

برنامج  
الأغذية  
العالمي



Programme  
Alimentaire  
Mondial

World  
Food  
Programme

Programa  
Mundial  
de Alimentos

**Executive Board  
Second Regular Session**

**Rome, 15–17 May 2002**

## PROJECTS FOR EXECUTIVE BOARD APPROVAL

### Agenda item 6

*For approval*



Distribution: GENERAL  
**WFP/EB.2/2002/6/3**  
3 April 2002  
ORIGINAL: ENGLISH

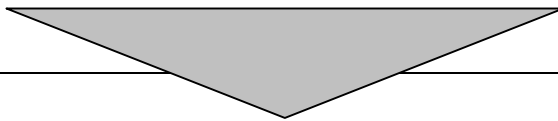
## PROTRACTED RELIEF AND RECOVERY OPERATION— AZERBAIJAN 10168.0

### Targeted Food Assistance for Relief and Recovery of Displaced Persons and Vulnerable Groups in Azerbaijan

<b>Number of beneficiaries</b>	<b>430,500</b>
Duration of project	36 months (1 January 2003–31 December 2005)
<b>Cost (United States dollars)</b>	
Total cost to WFP	20,163,915
Total food cost	11,358,459

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>).

# 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 point indicated below, preferably well in advance of the Board's meeting.

Regional Director, Eastern Europe      Mr S. Malik      tel.: 066513-2209  
Bureau (ODR):

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



Azerbaijan engaged in a military conflict with Armenia over the enclave of Nagorno-Karabakh in 1989. As a result, over 800,000 Azeris became internally displaced persons (IDPs) or refugees. In the first year of the programme, WFP will support 165,000 of the 300,000 IDPs and other vulnerable people in rural areas, with a gradual reduction to 122,000 in the third year. Self-sufficiency for most IDPs is unrealistic in the current context of poor employment prospects and limited government social funds. WFP will provide each person with 50 percent of minimum nutritional requirements and explore employment-generation and training schemes suitable for this relatively well educated population. Primary school feeding will be introduced and preschool caregivers will receive incentives and training. Income-generation schemes will be supported where marketing opportunities exist.

WFP's efficient distribution system has entailed minimum loss or misuse of commodities and will continue to serve a target population in 23 of Azerbaijan's 58 districts. The programme objectives are to contribute to maintaining acceptable nutritional status among IDPs and other vulnerable groups, provide an incentive for school attendance and prevent primary schoolchildren, especially girls, from dropping out, contribute to improving IDPs' living conditions, strengthen their coping capacities and create assets through training and income generation. Matching indicators will be tracked through an improved monitoring system. The present high levels of female participation and direct access to food provisions will be maintained. An optimistic medium-term economic outlook suggests that WFP may be able significantly to reduce free distribution after the three-year period.

## Draft Decision



The Board approves PRRO for Azerbaijan 10168.0—Targeted Food Assistance for Relief and Recovery of Displaced Persons and Vulnerable Groups in Azerbaijan (WFP/EB.2/2002/6/3).



---

## CONTEXT AND RATIONALE

### Context of the Crisis

1. Military conflict between Azerbaijan and Armenia began in 1989 over the enclave of Nagorno-Karabakh; it escalated into a full-scale war in 1991 and continued until a cease-fire was reached in 1994. Azerbaijan lost 20 percent of its territory and about 600,000 civilians—320,400 women and 279,600 men—became IDPs. Another 200,000 Azeris fled from Armenia and became refugees. Azerbaijan has one of the highest proportions of IDPs in the world: IDPs and refugees constitute an estimated 10 percent of the population of 8 million. For over a decade, IDPs and refugees have been living in extremely difficult conditions. Nagorno-Karabakh and seven surrounding districts are still disputed.
2. Following the cease-fire, various peace initiatives were launched under the auspices of the Minsk Group of the Organization for Security and Cooperation in Europe (OSCE), but to no avail. The Government of Azerbaijan stresses that the only lasting solution is the return of IDPs to their homes in the occupied territories. Prospects of overcoming the political stalemate with Armenia are poor; all predictions point to a continuation of the present unresolved situation.
3. The situation in Azerbaijan resembles that in the other Commonwealth of Independent States (CIS) countries. Its people were accustomed to state social services, although these were often mediocre. Unemployment and extreme poverty were unknown. Although independence brought greater political and economic freedom, it took away benefits previously taken for granted. No viable private sector emerged to fill the gap, and the economy stalled.
4. Soon after independence in 1991, Azerbaijan started the transition to a market-based economy. This came to a halt, however, when the war with Armenia escalated. The conflict caused immense human suffering and impeded national development. Azerbaijan's economic decline in the early 1990s was the worst among the CIS countries. Between 1990 and 1995, gross output fell by 58 percent and real wages declined by over 80 percent. In spite of a general economic upturn beginning in 1996, real wages in 1999 were still 64 percent lower than in 1990. Unemployment could be as high as 25 percent, although the officially registered level in 1999 was 1.2 percent, according to independent sources.<sup>1</sup>
5. The impact of the economic crisis is reflected in the fact that Azerbaijan ranked 90<sup>th</sup> of 173 countries in the human development index (HDI) of the United Nations development Programme (UNDP) 2000 *Human Development Report*, which noted that about 70 percent of the population, of whom 60 percent were women, lived below the poverty line. Hopes for an economic turnaround now rest principally on Azerbaijan's substantial oil reserves. Exploitation of these has been slower than expected, however, and significant returns are not foreseen before 2005–2006.
6. The agricultural sector, which accounts for 22 percent of gross domestic product (GDP) and 31 percent of employment, remains in crisis with no sign of recovery. Between 1991 and 1996, agricultural production declined sharply as a result of the collapse of the

