

برنامج
الأغذية
العالمي



Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

**Executive Board
Second Regular Session**

Rome, 16 - 18 May 2001

PROJECTS FOR EXECUTIVE BOARD APPROVAL

Agenda item 6

For approval



Distribution: GENERAL
WFP/EB.2/2001/6-B
5 April 2001
ORIGINAL: ENGLISH

PROTRACTED RELIEF AND RECOVERY OPERATION— ARMENIA 10053.0 (former WIS no. 6120.02)

Relief and Recovery Assistance for Vulnerable Groups

Number of beneficiaries	140,000 per year
Female:	
First year	95,043
Second year	87,257
Duration of project	Two years (1 July 2001–30 June 2003)

Cost (United States dollars)	
Total cost to WFP	28,562,781
Total food cost	15,504,499

This document is printed in a limited number of copies. Executive Board documents are available on WFP's WEB site (http://www.wfp.org/eb_public/EB_Home.html).

Note to the Executive Board



This document is submitted for approval by the Executive Board.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

Director, Asia and Eastern Europe Region Mr J. Powell tel.: 066513-2209
(OAE):

Development Adviser, OAE: Ms B. Bonnevaux tel.: 066513-2743

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Supervisor, Meeting Servicing and Distribution Unit (tel.: 066513-2328).



Executive Summary

Armenia is a small, land-locked country in the southern Caucasus undergoing a difficult transition to a market economy. The depth and severity of poverty there translate into high numbers of poor affected by malnutrition and seasonal hunger. Armenia is a low-income, food-deficit country (LIFDC) whose levels of unemployment and underemployment are the highest among the Commonwealth of Independent States (CIS). Undernourishment, which affects at least 20 percent of the population, remains a persistent challenge.

Continuing migration is a direct result of the generally perceived hopelessness over widespread unemployment, delays in the payment of salaries and benefits and very few prospects for improvement. The already difficult period of structural reform has been compounded by the unresolved dispute over Nagorno-Karabagh. Although a cease-fire has held since 1994, the current situation continues to be one of political and economic instability. Despite an obligation by both sides to reach a compromise to resolve the dispute, so far no discernible progress on this has been achieved. The economic blockade imposed by Turkey and Azerbaijan continues to hamper trade. While the Organization for Security and Cooperation in Europe (OSCE) and the international community continue their efforts to find a solution to this dispute, WFP assistance will be crucial for at least another two years. A peace agreement and a reopening of the borders will translate only slowly into benefits for the poorest in Armenia.

Women have suffered the most severe consequences from unemployment and migration. Households headed by women are among the most disadvantaged, both economically and socially. Such households are twice as likely as others to consume only one meal a day. This operation targets 140,000 chronically hungry beneficiaries a year, most of them women and children. It is a relief operation. If non-food item support can be provided by partners or directly by WFP under this operation, tens of thousands of beneficiaries will have the chance to build self-reliance through activities such as the rehabilitation of agricultural infrastructure and food for training.

In addition to the current protracted relief and recovery operation (PRRO), WFP is also implementing an emergency operation (EMOP) that assists the victims of the severe drought of the summer of 2000.

Draft Decision

The Board approves PRRO Armenia 10053.0—Relief and Recovery Assistance for Vulnerable Groups (WFP/EB.2/2001/6-B).



CONTEXT AND RATIONALE FOR PROVIDING ASSISTANCE

Context of the Crisis and Situation Analysis

1. In the 1980s, Armenia was primarily an industrial country; in 1985, the share of industry in its gross domestic product (GDP) was 73.9 percent.¹ The break-up of the Soviet Union and the dispute over Nagorno-Karabagh resulted in a severe energy crisis and economic blockade, which led to the collapse of the majority of the country's industrial capacity. The 1998 Russian financial crisis caused a further decline in Armenia's economy. In 1998, Armenia's GDP was only 41 percent that of 1989.² By 1999, its GDP composition had changed dramatically, with industry constituting only 20.4 percent, agriculture 29.8 percent, services 41.3 percent, and other areas 10 percent.³ Today, agriculture is the largest source of employment, accounting for approximately 40 percent of the workforce.
2. By the end of 1996, 55 percent of the population was in absolute poverty. The continuing decline of socio-economic conditions has led to an immense inequality in the distribution of the national income, evidenced by the high Gini coefficient of 0.690 in 1998/99.⁴ According to the World Bank Report of June 1999, "Improving Social Assistance in Armenia", vulnerability to poverty continues to be high, with many households constantly moving in and out of poverty, and an unemployment rate of 25 percent.
3. Widespread unemployment has forced a large percentage of the population to rely on subsistence farming for their livelihood, though these people barely contribute to Armenia's food market. The proportion of imported food products remains high. Furthermore, the drought in 2000 resulted in a 27-percent reduction in the wheat and barley harvests and a 40-percent loss in the potato harvest.⁵
4. There has been a growing trend towards a feminization of poverty. Women have suffered the most severe consequences from unemployment and out-migration. Households headed by women are among the most disadvantaged, both economically and socially. About 82 percent of women with four or more children do not work. Sixty-seven percent of single mothers are unemployed.⁶ Most households with many children (51 percent) and single mothers (63 percent) rely solely on family remittances and other assistance for survival. In the past, even US\$100 sent from an emigrant to his poverty-stricken family was enough to help that family survive for a few months. The recent economic crises in Russia, however, have given Armenian workers there limited opportunities to earn enough money to send back to their families, so there has been a substantial decrease in remittances received.

