

PROJECT CATEGORY:	PROTRACTED RELIEF AND RECOVERY OPERATION (PRRO)
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PROJECT NO.: LAO PDR PRRO 10566.0

Assistance to Food Insecure Households Affected by Multiple Livelihood Shocks

Duration of project	Two years (1 April 2007 – 31 March 2009)
Number of beneficiaries	Total: 272,000 Female: 139,000, Male: 133,000
WFP food tonnage (MT)	10,044
Total food cost (US Dollars)	3,501,109
Total cost to WFP (US Dollars)	7,228,730

EXECUTIVE SUMMARY

The Lao People's Democratic Republic (Lao PDR) is a small and sparsely populated, low income food deficit country (LIFDC).

Natural disasters and the rapid implementation of certain national policies are affecting the livelihoods and food security of many already poor households and communities. Droughts, flash floods and pest infestation regularly occur all over the country, requiring livelihood resilience support to affected communities. UXO (unexploded ordnance) contamination is still high along the Vietnamese border, limiting land availability for agriculture expansion. Many communities in the north and east have lost a substantial part of their income through the successful eradication of opium poppy cultivation and have, thus far, not been able to adjust their livelihoods. All over the country, the livelihoods of communities are affected by implementation of the village consolidation and resettlement policy through which the Government aims at creating pre-conditions for the delivery of basic services. There is evidence that HIV/AIDS is a threat that would affect the food security of families of infected people.

While many poor, rural communities face recurring and even simultaneous livelihood shocks through natural disasters which lead to crop losses and thus food insecurity, policy induced shocks have caused communities to lose their entire livelihoods. They have not received the anticipated support through targeted interventions. With their meagre economic asset buffers being rapidly depleted, they now face an acute livelihoods and food security crisis. Both groups are in need of relief and recovery assistance as measures to prevent hunger and recover from these livelihood shocks.

The main objectives of this PRRO are to prevent deterioration of the nutritional status, improve household food security, and build livelihood opportunities by providing food assistance to some 272,000 vulnerable food insecure people. This will be done through a) relief assistance during the most critical times, b) physical and human asset creation through Food for Work (FFW) and Food for Training (FFT) and c) support to HIV/AIDS patients and their families with an incentive to adhere to their anti retroviral treatment (ART). These objectives will contribute to WFP Strategic Objective 2 and are in accordance with the UN Development Assistance Framework (UNDAF) 2007-2011 and the Joint Statement on Aid Effectiveness in the Lao PDR (2006).

To implement this operation, WFP will collaborate with the Ministry of Labour and Social Welfare (MLSW), local departments of the Ministry of Communication, Transport, Post and Construction (MCTPC), UN agencies, bilateral and multilateral aid agencies and INGOs.

SITUATION ANALYSIS AND SCENARIO(S)

The food security and nutrition situation

1. The Lao People's Democratic Republic (Lao PDR) is a small, landlocked, mountainous country with a population of 5.6 million comprising about 50 official ethnic groups. Lao PDR has one of the lowest population densities in Asia (24 persons per square kilometre)¹. Villages tend to be remote, inaccessible by road and they are often cut off from essential social services.

2. While the country is steadily moving towards poverty eradication², its rural communities remain vulnerable. Lao PDR is a Least-Developed Country (LDC)³ and a LIFDC⁴, ranked 133rd by the Human Development Index (HDI) out of 177 countries⁵. Gross Domestic Product (GDP) per capita was only US\$ 427 in 2004⁶. One in three people are poor, mortality rates are high (under 5 mortality rate stands at 98 per 1000), life expectancy is low (63 years for women and 59 years for men) and literacy rates are low (63.2 % for women and 82.5 % for men)⁷ and even more pronounced in remote areas compared to national averages. Gender disparities remain high in the country and women, particularly from non-Lao ethnic groups, are more vulnerable and deprived than men because of their unequal access to land, education and health care, their long working hours and exclusion from decision making⁸.

3. An estimated one third of the population experiences serious seasonal staple food shortages every year. Subsistence rice production is the main livelihood activity in the country. Other household activities include livestock rearing and collection of non-timber forest products both for consumption and sale⁹. Over the past five years (2000-2005), the official price index of rice has shown a systematic rise from January to October with a sharp rise during the period June to September, indicating insufficient availability of rice to meet household demand.

4. Increased population mobility, internal and external labour migration and changes in lifestyle have lead to concerns about the spread of HIV/AIDS and the increased food insecurity of the families of affected persons. Evidence suggests that the HIV/AIDS prevalence rate in Laos is still low compared to its neighbours (officially it is reported to be less than 0.05%¹⁰). However, Laos has already faced two epidemics: 1) the early epidemic where men were infected through sex workers, often in neighbouring countries, and then passed it on to their spouses. These patients are now approaching the few medical facilities that are available, often in an advanced phase of their infection; 2) the current epidemic where there are infections by active (mainly female) sex workers in Laos. HIV/AIDS patients need 10% more calories than people not suffering from the illness and foods rich in proteins and micronutrients are important¹¹. In addition, as the

¹ UN Common Country Assessment, June 2006.

² According to the World Bank (2006), the country recorded some improvements in poverty reduction over the past decade.

³ UN Common Country Assessment, June 2006.

⁴ FAO, 2004 (www.fao.org/country_profiles/lifdc.asp).

⁵ UNDP, 2006 (<http://hdr.undp.org/hdr2006/statistics/>).

⁶ UN Common Country Assessment, June 2006.

⁷ Population Census 2005, National Statistics Centre.

⁸ UN Common Country Assessment, June 2006.

⁹ Rigg, Jonathan: "Food Security and Rural Livelihoods: Identifying (possible) Trajectories of Change", 2003, University of Durham.

¹⁰ UN Common Country Assessment, June 2006.

