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PROTRACTED RELIEF AND RECOVERY OPERATION— AZERBAIJAN 6121.00

Relief and recovery assistance for vulnerable groups

Overall number of beneficiaries	485,000
Protracted relief	405,000
Protracted refugees/returnees	50,000
Recovery through food for work and food for training	30,000
Total tonnage	47,880
Protracted relief	39,914
Protracted refugees/returnees	1,216
Recovery through food for work and food for training	6,750
Duration	Three years (1 July 1999 to 30 June 2002)

Cost (United States dollars)

Total cost to WFP	23,152,786
WFP food cost	12,233,023
Total cost	23,152,786

ABSTRACT

The poor economic situation in Azerbaijan, characterized by an inefficient state sector, increasing inflation, limited access to land, minimal means of agricultural production, and high levels of unemployment, has unfortunately not improved substantially since the beginning of WFP's intervention in 1993. The rising malnutrition and mortality rates and worsening health conditions of many, including iodine deficiency causing goitre, stunted growth and miscarriages, all indicate that the conditions of the vulnerable population continue to be precarious. There is lack of income-generating opportunities and expertise in economic development which hampers economic recovery. In addition, the unsettled internal conflict of Nagorno-Karabakh has not permitted the return of internally displaced persons (IDPs).

In collaboration with the Government, the international community and other humanitarian organizations, WFP proposes to assist the vulnerable population with a three-year protracted relief and recovery operation (PRRO) comprising three major components. The first is related to protracted relief with supplementary assistance to IDPs and relief support to socially vulnerable groups. The second component addresses protracted refugees/returnees and their resettlement. The third concentrates on recovery through food-for-work and food-for-training schemes benefiting those who have reached basic levels of food security and are ready for a transition to self-sufficiency, and on the integration of IDPs into their new communities.

A phasing-down strategy is foreseen as the number of beneficiaries will decrease and there will be a shift of the operation towards an increasing number of recovery activities. WFP plans to phase out completely at the end of the three-year period and to hand over to the Government the responsibility for remaining beneficiaries. Nevertheless, the situation will need to be reassessed periodically.

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.

The WFP focal points for this document are:

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CONTEXT AND RATIONALE FOR PROVIDING ASSISTANCE

Crisis context

1. Azerbaijan gained its independence in 1991 in the midst of a military conflict with Armenia initiated in 1989 over the enclave of Nagorno-Karabakh. This conflict resulted in the loss of some 20 percent of its territory and the displacement of 600,000 Azeris, added to the 200,000 previously internally displaced persons (IDPs). Azerbaijan has one of the highest proportion of IDPs in the world, at 10 percent of its population (7.9 million). The conflict has now reached a no-war, no-peace situation. In spite of the peace negotiations through the Organization for Security and Co-operation in Europe (OSCE), there is little hope for a peaceful settlement in the near future.
2. Azerbaijan inherited a centralized economic base from the former Soviet Union which was its main trade partner. Prior to its independence, the basis for trade was mostly barter rather than monetary exchange. Little economic expertise was developed in-country and no independent industrial base flourished. The transition to a market economy did not materialize. Expected oil and gas revenues have largely remained much lower than expected owing to outdated equipment, low production and plummeting world prices. The current industrial production is at a fraction of its previous output.
3. The gross domestic product (GDP) declined at an annual rate of over 20 percent between 1992 and 1994, and of 17 percent in 1995. Inflation reached a peak rate of 1,700 percent in 1994. The GDP was at 510 United States dollars in 1997. The World Bank 1995 Poverty Survey showed 61 percent of the households to be poor and 22 percent to be very poor. Tight fiscal and monetary policies and reforms have been introduced by the World Bank and the International Monetary Fund (IMF). The World Bank currently classifies Azerbaijan as a low-income country. FAO classifies it as a low-income, food-deficit country.
4. The collapse of the rouble in 1998 has further affected the country's economy due to its continued economic dependency on Russia. This has translated into a decline in economic transactions and the return to Azerbaijan of part of the labour force, thus increasing unemployment. The unofficial unemployment rate is estimated at 25 percent. The additional pressure on fewer job opportunities has affected the gender balance in unemployment, since more women than men were pushed out of the work force.
5. The state welfare system was once very generous with wide protection but limited government revenues have all but halted social welfare payments. Welfare benefits for IDPs are minimal, and practically non-existent for the local population.

