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de Alimentos

**Executive Board  
First Regular Session**

**Rome, 20–23 February 2006**

## **PROJECTS FOR EXECUTIVE BOARD APPROVAL**

**Agenda item 8**

*For approval*



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## **PROTRACTED RELIEF AND RECOVERY OPERATION— DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA 10488.0**

### **Recovery Assistance for Vulnerable Groups in the Democratic People's Republic of Korea**

Number of beneficiaries	1.9 million
Duration of project	2 years (1 April 2006–31 March 2008)
WFP food tonnage	150,000 mt
<b>Cost (United States dollars)</b>	
WFP food cost	70,958,630
Total cost to WFP	102,234,252

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## NOTE TO THE EXECUTIVE BOARD

**This document is submitted to the Executive Board for approval.**

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.

Regional Director, ODB:                      Mr A. Banbury                      tel.: 066513-2505

Senior Liaison Officer, ODB:                      Ms S. Izzi                      tel.: 066513-2207

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).



## EXECUTIVE SUMMARY

The Democratic People's Republic of Korea is still suffering from food shortages resulting from an unfavourable agricultural situation, general economic decline, environmental problems and natural disasters. Overall food security has improved steadily since the famine in the 1990s, but the country still depends on external aid to meet the needs of its population of 23 million. WFP estimates that the country will have a food gap of 150,000-350,000 mt for the 2005/06 marketing year, despite increased domestic agricultural production and substantial bilateral assistance.

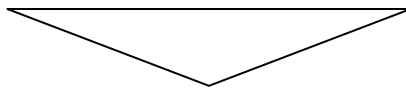
The people most affected by the food shortages, mainly urban residents in areas of low industrial activity, are those who rely on the Government's public distribution system as their main source of staple cereals. Following years of reduced rations, the system was revived in October 2005 to supply rations of 500 g per person per day. Results are uneven, however, according to WFP's monitoring of implementation of the new policy: various constraints have led to marked variations in rations distributed, reflecting regional differences between areas with cereal surpluses and areas with cereal deficits and between easily accessible and remote regions.

Despite improvements in nutritional status, malnutrition rates remain high by World Health Organization standards. The national nutritional assessment conducted in October 2004 by the Government, the United Nations Children's Fund and WFP revealed that 37 percent of children under 6 were stunted, 23 percent were underweight and 7 percent were wasted. One third of mothers with small children were malnourished and anaemic. Lack of diversity in the diet, which is deficient in protein, fats, minerals and vitamins, suggests a continued need for interventions designed to provide micronutrient-fortified foods for nutritionally vulnerable groups such as women and children.

In August 2005, the Government announced its desire to end international humanitarian assistance and requested WFP to shift to development activities. WFP had previously implemented a series of emergency operations targeting young children in institutions, pregnant and lactating women and urban populations through food for work, school feeding and local food production. This protracted relief and recovery operation, which draws on experience gained through the emergency operations, aims to provide transitional assistance for the Government's strategy for recovery and to move towards long-term food security; 150,000 mt of food valued at US\$102.2 million will be provided for 1.9 million beneficiaries through activities centred on nutritional enhancement through mother-and-child health programmes and local food production, educational development through school feeding and asset creation through food-for-community-development projects.



## DRAFT DECISION\*



The Board approves PRRO Democratic People's Republic of Korea 10488.0 "Recovery Assistance for Vulnerable Groups in the Democratic People's Republic of Korea" (WFP/EB.1/2006/8/3).

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\* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.



## SITUATION ANALYSIS AND SCENARIOS

### The Overall Context

1. The post-1953 rebuilding of the Democratic People's Republic of Korea (DPRK) resulted in a country with an industrial base in which 60 percent of the population worked in non-agricultural sectors. Steps were taken to improve economic and social conditions, but in the late 1980s and early 1990s these trends were halted by discontinuation of advantageous economic arrangements with the Soviet Union, demands by the Russian Federation and China for payment in convertible currency and economic disengagement from former allies.
2. A series of natural disasters in 1995–1996, environmental problems and a declining agricultural base mean that DPRK is unable to meet the population's basic food needs. Large amounts of food aid and humanitarian assistance have been delivered, but if food production and supply are to be improved, the decline in economic production and food security will have to be reversed. Unsustainable land use such as large-scale deforestation and farming on sloping land has led to soil erosion and decreasing agricultural productivity on the country's limited arable land.
3. The transport, mining and agriculture sectors are among those suffering severe medium-term declines: coal production has fallen to levels prevailing in the late 1970s and electricity production is lower than it was in the early 1980s. Despite recent marginal improvements, there are still difficulties in maintaining public infrastructures such as roads, electricity and water and sanitation facilities. Hospitals lack medicines, heating fuel, equipment and food. The agriculture sector is constrained by lack of quality seeds, fertilizer, fuel and spare parts.
4. Urban workers have been severely affected by the country's economic difficulties: many factories have reduced production targets or closed, leaving workers with little or no income. During agricultural lean periods, attendance falls at educational institutions in towns as many families leave for extended visits to relatives in rural areas where access to food is better.
5. The public distribution system (PDS) was revived in October 2005 to supply an average ration of 500 g of cereal per person per day – double the 2004 level of 200–250g, which was about 50 percent of the daily requirement. But logistical, administrative and other constraints have prevented this goal from being met in many counties; shortages and household food insecurity are expected to continue.