¹¹ Samuels, Fiona and Simon, Sara (August 2006): "Food, Nutrition and HIV: What Next?" ODI Briefing Paper, Overseas Development Institute, London.

main income earner falls sick, households experience a loss in income which results in food insecurity.

5. The Lao PDR has one of the highest malnutrition rates in the world. According to the National Health Multiple Indicator Cluster Survey (MICS 2), 40% of children under five are underweight¹² and malnutrition is the main cause of child morbidity for this age group¹³. In addition, chronic under-consumption of fats and proteins is common across large sections of the population. This is partly due to strong dietary preferences for a rice-based diet. Traditionally, sources of fat and protein are largely derived from wild animals and fish. When these sources are threatened (e.g. by village relocation), there are few alternatives and vegetable oil and pulses have not become part of people's diet. Causes of malnutrition include poor access to health and sanitation facilities, lack of a varied diet, inadequate child care and feeding practices and poor knowledge of good nutrition. Micronutrient deficiencies such as anaemia¹⁴ and vitamin A deficiency¹⁵ are common.

6. Lao PDR is one of the most heavily bombed countries in the world. The most densely UXO contaminated areas are along the Vietnamese border in Huaphanh, Xiengkhouang, Khammouane, Savannakhet, Sekong, Saravan and Attapeu. Two thirds of the country is still contaminated with UXO from the second Indo-China War which frequently causes death and injury and limits the use of land for food production in large parts of the north-east and south-east. UXO contamination is therefore a limiting factor for agricultural activity expansion.

Vulnerability to livelihood shocks

7. Natural hazards such as flash floods, droughts and pest infestation continue to threaten people's immediate food security. The effects of these are often exacerbated by the presence of UXO.

8. In addition to these regular events that threaten food production and/or income-generation, household economies are increasingly affected by the rapid implementation of a number of national policies such as opium eradication, village resettlement and consolidation, and the ban on shifting cultivation. The effects of these at household and community levels not only threaten short-term food security, but directly undermine livelihood opportunities, leading to a far more acute crisis.

9. In 2001, the ban on poppy cultivation was introduced by the Government with a target to eradicate opium production by 2006. UNODC estimates that the Lao PDR has experienced a successful reduction in opium production of nearly 90% within these five years¹⁶. Government efforts to eradicate opium production have however not been accompanied by sufficient measures to develop alternative livelihoods. This has led to reduced livelihood opportunities for communities in the north. Approximately 410,000 people have been left without alternative livelihoods as a result. Opium used to contribute 50% to 70% of total incomes in many upland ethnic communities. Some limited new paddy rice land has been opened up but the area is insufficient. In addition, it takes time and effort to develop the skills of upland farmers who are not used to paddy cultivation. In many communities, available coping mechanisms have now been exhausted. After depleting their meagre economic buffers (mainly livestock), they face an acute livelihoods and food security crisis. Remaining alternatives include migration or extremely poor standards of living, including insufficient access to food. A recent study by UNODC

¹² National Health Survey, 2001.

¹³ Ministry of Health (2001), National Health Surveys/MICS2.

¹⁴ 30% of rural population is anaemic (less than 11hb g/dl).

¹⁵ 31% have serum retinol below 0.7 umol/L (National Health Survey, 2001).

¹⁶ UNODC, "Opium Poppy Cultivation in the Golden Triangle. Lao PDR, Myanmar, Thailand", 2006.

concludes that emergency assistance, including food aid, is urgently needed for communities where opium cultivation was reduced rapidly.¹⁷

10. To alleviate poverty and to cost-effectively deliver basic services (health, education etc) to its rural population, the Government has set ambitious targets for resettling remote villages nearer to roads and consolidating small villages into bigger ones. About 200,000 people have been relocated during the period 2003-2006; another 69,000 are planned to be relocated until 2010. Many of the resettled communities are also former opium-growing villages. However, village consolidation and resettlement are in many instances not coupled with the availability of basic support services¹⁸. According to a UNDP/ECHO study¹⁹, families that have to resettle bear the dual cost of leaving property behind and establishing themselves in a new village, with the pressure of having to largely adapt their livelihoods in order to meet food and non-food needs. But villagers lack the necessary assets, such as land, tools and social networks, to quickly develop new activities that can compensate for the loss of former ones. Relocation is likely to result in even more limited access to wild animals and fish from the forests. Consumption of fats and proteins is thus in danger of being further reduced. Again, available coping mechanisms such as selling off assets and foraging in the forest are quickly being exhausted, and lack of food becomes a reality²⁰.

11. The Government's objective to terminate shifting cultivation (slash and burn upland rice cultivation)²¹ as a non-sustainable method of cultivation is encouraging ethnic groups in mountainous areas to move to the lowlands to engage in paddy rice production. However, with insufficient lowland, a lack of skills in lowland cultivation and insufficient or inadequate mitigation measures, people are losing their core livelihoods.

12. The population groups that face livelihood crises and acute food insecurity are therefore those who are exposed to one or two different types of shocks; recurring natural hazards that threaten their short-term food security, and acute shocks such as opium eradication and resettlement that threaten their whole livelihood and force them to build up new ones. If these acute shocks occur in addition to regular disasters and hit households with a very limited asset base, the situation is particularly severe.

Scenarios

13. The PRRO is planned for northern and eastern provinces where opium eradication has become a main cause of food insecurity, especially if occurring simultaneously with opium addiction and village relocation, and for those eastern parts of the southern provinces where PRRO 10319.0 has been operational and village consolidation and resettlement as well as flash floods and droughts or pest infections are contributing to the food insecurity of a population that already faces UXO contamination of their agricultural land. The operation will require flexibility in switching between the relief and FFW modality according to the circumstances.

¹⁷ UNODC, "Opium Poppy Cultivation in the Golden Triangle. Lao PDR, Myanmar, Thailand", 2006.

¹⁸ WFP Lao PDR: "Rapid Qualitative Livelihoods Assessment in Savannakhet, Attapeu and Luang Prabang Provinces for Preparation of New Lao PDR PRRO", August, 2006.