¹ Interim Poverty Reduction Strategy Paper, Yerevan, 2000.

² Human Development Report, Armenia, 1999.

³ Human Development Report, Armenia, 1999.

⁴ The Gini coefficient is derived from the cumulative distribution of earnings across the population, ranked by per capita incomes.

⁵ FAO/WFP Crop and Food Supply Assessment, 5 October 2000.

⁶ Women Status Report, Armenia, 1999.



Government Recovery Policies and Programmes

5. In recent years, Armenia has made progress towards reforming its economy, aiming for growth and macroeconomic stability. Despite the reported economic growth of recent years, however, poverty indicators have not changed owing to the polarization of income distribution. In an attempt to resolve this issue, the Government, together with the international community, is working on a national Poverty-reduction Strategy (PRS), to be finalized by the end of 2001. The strategy will be the basis for long-term financial support by the World Bank, the International Monetary Fund (IMF) and other international donors. PRS outlines government measures for creating a formally acceptable “minimum living standard” for the most vulnerable and includes an anti-corruption campaign component regarding public administration. The strategy will be implemented along with the country’s Economic Growth Promotion Strategy. The United Nations, represented by the local agencies, is actively participating in the PRS process.
6. The Government continues to operate the vulnerability index PAROS,⁷ which forms the basis for its Vulnerability Benefit System (VBS). Following WFP’s food-for-work approach, the Ministry of Social Welfare is designing a programme to engage VBS beneficiaries in public works in exchange for benefits provided.

Rationale for Assistance

7. In January 1999, a joint donor assessment mission to the Caucasus, led by WFP, concluded that the situation in Armenia had stabilized but that there was still a need for relief and recovery. The EMOP ended in June 1999, and an interim PRRO was introduced with the aim of phasing out WFP operations in Armenia by 2002. The basis of such a strategy was the expectation that by 2002 the economy would have improved. However, two additional factors reflected negatively on the socio-economic and political situation: the financial crisis in Russia in 1998 and shootings in the National Assembly in October 1999. Furthermore, the positive trends of macroeconomic development and the solution to the Nagorno-Karabagh problem will translate into direct benefits for the country’s poor in need of social assistance, but slowly. Until then, WFP relief intervention will be needed to attain short-term and immediate results, and the basis for the joint donor assessment evaluation will, therefore, need to be reassessed.
8. Approximately 55 percent of the population cannot meet their basic food needs. The poorest segments of the population allocate 73 percent of their income to buying food. Approximately 70 percent of the population rely on agricultural production for survival. Agriculture has become less effective as a safety net, as evidenced by the fact that extreme poverty is higher in rural areas. The average land plot is 1.2–1.5 ha per household. Available arable land comprises 66 percent of the country but only between 30 and 40 percent is under cultivation owing to lack of access to irrigation, agricultural inputs and expertise, and efficient equipment. With the added effects of the drought that decimated crops and affected livestock production last summer, living conditions have become precarious for a large number of the rural population. Having lost most of their produce, subsistence rural households have little to sell or barter and are therefore faced with serious

⁷ PAROS was put in place in 1995 through support from USAID. It is an open system for the continual registration of vulnerable households. Under PAROS, household or family vulnerability assessment is based on: (i) family composition, including the presence of household members belonging to socially vulnerable groups; (ii) income level of the household in money and/or assets; and (iii) place and conditions of residence. Numerical values are assigned to each variable and a vulnerability index is calculated for each household. The higher the index, the more vulnerable the family. The predominant groups identified by the PAROS system are pensioners and households headed by women.



food shortages. The available coping mechanisms such as out-migration or the consumption of seeds and livestock will add to the adverse consequences of the drought in the coming years. In addition, information from the meteorological service and from WFP monitoring reports in the drought-affected areas shows that rain and snowfall in areas sown with winter crops was below normal in autumn and winter. This factor indicates a continuing drought situation affecting the coming harvest. To follow developments in the current drought situation, WFP will support the fielding of a joint FAO/WFP crop and food supply assessment mission in spring 2001.