Situation analysis

6. The country's annual cereal requirement is around 1.5 million tons. Human consumption needs are just over one million tons and animal feed requirements are around 500,000 tons. FAO/Global Information Early Warning System (GIEWS) estimated the cereal production of 1998 at one million tons, which is slightly below the 1997 output of 1.14 million tons. It also estimates the commercial cereal imports of the marketing year 1998/99 at 520,000 tons. Although it looks as if cereal requirements are



well covered through local production and imports, it should be noted that the quality of the cereal production is such that a substantial part goes for animal feed. In addition, both locally produced and imported cereal are quite expensive for the poor segments of the population.

7. The land is state-owned and only some plots have been allocated for subsistence agriculture. Saline lowlands are found in the south and irrigation is needed for 80 percent of the agricultural land. Little arable land is available for agriculture as the lost territory forms 70 percent of the fertile land of the country. Hyper-inflation and an inefficient credit system have contributed to the accumulation of high debts and the impoverishment of farmers.
8. Various nutrition surveys conducted from 1996 to 1998 reflect the difficulties faced by vulnerable groups to secure their minimal food requirements. Between 1996 and 1998, the global malnutrition rate among children aged 6 to 59 months further deteriorated from 25 to 30 percent, while that of the elderly stands at around 12 percent. UNFPA's Country Population Assessment Report of 1998 states that in that same period per capita calorie consumption has declined by 21 percent and protein consumption in the average daily diet by 23 percent. A survey conducted late 1998/early 1999 by Médecins du Monde (MDM) Greece revealed that there was a severe iodine deficiency among the people of Azerbaijan and the IDP population, resulting in widespread goitre, stunted growth among children and miscarriages among expectant mothers.
9. Public health services witnessed a sharp decline in government expenses, as a share of the GDP, to reach in 1996 only 17 percent of the figure of 1991. This resulted in lack of access to medicines and medical treatment. At the household level, a poverty survey carried out by WFP end of 1998/early 1999 showed that half of the sickness cases did not seek treatment because of financial constraints. The UNDP Human Development Report of 1998 refers to the high level of infant mortality as an issue of concern in Azerbaijan, pointing out that high rates are characteristic of widespread poverty.
10. The assistance rendered by national and international humanitarian agencies has helped relieve the suffering of the most needy of food, health and shelter. WFP started an emergency operation in Azerbaijan at the end of 1993, covering IDPs and other vulnerable groups. WFP's current assistance will end in June 1999 and will have amounted to some 52,000 tons, at a value of 33 million dollars to cover 215,000 beneficiaries. Other main humanitarian agencies, Adventist Development and Relief Agency (ADRA) and the International Federation of the Red Cross and Red Crescent Societies (IFRC) which work only in rural areas, are covering around 100,000 IDPs and 280,000 vulnerable people such as female-headed households, expectant and nursing mothers, pensioners living alone, severely handicapped people and large families.
11. In addition, WFP is involved in a number of pilot food-for-work (FFW) projects with UNICEF covering psycho-social rehabilitation of children affected by the military conflict, school reconstruction and rehabilitation projects for IDPs with Relief International and ADRA and food-for-training (FFT) projects with Relief International in courses for community health promoters and basic medical courses. The total number of beneficiaries reached through these projects is 6,000.



GOVERNMENT RECOVERY POLICIES AND PROGRAMMES

12. The Government's policy is mainly to help IDPs and other vulnerable groups improve their living conditions and become self-reliant. The Government is in the process of privatizing several state institutions and is allocating land for cultivation to the population. It is anticipated that some displaced families might get plots of land to enhance their food security.
13. The Government has initiated a repatriation project with the goal of resettling IDPs, on a voluntary basis, to their home villages. The project will cost 115 million dollars and has received the support of key agencies such as the World Bank, UNDP, UNHCR and the European Union. In the framework of this global project, UNHCR has launched a pilot project to rehabilitate shelters for 10,000 IDPs in the districts of Fizuli, Agdam and Terter. WFP contributes to the project by assisting the returnees with food aid. For those IDPs who will not benefit from the repatriation project and are living in poor shelters (such as rail wagons), the Government plans to integrate them into the local communities.
14. The Government of Azerbaijan has recently recognized the need for gender equity in decision-making. A Presidential Decree was issued in January 1998 to improve the status of women and to establish the State Committee on Women's Problems, as reported in the Mid-Term Review of WFP's Commitments to Women.