¹⁹ UNDP/ECHO, "Service Delivery and Resettlement: Options for Development Planning", Lao/03/A01. Final Report, Livelihoods Study, Charles Alton and Houmphanh Rattanavong, April 2004.

²⁰ WFP Lao PDR: "Rapid Qualitative Livelihoods Assessment in Savannakhet, Attapeu and Luang Prabang Provinces for Preparation of New Lao PDR PRRO", August, 2006.

²¹ In Laos, shifting cultivation practices are not always unsustainable if they are well managed, particularly where the population density is very low in the upland areas.

POLICIES, CAPACITIES AND ACTIONS OF GOVERNMENT AND OTHERS

Policies, capacities and actions of the Government

14. The Lao Government's policies on poverty reduction are contained in the 2004 National Growth and Poverty Eradication Strategy (NGPES) and the Sixth National Socio Economic Development Plan (NSED) 2006-2010. The NGPES is the basis of all Government and donor plans. While over the long term the objective of these policies is to reduce poverty, in the short term policies on opium eradication, village resettlement and consolidation, and shifting cultivation often render people more food insecure. The Lao Government with the support of UN agencies is currently developing a Nutrition Policy (2007-2020) which intends to address the alarming rates of malnutrition in the country.

Policies, capacities and actions of other major actors

15. International Finance Institutions (IFIs), the World Bank, Asian Development Bank (ADB) and the International Monetary Fund (IMF) provide assistance with macroeconomic management, construction of infrastructure, technical assistance and policy dialogue. Leading INGOs, bilateral development agencies and donor-assisted rural development projects are largely engaged in 'in-situ' assistance demonstrating viable alternatives to resettlement or providing communities which have resettled with the intensive support required to develop new livelihoods²². Private and government demining agencies perform urgently needed UXO clearance. UN agencies and bilateral development agencies provide governance and budget support to the Government in the areas of opium eradication, water, sanitation, health (including reproductive health and HIV/AIDS) and the diversification of livelihoods. While joint programming is still nascent among UN agencies, an increasing number of partnerships are starting to emerge.

Coordination

16. A formal round table meeting with the Government and all development partners and donors takes place bi-annually and dialogue and coordination is ensured through regular round table meetings on specific themes. Meetings among donors take place on a quarterly basis and the INGO forum meets every month. In November 2006 the Government and donor agencies signed a "Joint Statement on Aid Effectiveness in the Lao PDR" which reflects commitment to harmonized and aligned assistance in the spirit of the 2005 Paris Declaration.

17. To enhance UN inter-agency collaboration, the UN Country Team (UNCT) has prepared two key documents: The Common Country Assessment (CCA 2006), an instrument that analyses the national development situation and identifies key development issues in the country and the UN Development Assistance Framework (UNDAF 2007-2011), a 5-year strategic framework for the UN system.

18. A monthly UNCT meeting and a series of UN driven theme-based working groups provide fora for programme coordination. The UNCT has also established inter-agency/Government theme groups to discuss broad policy and programming issues.

²² WFP collaborates since 2001 with these under Development Project 10306.0 by supporting Food for Work (FFW) and Food for Training (FFT) activities as part of comprehensive rural development programmes.

19. The UNDAF has created unique opportunities for joint programming in the areas of maternal and child health, education, statistical capacity, gender, HIV/AIDS, rural development and food security.

OBJECTIVES OF WFP ASSISTANCE

20. In line with WFP's Strategic Plan 2006-2009, the PRRO aims to provide relief and recovery assistance to vulnerable food insecure households to prevent deterioration of their nutritional status, improve household food security and build livelihood opportunities by a) providing food assistance during critical times, b) building up physical and human assets through FFW and FFT activities and c) supporting HIV/AIDS patients and their families that face loss of income with an incentive to adhere to their ART and in this way addressing their nutrition status during the treatment intervals.

WFP RESPONSE STRATEGY

Nature and effectiveness of food-security related assistance to date

21. Over the past six years, WFP interventions have included:

- EMOP 6311.0 *Assistance to Flood Affected People in Lao PDR* (2000 to 2004). Emergency relief assistance was provided to a total of 264,000 persons in the southern provinces;
- PRRO 10319.0 *Recovery Assistance to the Disaster Prone and Vulnerable Food Insecure Communities in the Lao PDR* (2004 to 2007) to support recovery and rehabilitation of food insecure households in upland areas of the southern provinces and the flood and drought affected populations in different parts of the country (390,000 beneficiaries until end 2006).

22. Provincial and district authorities and MLSW representatives appreciate WFP assistance and want it to continue. A FFW review conducted in March/April 2006 in 28 villages showed that the most food insecure households were being reached in 80% of WFP FFW schemes. This review stressed the need to strengthen systems for accountability. As a follow up to this, guidelines have been developed for field staff, partners and Government counterparts to facilitate and simplify the measurement process of FFW schemes.

23. An evaluation of PRRO 10319.0 in July 2006 confirmed that creating assets and strengthening livelihoods through FFW remains one of the best tools to work towards both short and longer-term food security in Laos provided that FFW is implemented during the lean season. During a field visit to 12 villages, the evaluation team found that paddy land expansion was implemented on an even larger scale than what had been planned by WFP.

24. WFP food assistance for villages that have been relocated was highly valued by the people and local Government representatives consulted during the evaluation. The use of food in return for creating new paddy rice fields for relocated villages was considered particularly valuable. Alternatively, the construction of access roads to remote communities allowed 'in situ' development and reduced the need for relocation.

25. UXO contamination continues to slow down the pace of FFW implementation and the evaluation mission recommended that UXO clearance be made a priority to ensure timely clearance of target villages.