### The Food Security and Nutrition Situation

#### ⇒ *Agriculture and Food Security*

6. For ten years, WFP and the Food and Agriculture Organization of the United Nations (FAO) have been jointly conducting crop and food supply assessment missions (CFSAMs). In 2005, the Government declined a CFSAM, and WFP sought to gather information on the national food situation from a variety of sources, including its own field monitoring.
7. Estimates of cereal production for the November 2005/October 2006 consumption year range from 4.2 million mt by the United States Department of Agriculture (USDA) to 4.5 million mt by FAO. WFP and FAO estimate demand at 5.3 million mt, including post-harvest losses, industrial uses and livestock uses; the Republic of Korea estimates



demand for food at 6 million mt. Bilateral assistance for the November 2005/October 2006 marketing year is expected to be 750,000 mt, mainly from the Republic of Korea and China. WFP, which currently estimates that DPRK will face a national deficit of 150,000-350,000 mt, will continue working with the Government and other sources to obtain more accurate figures once the 2005 harvest figures have been finalized.

8. A household food security analysis conducted by WFP in 2004 confirmed that people dependent on PDS would be more food-insecure than cooperative farmers. There are also marked regional differences among those dependent on PDS: people living in rural areas have better access to kitchen gardens and animals than those in towns. Other factors affecting household food security include age, occupation, access to productive land and ability to develop coping mechanisms.
9. The recent revival of PDS is improving households' access to food, but delays and shortages in distributions suggest that food gaps at the household level will persist, particularly in remote areas, some towns, and regions with low agricultural production. Households in these areas will attempt to fill these gaps as before through market purchases, foraging, own production and assistance from relatives. WFP estimates that despite these efforts, the most vulnerable groups will continue to face significant food shortages.

#### ⇒ *Nutrition*

10. Malnutrition rates among children — an alarming 62 percent were malnourished in the mid-1990s — have stabilized in recent years to about 23 percent underweight in 2004. Malnutrition among mothers is currently down to about one third, but in the last few years progress in this area seems to have stalled. The years of extremely high rates of malnutrition seem to have passed, but the current situation remains critical and requires further intervention.
11. The 2004 National Nutrition Assessment (NNA) showed regional patterns of vulnerability, with people in the north being more food-insecure than those in the south; populations in remote mountainous areas were deemed more at-risk than those in the lowlands.
12. People's diet is generally poor, particularly in winter when access to fruit and vegetables is limited. WFP has been the main source of oil for the most vulnerable families. Protein sources are often of poor quality, and availability is limited.

#### ⇒ *Scenarios*

13. The strategy and budget of protracted relief and recovery operation (PRRO) 10488.0 are based on a scenario of bilateral assistance continuing at anticipated levels, current agricultural production trends and average weather conditions. If flooding or drought occur on the scale of the 1990s, emergency needs assessments may require a shift from disaster mitigation and response to emergency response, with the possibility of a budget increase.
14. If the promised level of bilateral food aid fails to materialize, or if PDS fails completely, an assessment of needs would be conducted that could lead to increased resource requirements. On the other hand, if the level of economic aid increases significantly, the PRRO would be adjusted to focus on recovery of household food security and an accelerated exit strategy.



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

### **Policies, Capacities and Actions of the Government**

15. The Government is working at all levels to implement the revival of PDS announced in October 2005: it maintains an extensive storage and distribution infrastructure throughout the country and has skilled staff working in food distribution. But lack of fuel and means of transport, poor infrastructure and administrative weakness may hamper full implementation of the new policy.
16. The Government declared 2005 to be “the year of agriculture” and has focused on improving crop production. Preliminary figures from government and other sources show that DPRK harvested more cereals in 2005 than in any of the last ten years, though it remains far from meeting domestic demand.
17. The main external actors are the Republic of Korea and China, which have earmarked and started distribution of large bilateral donations and concessional loans of cereals to DPRK over one year. For 2006, the Republic of Korea is expected to continue donations at least at the 2005 levels of about 500,000 mt; China will probably continue its concessional trade in cereals of about 250,000 mt.
18. Assistance from the Republic of Korea through the Ministry of Unification has averaged about US\$550 million over the last four years and is expected to increase considerably in 2006, mainly in the form of food, fertilizer, agricultural development support, light industries and road and rail links. Trade with China increased considerably in 2005 to about US\$1.5 billion; some of the approximately US\$1 billion worth of imports from China are on concessional terms, consisting mainly of fuel, cereals, meat and machinery.

