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Executive Board
Second Regular Session

Rome, 13 - 14 May 1999

PROJECTS FOR EXECUTIVE BOARD APPROVAL

Agenda item 5



Distribution: GENERAL

WFP/EB.2/99/5-B/5

30 April 1999

ORIGINAL: ENGLISH

PROTRACTED RELIEF AND RECOVERY OPERATION— GEORGIA 6122.00

Relief and recovery assistance for vulnerable groups

Overall number of beneficiaries	182,000
Protracted relief	82,000
Recovery through food for work	100,000
Total tonnage	18,190
Protracted relief	2,746
Recovery through food-for-work	15,444
Duration of project	One year (1 July 1999 to 30 June 2000)

Cost (United States dollars)

Total cost to WFP	9,945,622
WFP food cost	5,093,315
Total cost	9,945,622

ABSTRACT

The improvement of the overall situation in Georgia has been hindered by continued ethnic rivalry, population movements, the limited return and integration of internally displaced persons (IDPs), economic stagnation and the Government's inability to gather sufficient tax revenues making it more difficult to provide basic social welfare. In addition, the 1998 Russian rouble crisis has further exacerbated the general level of poverty by causing economic conditions in the country to deteriorate. Agricultural production continues to be minimal although agriculture is the main source of income and employment for most of the population. Limited access to exploitable land and poor infrastructure still have a negative impact on food production and availability.

In collaboration with the Government, the international community and other humanitarian organizations, WFP proposes to assist the vulnerable population with a one-year protracted relief and recovery operation (PRRO), which will comprise two major components. The first is related to protracted relief with free food distribution to the most vulnerable people while the second, far larger component, addresses recovery through food-for-work activities. These activities will include land irrigation and drainage as well as road rehabilitation, benefiting participants and the communities to which they belong.

A phase-down strategy is foreseen as beneficiary selection through improved targeting is expected to translate into fewer beneficiaries receiving food assistance. The overall situation will need to be reassessed before the end of the one-year period in order to develop an exit strategy and make plans to hand over responsibility for the remaining beneficiaries to the Government.

NOTE TO THE EXECUTIVE BOARD

This document contains recommendations for review and approval by the Executive Board.

Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session of 1996, the documentation prepared by the Secretariat for the Board has been kept brief and decision-oriented. The meetings of the Executive Board are to be conducted in a business-like manner, with increased dialogue and exchanges between delegations and the Secretariat. Efforts to promote these guiding principles will continue to be pursued by the Secretariat.

The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.

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CONTEXT AND RATIONALE FOR PROVIDING ASSISTANCE

Crisis context

1. Following its independence from the Soviet Union in 1991, Georgia experienced similar problems to those faced by all ex-Soviet republics: ethnic rivalry resulting in conflict and economic stagnation stemming from the inefficiencies inherited from the centrally commanded state economy. Georgia's 5.4 million inhabitants, who once enjoyed one of the highest standards of living within the former Soviet Union, now face serious social and economic hardship. Ethnic strife has resulted in large population displacement, further increasing the number of poor people unable to cope with mounting economic difficulties. A 1997 TACIS study indicated that 44 percent of the population lived below the official poverty line (one United States dollar/day). The UNDP Human Development Index (1998) ranks Georgia 108th out of 174 countries and estimates its per capita gross domestic product (GDP) at 840 dollars, subject to readjustment to 620 dollars. Georgia is classified by the World Bank as a low-income economy. The gap between richest and poorest is one of the largest in the world (Gini coefficient: 0.63). A growing proportion of the population is having to face increasing difficulties without an adequate social welfare system.
2. Ethnic strife in Abkhazia and South Ossetia resulted in population displacement and loss of access to agricultural land. The Abkhazian secessionist conflict left some 280,000 internally displaced persons (IDPs). They have been housed in public buildings and with friends and relatives. Although fighting stopped in 1994 and the acute emergency phase is now over, the absence of a political solution has resulted in a no-peace, no-war impasse. Some progress was made in 1996–97 in repatriating IDPs to Abkhazia and some 35,000 returned to the Gali area, controlled by the Commonwealth of Independent States (CIS) peace-keeping force and the United Nations Observer Mission in Georgia (UNOMIG). However, as a result of resumption of hostilities in the area in May 1998, most people have again fled and found refuge on the other side of the de facto border in the districts of Zugdidi and Tsalenjikha. The situation regarding to the other ethnically motivated conflict which affected South Ossetia is less tense. Since May 1996, progress in negotiations has been made. As a result of this process, about 15 percent of 12,000 IDPs from South Ossetia have returned to their homes. The situation continues to be stable and a political settlement of the conflict is near.
3. The collapse of the former Soviet Union adversely affected the Georgian economy primarily by severing its export links to traditional markets. The negative trade balance continues to increase since exports have performed poorly and imports have grown. By the end of September 1998, the trade deficit had widened with exports standing at 143.9 million dollars and imports at 746.8 million dollars. Economic activity in many sectors almost came to a standstill in 1994–95. Industrial production in 1996 collapsed to just 14 percent of its 1989 level. It is reported that unemployment is high and increasing. As in other ex-Soviet countries, a much larger proportion of women than men have joined the ranks of the unemployed since the sectors that women were previously employed in, such as state industries (light manufacturing) and public sector activities (such as education and health), have experienced drastic cut-backs resulting from economic stagnation and lower public expenditure.