9. A nationwide nutrition and food security survey of 3,900 households conducted in September 2000 by WFP, and co-funded by UNICEF and the Office of the United Nations High Commissioner for Refugees (UNHCR), revealed low levels of consumption in low-income households and a substantially unbalanced diet, consisting mainly of bread, potatoes, tea and cabbage. Almost 61 percent of households had sold household assets to meet their food needs. About 56 percent of households reported changing their food consumption patterns and were eating cheaper food, while another 10 percent were eating smaller meals and/or reducing the number of meals eaten. A seven-day food frequency count showed that while 98 percent of households had consumed bread on a daily basis, many had not consumed any additional food items that would have ensured nutrient adequacy. Fewer than one in four households consumed meat, an important source of iron. This is likely to contribute to an increase in the already high rate of anaemia. A 1998 nutrition survey showed an anaemia incidence of 26 percent in children under 5 and of 15 percent in women.⁸ Dairy products, important food items and good sources of calcium, are not consumed by 32 percent of the population. Those who did consume dairy products did not do so often enough or in sufficient enough quantities. Fresh vegetables are another important food source for vitamins and minerals, but a large proportion of the test population admitted to not eating them regularly.
10. These negative trends in food consumption patterns are translating into high rates of malnutrition among children. Whereas in 1998 chronic malnutrition ranged from 6.2 percent to 44 percent, with an average of 13 percent, the 2000 survey found rates ranging from 14 percent to 31 percent, with a higher average of 22 percent. Particularly high levels of chronic malnutrition were found in Gegharkunik and Syunik. Using the criterion of mid-upper-arm circumference, the 2000 survey also found 7.8 percent of the elderly population to be malnourished.
11. Households that had chronically malnourished children persistently had lower frequency counts on all food items than did households with no malnourished children. The incidence of chronic malnutrition was dependent on how many household members were able to find employment. About 27 percent of children from households with no stable employment were chronically malnourished, compared with 18 percent in households that had at least one member working. Of households eating only one meal per day, those with no member working (13.8 percent) were twice as many as those with one member working (6.5 percent) and three times as many as those with two members working (3.8 percent).
12. Of households consuming only one meal a day, 16.1 percent were households headed by women, twice as many as those headed by men (8.4 percent). Single elderly households had the highest proportion, at 23.4 percent. The refugee population had the lowest frequency counts on all food items except for bread, pasta and potatoes, compared with non-refugee households. Factors associated with low food intake and malnutrition include the absence of a working member in the household, female head of household, refugee

⁸ Women Status Report, Armenia, UNDP, UNHCR, UNICEF and WFP, 1999.



status, lack of access to land, pensioner status and the lack of any support from relatives abroad.

13. To continue the process towards rehabilitation and food self-reliance, a period of two years is recommended for this PRRO, with an evaluation after one year to decide on future WFP intervention in Armenia.

RECOVERY STRATEGY

Role of Food Aid

14. Food aid is essential for families facing chronic food shortages. The hardest-hit regions of Armenia show a chronic malnutrition rate of up to 32 percent. Food consumption has continued to deteriorate, with many households eliminating important food items. Children from households with no members working, refugees and elderly people are among the worst-affected groups. Chronic malnutrition is higher by almost 10 percent in households that have no members working compared with those with one member working.⁹ WFP assistance will be crucial to help reverse these negative nutrition trends.
15. While food aid will directly address the short-term food needs of Armenia's most vulnerable population, it will also be used as a means of helping create sustainable assets. Food aid and rehabilitation initiatives will be used to create and support agricultural infrastructure through irrigation system repair, land clearance, and training in improved agricultural skills.
16. Food-for-work (FFW) activities will also take place in economically destitute areas, where WFP interventions will assist with the much-needed reconstruction of basic infrastructure. Refugees will be assisted in the repair and improvement of shelter facilities.
17. All WFP activities will be directed increasingly towards strengthening self-help capacities through the empowerment of people and communities, skills training and support to the education sector.

Programme Approaches

18. The proposed PRRO attempts to continue the relief-and-recovery approach used in the previous PRRO. In the given situation, all WFP beneficiaries, in principle, qualify for relief aid. However, in order to prepare the target population to cope better with future emergencies WFP will attempt, to the extent possible, to shift from relief distributions to food-for-work and food-for-training (FFT) activities by combining food aid with technical inputs from national and international partners. Discussions with the Ministry of Social Welfare, representatives of the local communities and the international development and donor community have indicated that "food-for-asset-creation" activities are preferable to relief food distributions.
19. The high level of coordination among the Government, United Nations agencies and the NGO community will continue through regular bi-weekly WFP-chaired food aid coordination meetings. Joint project implementation with different United Nations agencies (UNICEF, UNHCR, UNDP and WHO) will continue.

⁹ WFP Nutrition Survey in cooperation with UNICEF and UNHCR, Armenia, September 2000.



20. Experience shows that the success of WFP interventions is achieved through transparency, the involvement and empowerment of local communities, coordination and cooperation with partners and the utilization of local technical and educational capacity.

Risk Assessment

21. The success of the PRRO will depend mainly on the degree of support by the donor community and the capacity of implementing partners (IPs). An immediate factor is the development of political and economic stability, particularly that related to the settlement of the Nagorno-Karabagh issue.

Goals and Objectives

22. WFP's overall goal will be to improve the food security of Armenia's chronically hungry, malnourished and undernourished population.
23. The objectives will be to:
- save lives through the provision of adequate food;
 - ensure food security to the most vulnerable groups unable to cope with external economic shocks;
 - improve the nutritional status of malnourished vulnerable populations, especially women and children; and
 - empower communities, especially marginalized groups and women, to participate in decision-making on food security issues that affect the development of their communities.