### **Coordination**

19. WFP will work with the Government to support its strategy of moving towards development and away from humanitarian assistance. WFP will coordinate with the Government’s National Coordinating Committee for WFP in all aspects of the PRRO and with the United Nations inter-agency team. Partners for the activities will be the Ministry of Agriculture for food for community development (FFCD), the Ministry of Health and the United Nations Children’s Fund (UNICEF) for mother-and-child health (MCH) and the Ministry of Education and UNICEF for school feeding.
20. The central mechanism for collaboration will be the weekly inter-agency meeting chaired by the Resident Coordinator. Several sub-committees regularly exchange information and coordinate activities in food aid, health and agriculture. Consultations with these agencies and non-governmental organizations (NGOs) working in the same counties will allow WFP to obtain a more comprehensive understanding of the impact and importance of PRRO sub-activities.
21. WFP will be part of the United Nations country team’s Common Country Assessment (CCA)/United Nations Development Assistance Framework (UNDAF) process, and will seek to continue collaboration with FAO on crop and food supply assessment missions (CFSAMs) and with UNICEF on nutrition. WFP will harmonize its programme with those of other United Nations agencies and try to work in the same counties as the International Fund for Agricultural Development (IFAD), UNICEF and the United Nations Development Programme (UNDP) to achieve a convergent programming



approach, and will pursue partnerships with bilateral agencies and NGOs, particularly in support of projects for income generation and livelihood improvement.

## OBJECTIVES OF WFP ASSISTANCE

22. The goal of PRRO 10488.0 is to provide transitional assistance in support of the Government's strategy for recovery and long-term food security. The objectives (see Annex III) are:
- to support the Government's efforts to promote the health and nutritional status of the most vulnerable groups, including children and pregnant and lactating women, through MCH programmes, school feeding and local food production (LFP), contributing to WFP's Strategic Objective 3;
  - to support the Government's efforts towards long-term food security through sustainable livelihoods and community-based initiatives along with asset creation through FFCD, contributing to Strategic Objective 2; and
  - to support the Government's long-term strategy for food security by building capacities for LFP and enabling regions to establish and manage food-assistance and hunger-reduction programmes through LFP, contributing to Strategic Objective 5.

## WFP RESPONSE STRATEGY

### Nature and Effectiveness of Food Security Related Assistance to Date

23. Over the past ten years, WFP has provided assistance to DPRK valued at US\$1.7 billion; on average, its operations supported 6.5 million people per year; 4.5 million mt of food were requested for successive emergency operations (EMOPs), of which 3.9 million mt were resourced. The operations focused on improving the nutrition status of mothers and children. WFP has also had considerable success in building local capacity through assistance to 19 LFP factories, through which at some point all children under 5 and pregnant and lactating women – about 3 million beneficiaries per year – were to receive fortified foods.

### Strategy Outline

24. The two-year PRRO will allow WFP to build on successful development-oriented programmes, especially LFP and food for work (FFW). In partnership with agencies such as IFAD, it will also seek to introduce small-scale pilot activities involving asset creation, agricultural extension and agro-forestry. Determining what works and what does not and assessing lessons learned will be major concerns; regular reviews of WFP programmes will be crucial to the expansion of activities under a possible future PRRO or development programme.
25. PRRO 10488.0, which will build on the many achievements of the EMOPs, will promote various programme elements, depending on the severity of operational constraints:
- preference for activities that promote change in natural-resource management and access by cooperatives to natural resources, including disaster mitigation and preparedness activities;
  - longer-term commitment to the people and areas to be assisted;





- the need to focus the operation in terms of geography and beneficiaries with respect to the types of projects selected for assistance;
  - stronger focus on the interlinked issues of health, nutrition and healthcare;
  - greater attention to activities that benefit women, including income generation and livelihoods; and
  - greater collaboration with ministries at the local level, and use of external technical assistance to support the design and review of project activities.
26. WFP will seek to integrate its activities in the most vulnerable counties with those of ministries and other agencies, especially school feeding and FFCD. WFP has not worked with technical ministries before, and collaboration with United Nations and other partners has hitherto been minimal. PRRO 10488.0 will rely more on skilled national staff, because the number of international staff will be much lower than in 2005.

### **Food for Community Development**

27. FFCD has been an important component of the last four EMOPs, focusing mainly on small-scale single-sector activities such as construction of roads, irrigation canals and houses and projects for tree plantation, embankments and improvement of water and sanitation facilities. So far there has been no linkage between projects. Under PRRO 10488.0, activities will be expanded to include food for training (FFT), and where practical the projects will be integrated with IFAD-assisted programmes to address rural food insecurity.
28. To reflect the transition from a programme of humanitarian aid to one of recovery, counties will be involved in the planning phase. WFP will work with the Ministry of Agriculture to develop one-year or two-year plans; selected counties will receive assistance with developing project proposals. Projects will be selected in a participatory approach in which cooperative farmers, factory workers and women will have important roles. In areas of high unemployment, WFP will seek to work directly with major industries and labour boards to implement projects during seasons when people do not get enough income from the factories