26. Table 1 provides an overview of provinces in which the described shocks occur and which are targeted by the PRRO.

Table 1: Geographic targeting based on occurrence of multiple shocks

Province	Ex-opium	Relocation	Flash floods	Drought	UXO	HIV/AIDS	High likelihood of relief needs	Potential partners*
Phongsaly	X	X	X	X			X	AFD, LAP, UNODC, SP
Luangprabang	X	X	X	X			X	LAP, SP
Huaphanh	X	X		X	X		X	PRF, SP, UNODC
Xiengkhouang	X	X		X	X		X	PRF, SP
Vientiane	X	X		X			X	
Khammuane		X	X	X	X			
Savannakhet		X	X	X	X	X		MSF, PRF, BTC
Saravan		X	X	X	X			PRF
Sekong		X	X	X	X			GPAR
Attapeu		X	X	X				MWBD
Champasack		X	X	X				BTC

* See para 53.

Strategy outline

27. The PRRO will consist of the following main components: Relief assistance, recovery activities and assistance to HIV/AIDS affected households. Some 52% of resources are expected to be required for relief food distributions (5,260 MT) and the rest for FFW and FFT recovery activities (4,506 MT) and assistance to HIV/AIDS patients and affected households (277 MT). The first two activities are implemented based on WFP food security assessments at the village level. The HIV/AIDS activity is based on a food security assessment as well as discussions with stakeholders including peer support staff at the HIV clinics. This intervention will be part of the joint UN efforts under the Joint UN Team on AIDS²³.

28. An external review of the targeting procedures under the previous EMOP and PRRO conducted in January/February 2006 made recommendations on how to better reach the most vulnerable groups. The recommendations included using a more semi-structured approach, using key informants rather than village meetings and changing the focus from rice availability to access to food and training of staff on needs assessments. WFP will build on these recommendations, develop new targeting procedures and train Government and WFP staff on food security assessments²⁴.

²³ The Joint UN Team on AIDS was established in March 2006 by the UNCT.

²⁴ WFP, ODAN, "Laos: Review of the assessment process leading to selected food aid and non-food programmes implemented in the Lao PDR and implications for future emergency food security assessments." Groupe URD, SENAC, February 2006.

29. Relief food distributions will be given to households severely affected by localized flash floods, droughts, pest infestations, resettlement and those in the immediate phase of transition from opium and shifting cultivation to alternatives. This intervention will respond to central and provincial level requests for emergency assistance.

30. The policy of village consolidation and resettlement is complex. Through a process of constructive dialogue, the international donor community in Laos including WFP is attempting to slow down the process and to provide more comprehensive assistance to those who decide to relocate while continuing support for 'in situ' development where feasible.

31. WFP will prioritize the building of key assets for targeted households in order to either strengthen current livelihood activities, or, in cases where current livelihood activities have been eliminated, build alternative livelihood opportunities. One such asset will be access roads to connect remote upland villages with the main road and with each other. This may also reduce the need for relocation and prevent elimination of current livelihood activities. If a village is connected by an access road, officials are more likely to take the village off the relocation list and the district administration can then arrange for other social services to these newly accessible villages. INGO experience has shown that there is scope for such local level agreements.

32. FFW activities will be implemented following a village assessment and survey design which reflects the needs and preferences of villagers. FFT activities will be piloted under this PRRO based on conceptual work in the context of a possible livelihoods support component to WFP's School Feeding Project 10078.1²⁵. This initiative foresees life skills training largely oriented towards women and girls with special emphasis on nutrition, health and child care knowledge, skills and practices.

33. In accordance with the WFP's Gender Policy (2003-2007) and its Enhanced Commitments to Women (ECW), WFP will issue household food ration cards in women's name for relief distributions and arrange for special light food packaging of 25 kg or 30 kg bags which are easier for women to carry.

34. All villages will be informed that Village Food Committees (VFC) which also serve as FFW committees need to consist of at least 50% women. Furthermore, they will be advised that women and girls should participate in the identification, use and management of the assets created. FFW activities will be designed and work implemented in such a way that participating women will not be overburdened. At least 70% of the FFT participants will be women and adolescent girls.

35. In order to strengthen accountability WFP will display information on approved and distributed food amounts in public locations in the villages which are selected for FFW.

Exit strategy

36. As an exit strategy WFP will focus on Government staff capacity building, but will need to continue providing the food and non-food resource allocations. WFP will therefore continue to implement the PRRO together with the Provincial and District Departments of Labour and Social Welfare and will help strengthen their capacity to respond to disasters and implement FFW recovery activities. In the southern provinces where WFP has been providing assistance since 2001, WFP aims to gradually hand over ownership to the Government and counterparts will receive training so that they can do needs assessment, monitoring and reporting and manage projects themselves. However, in light of Government's severe budget limitations for social welfare activities, food assistance will be provided by WFP only - with no government contribution. WFP will also continue to supply non-food items (NFIs) and will conduct technical spot checks as well as continue to supervise the food distributions.

²⁵ Possibly under ABEL, an AusAID funded collaboration project with UNICEF.

37. In the provinces in the north, WFP will need to actively build up and support Government staff assigned to the project and substantially contribute to operational costs and non-food items.

BENEFICIARIES AND TARGETING

38. The project will reach a total of 272,000 beneficiaries over two years, with FFW beneficiaries receiving food aid for two consecutive years.

39. It is estimated that about 88,000 men and women mainly in Phongsaly, Huaphanh, Xiengkhouang and Luangprabang will be assisted through relief food distributions each year. This will help villagers to overcome shocks and enable them to participate in activities to rebuild their livelihoods. The selection of villages will be based on a Government request and screening by WFP field staff. Also a list of 1100 former opium producing villages in need of assistance to establish alternative livelihoods, drawn up by the Government, will be used for village targeting in the north and east.