---

<sup>1</sup> Unless otherwise indicated, all statistics in this document are taken from the UNDP *Azerbaijan Human Development Report 2000* published in March 2001, and the United Nations country team *Common Country Assessment, Azerbaijan Republic* published in September 2001.



Soviet Union, with the loss of markets and access to inputs such as farm machinery, seeds and fertilizers. The situation was further aggravated by the conflict with Armenia, which resulted in the loss of 70 percent of Azerbaijan's fertile land. Since 1999, low rainfall has exacerbated the problems. Domestic grain production is insufficient to cover requirements. Azerbaijan is thus classified by the Food and Agriculture Organization of the United Nations (FAO) as a low-income, food-deficit country (LIFDC).

7. Recent indicators of the nutritional status of the population, especially children, are alarming. A multiple indicators cluster survey (MICS), conducted in 2000 by the United Nations Children's Fund (UNICEF), revealed about 20 percent severe and moderate stunting and 8 percent wasting among children under 5. Diseases caused by micronutrient deficiencies are widespread, especially among women and children.

### Situation Analysis

8. The displaced populations in Azerbaijan are the hardest hit by lack of employment opportunities and access to social services. Government statistics of January 2000 revealed that only one third of working-age IDPs were employed and that they were mainly living in large cities such as Baku and Sumgait. Only 26 percent of employed IDPs are women. A WFP household food economy survey conducted in October 2001 estimated that about 90 percent of the IDPs assisted had insufficient income to meet basic requirements. The survey found that 54 percent of IDP households met their needs through government subsidies, 27 percent through WFP aid and 19 percent through income generated by the household.
9. The survey revealed serious deterioration of IDPs' living conditions in the two years since the previous study. In 1998-99, for example, 44 percent of the sample were able to meet basic food needs; in 2001, the proportion was 19 percent. Average monthly income for an IDP family is equivalent to US\$46. Minimum food requirements cost US\$82 if meat, fish, poultry and milk are included, or US\$60 without them. The WFP food ration is an essential support, given the few prospects for additional income.
10. According to the State Committee for Refugees and Internally Displaced People (SCRIDP), indicators of IDP's health and nutritional status are substantially worse than the nation-wide rates. Twenty-six percent of IDP households have members suffering from malnutrition, as opposed to 10 percent nation-wide. Chronic malnutrition among IDP children of 6-59 months is 30 percent compared with 21 percent nation-wide. Anaemia among IDP women is 41 percent as opposed to a national figure of 35 percent. Grade 1 goitre among adults is 23 percent compared with a national rate of 10 percent.
11. Since WFP started its operation in 1994, the IDP population has remained 600,000. Of these, at least half have migrated to cities, where their survival chances are better because they have greater access to services and employment opportunities. The remainder live in rural areas and small towns. Many live in makeshift shelters such as dugouts and railway wagons.
12. Areas of responsibility are divided among humanitarian agencies, with WFP responsible for over half the rural caseload. Between 1994 and 1999, WFP provided 52,000 tons of food aid to 215,000 beneficiaries through emergency operation (EMOP) 5302. In line with the recommendations of the 1999 assessment mission, EMOP 5302 was superseded by protracted relief and recovery operation (PRRO) 6121.00 in July 1999, which had a duration of three years.
13. Under that PRRO, a substantial decrease in the relief caseload was foreseen as recovery activities started. Expectations were optimistic, however. Although pilot food-for-work



(FFW) activities were attempted, the economic prospects for self-sufficiency were poor, implementation capacity was insufficient and non-food inputs were not forthcoming.