### **Local Food Production**

29. WFP will support local production of corn-soy milk (CSM), cereal-milk blend (CMB), rice-milk blend (RMB) and biscuits targeting the most vulnerable beneficiaries as part of MCH and school feeding. LFP provides important employment opportunities, especially for women, who traditionally account for over 80 percent of the workforce. Only ten of the 19 factories supported under the EMOP will continue operating under the PRRO: three CSM factories, three CMB factories, three biscuit factories and the Pyongyang RMB factory. The recipes will remain unaltered with the exception of biscuits for primary schoolchildren, which will be fortified under the PRRO.
30. LFP will continue in partnership with UNICEF and the Government. WFP remains in charge of overall management of the programme and provides the food along with funding for equipment, packaging materials and spare parts. Micronutrient premix for fortification of the LFP product will be provided by UNICEF and WFP; the Government will operate the factories, employ workers, provide electrical power and carry out maintenance, and in some cases will transport the product to beneficiary institutions.



## **Mother-and-Child Health and Nutrition**

31. WFP will aim to improve the health and nutritional status of the most nutritionally vulnerable groups through supplementary feeding for small children and pregnant and lactating women, in collaboration with the Ministry of Health. The activity will complement UNICEF's supplementation of therapeutic milk, micronutrients and de-worming tablets for children and women.
32. Rations provided to nurseries and kindergartens will support the Government's National Programme of Action for the Well-Being of Children 2001–2010, which aims to strengthen the capacity of caregivers and kindergarten teachers, improve nutritional and hygiene management and assign medical workers to pre-schools.

## **School Feeding**

33. During implementation of this activity in the EMOP, it was noted that the biscuits provided helped to improve children's attendance and attention span, particularly in vulnerable counties. In a move from nationwide coverage of all accessible counties in the 2005 EMOP, the PRRO will cover only primary schoolchildren in the most vulnerable counties; fortification of biscuits will help to address micronutrient deficiencies among Korean children. The rations will be consumed by the children during school hours.

## **Logistics**

34. WFP will be responsible for international sea and rail transport of commodities to DPRK. Commodities arriving in bulk will be bagged by international contractors engaged by WFP on a retainer basis.
35. The Government will continue to take possession of the commodities in ships' holds and railway wagons and will be responsible for internal transport, storage and handling (ITSH). WFP will reimburse part of the transport costs at a fixed rate of US\$8 per mt, essentially a fuel subsidy, as part of landside transport, storage and handling (LTSH). Payments will be made against consignment notes accompanying delivery of WFP commodities from port of entry to the county level; this system will allow WFP to collect information on actual food arrivals at entry points and inland transport and to report on deliveries at the county level.
36. The balance of US\$7 per mt is envisaged for storage, fumigation, port investments and implementing the Commodity Movement Processing and Analysis System (COMPAS) – for example training, travel and purchase of computers.

## **Exit Strategy**

37. The Government will continue to implement measures to restore food security, but in the interim it will require commercial imports and aid. WFP will balance these immediate needs with longer-term development to support the Government's efforts. Depending on circumstances, WFP envisages a progressive reduction in the amount of food assistance, with an eventual phase-out in five to ten years.



## BENEFICIARIES AND TARGETING

38. PRRO 10488.0 aims to target 75,000 mt of food each year (i) to the most food-insecure parts of DPRK where bilateral food aid is not sufficient and (ii) to areas susceptible to natural disasters where food production is limited and mountainous land predominates. Fifty accessible counties have been identified for intensive FFCD support and for school feeding.
39. Targeted vulnerable populations include under-employed urban people, non-farm rural workers, people living in isolated regions and selected food-deficit cooperatives and institutions. Nation-wide coverage of all accessible counties will continue as in the EMOP for beneficiaries in orphanages and child in-patients in hospitals.
40. All counties will be targeted for MCH activities for pregnant and lactating women and children at nursery schools and kindergartens, but only in *ri* and *dong*<sup>1</sup> identified as vulnerable; this will be on average 50 percent of the EMOP coverage.
41. In previous years, WFP has supported elderly people and mothers accompanying children in hospitals, but this will no longer be feasible given the reduced scale of the operation. Groups previously targeted as most food-insecure urban households will be reached through FFCD, but on a reduced scale. FFCD activities are increasing in towns; members of urban households may also participate in projects in nearby rural areas.

TABLE 1: BENEFICIARY GROUPS			
Beneficiary group	Selection criteria	Beneficiaries/year	Tonnage/year
Most vulnerable groups	All accessible counties	76 000	2 697
MCH	All accessible counties, targeting vulnerable <i>ri/dongs</i>	977 100	50 462
School feeding	Targeted counties based on high vulnerability and accessibility	424 100	6 362
FFCD	Targeted counties based on high vulnerability and accessibility	300 000	12 000
Disaster relief	Victims of natural disaster	100 000	1 913
<b>TOTAL</b>		<b>1 877 200</b>	<b>73 434*</b>

\* The difference between the 73,434 mt distributed to beneficiaries and the 75,000 mt annual project requirement is accounted for by the processing losses of raw imported materials for production of RMB, CSM/CMB and high-energy biscuits (HEB).