IMPLEMENTATION PLAN

Beneficiary Needs and Targeting

24. In the previous PRRO, WFP extensively used the government-operated vulnerability assessment system, PAROS, as the targeting mechanism for relief assistance. However, PAROS does not provide the nutrition-specific information required for WFP to target nutrition needs. Therefore, in combination with PAROS, the country office will use the results from the WFP nutrition survey conducted in September 2000 and designed to obtain data for targeting PRRO food assistance. WFP will review the current targeting of beneficiaries and gradually adopt a strategy based on those beneficiaries' needs as identified by the nutrition survey and other relevant analyses, such as a forthcoming WFP household food economy survey, which will collect baseline data, and a USAID-funded demographic and health survey. According to the nutrition survey, the three social groups shown in Table 1 comprise the most vulnerable and needy and will be the WFP target group for this PRRO.
25. The nutrition survey links malnutrition to low food intake and thus establishes the need for food aid and a targeting instrument. A food consumption index was developed from a list of foods reported to have been consumed over a seven-day period. A score was attached to each food item—a high score to foods providing more energy and nutrients per unit and a low score to foods providing less. The score for each food was then multiplied by the number of times that food was consumed over the seven days. Based on this, the most food insecure households were identified as those:



- with no land, no employment and no remittance received from abroad, and with pensioners;
- headed by women, with no member employed and no remittance received from abroad; and
- refugee households.

26. Based on the ranking of malnutrition, the regions Gegharkunik, Syunik, and Tavush were identified as particularly vulnerable. Because of the high concentration of refugees in the capital, Yerevan, that city is also a high-priority location for intervention. Table 2 shows the total number of beneficiaries to be targeted in two years. The table's figures are based on the official population figures from a census in 1988, which does not reflect the emigration flow after the collapse of the Soviet Union and the war in Nagorno-Karabagh. At present no updated population figures are available, so targeting has been based on the conjecture that those who have remained in Armenia are 40–80 percent (or an average of 60 percent) of the population figure given in the 1988 census. Consequently, an annual figure of 140,000 beneficiaries has been chosen for this two-year programme. This is about half the number of vulnerable people after adjusting for emigration.

TABLE 1: GEOGRAPHICAL TARGETING OF BENEFICIARIES

Provinces	Population	No. of people in households with no land, no employment and no remittances received		No. of people in female-headed households with land, no employment and no remittances received	Refugee households*	Total
		Female	Male			
Gegharkunik	278 800	6 800	10 500	10 500	10 121	37 921
Tavush	156 500	6 500	5 700	3 100	4 149	19 449
Syunik	164 100	6 300	5 250	1 950	5 565	19 065
Yerevan	1 247 600	73 000	59 500	3 800	22 265	158 565
Total	1 847 000	92 600	80 950	19 350	42 100	235 000

*Joint UNHCR/Government of Armenia Survey, Status of Statistics as of December 2000 corrected for the number of refugees that have acquired citizenship in the Republic of Armenia.

TABLE 2: BENEFICIARIES PER YEAR

	First year	Second year	Total
Relief	55 000	30 000	85 000
FFW	45 000	60 000	105 000
FFT	40 000	50 000	90 000
Total	140 000	140 000	280 000

The Food Basket

27. The nutritional balance of the food ration will help prevent anaemia among women through the provision of iron-fortified wheat flour and vitamin-A-fortified vegetable oil. Local capacity for fortifying wheat is limited and expensive. It is therefore advisable to receive fortified commodities in kind. The risk of reduced protein intake resulting from the



loss of dairy products and meat will be compensated by the provision of protein in the form of pulses.

28. The *relief food ration* will provide 1,922 kcal, or 80 percent of the daily energy requirement in Armenia, taking into account the low winter temperatures, especially in mountainous areas. The daily per capita ration will consist of 470 g of iron-fortified wheat flour, 20 g of vitamin-A–fortified vegetable oil, and 30 g of pulses. WFP will not supply 100 percent of daily calorie and protein requirements, as the targeted households will meet the remaining 20 percent through their own means.
29. The daily *FFW ration* is intended to cover household nutritional needs and is therefore calculated on the basis of the average family size (4.2 persons) times the individual ration described above. The ration will continue to comprise: 2,000 g of iron-fortified wheat flour, 276 g (300 ml) of vitamin-A–fortified vegetable oil and 145 g of pulses. The market value of the FFW ration equals approximately US\$1. The minimum monthly consumption basket is considered to be worth US\$38. The average duration of a FFW programme is 90 working days.
30. Food-for-training sessions will be combined with FFW projects. FFT participants will be provided with the same ration as that for FFW. The average duration of FFT activities will be 90 days.