14. WFP, in cooperation with UNICEF, has been providing food for 1,100 girls, 900 boys and 200 women caregivers in 36 preschool centres as part of the FFW component. The WFP evaluation mission of October–November 2001 reported the impressive work in these centres and made a recommendation to continue the activity and extend it to other areas if possible.
15. The mission recommended school feeding programmes to address malnutrition problems among IDP children and to help minimize a fall in school attendance, especially among girls. Because education is no longer free, parents must cover the costs of enrolment, school supplies and clothing, even in primary schools. School feeding programmes would provide essential support.

### Government Recovery Policies and Programmes

16. The Government of Azerbaijan considers the IDP question a top priority, for humanitarian and national security reasons. The September 1998 Presidential Decree, which focused on the displaced population, led to new levels of trust and cooperation between the Government and international organizations. The Government does what it can to provide a generous package of services to IDPs, including exemption from payment of utilities bills, a monthly cash subsidy and child allowance. The bread subsidy was tripled in 2001. Overall, 4.1 percent of the state budget for 2000 was allocated to refugees and IDPs, three times the 1998 amount.
17. To date, over 47,000 ha of land have been allocated to collective and individual farms in order to develop agricultural programmes for IDPs and refugees. But because this land has often been in marginal, drought-stricken areas, production has been minimal. The Government has given assurances that some of the US\$10 million from the World Bank Social Investment Fund earmarked for IDPs will be used in conjunction with WFP food aid to support recovery activities and improvements in IDPs living conditions. As recommended by the evaluation mission, employment-generating schemes (EGS) will be introduced through activities such as maintenance and repair of shelters, sanitation and camp roads, and through nutritional and psychosocial advisory services. Apart from United Nations and non-governmental organization (NGO) investments, the Government has attracted funding from the private sector, notably an AGIP Azerbaijan donation of US\$2.2 million in 2000 to improve the living conditions of IDPs and refugees.

### Rationale

18. Without resettlement, land allocation or employment, IDPs in rural areas will continue to depend on food aid as the essential element of social support. This was confirmed by the October–November 2001 WFP evaluation mission: without food assistance, the precarious status of the IDP population in Azerbaijan will rapidly deteriorate. There must be a move away from relief to food-supported recovery in the context of a realistic assessment of the implementation capacity of the Government and partners.



## RECOVERY STRATEGY

### Beneficiary Needs

19. During the PRRO, WFP and its partners will continue to conduct regular food-needs assessments. These will include nutritional surveys, household food economy surveys and other participatory rural appraisal (PRA) techniques. In line with the recommendation of the evaluation mission, vulnerability analysis and mapping (VAM) will be used to make targeting more accurate.

### *Protracted Relief*

20. WFP assisted some 140,000 beneficiaries in 2001. Following the closure of some Islamic NGOs for security reasons, the Government requested WFP to absorb their caseload of some 22,200. Re-registration is ongoing. Failure to appear for two consecutive food distributions results in permanent deletion from the list, which, with deletions as people take up food-for-asset (FFA) activities, accounts for a gradual reduction from 162,200 beneficiaries in the first year to 114,700 in the third. The figures include other vulnerable groups such as invalids and orphans who have been receiving food assistance under the current PRRO. To date, 55 percent of IDP recipients at distributions have been women.
21. Needs can be as great during initial resettlement as in the emergency phase: people return to fallow land and poorly maintained infrastructure and are faced with the costs of rebuilding their houses. As resettlement proceeds, WFP will provide a three-month resettlement package to assist returnees during the transition period. WFP will conduct regular needs assessments among returnees, responding to the needs of extremely vulnerable individuals where necessary. Those eligible for special assistance will be selected by communities or partner organizations. Food will be provided through existing distribution structures. WFP will help communities to refine their targeting and suggest how vulnerable persons may be further supported.