<sup>1</sup> *Ri* and *dong* are the lowest administrative units of DPRK; *ri* are in rural areas, *dong* are in urban areas.



## NUTRITIONAL CONSIDERATIONS AND RATIONS

### Nutritional Status of Children

42. Despite steady improvements in the nutritional status of children since the first assessment in 1998, malnutrition levels among children remain high and show marked regional differences. According to the 2004 NNA, 37 percent of children under 6 were stunted (height for age), 23 percent were underweight (weight for age) and 7 percent were wasted (weight for height). The survey showed strong association between reduced stunting and consumption of fortified foods; households consuming WFP food had much lower rates of child malnutrition.
43. The results suggest that although WFP food rations are helping to reduce malnutrition among children, sustained interventions involving micronutrient-fortified foods are needed to preserve the nutritional gains and to reduce malnutrition further among vulnerable groups or regions.

### Nutritional Status of Women

44. The 2004 NNA showed no change in maternal nutritional status between 2002 and 2004. One third of women with young children were found to be malnourished and 35 percent were anaemic, which suggests a need for iron-fortified foods. Almost 6 percent of pregnant women reported night blindness because of vitamin A deficiency, which is a public-health problem by international standards.

### Rations

45. The results given above indicate a need for further improvement in the nutritional status of women of reproductive age. It is recommended that future interventions focus on fortification, micronutrient supplementation and health education for pregnant and lactating women.
46. WFP rations will not include cereals, except for those provided for orphans and child in-patients, because beneficiaries receive PDS rations.
47. WFP will continue to support orphans with a full food basket appropriate to their age that includes cereals, pulses, oil and fortified blended foods. Given the poor living conditions and higher frequency of disease in homes for babies and children, WFP will provide 100 percent of daily kcal requirements; children in boarding schools will receive nearly 100 percent of their required intake. Almost 100 percent of micronutrient requirements are provided by the fortified foods. Meals are prepared at the institutions throughout the year.
48. To address the high levels of maternal anaemia, WFP will provide 130 g of fortified blended food for pregnant and lactating women; the ration will include 100 g of pulses to complement PDS cereals and will be provided during pregnancy and for six months during lactation.
49. For children at nurseries and kindergartens, supplementary pulses and fortified blended foods will be provided to help to meet recommended calorie requirements and to address micronutrient deficiencies. Cooked meals will be prepared at the institutions. Nursery children will receive food for 300 days per year, excluding 52 Sundays and 13 national holidays; kindergarten-children will receive food for 250 days per year, excluding 52 Sundays, 13 national holidays and 50 vacation days in January and August.



50. In the absence of cooking facilities in most schools, primary schoolchildren will receive locally produced fortified biscuits on 250 school days per year; the daily ration will be 60 g, about 12 percent of the recommended calorie requirement, aiming mainly to improve attendance and attention spans.
51. DPRK's health system includes provincial pediatric hospitals and pediatric wards in county hospitals. Full rations of cereals, pulses and oil will be provided for child inpatients aged 6 months to 16 years at all pediatric hospitals on the basis of an estimated 70 percent occupancy of beds, and at all county hospitals on the basis of 50 percent occupancy; meals will be prepared at the hospitals. The rations meet 84 percent of the recommended energy requirement and will include RMB for the second phase of rehabilitation from severe malnutrition.

## IMPLEMENTATION ARRANGEMENTS

52. In place of the recently dissolved Flood Damage Rehabilitation Committee, the Government has created the National Coordinating Committee for WFP under the Ministry of Foreign Affairs to coordinate implementation of WFP assistance. The Ministry of Food Administration will continue to serve as the implementing agency. Food handling, storage, transport and distribution will remain the responsibility of the Government. Distribution plans for every food shipment require joint agreement by WFP and the National Coordinating Committee.

### Activity Selection Framework

#### ⇒ *Mother-and-Child Health and Nutrition*

53. Activities will be selected in consultation with the Ministry of Health and UNICEF, with the aim of improving MCH in all accessible counties. WFP will work with vulnerable counties to increase coverage of pregnant and lactating women and children under 5 up to a percentage corresponding to the level of vulnerability of each county. WFP will hold workshops at the provincial and central levels to define criteria for selecting beneficiaries. The feeding programme will be integrated with health and care programmes implemented by the Ministry of Health and UNICEF.

#### ⇒ *School Feeding*

54. Activities will be selected in consultation with the Ministry of Education and UNICEF and implemented only in the 50 most vulnerable counties identified by WFP and the Government. Production of biscuits will be dispersed throughout the country to make it easier for the Government to distribute them to schools; three factories will supply biscuits as opposed to a single factory in Pyongyang, even though it has the capacity to produce enough to cover PRRO needs.