Rationale

15. In spite of the slow improvement of the overall situation and the previous assistance from various national and international organizations, Azerbaijan is not yet fully capable of coping with all of the problems described earlier. The conflict has left a large displaced population to be partly resettled and partly integrated. The poor economic situation, characterized by inefficient state sector, increasing inflation, limited access to land and minimal agricultural production means, and a high level of unemployment, especially for women, have hindered poor vulnerable segments of the population from achieving food self-sufficiency. The rising malnutrition rates, worsening health conditions of many, high mortality rates and iodine deficiency causing goitre, stunted growth and miscarriages, all indicate that the conditions of the vulnerable population continue to be precarious. There is a lack of proper expertise in economic training and small business operation as well as a lack of income-generating opportunities.
16. Both the Government and WFP have already contributed greatly to alleviating these problems through joint interventions. Currently, the Government's priority is to encourage self-sufficiency and long-term solutions for the poor population through the privatization of institutions and by privately allocating land for cultivation. In addition, a repatriation project has been prepared for implementation. It is expected that the situation will make it possible for most of the current beneficiaries to become self-sufficient within the next three years. WFP, in collaboration with the Government, plans to transfer the responsibility for the remaining beneficiaries to the Government under its national welfare system. By mid-2002, the economy and the fiscal situation are expected to have improved sufficiently for the Government to finance such a system.



RECOVERY STRATEGY

Beneficiary needs

17. The sharp increase in prices following the shift from a state economy to a market one while keeping the same rates of income eventually reflected on the diet of the majority of the population. The share spent on food by households has progressively risen from about 53 percent of their income in 1990 to over 75 percent in 1997. The value of the minimal per capita food basket needed to meet energy, protein and fat requirements is estimated at 53,000 manat per month (13.7 dollars), compared to the average government monthly salaries of 15 to 20 dollars.
18. In 1998 WFP conducted a food economy survey among its beneficiaries. The survey showed that half of them are not able to meet their basic food needs at varying levels and that they rely on four sources of revenue in different proportions: the Government at 43 percent in the form of salaries/pensions and allowances; the household at 27 percent deriving mainly from keeping livestock, cultivation, casual labour, and small business; WFP at 24 percent; and the NGOs through micro-credit schemes, at 6 percent. In addition, the survey showed that women managed food aid in most households and that they received it directly in one third of them. Also, women managed the budget in 25 percent of the cases. Finally, 60 percent of the single-parent households were headed by women.
19. The main factors hindering self-sufficiency at the household level are many. The inputs for cultivation are too expensive, job opportunities are limited and expertise is lacking to run private businesses.

Role of food aid

20. Food aid is appropriate because of the lack of sufficient purchasing power in large segments of the population to meet basic food requirements. Also, food aid allows households and institutions to spend a larger part of their limited budget on basic health requirements, necessary medical treatments and other expenses such as purchasing agricultural inputs and covering heating costs. Food aid will be an incentive for IDPs' resettlement and integration.
21. Increasingly, food aid will be used to trigger self-sufficiency through FFW and FFT activities. These will create opportunities, including a specific commitment to women's empowerment, through income-generation activities, increased agricultural production and basic training in small business operations, upgrading of skills, and gender awareness.

Intervention approaches

22. Firstly, WFP proposes a relief programme in collaboration with the international donor community and NGOs, and in agreement with government policies, to assist the Government through free food distributions to IDPs and the vulnerable population, including expectant mothers and institution dwellers.
23. Secondly, assistance will be provided to returnees. The areas of implementation for the resettlement project are shelter, de-mining, agriculture and irrigation, income-generation activities, health, education, transport and communication, energy, and water supply.



Several aid agencies are working on introducing income-generation opportunities to help the returnees become self-sufficient, and food aid is considered an integral part of the overall package under the resettlement programme.