TABLE 3: PRRO RATIIONS FOR DIFFERENT WFP ACTIVITIES
(RELIEF, FFW AND FFT)

PRRO ration	Nutritional value per 100 g (kcal)	Relief ration		FFW /FFT ration (grams)
		Daily ration (grams)	Nutritional value (kcal)	
Iron-fortified wheat flour	350	470	1 645	2 000
Vitamin-A–fortified vegetable oil	885	20	177	276
Pulses	335	30	100	145
Total		520	1 922	2 421

KEY PROGRAMME COMPONENTS AND SELECTION OF ACTIVITIES

Assistance to Vulnerable Groups

31. WFP will provide relief food rations to single pensioners who are without family support and who rely solely on state pensions. Armenia's monthly state pensions amount to US\$5.5, far below the World Bank's minimum food basket, calculated at US\$38 per month, and its consumption basket of US\$60. Furthermore, they do not arrive regularly.
32. Visiting care workers will deliver the food rations and at the same time provide basic social services to these single, lonely and elderly people, including elderly refugees in collective centres. A FFT activity, executed in cooperation with the Armenian Red Cross (ARC) and Mission Armenia, will train women from single-headed households or women with large families to perform that care worker role as a FFW activity. Through these two activities, the identified women will be provided with an income opportunity and the elderly will receive assistance.



33. Refugees and people living in temporary dwellings remain among the most vulnerable groups in Armenia. WFP will use FFW activities for the repair of shelters and housing and the rehabilitation of sanitation facilities. The country office will cooperate with UNHCR, the United Methodist Committee on Relief (UMCOR) and the Norwegian Refugee Council (NRC) regarding technical expertise. Material inputs and other components will be sought from other partners. In economically destitute areas of Shirak, FFW activities will focus on the essential repair of water supply and sewage lines.

Nutrition Programme

34. WFP and UNICEF will conduct a household survey in communities where WFP has found a high rate of acute and/or chronic malnutrition. Based on the findings of the survey, WFP, in partnership with UNICEF, will develop a comprehensive nutrition programme and establish accurate beneficiary numbers. The survey will also be used to measure pre- and post-programme nutritional status among the target population and will serve as a mechanism for monitoring programme performance during the implementation period. Components of the nutrition programme will include:

- a community-based monitoring system;
- take-home rations for malnourished children;
- mother-infant feeding groups;
- nutrition camps for malnourished children (similar to summer camps, with sports activities and educational information);
- feeding programmes in kindergartens;
- nutrition programmes for women with a low body mass index, especially expectant and nursing mothers and women with anaemia; and
- health and nutrition education for mothers with malnourished children.

Rehabilitation towards Development in the Agricultural Sector

35. WFP will assist in the rehabilitation of agricultural infrastructure in identified target areas. FFW activities will focus on the rehabilitation and repair of irrigation canals. The planting of trees and bushes around riverbeds to reduce water evaporation and silting will also be considered. Other FFW activities will concentrate on protection against landslides, prevention of soil erosion, the practice of agroforestry and seed production. All FFW activities will be aimed at helping increase agricultural production in a sustainable manner. The Armenian Social Investment Fund (ASIF), the International Organization for Migration (IOM) and the German Agency for Technical Cooperation (GTZ) are potential partners.
36. FFT will provide small-scale farmers with improved farming techniques and business and marketing skills. After this training, the farmers are expected to sell more and receive better prices for their agricultural produce. WFP will cooperate with UNDP and agricultural extension centres in this activity.

Strengthening the Educational and Social Environment

37. FFW activities will assist poor communities in rehabilitating school buildings (specifically waste facilities and heating systems), which will help reduce health risks associated with poor hygiene and prevent children from being kept away from school during the freezing winter months. To achieve this, WFP will cooperate with the Armenian



Relief Society, ASIF, Catholic Relief Services (CRS), NRC, the Peace Corps and UNICEF. WFP will also encourage the establishment of gardens in WFP-assisted schools to improve food self-reliance.

38. WFP will improve the social environment through implementation of FFW activities aimed at rehabilitating both village or neighbourhood roads to isolated communities and agricultural lands and farms, and degraded public facilities such as health and sports centres, kindergartens, community halls and libraries.
39. WFP intends to run a pilot project with the Swedish International Development Authority (SIDA) that will encourage parents to keep their children at home instead of placing them in orphanages, which is a common recourse for parents who are unable to provide enough food for their children. WFP will provide food rations to whole families, while SIDA, in cooperation with the Ministry of Education, will provide them with counselling.
40. WFP will continue to cooperate with the World Health Organization (WHO) on malaria control activities through FFW and FFT activities.

Empowerment of Communities and Beneficiaries

41. WFP will establish Community Action Groups (CAGs) in all communities where the Programme will implement FFW and FFT activities, or make use of the Ministry of Social Welfare's social support groups, wherever established. The role of the CAGs will be to prioritize and select FFW community projects and identify the neediest for participation in FFW and FFT.
42. Leadership training under FFT will assist impoverished women who wish to take a more active role in community decision-making and leadership within the CAGs. The NGO Women's Republican Council will provide leadership training to women identified through CAGs.