4. The Russian rouble crisis of mid-1998 exacerbated the general level of poverty and has caused a further fall in exports. In 1998, only 30 percent of the budget was disbursed because of lack of revenue. Delays in the payment of state salaries and allowances are common. Salaries for the majority of the public employees were not paid for most of the second half of 1998 and these delays are still being experienced. Currently, the state is not able to raise sufficient funds to provide for the most basic health and education needs of the population. Lack of access to and use of health services are closely correlated with poverty as there are growing signs that the poorest groups are being excluded from the health care system.

Situation analysis

5. Agriculture is the main source of income and employment and contributes over 30 percent of the GDP. More than 70 percent of poor people live in rural areas. The country is mountainous and the amount of arable land is limited to about 25 percent of total land area, which results in no more than about one seventh of a hectare per person and, therefore, sets severe constraints on self-sufficiency in food. Access to exploitable land for both women and men remains a problem as plots tend to be very small and productivity is low.
6. Domestic grain production is insufficient to cover the country's food requirements and consequently Georgia is classified by the Food and Agriculture Organization (FAO) as a low-income, food-deficit country. Agricultural production has decreased drastically since the eighties, partly owing to a lack of maintenance of the required infrastructure. In 1995, agricultural production was half of its 1990 level and Georgia needed to import 80 percent of its grain requirements through commercial and humanitarian assistance. In 1997, food was the largest import item, accounting for 35 percent of total imports. The Ministry of Agriculture and Food estimates the 1998 wheat and barley harvest at 230,000 tons, approximately 116,000 tons less than in 1997. A similar harvest is expected for this year.
7. Restoring agricultural productivity is an urgent priority for Georgia. The climatic conditions prevailing in the country require irrigation in the east and drainage in the west, and infrastructure therefore needs to be rehabilitated and maintained in order to develop agricultural production and output. The deterioration of the local transport infrastructure has exacerbated food access and distribution problems, especially in mountainous areas. Therefore, food security in Georgia, especially that of vulnerable population groups, will require the rehabilitation of agricultural and transport infrastructure through food-for-work (FFW) activities that would contribute to the creation of income-generating opportunities at community and poor household levels.
8. WFP has provided Georgia with emergency assistance since 1993, mainly through free food distribution to vulnerable population groups. WFP's current assistance will end in June 1999 and will have amounted to some 59,000 tons of various commodities at a value of 49 million dollars. The current number of beneficiaries is 200,000, down from a peak of 483,000 in the early stages of the intervention. Less emphasis is now placed on free food distribution and more on FFW activities in order to avoid dependency on food aid. Efforts have also been made to create lasting assets for the beneficiaries with special attention given to women in order to maintain an acceptable gender balance in work opportunities. Thus, activities specifically for women have been initiated.