24. Thirdly, assistance will be provided through FFW activities in agriculture projects, mostly through irrigation schemes, agro-forestry, social and economic infrastructure, and small business opportunities to create jobs and reduce the unemployment rate for women. An FAO Special Programme for Food Security (SPFS) will be initiated in 1999 with the overall objective of increasing food production in the country and eradicating food insecurity at the national and household levels. WFP will contribute to pilot projects through FFW activities by introducing new methods of cultivation and other water control activities. Also, FFT activities will offer training to upgrade skills and enhance economic self-sufficiency. The geographical concentration will be in rural areas and target the most vulnerable groups.
25. In relation to the above, the findings of the data analysis to be carried out under capacity-building and currently funded by the Gender Action Fund (GAF) will provide guidance to improve targeting of FFW activities to projects specifically designed for women.
26. Improved targeting and selection of beneficiaries will translate into ever decreasing numbers. The tonnage for free distribution will decrease by an average of 25 percent a year, while that for recovery activities will treble through the duration of the operation. The overall number of beneficiaries will be reduced by almost half during the third year compared to the first one, placing greater emphasis on recovery activities. Food provided for FFW and FFT activities will then have reached almost 30 percent of the total. It is expected that WFP's intervention will be phased down and out within three years. The responsibility for the remaining food aid beneficiaries will be handed over to the Government.

RISK ASSESSMENT

27. Given the no-war, no-peace stalemate, the military conflict with Armenia could escalate at any time, causing more instability and insecurity. Greater numbers of casualties and IDPs might require more relief assistance. Increased insecurity could limit access by humanitarian staff to affected populations to conduct needs assessments and/or to provide services. In addition to creating new groups of beneficiaries requiring relief aid, such conflict could have a negative impact on the overall security situation. Success factors in achieving the recovery goals of the PRRO depend on the political and economic stability in the country and the region.
28. Success in achieving the goals of this PRRO depends mainly on the political and economic stability in the country. Other factors include the capacity of other humanitarian organizations in implementing their plans which have an impact on WFP beneficiaries, and the Government's inputs in the projects of repatriation and resettlement especially in terms of land allocation. The economic situation in the region might also affect the implementation of the PRRO.



GOALS AND OBJECTIVES

29. The goals of this PRRO are in line with the Government's policy and are meant to help the most needy among the IDPs and vulnerable groups to ensure that minimal food security is reached and that self-reliance is encouraged.
30. The specific objectives to achieve the above goals are to:
- a) contribute to improving food security among IDPs and vulnerable groups;
 - b) encourage voluntary resettlement of returnees in their places of origin;
 - c) encourage integration of IDPs in their communities; and
 - d) increase opportunities for beneficiaries to become self-reliant.

IMPLEMENTATION PLAN BY COMPONENT

Key programme components

31. The PRRO will comprise three major components. The first is related to **protracted relief** with supplementary assistance to IDPs and relief support to socially vulnerable groups. The second component addresses **protracted refugees/returnees** and their resettlement. The third concentrates on **recovery** through FFW and FFT schemes benefiting those who have reached basic food security levels allowing for a transition to self-sufficiency or IDPs' integration into their new communities.

Beneficiaries, needs and the food basket

Protracted relief

32. **Beneficiaries.** Around 60 percent of the beneficiaries will be women. It is planned that the number of IDPs will start at 200,000 and end at 70,000, with a sharper decrease down to 120,000 during the second year. These reductions will be possible following the implementation of FFW and FFT activities as described below. The number of vulnerable people will remain stable at 5,000 a year as a careful targeting exercise was already completed previously, thus leading to a reduced number. Most, but not all, of these beneficiaries live in institutions and will receive food aid to meet their minimum nutritional requirements.
33. **Needs.** The IDPs and the vulnerable population will receive a food ration providing the full daily energy requirement for a period of 365 days. The total food requirements for the three years of the PRRO are calculated at 39,914 tons.

Protracted refugees/returnees

34. **Beneficiaries.** The government has launched a two-year resettlement project for more than 35,000 IDPs. It is expected that more IDPs will need to be resettled and that this project will continue and increase its scope. Women will constitute 51 percent of the beneficiaries. The project is based on voluntary returns. Very few have been resettled and it is foreseen that many of the IDPs will be resettled during the second phase of the resettlement project. WFP will cover the returnees for an average of 90 days in any one



year during this transitional period. The total number of resettled beneficiaries is estimated at 5,000 during the first year, 15,000 during the second and 30,000 during the third.