TABLE 4: ALLOCATION OF BENEFICIARIES TO ACTIVITIES

	Assistance to vulnerable groups	Nutrition programme	Rehabilitation and development of the agricultural sector	Strengthening of the educational and social environment	Empowerment of communities and beneficiaries	Total
First year						
Relief	38 000	14 000	0	3 000	0	55 000
FFW	20 000	0	12 000	13 000	0	45 000
FFT	0	12 000	11 000	9 000	8 000	40 000
Subtotal	58 000	26 000	23 000	25 000	8 000	140 000
Second year						
Relief	21 000	8 000	0	1 000	0	30 000
FFW	27 000	0	16 000	17 000	0	60 000
FFT	0	15 000	13 000	12 000	10 000	50 000
Subtotal	48 000	23 000	29 000	30 000	10 000	140 000
TOTAL	106 000	49 000	52 000	55 000	18 000	280 000

TABLE 5: ALLOCATION OF BENEFICIARIES BY GENDER

	Assistance to vulnerable groups	Nutrition programme	Rehabilitation and development of the agricultural sector	Strengthening of the educational and social environment	Empowerment of communities and beneficiaries	Total	Percentage
Male	31 700	20 000	23 000	19 000	4 000	97 700	35
Female	74 300	29 000	29 000	36 000	14 000	182 300	65
Total	106 000	49 000	52 000	55 000	18 000	280 000	100



Activity Approval Mechanism

43. WFP will identify and approve FFW and FFT activities in cooperation with the Ministry of Social Welfare (through the ministry's social support groups), community associations (regional level), community action groups (local level) and IPs. A programme review committee has been established for this purpose.

TABLE 6: ALLOCATION OF COMMODITY BY ACTIVITY

	Beneficiaries	Feeding days	Wheat flour	Vegetable oil	Lentils/beans	Sugar*	Total (tons)
Free food	85 000	365	14 582	621	931	300	16 434
FFW	105 000	90	18 900	2 608	1 370	–	22 878
FFT	90 000	90	16 200	2 236	1 175	–	19 611
Subtotal	280 000	545	49 682	5 465	3 476	300	58 923
Contingency planning	40 000	90	1 692	72	108	–	1 872
Total	320 000	635	51 374	5 537	3 584	300	60 795

* Part of the objective is to provide assistance to vulnerable groups, and women in particular. The calculated amount of sugar is to develop a winter food-preservation project, annually targeting 15,000 vulnerable households headed by women. With 10 kg for each household, this assistance requires 150 tons of sugar annually.

Institutional Arrangements and Selection of Partners

44. WFP is most effective in reducing hunger when working in collaboration and coordination with partners, who can provide essential non-food inputs not supplied by WFP. WFP Armenia has very good working relations with a large number of national and international NGOs, United Nations agencies, bilateral development agencies, and ministries and authorities at the regional and local levels. A strong element of cooperation with partners will be maintained through WFP-chaired fortnightly food aid coordination meetings.
45. WFP has close working relations with the Ministry of Social Welfare (MSW). It is WFP's intention to develop this cooperation with activities related to community empowerment and the improvement of social infrastructure, and to run nutrition camps for children suffering from acute malnutrition.
46. WFP will also work with the Ministry of Health in the execution of the nutrition programme, with the Ministry of Education in the implementation of the education programmes and with the Ministry of Agriculture, together with the regional agricultural extension centres, in the implementation of FFT activities.
47. WFP and IPs will pay special attention to the nutritional needs of women and ensure that they benefit from the Programme's relief distributions. Ration cards will be issued to female representatives of targeted households. At least half of FFW resources will be devoted to projects reflecting women's development priorities, which will be selected by women (refer to Table 5 above). Furthermore, in the distribution process, women will constitute at least 50 percent membership of food management committees. All Letters of Understanding with the Ministry of Social Welfare and with other IPs will fully reflect WFP's Commitments to Women and the gender approach outlined in this document.



Logistics Arrangements

48. The WFP country office is located in Yerevan. In addition, there is one sub-office in Vanadzor, in the north, and one field office in Kapan, in the south. This geographical distribution will allow for continued implementation and coordination.
49. WFP logistical arrangements will follow the same course as the ongoing PRRO and the EMOP. WFP food will be shipped from Europe and the United States to the Georgian Black Sea port of Poti for onward rail transport to the WFP extended delivery points (EDPs) at Vanadzor and Yerevan. WFP does not expect regional procurement of large quantities of food commodities.
50. From warehouses in Vanadzor and Yerevan, WFP will arrange for the transportation of commodities by rented trucks to the final delivery points (FDPs). Final distribution of take-home rations will be undertaken by IPs, while WFP will undertake food deliveries to IPs participating in FFW or FFT activities.

