<b>297,396,729</b>
<b>External transport</b>			<b>130,334,172</b>
<b>Landside transport</b>			<b>5,039,504</b>
<b>ITSH</b>			4,409,566
<b>Total LTSH</b>			<b>9,449,070</b>
<b>Other direct operational costs</b>			<b>7,854,000</b>
<b>Total direct operational costs</b>			<b>445,033,971</b>
<b>B. Direct support costs</b> (see Annex 1B table below for details)			<b>25,663,332</b>
<b>C. Indirect support costs</b> (7 percent of total direct costs)			<b>32,948,811</b>
<b>TOTAL WFP COSTS</b>			<b>503,646,114</b>



**ANNEX 1B**

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>Staff</b>	
International professional staff	12,751,725
National professional officers	194,717
International general service staff	579,375
National general service staff	246,813
Temporary assistance	275,579
Overtime	37,500
Incentive (R&R Travel)	1,077,500
International consultants	863,970
National seconded staff	1,155,099
Staff duty travel	2,666,554
Staff training and development	125,500
<b>Subtotal</b>	<b>19,974,332</b>
<b>Office expenses and other recurrent costs</b>	
Rental of facility	487,500
Utilities (general)	247,500
Office supplies	485,000
Communication and IT services	281,000
Insurance	60,000
Equipment repair and maintenance	100,000
Vehicle maintenance and running cost	1,115,000
Other office expenses	868,000
United Nations Organizations Services	-
<b>Subtotal</b>	<b>3,644,000</b>
<b>Equipment and other fixed costs</b>	
Furniture, tools and equipment	745,000
Vehicles	700,000
TC/IT equipment	600,000
<b>Subtotal</b>	<b>2,045,000</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>25,663,332</b>

**List of acronyms**

CMB	Cereal Milk Blend
COMPAS	Commodity Movement Processing and Analysis System
CSB	Corn Soya Blend
DPRK	Democratic People's Republic of Korea
EMOP	Emergency Operation
EU	European Union
EUPS	European Union Programme Support
FAO	Food and Agriculture Organization
F-100	Milk Formula for Severely Malnourished children
GIP	Global Implementation Plan
HF	High Frequency
IFRC	International Federation of the Red Cross and Crescent Societies
LFP	Local Food Production
LTSH	Landside Transport Storage and Handling
MNP	Micronutrient Powder
MOSS	Minimum Operational Security Standards
NCC	National Coordinating Committee
NGO	Non-governmental Organization
OCHA	Office for the Coordination of Humanitarian Affairs
ODOC	Other Direct Operational Costs
OVG	Other Vulnerable Groups
PDC	Public Distribution Centre
PDS	Public Distribution System
PRRO	Protracted Relief and Recovery Operation
RFSA	Rapid Food Security Assessment
RMB	Rice Milk Blend
ROK	Republic of Korea
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Security and Safety
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
US	United States of America
US\$	United States Dollar

VHF	Very High Frequency
WFP	World Food Programme
WHO	World Health Organization