35. **Needs.** Since the returnees and the integrated IDPs will need some time to establish themselves in the new areas and to compensate for the coping mechanisms they previously had, they will receive a food basket providing the full daily energy requirement for a period of 90 days, or half over 180 days. The total food requirement is 1,216 tons.

Recovery

36. **Beneficiaries.** During the first year of the PRRO, WFP will explore various possibilities to use food aid as an incentive in exchange for labour contribution through FFW and FFT recovery activities in agriculture, agro-forestry, and social and economic infrastructure at the community and household levels. WFP plans to assist some 5,000 beneficiaries including those in camps in the first year, 10,000 in the second and 15,000 in the third. It is expected that 65 percent of beneficiaries will be women. Recovery activities will aim at enabling the previously displaced households to resume productive agricultural and other livelihood activities upon acquiring land, thereby enhancing their food security and living conditions.
37. **Needs.** The FFW and FFT ration will provide the family with the full daily energy requirement for 90 days. However, WFP may need to adjust the ration depending on the type of work and the efforts needed. The total food requirement is 6,750 tons.
38. **Overall food basket.** For all three components, the food basket will take into account nutritional factors and cultural habits to the extent possible. It will consist of wheat flour, pulses, vegetable oil, sugar and salt. It has been ascertained that yellow split peas are much preferred by the beneficiary population. Wheat flour will be fortified with iron, and vegetable oil with vitamin A. Also, it is recommended to add iodized salt to the food basket. In order to be consistent with the current basket and to continue making the food ration appealing to beneficiaries, it is planned to include a daily family tea ration of 25 grams (five times the individual ration) for FFW activities. Table 1 gives details on beneficiaries, rations and food requirements.

TABLE 1: BREAKDOWN OF BENEFICIARIES, RATIONS AND FOOD REQUIREMENTS

Beneficiary type	No. of days	Commodity (grams/person/day)					
		Wheat flour	Pulses	Vegetable oil	Sugar	Salt	Tea
IDPs	365	200	30	20	15	5	
Vulnerable groups	365	200	30	20	15	5	
Returnees	90	200	30	20	15	5	
FFW and FFT (family ration x 5)	90	400	60	20	10	5	5



FIRST YEAR: BENEFICIARIES AND FOOD REQUIREMENTS (IN TONS)

Beneficiary type	No. of beneficiaries	Commodity (grams/person/day)						Total
		Wheat flour	Pulses	Vegetable oil	Sugar	Salt	Tea	
IDPs	200 000	14 600	2 190.00	1 460.00	1 095.00	365.00	0	19 710
Vulnerable groups	5 000	365	54.75	36.50	27.37	9.13	0	493
Returnees	5 000	90	13.50	9.00	6.75	2.25	0	122
FFW and FFT	5 000	900	135.00	45.00	22.50	11.25	11.25	1 125
Total	215 000	15 955	2 393	1 551	1 152	388	11	21 450

SECOND YEAR: BENEFICIARIES AND FOOD REQUIREMENTS (IN TONS)

Beneficiary type	No. of beneficiaries	Commodity (grams/person/day)						Total
		Wheat flour	Pulses	Vegetable oil	Sugar	Salt	Tea	
IDPs	120 000	8 760	1 314.00	876.00	657.00	219.00	0	11 826
Vulnerable groups	5 000	365	54.75	36.50	27.37	9.12	0	493
Returnees	15 000	270	40.50	27.00	20.25	6.75	0	365
FFW and FFT	10 000	1 800	270.00	90.00	45.00	22.50	22.5	2 250
Total	150 000	11 195	1 679	1 030	750	257	23	14 934

THIRD YEAR: BENEFICIARIES AND FOOD REQUIREMENTS (IN TONS)

Beneficiary type	No. of beneficiaries	Commodity (grams/person/day)						Total
		Wheat flour	Pulses	Vegetable oil	Sugar	Salt	Tea	
IDPs	70 000	5 110	766.50	511.00	383.25	127.75	0	6 899
Vulnerable groups	5 000	365	54.75	36.50	27.37	9.13	0	493
Returnees	30 000	540	81.00	54.00	40.50	13.50	0	729
FFW and FFT	15 000	2 700	405.00	135.00	67.50	33.75	33.75	3 375
Total	120 000	8 715	1 307.00	737.00	519.00	184.00	34.00	11 496
Total food required for PRRO		35 865	5 379	3 318	2 421	829	68	47 880