40. FFW activities will target 300 villages in the first year and 60 more villages in the second year. About 80,000 beneficiaries are planned to be reached, mostly over two years. A gradual expansion will ensure that each village has sufficient time to build and maintain its assets. FFW activities will be conducted in the poorest districts (largely as identified in the NGPES) of 11 provinces: Phongsaly, Luangprabang, Xiengkhouang, Huaphanh, Vientiane, Khammuane, Savannakhet, Saravan, Sekong, Attapeu and Champasack (see Table 1 and the Map in Annex IV)²⁶. WFP preliminarily selected 27 districts based on secondary data for the following variables: likelihood of relocation, lack of access roads, number of former opium cultivating villages, poverty levels as indicated both by the Government plan and VAM analysis. Targeting at village level will be conducted through assessments based on food security indicators.

41. FFT activities will be piloted for 1,500 trainees or 9,000 beneficiaries. Implementation mechanisms are still to be determined.

42. For FFW and FFT WFP will cluster villages geographically within districts where levels of food insecurity are particularly high. Clustering villages in this way, whenever possible, will reduce travel times and transport costs and increase the overall efficiency of the PRRO.

43. About 500 HIV/AIDS patients receive ART in a clinic in Savannakhet and WFP will compensate for the 'opportunity costs' borne by them as they may not be able to continue earning a living. Commodities high in protein and fat will be added to rice to ensure nutritious food intake during the treatment intervals. The support will be given to patients at this clinic and in future other ART clinics around the country. The number of HIV/AIDS patients is likely to increase in the coming years; 800 patients will be assisted in the second year, so a total of 1,300 patients and their families, i.e. 7,800 beneficiaries.

NUTRITIONAL CONSIDERATIONS AND RATIONS

44. Relief rations will be provided on the basis of 15 kg of rice per person per month to meet immediate food gaps. Generally a two-month ration is envisaged. FFW rations are based on actual output of assets created according to an established WFP rate and these will mainly act as income transfers during food deficit periods. Glutinous rice is the preferred commodity in Laos.

²⁶ In other parts of Laos which are equally poor and are affected by the ban on opium cultivation (e.g. Luangnamtha and Oudomxay) WFP supports the longer-term development efforts of INGOs and bilateral development agencies under Development Project 10306.0.

45. Initially HIV/AIDS patients will receive take home rations for a period of 6 months: 30 kg of rice, 5 kg of corn soya blend (CSB) and 500 grams of vegetable oil. The rations will be provided to patients during their regular ART visit to the clinics. This will encourage patients to adhere to their ART and provide their household with a needed income transfer and improve the quality of food intake of the patients. Following a pilot and depending on the provision of food by Médecins sans Frontières (MSF), on-site feeding for in-patients using CSB may be considered.

Table 2: Beneficiaries and food requirement by type of intervention

Type of intervention	1 st year		2 nd year		Total	
	Number of benefici-aries	Food require-ments (MT)	Number of benefici-aries	Food require-ments (MT)	Number of benefici-aries	Food require-ments (MT)
Relief (General Food Distribution)	85,763	2,573	89,563	2,687	175,326	5,260
Recovery (Food for Work)	66,757	2,003	80,108	2,403	80,108	4,406
Recovery pilot projects (Food for Training)	3,000	40	6,000	60	9,000	100
HIV/AIDS (patients and 6 members per household)	3,000	107	4,800	170	7,800	277
Annual Totals	158,520	4,723	180,471	5,320	272,234	10,043

Note: FFW beneficiaries will receive food for two consecutive years with a 20% increase in the number of beneficiaries in the second year. The beneficiaries under all other components will receive assistance for one year only. The total beneficiary number is thus 272,234.

IMPLEMENTATION ARRANGEMENTS

46. The main FFW activities will be to construct access roads, bridges, fish ponds, small irrigation dams and canals and expand paddy rice fields. Building latrines or schools will also be piloted.

47. The MLSW will be the main implementing partner, with designated provincial level coordinators and district officers assigned to implement in targeted villages. Efforts will be undertaken to continue the technical collaboration with the local Departments of the MCTPC as well as the Ministry of Agriculture and Forestry (MAF) which provide valuable engineering and agricultural services.

48. In partnership with the MLSW and other cooperating partners WFP will assess and select target villages, identify villagers' priorities and design FFW schemes in consultation with the communities. This will be completed in the first quarter of each year so that timely food distributions can take place during the time of greatest need between April and October.

49. The current FFW final measurement system²⁷ based on actual output makes it difficult for beneficiaries to understand their entitlements. A simplified measurement system has been developed and is piloted.

50. WFP will strengthen its partnerships with UXO clearance organizations: Fondation Suisse de Déminage (FSD), Mines Advisory Group (MAG), Norwegian People's Aid (NPA) and UXO Lao.

51. WFP will encourage the Provincial Governments to play a lead role in the coordination of partnerships for this PRRO so that synergies are achieved. Where possible WFP aims at coordinating its activities with INGOs as well as national project partners of other bilateral or multilateral aid agencies where programme areas overlap. Partnerships will extensively be sought to enhance the FFW scheme implementation where partners can provide technical, financial and social mobilization assistance. Possible arrangements include:

- Partner undertakes village selection and - if approved by WFP - all FFW activities except for the final measurement and rice distribution both of which are managed by WFP and MLSW.
- Schemes are identified through a partner-managed and WFP-approved village and scheme selection process but design, implementation and final measurement as well as rice distribution are managed by WFP and MLSW.
- Where there are no such partners, all activities will be undertaken by WFP and MLSW.

52. Coordination meetings of the Provincial Governments are also considered appropriate fora to engage in a concrete planning dialogue on the potentials for 'in situ' support versus relief and recovery assistance to resettled communities.

53. For FFW WFP will coordinate and cooperate with (see Table 1) Agence Française de Développement (AFD), UNODC, the Lao American Project (LAP), the SIDA-assisted Synergy Project for rural access roads (SP), Concern International, the World Bank supported Poverty Reduction Fund (PRF), the Belgium Technical Cooperation (BTC) as well as the UNDP-supported Governance and Public Administration Reform (GPAP) and Mekong Wetlands Biodiversity (MWBD) projects.