#### ⇒ *Food for Community Development*

55. Activities will be selected in consultation with the Ministry of Agriculture and technical partners such as IFAD, UNDP and FAO or related NGOs according to the following criteria:
- activities benefit vulnerable groups in vulnerable counties;
  - activities achieve a gender mix of participants and provide direct benefits to women;



- there is a geographic concentration of related activities, leading to a greater level of impact and sustainability, including long-term ecological impact;
- vulnerable cooperatives are included as a target group in the PRRO; and
- required non-food items are identified and secured before the activity starts.

⇒ *Activity Approval Mechanism*

56. WFP and its government counterparts will undertake a baseline survey of food needs across the country and identify beneficiary groups in areas most in need. Following discussions with local officials, an initial agreement on vulnerable counties will be reached. These local consultations will focus on counties to be covered by school feeding, percentages of pregnant and lactating women and children under 5 to be covered and types of FFCD activities; involvement at the county level will be longer-term; food allocations for the planning period will then be decided by county and beneficiary groups.

## PERFORMANCE MONITORING

57. The Government has indicated that monitoring will be significantly reduced, mainly in terms of frequency of visits permitted: these will now be quarterly. WFP will seek to improve its operating conditions when implementing PRRO 10488.0, and to verify appropriate use of its assistance; in this restricted context, WFP will aim to maintain the framework of activity review developed under the EMOP.
58. WFP and Government will jointly decide on field presence on the basis of programming needs and access issues. For operational reasons it will be beneficial to have three sub-offices, two in the east and one in the west. The Government has indicated that WFP may not have sub-offices, but it is hoped that this will be reconsidered.
59. In collaboration with UNICEF and the Government, WFP will seek to conduct a nutrition survey during the course of PRRO 10488.0.
60. During the PRRO, WFP will propose a detailed baseline survey and periodic needs assessments; WFP will seek to conduct an evaluation at the end of the PRRO and recommend the types of development approaches and activities most suitable for future food support in DPRK.

## RISK ASSESSMENT AND CONTINGENCY PLANNING

### Risk Assessment

61. In view of current monitoring constraints and the Government's recent decision to review operating conditions, WFP cannot be confident that its monitoring plans will be accepted by the Government. There is a further risk that the Government may limit access to selected counties. Under WFP's "no access, no food" policy, that would mean halting food distributions to counties where access is not permitted.
62. The capacity of ministries to collaborate in implementing FFCD activities and a shortage of implementing partners for technical support are also risks. Difficult road and weather conditions pose the risk of delaying transport of commodities, particularly during the winter.



## Contingency Planning

63. To offset the risk of delays in transport, stocks will be pre-positioned in remote parts of the country before winter.
64. Capacity-building for government counterparts is central to ensuring that they can follow through with FFCD activities. Coordination with other organizations in DPRK is also essential to ensure that collaboration is maximized to use available expertise.

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## SECURITY CONSIDERATIONS

65. Progress has been made in recent years with regard to security of WFP staff in DPRK. In 2004, the Government authorized WFP to use very-high-frequency (VHF) handsets and install VHF mobile stations for its vehicles and a repeater base in Pyongyang, and authorized expatriates based in DPRK to use mobile telephones. This does not solve WFP's communication requirements from a security standpoint, but it reflects significant progress. The use of satellite phones and high-frequency (HF) radios is still not permitted; diplomatic efforts in this area continue.
66. There is no formal memorandum of understanding with regard to security, but the Government has emphatically stated through the Protocol Department of the Ministry of Foreign Affairs that it will take full responsibility for the security of United Nations and other international staff, and has undertaken to provide logistics support in the event of a medical evacuation.



## ANNEX I

<b>PROJECT COST BREAKDOWN</b>			
	<b>Quantity (mt)</b>	<b>Average cost per mt</b>	<b>Value (US\$)</b>
<b>COSTS</b>			
<b>A. Direct operational costs</b>			
Commodity*			
– Maize	58 800		8 700 000
– Wheat	17 738		2 838 080
– Rice	2 500		650 000
– Soy beans	44 300		19 492 000
– Vegetable oil	3 980		3 781 000
– Sugar	8 394		2 308 350
– Milk and cheese (DSM enriched)	15 086		33 189 200
<b>Total commodities</b>	<b>149 998</b>		<b>70 958 630</b>
<b>External transport</b>			<b>9 758 870</b>
<b>Internal transport, storage and handling (ITSH)</b>			<b>2 249 970</b>
<b>Total landside, transport, storage and handling (LTSH)</b>			<b>2 249 970</b>
<b>Other direct operational costs</b>			<b>3 972 300</b>
<b>Total direct operational costs</b>			<b>86 939 770</b>
<b>B. Direct support costs (see Annex II for details)</b>			<b>8 606 260</b>
<b>C. Indirect support costs (7 percent of total direct costs)</b>			<b>6 688 222</b>
<b>TOTAL WFP COSTS</b>			<b>102 234 252</b>

\* This is a notional food basket used for budgeting and approval purposes. The contents may vary depending on the availability of commodities.