Selection of activities

39. The activities and components listed below will contribute to achieving the objectives stated previously.

Protracted relief

- take-home rations for vulnerable IDPs
- distribution through communities and associations to vulnerable people
- assistance to expectant mothers
- institutional feeding programmes

Protracted refugees/returnees

- rehabilitation of shelters in the districts of Fizuli, Agdam and Terter
- food rations in support of resettlement programmes for over 50,000 returnees

Recovery

- provision of temporary food assistance to newly-integrated IDPs
- reduction of unemployment rates, particularly of women, through income-generating activities
- initiation of women-specific FFW activities
- empowerment of women through FFT activities
- food contribution to FAO's SPFS pilot project to introduce new methods of cultivation and other water control activities
- food supply to conflict-traumatized children assisted by UNICEF's psycho-social rehabilitation programme
- contribution to Relief International and ADRA's school reconstruction programme
- food allocation to Relief International's FFT for community health promoters and basic medical training programmes
- provision of non-food items to support land privatization with agricultural tools and other agricultural inputs
- provision of non-food items needed to start small businesses

Activity approval mechanism

40. Food aid will be distributed to IDPs and vulnerable groups as well as to institutions where local authorities, NGOs, sister United Nations agencies or private groups can provide support and adequate assurances of operational responsibility.

41. Implementation of rehabilitation and recovery activities will be guided by the criteria of effectiveness and efficiency, with a focus on realistic planning and design throughout the PRRO's duration. Activity proposals will be scrutinized by the country office and its implementing partners with a focus on the following criteria:

- a) role of food aid;



- b) technical and logistical feasibility;
- c) targeting of beneficiaries;
- d) creation of assets and their primary beneficiaries;
- e) involvement of women in identification, planning, implementation and management;
- f) community and counterpart contribution;
- g) environmental risks; and
- h) suitable management.

Institutional arrangements and selection of partners

42. WFP has assumed and successfully plays an overall food aid coordination role. It has introduced a system to allocate areas for food distribution to various relief agencies, to standardize the food basket, and to compile and disseminate reports in order to avoid duplication.
43. WFP implements its projects through major international and national NGOs such as World Vision International, ADRA, Relief International, Équilibre and CARE. It will continue this implementation policy with NGOs deemed to have adequate managerial and financial potential. Collaboration with United Nations agencies and government authorities will be pursued to ensure that limited resources are put to work to complement each other and maximize the impact of WFP-assisted activities.
44. A Letter of Understanding (LOU) covering the period of the PRRO and including a description of activities will be signed with the Government. In order to ensure that the activities supported by WFP are socially, technically, environmentally and economically viable and that they conform to the Government's Global Plan, regular meetings and consultations will be held with WFP's main government counterparts, namely the Office of the Deputy Prime Minister in charge of Humanitarian Affairs, NGOs and United Nations agencies.

Capacity-building

45. Capacity-building of national staff/counterparts, implementing partners, local authorities and the community will remain an important factor. The strengthening of implementing partners' capacity to manage food aid will continue. Also, emphasis will be put on their capacity to generate gender-disaggregated data. The country office will give on-the-job training to its staff and that of the implementing partners involving them with various ongoing workshops. WFP will disseminate its policies and strategies at the local administration level. Beneficiaries will be involved in food distributions, project planning and management. The capacity-building will focus on programming of relief and recovery activities, project planning, monitoring and evaluation, taking into account WFP's Commitments to Women.
46. WFP received 5,000 dollars from the 1999 Gender Action Fund to be used for data analysis of the IDP survey conducted by the Government's Gender in Development Unit, whose mandate is to improve the conditions of women and IDPs. These funds will contribute to the production of a final report. It is anticipated that the findings will help the Government to identify key problems faced by displaced women and will offer



material for guiding WFP and several NGOs in planning women-specific projects. FFT activities will further contribute to enhancing the empowerment of women.