9. In 1997, WFP started implementing FFW activities, which gained in popularity and proved very successful. When the FFW strategy was introduced there was a lot of scepticism, but it quickly became very popular among both participants and the authorities. The number of potential participants and project proposals has increased constantly. This success was acknowledged by the WFP/USAID mission in January 1999.
10. WFP cooperates closely with the Government, particularly the Coordination Department for International Humanitarian Assistance (CDIHA), in the targeting and coordination of food aid. In collaboration with the Government and other major food aid agencies, WFP is monitoring all allocations of food assistance among the various regions, taking into consideration the vulnerability of the population. WFP initiated the FFW activities in the most vulnerable areas of the country.

GOVERNMENT RECOVERY POLICIES AND PROGRAMMES

11. The Georgian Government inherited and maintained a generous social welfare scheme, which provided minimum assistance to vulnerable population groups. Budgetary resources now remain inadequate to meet commitments and cover all needs. The problem is further compounded by irregular or late payments of state allowances and minimum salaries. The main reasons for this are a weak tax collection system and difficulties in establishing an adequate environment to guarantee good governance.
12. The Government's policy towards IDPs is based on the assumption that they will return to their homes in the future. Thus, no major effort is undertaken to assist these people to resettle elsewhere in Georgia and to integrate into local communities. Since negotiations over Abkhazia's political status reached a deadlock with the Government in Tbilisi insisting on maintaining Georgia's territorial integrity and the Abkhazians striving for full independence, the prospects for a return of Georgian IDPs to Abkhazia look bleak. This was again demonstrated by the recent resumption of hostilities in Gali district.

Rationale

13. The overall economic situation has continued to deteriorate. The regional conflicts have not been settled yet, though some IDPs have returned to South Ossetia. The prospects of return to Abkhazia are poor in spite of the government policy favouring returns. The economy has not improved and the rouble crisis has further exacerbated poor economic conditions. The latest figures on the unemployment rate show both an increase and an imbalance between men and women. Poverty is widespread and female-headed households are more vulnerable. Grain production is not sufficient to cover requirements and local agricultural and transport infrastructure needs rehabilitation.
14. As 90 percent of its food aid is already directed towards FFW activities, WFP proposes to continue supporting the beneficiaries through the same means. A great deal of emphasis will be placed on interventions in the agricultural sector including irrigation and drainage and road rehabilitation projects. Women's empowerment will be addressed by reserving half of these work creation opportunities specifically for women



beneficiaries. This recovery strategy through rehabilitation will increase the overall level of self-sufficiency.

15. IDPs will not constitute a specific group of beneficiaries except under a winter support scheme since they are often better off than some other groups and the Government expects them to return. As yet there is no policy supporting their integration. However, they will be considered as potential participants of FFW activities if classified as vulnerable.
16. The situation will need to be reassessed in one year in order to see how it has evolved in terms of conflict resolution, the return of refugees, overall food production and access to food for the poor segments of the population, as well as the Government's capacity to cater to the needs of its vulnerable population. A phase-out and hand-over strategy will need to be considered during the assessment.

RECOVERY STRATEGY

Beneficiary needs

17. Since the introduction of the new currency called the Lari in the autumn of 1995, it has steadily lost value against the dollar. In January 1999, one dollar was worth 2.45 Lari whereas one year before it was worth 1.32 Lari. The average monthly income per household is declining in real terms and the cost of a food basket to meet basic requirements has increased. There are indications that female-headed households are worse affected. The share of their budget spent on food by households has increased from 63.3 percent in 1997 to 77 percent within one year. The purchasing power of people living on state allowances and minimum salaries has been severely eroded. The benefits constitute less than a tenth of the minimum subsistence requirement. Given this situation, bread has become the staple food of vulnerable families. While coping mechanisms can often be developed in rural areas, including through FFW activities, poverty in urban areas is worsening.
18. The first victims are institutions such as orphanages, boarding schools and old-age homes which are financed by the state budget. Food shortages have severely stretched the coping capacity of many institutions, especially for the last two winters. WFP has provided a winter ration to the most vulnerable people in such institutions. However, because of the continued budgetary crisis, no rapid improvement is expected in the near future and support to these institutions will therefore be continued.
19. Elderly people, lonely pensioners, widows and unemployed people who have not received any public support in recent months also represent a growing caseload of people falling under the poverty line. Some have managed to develop coping mechanisms through petty trade, relatives or remittances, but many of them remain helpless and without assistance, and especially vulnerable in winter, when the cost of living increases. This group of people also includes IDPs living in collective centres, mainly in urban areas.