54. NFIs such as culverts, nails, tools, seedlings and fingerlings will be provided to each FFW village based on needs assessments conducted for each scheme type and size. WFP will fill the gap in terms of NFI needs that MLSW and the villages are unable to provide.

Institutional arrangements

55. The partnership between WFP and the MLSW will be formalized in a Letter of Understanding (LOU) which defines the responsibility of each party.

56. WFP and the MLSW will establish a joint Food Aid Steering Committee (FASC) to oversee the progress of the PRRO and to provide policy guidance to provincial food aid coordinators of the MLSW. Semi-annual meetings of the FASC will be held under the leadership of the Minister of Labour and Social Welfare and the WFP Representative.

57. The PRRO will be managed by an International Programme Officer assisted by a team of international UNVs, local programme assistants and field monitors. Logistics and administrative support will be provided in Vientiane and in the provinces. For the northern provinces of Phongsaly, Luangprabang, Xiengkhouang and Huaphanh current staffing

²⁷ The CO applies a work norm which outlines that beneficiaries are paid by what is actually done, not by working days and each type of work has an established rate.

arrangements will need to be strengthened. To kick start the HIV/AIDS intervention in Savannakhet a junior expert with HIV/AIDS programming experience has been engaged.

Capacity building

58. WFP will continue to work closely with the MLSW on design, implementation and monitoring. WFP will provide regular capacity building sessions to Government partners at the national, provincial and district levels. The following trainings will be organized: food security and needs assessment skills, measurement skills, results based monitoring and evaluation, food storage management, food distribution and gender-sensitive project planning and implementation according to WFP's ECW.

59. WFP PRRO field staff will be trained as trainers of trainers on new FFW guidelines and technical aspects which they will transfer to Government and cooperating partner staff as well as villagers.

Logistics arrangement

60. To ensure the timely delivery of food to the FDPs, WFP will continue to pre-position commodities in four warehouses located in Vientiane, Oudomxay, Thakek and Pakse managed and maintained by WFP-trained staff.

61. The rice will be provided in-kind or procured regionally or locally. Regional or local procurement are preferred as food is delivered more quickly which makes planning of distributions easier. It also allows for the purchase of the much preferred glutinous rice. In-kind contributions are however fully suitable if cash resources are unavailable.

62. A Landside, Transport, Storage and Handling (LTSH) matrix revision will be carried out every 6 months and WFP will explore ways to engage provincial level transport companies in delivery and distribution to reduce transportation costs. It is also envisaged that on a trial basis, villages located close to a warehouse collect food from the warehouse and are paid the LTSH.

63. The WFP food tracking system (COMPAS) will systematically track commodity movements from the source all the way to beneficiaries and allow accurate, timely reporting of food receipts, releases from the warehouse, losses, damages and stock balances.

PERFORMANCE MONITORING

64. WFP will continue to use a results-based management (RBM) approach for monitoring performance. Post-completion measurements will be further strengthened to capture output and process data.

65. Based on an established logical framework and a monitoring and evaluation matrix, WFP will develop a simple M&E toolkit that includes standardized reporting forms.

66. Primary data collection will be conducted by MLSW district staff supported by WFP field staff. Sex-disaggregated data on FFW labourers, FFT participants, supported HIV/AIDS patients and food aid beneficiaries will be collected and entered into the database for analysis and reporting. Baseline information on food security will be collected for all villages during the targeting phase. The VAM unit in the WFP Country Office will assist in conducting follow-up surveys and reporting on outcome indicators.

67. Post delivery monitoring (PDM) will be held within two weeks of food distributions to ensure that food has reached the beneficiaries and again after six months following the completion of activities to check the maintenance of created assets.

68. A mid-term review and evaluation is planned for the second year of the PRRO to assess beneficiary targeting, implementation mechanisms and the impact of WFP interventions.

RISK ASSESSMENT AND CONTINGENCY PLANNING

Risk assessment

69. Land selected for FFW activities needs to be cleared of UXO in seven provinces and the slow pace of UXO clearance can slow down implementation of FFW schemes.

70. Any major natural disaster, especially river floods, would require a large scale relief response that may slow down the pace of implementation.

71. The Government may view WFP's decision to provide relief and recovery assistance to relocated communities as endorsement of the resettlement programme whereas WFP assists resettled communities for humanitarian reasons and wishes to pursue a dialogue with provincial and district authorities on identifying and supporting also communities which have alternative livelihood opportunities in the uplands. The Government may not agree to 'in-situ' development of villages which are already selected for relocation.

72. Households which have given up opium cultivation may revert to it again as opium prices rise and assistance for alternative livelihoods fails to materialize.

73. Coordination with partners may not develop as envisaged and collaboration with the MLSW and MCTPC may not be built up quickly in the north given the scarcity of engineering skills.

Contingency Planning

74. When a flood or drought is imminent WFP co-chairs information and planning meetings with the National Disaster Management Office (NDMO) which is located in the MLSW. WFP also chairs the United Nations Disaster Management Team (UNDMT). A Government strategy for natural disaster preparedness is being developed in 2007 with help from the Office for the Coordination of Humanitarian Affairs (OCHA).

75. WFP will prepare its own contingency plan for different types of disasters and will continue to collect and disseminate information on slow onset disasters.

76. Laos may experience further Avian and Human Influenza outbreaks. WFP works closely with other agencies on preparedness and response. A respective UN contingency plan which takes different scenarios into consideration has been prepared.

SECURITY CONSIDERATIONS

77. No security phase has been declared in the Lao PDR but travel is restricted by the UN to the following areas: Saisomboun District in Vientiane Province, Thathom District and Phoukout District in Xiengkhouang Province and Viengthong District in Huaphanh Province. The first two districts are covered by this project. UN security clearance has always been provided to WFP to access these areas.