47. WFP will continue to seek avenues to increase women's participation in food planning, management and distribution. The Mid-Term Review of WFP's Commitments to Women outlines the achievements made so far. WFP will continue to stress its Commitments to Women explicitly in formal agreements with implementing partners and achievements will be monitored regularly. WFP Azerbaijan will continue to sensitize staff and partners on the need for an impact-oriented, gender-focused approach to food assistance. This continued and increased gender sensitivity will help focus attention on efforts to achieve gender balance and further contribute to achieving WFP's Commitments to Women.

Logistics arrangements

48. The previous relief operation included logistics for all three Caucasus republics. The initial WFP response was to identify actual and potential corridors through which relief food aid could flow. Ultimately, geopolitical factors narrowed down the choice and determined two main corridors for WFP's logistics operation, from Iran (Astara) by road and rail, and from the Georgian ports of Batumi and Poti by rail and road. Georgia is the most common channel used with onward raiting to WFP extended delivery points (EDPs) in Azerbaijan. These EDPs are located in Mingechevir (300 km north-west of Baku with a 4,000-ton capacity), Imishli (240 km south-west of Baku with a 4,000-ton capacity) and Masalli (240 km south of Baku with a 1,000-ton capacity). These arrangements will be adequate for WFP's future projected needs.
49. Deliveries to final distribution points are by road on the day of distribution. WFP covers all its beneficiaries from three EDPs. The main criterion in positioning the EDPs was to achieve the most cost-effective and logistically practical delivery operation while keeping beneficiary travel distances minimal and maximizing accessibility.
50. Food is distributed bi-monthly. Distribution teams consist of food monitors registering all beneficiaries and distributors handing out food rations. In order to speed up the food distribution process, rations are handed out straight from the truck using special containers which clearly indicate monthly rations for the food basket. Truckloads are such as to ensure that all food is completely distributed to avoid restorage.
51. Beneficiaries are registered on commodity/beneficiary control cards with information on family members, the amount received and the date. Once a control card is issued to the beneficiary, his/her passport is stamped in order to avoid double counting from other food assistance programmes.

Monitoring

52. WFP will regularly monitor progress through field visits, data collection and analysis. Reports will provide information on actual achievements compared to planned ones and corrective measures will be suggested when needed. Any drawbacks will be substantiated with relevant data and explanation. Periodic monitoring will focus on the following indicators:
- food tonnage
 - beneficiary numbers



- beneficiary selection criteria
 - prescribed food ration, food basket and acceptability of commodities
 - storage, delivery flow and other logistics arrangements
 - distribution system efficiency at the final distribution points
 - 60 percent of relief distribution beneficiaries should be women
 - share of household budget spent on food (over 75 percent in 1997)
 - malnutrition rates
 - number of expectant mothers receiving food
 - number of elderly people and sick children receiving food
 - number of returnees being resettled receiving food
 - 51 percent of the resettlement programme beneficiaries should be women
 - number of IDPs with access to income-generating activities (level of integration)
 - percentage of IDPs in FFW and FFT activities
 - food tonnage for FFW and FFT activities
 - food tonnage for free distribution
 - unemployment rate by gender during the life of the PRRO
 - 65 percent of the recovery participants in FFW and FFT activities should be women
 - percentage of FFW activities related to the introduction of new methods of cultivation and other water control activities
 - number of women-specific FFW activities
 - percentage of FFW activities related to land tenure
 - percentage of FFT activities directly related to women's empowerment
 - overall beneficiary coping mechanisms
53. The security situation, economic developments, food production and market prices will also be monitored. WFP will maintain a database on its beneficiaries by gender, age and areas of displacement and residence. It will use this database and make it available to other organizations to avoid duplication. Losses, storage, transport and cost-effectiveness will receive due attention.

Security measures

54. The security situation is not expected to change drastically except for some social disturbances resulting from the population's social and economic hardship. The military conflict has stabilized and is not expected to cause security problems unless it escalates again. Basic security measures for the office and equipment, staff residences and resources will be undertaken as needed.