Role of food aid

20. Food aid is appropriate because of the lack of sufficient purchasing power to meet basic food requirements among large segments of the population. Food aid also



allows households and institutions to spend a larger proportion of their limited budgets on basic health needs, necessary medical treatments and other expenses such as purchasing agricultural inputs and covering heating costs.

21. The value of the daily family food ration currently allows sufficient savings to cover approximately one fourth of the daily minimum requirement per household. Further, involvement in FFW activities will provide participants with temporary employment, create durable assets, improve accessibility to land for cultivation and rehabilitate transport infrastructure.

Intervention approaches

22. WFP proposes a one-year PRRO with built-in provisions for an evaluation to be undertaken during the year. A phase down and exit strategy will need to be planned together with the hand-over to the Government of the responsibility for the remaining vulnerable population.
23. A free food distribution relief approach will be followed for the most vulnerable population, who are mostly in institutions, along with a winter support programme for IDPs and distribution through local associations.
24. Great emphasis will continue to be placed on recovery activities related to agriculture including the rehabilitation of major infrastructure, which will impact directly on access to food as well as food production. This will also create social and, above all, economic assets for beneficiaries and their families, assisting them to become self-sufficient. Furthermore, the development of activities at local level will also create opportunities for other members of the community, who can be considered as indirect beneficiaries, and improve local food security through increased access to food.
25. Target beneficiaries for FFW schemes will be the food-insecure women and men in rural and semi-rural areas and those who are directly affected by a chronic lack of social assets such as roads, schools and other public infrastructure. FFW activities will aim at rehabilitating/restoring the main social infrastructure at community level in order to improve food security and facilitate and encourage the revival and/or development of socio-economic activities. Furthermore, FFW activities will contribute to the improvement of the quality of life at the household level. At least 40 percent of the managers of FFW projects will be women, as will at least 50 percent of the beneficiaries.
26. The unemployed in the urban and semi-urban areas will also be included among the target beneficiaries. Among them, there are the unemployed willing and able to work and the elderly, lonely and helpless people who need assistance. The creation of a home-care network through FFW, employing and helping one category of people by serving another through repairs, physical assistance and housework will allow WFP to reach two targets at once. A pilot phase of this type of social-rehabilitation project has already shown success in one district and will be replicated.
27. Although various groups of beneficiaries have been identified, the definition of vulnerability criteria has become increasingly problematic. The Government has attempted to define the following as vulnerable groups: the elderly, children, the poor, single-headed households, large families and the disabled. However, such a classification has proved rather difficult to use in practice. Attempts have been made to improve targeting especially for FFW activities despite the lack of reliable information, statistics



and vulnerability/poverty indicators. The Government will be strongly encouraged to continue the vulnerability analysis and mapping (VAM) exercise, which will allow improved and more accurate targeting of WFP's activities. The VAM exercise will be crucial to the successful implementation of the proposed PRRO. The total cost is estimated at 30,000 dollars for a period of six months.

28. In addition to the efforts to improve targeting described above, there will be a Gender Awareness Raising Workshop in May 1999 financed by WFP's Gender Action Fund (GAF). The Workshop, the first of its kind, is intended to raise gender awareness and contribute to defining a list of indicators that will be used for improved targeting. Until recently, women represented less than half the beneficiaries of FFW activities. However, they currently represent 50 percent of the beneficiaries and with the development of home-care projects, an increase in the direct participation of women is expected.