TABLE 7: TONNAGE BY COMMODITY PER YEAR

	First year					Second year				
	Relief	FFW	FFT	Contingency	Total	Relief	FFW	FFT	Total	Total (tons)
Iron-fortified wheat flour	9 435	8 100	7 200	1 692	26 427	5 147	10 800	9 000	24 947	51 374
Vitamin-A-fortified vegetable oil	402	1 118	994	72	2 586	219	1 490	1 242	2 951	5 537
Lentils/beans	602	587	522	108	1 819	329	783	653	1 765	3 584
Sugar	150	–	–	–	150	150	–	–	150	300
Total (tons)	10 589	9 805	8 716	1 872	30 982	5 845	13 073	10 895	29 813	60 795

Cost Containment

51. To reduce direct support costs, WFP Armenia will keep the number of international staff low, building the programme on competent national Armenian staff by providing adequate training. Furthermore, savings will be achieved by establishing rosters comprising trained persons (monitors, drivers, enumerators, data personnel, etc.) who can be called in during peak periods to cover short-term needs, instead of keeping those people as regular staff. This measure will also keep overtime for regular staff to a minimum. WFP Armenia will continue using vehicles, furniture and telecommunications/information technology equipment and facilities from previous programmes, thus keeping this expenditure low.
52. The success of FFW/FFT programmes, in particular in the agricultural sector, depends on the availability of financial resources to purchase non-food-items such as tools and construction materials. Expenditure for non-food items will be kept low by using the capacity of partners (international and national NGOs and the Government).
53. Whenever possible, WFP will unload commodities directly from the train wagons to the trucks, thereby saving on storage and handling expenditure. Furthermore, the possibility of procuring food commodities locally will be taken into consideration when cash contributions are donated to the PRRO. WFP is maintaining a list of leading in-country suppliers of wheat flour and vegetable oil, with local prices comparing favourably with WFP prices.



Monitoring and Evaluation

54. The monitoring of the activities and performance of the PRRO continues to be a key issue. Experience shows that low monitoring of WFP activities increases the risk of corruption and reduces the overall impact of food aid. Clear indicators for the objectives will be set and all project monitoring will be streamlined. In addition, the monitoring system will be able to register possible setbacks and make sure that the programme can adapt to changing circumstances and target the most vulnerable (refer to Table 6).
55. WFP and UNICEF will prepare a representative survey of beneficiary households for the nutrition programme. The performance of the programme will be measured against pre-intervention statistics. A household food economy analysis is scheduled to take place in the spring of 2001.
56. After one year of implementation, an evaluation will take place to assess the country's economic and social development, beneficiary targeting and the impact of food aid. Together with other relevant data, the evaluation will provide the necessary elements to determine the performance of the previous year's interventions and guide possible reformulation of and adjustments to the PRRO.



TABLE 8: PRRO PERFORMANCE MONITORING

Monitoring issue	Indicator	Source of information	Responsible individual(s)/organization(s)
Beneficiary selection for relief	➤ Compliance with WFP selection criteria	Info by CAGs, SSGs and PAROS	WFP monitors Members of CAG and SSG IPs
Distribution site	➤ Amount of food distributed, with a breakdown of beneficiaries by gender	Registration cards and lists	WFP monitor IPs
FFW/FFT	<ul style="list-style-type: none"> ➤ Selection process of beneficiaries is transparent (distribution of pamphlets, radio announcements, etc.) ➤ All beneficiaries know their entitlements ➤ Participation in FFW/FFT activities according to WFP gender breakdown ➤ Selection of FFW activities reflects development priorities of women in the community in 50 percent of FFW activities 	Checks in the communities assisted	WFP monitors IPs
Household monitoring	<ul style="list-style-type: none"> ➤ Utilization of WFP food—consumed, sold or traded ➤ Duration of the ration provided, by commodity ➤ Other sources of food ➤ Observation, in the home, of vulnerability level of beneficiary families, specifically those headed by women 	Interviews with female beneficiaries	WFP monitors IPs WFP programme staff
Marketplace	<ul style="list-style-type: none"> ➤ Price of wheat, potatoes, bread, milk, meat, fuel ➤ Variations in bartering practices 	Market price survey Survey of barter practices	WFP monitors Development partners Government (information collection)
IPs	➤ Performance of the IP	Workplans, monitoring and progress reports	WFP monitors WFP programme staff
Storage facilities	➤ WFP warehouse records, location, management	Physical checks	WFP Logistics Unit



Security Measures

57. Armenia borders Turkey to the west, Georgia to the north, Azerbaijan to the east and Iran to the south. Since 1988, serious political tension between Armenia and Azerbaijan over the status of Nagorno-Karabagh has resulted in population movements and a closure of the main trade corridor. Azerbaijan imposed a total blockade in 1991, with Turkey following suit the same year. No trade has taken place across the border with Turkey since April 1993.
58. The blockade imposed by Azerbaijan and Turkey has been exacerbated by civil strife in Georgia, Abkhazia and South Ossetia. This situation occasionally disrupts rail and freight traffic from the North.
59. Recent events, including the membership of both Armenia and Azerbaijan in the Council of Europe and the activity of the Minsk Group, augur well. Despite this and the fact that the latest meetings between the Presidents of Armenia and Azerbaijan have brought some hope for a future settlement and the signing of a peace agreement, the regions bordering Azerbaijan are still insecure for travel by road. The likelihood of direct fire from machine guns, snipers and short-distance artillery remains.
60. Inadequate medical assistance outside of Yerevan can be considered another risk for United Nations staff and others involved in humanitarian efforts. Yerevan is currently rated as Security Phase 2, and all areas outside the city are classified as Phase 3.
61. The preventive and contingency measures to be taken during the current activities will include the installation of high-frequency (HF) and very high-frequency (VHF) equipment in all WFP vehicles, further security awareness training and first aid training.