### *School Feeding*

22. Although 36,765 IDP children attended primary schools in 2001, attendance has been falling, particularly among girls, from close to 100 percent in the early 1990s to between 80 and 85 percent at present. The pilot school feeding programme will encourage children to stay in school. Diseases such as anaemia caused by micronutrient deficiencies are prevalent among IDP children. School feeding will provide an additional balanced food basket for children and families in the poorest settlements, including blended food such as iron-fortified wheat flour, vitamin A-fortified oil, wheat-soya blend (WSB) and iodized salt. This may help to enhance learning capacities, though such an effect is not easily quantifiable. The PRRO will support an estimated 1,500 IDP primary schoolchildren in the first year, rising to 2,500 in the third year; 65 percent will be girls.

### *Recovery*

23. The FFA recovery component will support 1,300 people during the first year, rising to 4,800 in the third as implementing capacity is developed. This component will include community EGS aimed at improving the living conditions and environment of IDPs, which will provide an additional incentive for short-term work. Such schemes will be selected by local authorities and linked to additional non-food grants made available through the





Government's Social Investment Fund, supported by an existing World Bank grant. Opportunities for income-generation and training for IDPs will be developed with NGOs. Support for preschool caregivers will continue through a project linked to a WFP/UNICEF initiative. In line with WFP's Commitments to Women, efforts will be made to ensure that at least 50 percent of direct beneficiaries of income-generating activities and owners of the assets created are women.

## Role of Food Aid

### *Protracted Relief*

24. General food distribution for IDPs and other vulnerable groups, amounting to about 50 percent of minimum household consumption, will continue to bridge the gap between subsistence social-welfare assistance and minimum household needs. Resettlement food packages for returnees will provide subsistence until self-sufficiency is achieved. In IDP settlements, vulnerable families with children in primary school will receive take-home rations, subject to regular attendance.

### *Recovery*

25. Food aid allows a degree of self-sufficiency to IDPs who participate in FFA combined with complementary donor resources. Community self-help will be encouraged, for example initiatives targeting needy persons through EGS to improve living conditions in settlements and day-care centres. FFA activities will help to secure livelihoods through food-for-training (FFT) and income-generating projects, which will usually be linked to NGO micro-finance initiatives. Both generate assets and enhance human resources. Such projects enhance opportunities for sustainable livelihoods during and after displacement, rather than satisfying immediate needs only.
26. The PRRO will support community-based social projects for particularly vulnerable people. A study of social redistribution among the target population will be jointly undertaken by the Government, United Nations agencies, NGOs and donors.

## Intervention Approaches

27. The three-year PRRO from January 2003 to December 2005 is essentially a care-and-maintenance programme for those excluded from employment or social-welfare systems as a result of displacement. Where possible, however, WFP will promote projects leading to self-reliance among a well educated population seeking self-respect. Approaches are set out in paragraphs 28–30.
28. **Care and maintenance** of the most vulnerable will include resettlement packages and targeted interventions for the neediest people, including school feeding and assistance to non-IDP vulnerable groups. The Azerbaijan country office will advocate a coordinated approach to resettlement, involving the Government, United Nations agencies, NGOs and donors.
29. **Assistance to primary education through school feeding**, especially in displaced or recently resettled communities, will be in the context of a district strategy. It will depend on the capacity of local governments, school managements and parents' associations to register attendance and enrolment and report on the use of commodities. There will be bi-monthly distributions through existing channels.





30. **Asset building and promotion of self-reliance** among those able to benefit from employment and skills training will be supported by WFP in addition to short-term employment schemes identified by the Government.

### Risk Assessment

31. The current unsettled situation implies that conflict with Armenia may again erupt, causing further instability and displacement. Emergency relief activities would increase in such a situation, but recovery would be undermined. Heightened insecurity would limit the access of humanitarian workers. Potential political or economic crises in neighbouring countries may have adverse effects on Azerbaijan. The continuing crisis in Afghanistan will undoubtedly place Azerbaijan in a strategic position in emerging political alignments. Domestic security concerns have meanwhile intensified. The Government is particularly careful to avoid discontent among the IDP population, which could be tapped by opposition parties to induce further destabilization.

### Goals and Objectives

32. In line with WFP's Mission Statement and the Government's policy, the goal of the PRRO is to promote food security among vulnerable groups through targeted interventions, particularly in areas with high concentrations of IDPs. The programme objectives, with emphasis given to gender issues, are to:

- maintain a minimum acceptable nutritional status among food-insecure IDPs and other vulnerable groups;
- provide an incentive for school attendance, prevent primary schoolchildren, especially girls, from dropping out and address micronutrient deficiencies;
- improve the living conditions of IDPs, especially women and children, and strengthen their coping capacities; and
- create assets through training and income generation, to the equal benefit of women and men.