RISK ASSESSMENT

29. There are several major factors likely to influence the success of WFP's operation in Georgia.
- a) the political security situation: an environment within which the programme activities can be implemented is needed. This will depend mainly on the evolution of the negotiations with Abkhazia and the efforts undertaken regarding population movements;
 - b) commitment of the Government to pursue and apply principles, priorities and strategies for the achievement of good governance: this will allow a progressive improvement of the budgetary situation and disbursement capacity;
 - c) economic stability: the Lari needs to be stabilized and efforts are required to cushion the effects of external crises (the recent Russian rouble crisis was devastating); and
 - d) the degree of support of the donor community: the success of the PRRO will also depend on this as well as the management capacity of the WFP office and its implementing partners.

GOALS AND OBJECTIVES

30. The broad goal of the PRRO is to improve the food security of the most vulnerable people in Georgia while creating social and economic assets, and promoting income-generating activities to enhance self-sufficiency. The specific objectives to achieve the above goals are to:
- a) contribute to the improvement of food security amongst vulnerable groups; and
 - b) increase opportunities for beneficiaries to become self-reliant.



IMPLEMENTATION PLAN BY COMPONENT

Key programme components

31. The PRRO will comprise two main components—a protracted relief and a recovery component. The **protracted relief** programme will provide food assistance to a limited number of vulnerable groups, to IDPs and as winter support to local associations. The food allocation for the relief component will be less than 10 percent of the total tonnage of the PRRO. The **recovery** programme will provide food assistance through FFW activities in order to create opportunities, including a specific commitment to women's empowerment, through income-generation activities, increased agricultural production (mostly resulting from irrigation and drainage works), and increased access roads (resulting from rehabilitation works). The recovery component will account for 90 percent of the PRRO's food resources.

Beneficiaries, needs and the food basket

Protracted relief

32. **Beneficiaries.** A total of 82,000 beneficiaries will be covered by this programme. It is planned to assist 12,000 people living in institutions including vulnerable children, elderly people, the disabled and sick people. Furthermore, 10,000 rations will be distributed through local associations in urban and semi-urban areas to widows, the elderly, single-headed households and large families (with an emphasis on those headed by females) and disabled individuals. Finally, another 60,000 rations will be distributed to IDPs in collective centres.
33. **Needs.** The institution dwellers will be receiving food throughout the year whereas the other two groups will be receiving it only during two winter months. Total yearly food requirements for these beneficiaries are calculated at 2,746 tons.

Recovery

34. **Beneficiaries.** A total of 100,000 beneficiaries will participate in FFW activities. They will be split into three sub-groups. The first sub-group will comprise the rural poor with access to land. The people in rural and semi-rural areas with the greatest long-term potential are those with access to land. This group includes some IDPs, and this will contribute to their economic integration. The second sub-group, will include those living in remote, isolated and food-insecure areas with poor social infrastructure. This group will be made up of unemployed people with limited access to land, large families and single-headed households. The third sub-group will consist of unemployed people in urban and semi-urban areas, including IDPs. Special attention will be given to unemployed women since they constitute a large proportion of the unemployed. In addition, specific emphasis will be placed on ensuring that at least 50 percent of beneficiaries are women.
35. **Needs.** FFW activities will be planned over the entire year. The beneficiaries will receive FFW rations as per 22 working days per month. The total yearly food requirements for these beneficiaries are calculated at 15,440 tons. In addition to food resources, non-food items (NFI) are also needed. Some of these will be provided by the



project counterparts but there is an allocation for NFI in the project budget of 50,000 dollars, as shown in Annex II.

36. The food basket takes into account nutritional factors and cultural habits to the extent possible. All beneficiary groups will receive iron-fortified wheat flour; vegetable oil with vitamin A; and sugar. Canned fish will be provided for all relief beneficiaries except for half of the ration given to IDPs under the winter support. Pulses will be provided for FFW activities except for half of the ration for IDPs. The food ration provided for the vulnerable groups is equivalent to 1,247 kilocalories and 35 grams of protein per person per day, that for the winter support programme is equivalent to 1,251 kilocalories and 35 grams of protein per person per day, and the FFW ration is equivalent to 2,191 kilocalories and 63 grams of protein per person per day. Table 1 below shows the beneficiary and ration breakdown for each component.