**ANNEX II**

<b>DIRECT SUPPORT REQUIREMENTS (US\$)</b>	
<b>Staff</b>	
International professional staff	3 303 360
Temporary assistance	471 800
Overtime	16 300
Staff duty travel	1 399 700
Staff training and development	259 100
National consultants	447 200
International consultants	128 100
Incentives	321 100
United Nations volunteers	288 000
<b>Subtotal</b>	<b>6 634 660</b>
<b>Office expenses and other recurrent costs</b>	
Rental of facility	342 400
Utilities (general)	106 400
Office supplies	72 000
Communication and IT services	201 100
Insurance	14 700
Equipment repair and maintenance	40 000
Vehicle maintenance and running costs	381 300
Other office expenses	279 700
United Nations organizations services	159 800
<b>Subtotal</b>	<b>1 597 400</b>
<b>Equipment and other fixed costs</b>	
Furniture, tools and equipment	80 000
Vehicles	160 000
TC/IT equipment	134 200
<b>Subtotal</b>	<b>374 200</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>8 606 260</b>





**ANNEX III: LOGICAL FRAMEWORK MATRIX FOR DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA PRRO 10488.0**

<b>Results chain</b>	<b>Performance indicators</b>	<b>Assumptions</b>
<p><b>Objective 1</b></p> <p>To support the Government's efforts to promote the health and nutrition status of most vulnerable groups, including children and pregnant and lactating women.</p> <p>Contribute to Strategic Objective 3.</p>	<p><b>Outcome indicators</b></p> <ul style="list-style-type: none"> <li>➤ Prevalence of under-5 malnutrition among targeted children, assessed using height, weight and age disaggregated by gender.</li> <li>➤ Prevalence of malnutrition among targeted women of child-bearing age, assessed using body mass index (BMI) or low birthweight.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Other non-food items such as water, nutrition, health care and education in place.</li> <li>➤ More qualitative information obtained during monitoring.</li> </ul>
<p><b>Objective 2</b></p> <p>To support the Government's efforts to achieve long-term food security through sustainable livelihoods, community-based initiatives and asset creation.</p> <p>Contribute to Strategic Objective 2.</p>	<p><b>Outcome indicators</b></p> <ul style="list-style-type: none"> <li>➤ Number and type of assets created under FFCD.</li> <li>➤ Dietary diversity.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Ministries and local officials have capacity for FFCD projects.</li> <li>➤ Technical assistance partners are available in selected counties.</li> </ul>
<p><b>Objective 3</b></p> <p>To support the Government's long-term strategy of food security by building capacities for local food production.</p> <p>Contribute to Strategic Objective 5.</p>	<p><b>Outcome indicators</b></p> <ul style="list-style-type: none"> <li>➤ Percentage of LFP factories operating at full capacity.</li> <li>➤ Number of FFW projects executed successfully:               <ol style="list-style-type: none"> <li>1. number of training sessions held;</li> <li>2. number of women participants; and</li> <li>3. number of projects executed for environment protection and protection of agricultural land.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Accurate reporting by factory management.</li> </ul>
<p><b>Output 1.1</b></p> <p>1.5 million vulnerable beneficiaries receive daily supplementary food rations.</p>	<p><b>Output indicators</b></p> <ul style="list-style-type: none"> <li>➤ Number of beneficiaries receiving food rations, by project category, age and gender.</li> <li>➤ Quantity of food distributed through each activity, by project category and commodity.</li> <li>➤ Percentage of women on food-management committees.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Partners provide access to information.</li> <li>➤ Partners follow instructions to collect data disaggregated by gender.</li> </ul>