EXIT STRATEGY

55. WFP Azerbaijan currently plans for a phasing-out strategy that hands over to the Government responsibility for the beneficiaries remaining at the end of the three-year period. This implies that the Government's capacity to cater for its social cases will increase. There might be a need for extending WFP's intervention for a further period in order for withdrawal to coincide with the increased revenues foreseen from the oil reserves and/or an improved economy partly dependent on a negotiated solution to the conflict over the Nagorno-Karabakh enclave. Prior to the completion of the current PRRO in 2002, the situation and the food aid needs will be reviewed.

Contingency mechanism

56. The military conflict could escalate again, causing new population movements into or within the country; the economy could deteriorate or natural and man-made disasters could trigger the need for a contingency mechanism. 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 shifting of activities.

BUDGET PROPOSAL AND INPUT REQUIREMENTS

57. The PRRO covers a three-year period, starting in July 1999. The total resource requirement is 47,880 tons of food commodities with a total food cost of 12,233,023 dollars. The total budget for the PRRO amounts to 23,152,786 dollars. Budget details are provided in Annexes I and II.

RECOMMENDATION OF THE EXECUTIVE DIRECTOR

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



ANNEX I

PROJECT COST BREAKDOWN

	Quantity (tons)	Average cost per ton	Value (dollars)
WFP COSTS			
A. Direct operational costs			
Commodity ¹			
– Wheat flour (iron-fortified)	35 865	199	7 153 918
– Pulses (yellow split peas)	5 379	287	1 545 120
– Vegetable oil (vitamin A-fortified)	3 318	804	2 668 500
– Sugar	2 421	280	677 880
– Iodized salt	829	125	103 625
– Tea	68	1 235	83 980
Total commodities	47 880		12 233 023
External transport and superintendence	96		4 607 971
LTSH			
a) Landslide transport	96		1 436 400
b) ITSH	30		1 436 400
B. Direct support costs (see Annex II for details)			1 904 100
Total direct costs			21 617 914
C. Indirect support costs (7.1 percent of total direct costs)			1 534 872
TOTAL WFP COSTS			23 152 786

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)	Total value (cost) (dollars)
Component 1: Protracted relief			
Wheat flour (iron fortified)	29 565	199	5 897 242
Pulses (yellow split peas)	4 435	287	1 273 882
Vegetable oil (vitamin A fortified)	2 957	804	2 377 736
Sugar	2 217	280	620 865
Iodized salt	739	125	92 391
Tea	0	1 235	0
Total commodities	39 914		10 262 115
Total beneficiaries	405 000		
Component 2: Protracted refugee			
Wheat flour (iron fortified)	900	199	179 520
Pulses (yellow split peas)	135	287	38 779
Vegetable oil (vitamin A fortified)	90	804	72 382
Sugar	68	280	18 900
Iodized salt	23	125	2 813
Tea	0	1 235	0
Total commodities	1 216		312 393
Total beneficiaries	50 000		
Component 3: Recovery			
Wheat flour (iron fortified)	5 400	199	1 077 122
Pulses (yellow split peas)	810	287	232 673
Vegetable oil (vitamin A fortified)	270	804	217 145
Sugar	135	280	37 800
Iodized salt	68	125	8 438
Tea	68	1 235	83 363
Total commodities	6 750		1 656 539
Total beneficiaries	30 000		



ANNEX II

DIRECT SUPPORT REQUIREMENTS (dollars)
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Staff costs	
International	729 000
National professional officers	60 000
International consultants and SSA	12 000
Local staff and temporaries	320 800
Subtotal	1 121 800
Technical support services	
Project appraisal	20 000
Evaluation	40 000
Subtotal	60 000
Security measures	19 000
Travel and DSA	
International	18 500
In-country	19 900
Subtotal	38 400
Office expenses	
Utilities	10 800
Communications	72 000
Office supplies	10 800
Equipment repair and maintenance	10 800
Subtotal	104 400
Vehicle operation	
Maintenance	6 000
Fuel	21 000
Subtotal	27 000
Equipment	
Communications equipment	6 000
Computer equipment	12 000
Furniture	9 000
Subtotal	27 000
Non-food items	
Other (agricultural, vocational inputs and transportation)	400 000
Subtotal	400 000
Other	
Field staff training	13 500
Rest and recuperation expenses	75 000
Miscellaneous /Contingencies	18 000
Subtotal	106 500
TOTAL DIRECT SUPPORT COSTS	1 904 100