78. The WFP country and field offices are compliant with the UN Minimum Operating Security Standards (MOSS) and all WFP staff has completed the CD-ROM security training; all new staff attended the Security Awareness Training (SAT) in August 2006.

RECOMMENDATION

The proposed Protracted Relief and Recovery Operation for Lao PDR 10566.0 with a total of 10,000 MT of commodities at a total cost to WFP of US\$ 7.2 million, including a food cost of US\$ 3.5 million, to assist 272,000 beneficiaries for a period of two years, is recommended for approval by the Executive Director.

APPROVAL

Executive Director

Date:

Annex I - WFP Project Cost Breakdown

	Quantity (mt)	Average cost (US\$) per mt	Value (US \$)
COSTS			
A. Direct operational costs			
Rice	10,001	348	3,480,306
CSB	39	430	16,788
Vegetable Oil	4	1,004	4,015
Total commodities	10,044		3,501,109
External transport			351,042
Landside transport			399,993
ITSH			1,080,072
Total LTSH			1,480,178
Other direct operational costs			404,864
Total direct operational costs			5,805,785
B. Direct support costs (see table below for details)			1,018,630
C. Indirect support costs (7 percent of total direct costs)			472,908
TOTAL WFP COSTS			7,228,730

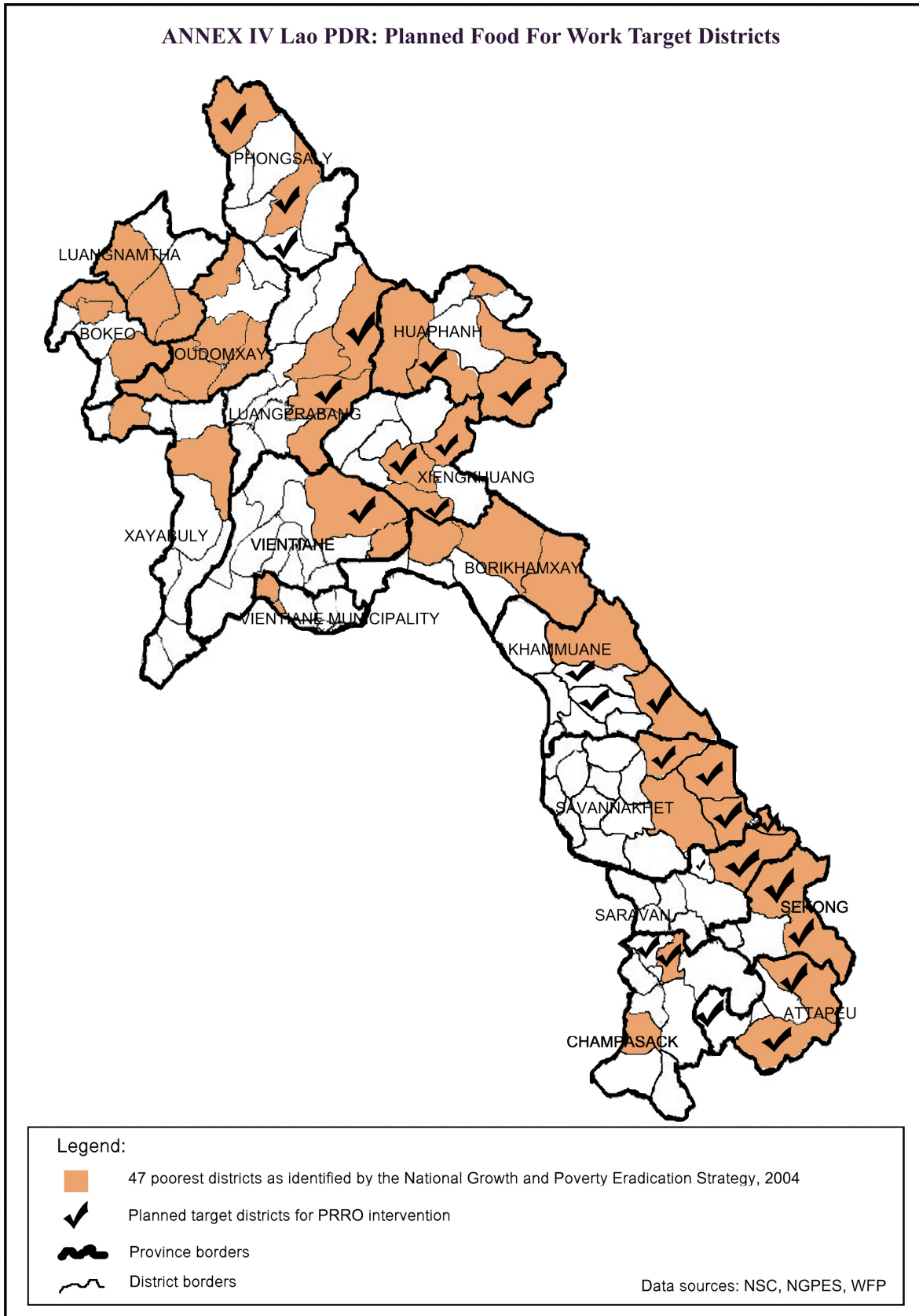
Annex II – Direct Support Requirements (dollars)

Staff	
International professional staff	374,771
National professional officers	23,246
National general service staff	80,790
Temporary assistance	217,080
Overtime	3,000
Staff duty travel	147,198
Staff training and development	16,000
Subtotal	892,085
Office expenses and other recurrent costs	
Rental of facility	5,280
Utilities (general)	1,500
Office supplies	6,000
Communication and IT services	16,715
Insurance	1,500
Equipment repair and maintenance	3,800
Vehicle maintenance and running cost	40,000
Other office expenses	6,000
United Nations Organizations Services	2,000
Subtotal	82,795
Equipment and other fixed costs	
Furniture tools and equipment	5,000
Vehicles	25,000
TC/IT equipment	13,750
Subtotal	43,750
TOTAL DIRECT SUPPORT COSTS	1,018,630