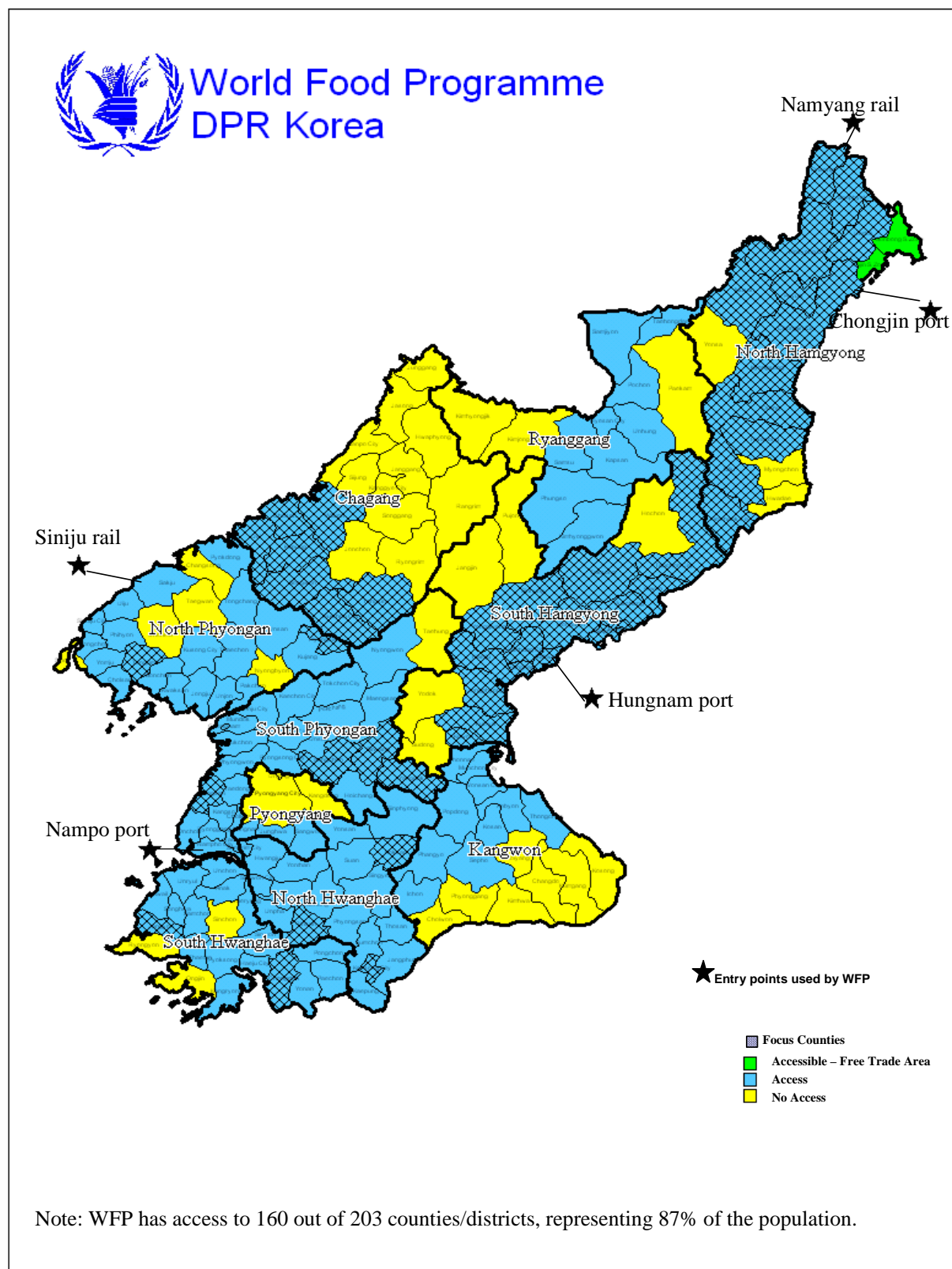
**ANNEX III: LOGICAL FRAMEWORK MATRIX FOR DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA PRRO 10488.0**

Results chain	Performance indicators	Assumptions
<p><b>Output 2.1</b></p> <p>300,000 FFCD participants and their families receive daily food rations during the working period, with emphasis on women.</p>	<p><b>Output indicators</b></p> <ul style="list-style-type: none"> <li>➤ Number of beneficiaries receiving food rations under FFCD, by project category and gender.</li> <li>➤ Quantity of food distributed through FFCD, by project category and commodity.</li> <li>➤ Number of FFCD participants, by project category and gender.</li> <li>➤ Percentage of women on FFCD management committees.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Partners provide access to information and most affected areas.</li> <li>➤ Counties submit and implement projects in line with WFP guidelines.</li> <li>➤ Partners follow instructions to collect data disaggregated by sex.</li> </ul>
<p><b>Output 3.1</b></p> <p>10 LFP factories are supplying food to vulnerable populations.</p>	<p><b>Output indicators</b></p> <ul style="list-style-type: none"> <li>➤ Number of people trained in factory operation, management and repair, disaggregated by gender.</li> <li>➤ Number of operational days per year for each assisted LFP factory.</li> <li>➤ Quantity of fortified food produced by assisted LFP factories.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Accurate reporting by factory management.</li> </ul>



## ANNEX IV

## Democratic People's Republic of Korea



The designations employed and the presentation of material in this map do not imply the expression of any opinion whatsoever on the part of the World Food Programme (WFP) concerning the legal status of any country, territory, city or area or of its frontiers or boundaries.



## ACRONYMS USED IN THE DOCUMENT

BMI	body mass index
CCA	Common Country Assessment
CMB	cereal-milk blend
COMPAS	Commodity Movement Processing and Analysis System
CFSAM	crop and food supply assessment mission
CSM	corn-soy milk
DPRK	Democratic People's Republic of Korea
DSM	dried skim milk
EMOP	emergency operation
FAO	Food and Agriculture Organization of the United Nations
FFCD	food for community development
FFT	food for training
FFW	food for work
HEB	high-energy biscuit
HF	high frequency
IFAD	International Fund for Agricultural Development
ITSH	internal transport, storage and handling
LFP	local food production
LTSH	landside transport, storage and handling
MCH	mother-and-child health
NGO	non-governmental organization
NNA	National Nutrition Assessment
ODB	Asia Regional Bureau
PDS	public distribution system
PRRO	protracted relief and recovery operation
RMB	rice-milk blend
TC/IT	telecommunications/information technology
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USDA	United States Department of Agriculture
VHF	very high frequency