TABLE 1: BREAKDOWN OF BENEFICIARIES, RATIONS AND FOOD REQUIREMENTS

Beneficiary type	No. of days	Commodity (grams/person/day)				
		Wheat flour	Canned fish	Pulses	Vegetable oil	Sugar
Vulnerable	365	250	30	0	25	15
Winter support	60	250	15	15	25	15
Food-for-work (x5 for family)	264	500 2 500	0 0	30 150	25 125	30 150

BENEFICIARIES AND FOOD REQUIREMENTS (in tons)

Beneficiary type	No. of beneficiaries	Commodity					Total
		Wheat flour	Canned fish	Pulses	Vegetable oil	Sugar	
Vulnerable groups	12 000	1 095	131	0	110	66	1 402
Winter support:							
Local associations	10 000	150	18	0	15	9	192
IDPs	60 000	900	54	54	90	54	1 152
FFW*	100 000	13 200	0	792	660	792	15 444
Total	182 000	15 345	203	846	875	921	18 190

*20,000 workers

Note: gender disaggregated-data is not yet available. However, more details are expected following the May 1999 Gender Awareness Raising Workshop and the subsequent groundwork.



Selection of activities

37. The following activities will contribute to achieving the objectives set out previously.
- identification of vulnerability indicators for beneficiary selection
 - initiation of women-specific FFW activities
 - winter support food distribution to vulnerable people through associations
 - winter support food distribution to IDPs
 - institutional feeding programmes
 - food distribution to female-headed households
 - community recovery and rehabilitation in rural and semi-rural areas
 - recovery through home-care assistance to vulnerable people in urban and semi-urban areas
 - road and bridge improvement
 - improvement of overall transport infrastructures
 - rehabilitation of water supply
 - school rehabilitation
 - irrigation and drainage channels rehabilitation
 - increased food production
 - creation of income-generating opportunities for unemployed people
 - reduction of unemployment rates in a gender balanced manner through income-generating activities
 - empowerment of women through FFW activities
 - provision of non-food items (such as various materials, agricultural tools and protective clothing) for FFW activities
 - contribution to the improvement of the Government's vulnerability mapping system

Activity approval mechanism

38. WFP will work principally in direct partnership with the communities, including IDP committees and women's associations whenever possible, which will be in charge of the distribution to the final beneficiaries. IDPs will be targeted with the help of the authorities. WFP will set up agreements with the implementing partners and closely monitor the activities at each level.
39. Food aid will be an input to activities implemented by partners within institutions. These institutions were carefully assessed by WFP in December 1998 and have been included in the winter support programme under the ongoing operation. The role of WFP will be limited to checking the need for food aid as a critically important input and to monitoring the food distribution. WFP has established agreements with each ministry involved and will maintain a close relationship with the institutions through the monitors.



40. Over the last two years, WFP's country office has developed a set of procedures for the implementation of FFW activities. The most important of these are:
- a) project proposals are submitted by the local authorities at community, village, district, regional or national level (WFP keeps an active roster of FFW project proposals);
 - b) each project proposal is assessed according to a set of criteria: the priority given to the project by the Government or community; the expected output and sustainability of the assets created; the creation of social or economic assets for beneficiaries; the participation of the most vulnerable, including vulnerable women and IDPs; the technical and economic feasibility of the project; the availability of technical assistance; the availability of NFI; and managerial capacity of the implementing partner (local authorities); and
 - c) all projects have to be approved by the Country Director and a project agreement is signed between WFP and the local authorities and/or the implementing partner.
41. The actual selection and targeting of the FFW participants is done by the project authorities who focus mainly on the unemployed (including IDPs), women and other vulnerable people, including those with access to land but with no means to exploit it. In addition to this, the mechanism of self-targeting can also be employed as the food ration is deliberately kept to a minimum so as to attract only the most needy. The lists of participants are checked by WFP monitors. The home-care FFW project will require basic training courses for participants, who will be remunerated as FFW participants. Special priority will be given to women's participation.

Institutional arrangements and selection of partners

42. WFP's main partners in Georgia are the authorities, who also act as project counterparts. Partnerships with NGOs, United Nations agencies and other organizations will be sought for the identification, orientation and implementation of activities. Collaboration with other partners might assist in expanding coverage to areas not covered by WFP (e.g. South Ossetia). WFP chairs the Food Aid Coordination Working Group (FACWG).