EXIT STRATEGY

62. The exit strategy of the PRRO is based on the assumption that during the second year of operations, beneficiaries will have gained an adequate productive capacity and a degree of self-sufficiency. This positive development will depend largely on the settlement of the Nagorno-Karabagh issue. At present it is not possible to predict the political developments and their implications for the food security situation of the WFP target group. Therefore, an evaluation is recommended for mid-2002 to determine future steps.

Contingency Mechanism

63. Several inter-agency discussions and independent evaluations, including one conducted by the International Federation of the Red Cross and Red Crescent Societies (IFRC), have identified the following four most likely scenarios:
 - earthquake
 - nuclear accident
 - civil unrest
 - war



64. Although an earthquake is the most likely cause of an emergency, all four scenarios share similar probable results:
- large numbers of displaced or homeless people;
 - a need for temporary accommodation;
 - a need for large quantities of food aid;
 - an increased need for basic medical supplies; and
 - a need for drinking-water supplies.
65. It is important not to view an emergency scenario in Armenia in isolation. All countries in the southern Caucasus region are subject to similar potential disasters. The facilities and resources of all neighbouring states in the region should be considered as potential regional assets. It can be assumed that in the event of a catastrophic humanitarian disaster anywhere in the region, international pressure could result in current embargoes being suspended in order to facilitate and optimize humanitarian aid. WFP food stocks in neighbouring countries could be diverted to Armenia and vice versa. Only recently, the President of Armenia offered assistance to Azerbaijan following an earthquake.
66. Apart from Yerevan, the population of towns in Armenia does not exceed 50,000. It is proposed that the contingency stock be based upon the PRRO take-home relief food ration and be sufficient to feed 40,000 people for three months. This would allow for the possibility of feeding 120,000 people for one month, should the need arise.
67. The PRRO is recommended for approval by the Executive Board within the budget provided in Annexes I and II.



ANNEX I

PROJECT COST BREAKDOWN

	Quantity (tons)	Average cost per ton	Value (dollars)
WFP COSTS			
A. Direct operational costs			
Commodity ¹			
– Iron-fortified wheat flour	51 373	173.59	8 917 839
– Vitamin A- fortified vegetable oil	5 537	678.59	3 757 502
– Lentils/beans	3 585	770	2 760 157
– Sugar	300	230	69 000
Total commodities	60 795		15 504 499
External transport			4 561 437
Landside transport			2 857 357
Subtotal for ITSH			2 492 588
Total LTSH			5 349 946
Other direct operational costs			679 000
Total direct operational costs			26 094 881
B. Direct support costs (see Annex II for details)			
Total direct support costs			2 467 900
TOTAL WFP COSTS			28 562 781

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.



ANNEX II

DIRECT SUPPORT REQUIREMENTS (*dollars*)

Staff	
International Professional staff	263 0000
National Professional officers	216 000
National General Service staff	1 062 400
Temporary assistance	27 000
Overtime	48 500
Incentives	32 000
International consultants	75 000
National consultants	9 000
Staff duty travel	85 000
Staff training and development	50 000
Subtotal	1 867 900
Office expenses and other recurrent costs	
Rental of facility	92 000
Utilities (general)	26 000
Other supplies	29 000
Communication and IT services	128 000
Insurance	34 000
Equipment repair and maintenance	34 000
Vehicle maintenance and running cost	132 000
Other office expenses	20 000
Subtotal	495 000
Equipment and other fixed costs	
Furniture, tools and equipment	12 000
Vehicles	55 000
TC/IT equipment	38 000
Subtotal	105 000
TOTAL DIRECT SUPPORT COSTS	2 467 900



LIST OF ACRONYMS USED IN THE DOCUMENT

ARC	Armenian Red Cross
ASIF	Armenian Social Investment Fund
CAGs	Community Action Groups
CIS	Commonwealth of Independent States
CRS	Catholic Relief Services
EDPs	Extended delivery points
EMOP	Emergency operation
FDPs	Final delivery points
FFT	Food for training
FFW	Food for work
GDP	Gross domestic product
GTZ	German Agency for Technical Cooperation
IFRC	International Federation of the Red Cross and Red Crescent Societies
IMF	International Monetary Fund
IOM	International Organization for Migration
IPs	Implementing partners
LIFDC	Low-income, food-deficit country
MSW	Ministry of Social Welfare
NRC	Norwegian Refugee Council
OSCE	Organization for Security and Cooperation in Europe
PAROS	Government-operated vulnerability assessment system
PRRO	Protracted relief and recovery operation
PRS	Poverty-reduction Strategy
SIDA	Swedish International Development Authority
UMCOR	United Methodist Committee on Relief
UNDP	United Nations Development Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VBS	Vulnerability Benefit System
WHO	World Health Organization