Annex III - Logical Framework

Results-Chain (Logic Model)	Performance Indicators	Means of Verification	Risks / Assumptions
Strategic Objective 2: Protect Livelihoods in Crisis Situations and Enhance Resilience to Shocks for targeted beneficiaries during the lean season (From April to October)			
Outcomes 1. Increased ability to meet food needs and manage shocks within targeted households 2. Improved adherence to ARV treatment schedule for HIV/AIDS patients	1.1 % of villages reporting increased engagement in/usage of PRRO-promoted activities/assets (FFW/FFT). 1.2. % of properly maintained assets 6 months after completion 2.1 ARV treatment adherence rate by care programmes	1. Annual village level focus group discussion 2. Baseline data collected during village selection, planning process and final measurement 3. Post delivery monitoring 4. Clinic data	Increased use of road networks by households that are able to reduce transaction costs and increase sale of produce that otherwise would not have been possible Villagers prioritize maintaining the assets. ARV drug supply is stable and the adherence of ARV patients to treatment protocol is not compromised by other factors than lack of food.
Outputs 1.1.1 Timely provision of food in sufficient quantity for targeted beneficiaries	1.1.1. Actual number of beneficiaries (Relief, FFW/FFT) receiving WFP food assistance through each modality and activity as a percentage of planned number of beneficiaries, by activity category, age group, sex, and time period 1.1.2. Actual amount (MT) of food distributed through each modality and activity as a percentage of planned distributions, by activity, commodity 1.1.3. % of women in leadership	1. FFW database collected through WFP field visit reports and Cooperating Partner reports 2. COMPAS report	Cooperating partners' commitment and capacity to support operation in targeted areas Food pipeline stays healthy and supporting budget is available during the project life Identification of most needy time and timely provision of food through good planning and coordination among WFP, MLSW and villagers Cultural norms allow participation of women in identification, implementation and management

<p>1.2.1 Assets created through FFW during the lean season in targeted districts</p> <p>2.1.1 Timely provision of nutritious food for targeted beneficiaries on ARV programmes</p>	<p>position in Village Food Committees (VFC)</p> <p>1.1.4. % of household ration cards in women's name in relief distributions</p> <p>1.2.1 Actual number, type, size of assets created as a percentage of planned schemes.</p> <p>1.2.2 % of non-food item needs met during activity implementation</p> <p>2.1.1 Actual beneficiaries (patients and household members) receiving WFP food assistance as a percentage of planned beneficiaries, age group and sex and time period</p> <p>2.1.2 Actual amount (MT) of food distributed as a percentage of planned distributions, by commodity</p>		<p>of asset creation activities in food insecure areas</p> <p>Households are assisted over a multi-seasonal timeframe in order for them to accumulate optimum size of assets for sustained livelihood</p> <p>UXO contaminated sites are cleared on time prior to project implementation</p> <p>Protein and micro-nutrient rich commodities provided by WFP are well accepted by patients</p>
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ACRONYMS USED IN THE DOCUMENT

ABEL	Access to Basic Education in Laos
ADB	Asian Development Bank
AFD	Agence Française de Développement
ART	Anti Retroviral Treatment
AusAID	Australian Agency for International Development
BTC	Belgian Technical Cooperation
CCA	Common Country Assessment
COMPAS	Commodity Movement Processing and Analysis System
CSB	Corn Soya Blend
DSC	Direct Support Costs
ECHO	European Commission Humanitarian Aid Office
ECW	Enhanced Commitments to Women (WFP)
EMOP	Emergency Operation
FAO	Food and Agriculture Organization of the United Nations
FASC	Food Aid Steering Committee
FDP	Final Delivery Point
FFT	Food for Training
FFW	Food for Work
FSD	Fondation Suisse de Déminage/Swiss Foundation for Mine Action
GDP	Gross Domestic Product
GPAP	Governance and Public Administration Reform (Project)
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IFI	International Finance Institution
IMF	International Monetary Fund
INGO	International Non-Governmental Organization
Lao PDR	Lao People's Democratic Republic
LAP	Lao American Project
LDC	Least Developed Country
LIFDC	Low Income Food Deficit Country
LOU	Letter of Understanding
LTSH	Landside, Transport, Storage and Handling
MAF	Ministry of Agriculture and Forestry
MAG	Mines Advisory Group
MCTPC	Ministry of Communication, Transport, Post and Construction
M&E	Monitoring and Evaluation
MICS	Multiple Indicator Cluster Survey
MLSW	Ministry of Labour and Social Welfare
MOSS	Minimum Operating Security Standards
MSF	Médecins sans Frontières
MT	Metric tonnes
MWBD	Mekong Wetlands Biodiversity (Project)
NDMO	National Disaster Management Office
NFI	Non-Food Item

NGPES	National Growth and Poverty Eradication Strategy
NPA	Norwegian People's Aid
NSC	National Statistics Centre
NSEDP	National Socio Economic Development Plan
OCHA	Office for the Coordination of Humanitarian Affairs
ODAN	Needs Assessment Branch (WFP)
ODI	Overseas Development Institute
ODOC	Other Direct Operational Costs
PDM	Post Delivery Monitoring
PRF	Poverty Reduction Fund
PRRO	Protracted Relief and Recovery Operation
RBM	Results-Based Management
SAT	Security Awareness Training
SENAC	Strengthening Emergency Needs Assessment Capacity
SIDA	Swedish International Development Cooperation Agency
SP	Synergy Project for rural access roads
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDMT	United Nations Disaster Management Team
UNDP	United Nations Development Programme
UNICEF	United Nations Children Fund
UNODC	United Nations Office on Drugs and Crime
UNV	United Nations Volunteer
US\$	United States Dollars
UXO	Unexploded Ordnance
VAM	Vulnerability Analysis and Mapping
VFC	Village Food Committee