Capacity-building

43. The PRRO will be implemented according to a strategy of co-execution mainly with governmental partners on site. This will require placing a sufficient number of experienced staff to deal with implementation and monitoring, as well as the transfer of skills to local project managers, especially those concerned with FFW activities. Some additional monitors will therefore have to be hired for the first year. In order to strengthen the information collection and analysis, a Reports and Information Officer will be required. Regarding the project counterparts, some skill development training in project management and administration is envisaged. Some training for WFP staff is also planned, especially for key activities such as assessment, monitoring, gender-awareness-raising, and evaluation including training of trainers through workshops, seminars and training programmes.
44. Technical assistance will be required for infrastructure rehabilitation works. Most of this assistance will be provided by the local authorities (i.e. project counterparts) as outlined in the project agreement and to the extent possible by WFP staff. Due to the



development of more socially oriented activities, the assignment of a Junior Professional Officer with an appropriate background for closer monitoring of projects is highly recommended. In the case of partnerships with NGOs and other organizations, the provision of technical inputs will be determined on a case-by-case basis according to the requirements.

Logistics arrangements

45. The previous relief operation included logistical support for all three Caucasus republics. WFP's initial response was to identify actual and potential corridors through which relief food aid could flow. All food for Georgia has been arriving at the ports of Batumi and Poti and has then been delivered by rail and road directly to various extended delivery points (EDPs).

Monitoring and evaluation

46. WFP will regularly monitor progress through field visits, data collection and analysis. Reports will provide information allowing actual achievements to be compared with those planned and corrective measures will be proposed when necessary. Any drawbacks will be substantiated with relevant data and explanations. Periodic monitoring will focus on the following indicators and will provide gender-disaggregated data where possible:

- food tonnage by component
- beneficiary numbers
- beneficiary selection criteria and level of vulnerability
- prescribed food ration, food basket and acceptability
- use of the food ration
- storage, delivery flow and other logistical arrangements
- distribution system efficiency at the final distribution points
- percentage of women as relief distribution beneficiaries
- number of beneficiaries in rural areas
- number of beneficiaries in urban areas
- number of free food distributions by sub-group
- value of food ration to individual households
- food share in total household budget
- basic food market prices
- average monthly household income
- food production
- unemployment rate by gender during life of project
- number of workdays completed in FFW activities
- percentage of women as recovery beneficiaries in FFW activities
- percentage of FFW activities managed by women



- number of women-specific FFW activities
 - overall beneficiary coping mechanisms
47. The political and economic situation will also be monitored and reported. Reports will be produced on losses, storage, transport and cost-effectiveness.

Security measures

48. Georgia is currently in phase II of the overall Security Plan. 1998 was a rather turbulent year that saw an assassination attempt on the president, the assassination of a UNOMIG staff member, a military putsch attempt in the west and the imposition of curfews. While the situation has become more tranquil, caution is still recommended. All missions from abroad are subject to security clearance from the United Nations Resident Coordinator.
49. The high risk zones are mainly in the west (Zugdidi) and in the north (South Ossetia). In response to incidents involving WFP staff members, basic security measures have been taken to protect WFP's offices, equipment, staff residences and resources.

EXIT STRATEGY

50. The exit strategy of the PRRO is based on the assumption that, with the continuation and improved targeting of FFW activities, beneficiaries will, besides receiving food aid, benefit socially and economically from the assets created or the work carried out. According to the recommendations of the January 1999 joint WFP/USAID assessment mission, a mid-term review will be conducted before the end of the first year on the orientation and appropriateness of the activities selected. This review will provide the necessary elements for an assessment of WFP activities and, if required, a partial reorientation of the PRRO.
51. The duration of WFP's assistance to Georgia will depend on the evolution of the economy, the social context and the political situation, as well as the efforts undertaken by the Government. Monitoring these key indicators will be crucial in establishing the exit strategy. It has already been reported that some IDPs who have been displaced for several years enjoy higher standards of living than non-IDPs mainly because they have been receiving assistance from international organizations over a long period of time and have managed to develop coping mechanisms. Thus, targeting will continue and this will translate into smaller numbers of beneficiaries. The overall situation will need to be reassessed before the end of WFP's assistance under this operation in order to decide on the exit strategy.

Contingency mechanism

52. The military conflict could escalate again causing new population movements, thereby increasing the number of IDPs. The deterioration of the economy or natural and man-made disasters could also increase the number of people in need of assistance. However, no additional contingency budget has been requested since a provision for delegation of authority exists for budget revisions of up to 10 percent or a maximum of 3 million dollars as well as for a shifting of activities.



BUDGET PROPOSAL AND INPUT REQUIREMENTS

53. The PRRO covers a one-year period, starting in July 1999. The total resource requirement is 18,190 tons of food commodities with a total food cost of 5,093,315 dollars. The total budget for the PRRO amounts to 9,945,622 dollars. Budget details and input requirements are shown in Annexes I and II.

RECOMMENDATION OF THE EXECUTIVE DIRECTOR

54. The PRRO is recommended for approval by the Executive Board.



ANNEX I

PROJECT COST BREAKDOWN			
	Quantity (tons)	Average cost per ton (dollars)	Value (dollars)
WFP COSTS			
A. Direct operational costs			
Commodity ¹			
– Wheat flour (iron-fortified)	15 345	203	3 115 035
– Canned fish	203	2 950	598 850
– Pulses (beans)	846	550	631 950
– Vegetable oil (vitamin A-fortified)	875	750	845 250
– Sugar	921	280	189 280
Total commodities	18 190		5 093 315
– External transport and superintendence	18 190	127.56	2 320 455
– ITSH	18 190	55	1 000 450
Subtotal direct operational costs			
B. Direct support costs (see Annex II for details)			
Subtotal direct support costs			872 075
Total direct costs			9 286 295
C. Indirect support costs (7.1 percent of total direct costs)			
Subtotal indirect support costs			659 327
TOTAL WFP COSTS			9 945 622

¹ This is a notional food basket used for budgeting and approval purposes. The precise mix and actual quantities of commodities to be supplied to the project, as in all WFP-assisted projects, may vary over time depending on the availability of commodities to WFP and domestically within the recipient country.



COMMODITIES AND BENEFICIARIES BY COMPONENT

Commodities	Quantity (tons)	Average cost per ton (dollars)	Value (dollars)
Component 1: Protracted Relief			
Wheat flour (iron-fortified)	2 145	203	435 435
Canned fish	203	2 950	600 030
Pulses (beans)	54	550	29 700
Vegetable oil (vitamin A-fortified)	215	750	160 875
Sugar	129	280	36 036
Total commodities	2 746		1 262 076
Total beneficiaries	82 000		
Component 2: Recovery			
Wheat flour (iron-fortified)	13 200	203	2 679 600
Canned fish	0	2 950	0
Pulses (beans)	792	550	435 600
Vegetable oil (vitamin A-fortified)	660	750	495 000
Sugar	792	280	221 760
Total commodities	15 444		3 831 960
Total beneficiaries	100 000		



ANNEX II

DIRECT SUPPORT REQUIREMENTS (dollars)
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Staff costs

International	242 200
National professional officers	49 894
Local staff and temporaries	178 719
Subtotal	470 813

Technical support services

Project appraisal/assessment	12 500
Project evaluation (including VAM)	36 500
Subtotal	49 000

Travel and DSA

International	19 400
In-country	24 000
Subtotal	43 400

Office expenses

Rental of facility	66 600
Utilities	23 832
Communications	25 920
Office supplies	4 560
Equipment repair and maintenance	10 000
Subtotal	130 912

Vehicle operations

Maintenance	34 900
Fuel	9 800
Subtotal	44 700

Equipment

Communications equipment	2 000
Vehicles	58 000
Computer equipment	11 250
Other equipment	12 000
Subtotal	83 250

Non-food items

Other (agricultural tools and protective clothing)	50 000
Subtotal	50 000

TOTAL DIRECT SUPPORT COSTS	872 075
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