## IMPLEMENTATION PLAN BY COMPONENT

### Key Programme Components

33. The PRRO comprises two main components to be implemented simultaneously, though with increasing emphasis on recovery within the constraints experienced by IDPs.

#### ***Component A—Protracted Relief***

34. IDPs in rural and peri-urban settlements are the prime target group. These people live in tents, unfinished buildings, prefabricated settlements, disused railway carriages in railway stations and dugouts previously used for animals during the winter, that in lowland "liberated" areas are close to the disputed territories. Living conditions are uniform, with very high rates of unemployment, although there may be small differences in income between households. WFP will provide a bi-monthly ration of mixed commodities to each person in a family upon presentation of identity documents.



### Component B—Recovery

35. Recovery activities for IDPs comprise FFA, including training, and support for social-care systems. The FFA component is vital in re-establishing income-generating skills among displaced communities. Skills training, particularly for women, will help to create different means of support for their families. Participatory management and planning are central to the strategy. Where possible, projects will be linked to complementary inputs from donors and the Government. WFP will give consideration to supporting NGO-managed social care systems for particularly disadvantaged groups such as victims of domestic violence.

### Beneficiaries, Needs and the Food Basket

36. The table below presents indicative figures. The full breakdown is given in Annex III.

Programme component <sup>1</sup>	Year 1		Year 2		Year 3		Total (3 years)
	No. of beneficiaries	Tonnage	No. of beneficiaries	Tonnage	No. of beneficiaries	Tonnage	Tonnage
Protracted relief	162 200	15 883	138 800	13 591	114 700	11 231	40 705
Primary school feeding	1 500	204	2 000	273	2 500	341	818
Recovery (EGS, preschool caregivers, income generation, FFT) <sup>2</sup>	1300	243	2 700	479	4 800	842	1 564
<b>Total</b>	<b>165 000</b>	<b>16 330</b>	<b>143 500</b>	<b>14 343</b>	<b>122 000</b>	<b>12 414</b>	<b>43 087</b>

<sup>1</sup> WFP's target is to reach at least 60 percent female beneficiaries under relief, 65 percent under all sub-components of the recovery, and 50 percent under income generation.

<sup>2</sup> The ration for income generation is based on five persons per family.

37. **Protracted Relief.** Rations for IDPs and vulnerable groups, consisting of wheat flour, pulses, vegetable oil, sugar and iodized salt, will provide 50 percent of the daily minimum energy requirements. A monthly ration of 300 g of tea will be given to each family. Tea is available in Azerbaijan and could be purchased locally at competitive prices. Tea will provide some comfort to IDPs, who have been living in adverse conditions away from their homes for a long time.
38. **School Feeding.** A daily take-home ration for children in selected IDP primary schools will consist of 75 g of wheat flour, 50 g of WSB, 10 g of oil, 5 g of sugar and 5 g of iodized salt. This ration is in addition to the general relief ration and will be provided only during the nine months of the school year, from September to May.
39. **Recovery.** This component, which will have 65 percent female participation, is divided into four sub-components.
- Food rations for EGS are calculated as an additional 25 percent of the general ration, and are given upon completion of a minimum number of days worked per month. Since participants will be rotated, most families will benefit for only two months of a year, after which they will not receive an extra ration.
  - Preschool caregivers will receive 680 g per day, consisting of wheat flour, pulses, vegetable oil, sugar and tea.



- Participant in income-generation projects will receive a daily family ration of 2,500 g, equivalent to five persons' rations, for three months. Thereafter, their names will be deleted from the WFP beneficiary list.
- FFT participants will receive the usual general food ration during training. Upon completion of the training, they will receive a three-month package based on an individual daily ration of 500 g. They will then be removed from the list.

**TABLE 2: INDIVIDUAL BASKET/RATIONS**

Beneficiary type	No. of months	Commodity and ration (grams/person/day)							Total (kg/year)
		Wheat flour	Pulses	Oil	Sugar	Salt	WSB	Tea <sup>1</sup>	
IDPs	12	200	30	20	15	5	-	2	<b>97.9</b>
Vulnerable groups	12	200	30	20	15	5	-	2	<b>97.9</b>
Primary school children (SF) <sup>2</sup>	9	75	-	10	5	-	50	-	<b>39.2</b>
EGS <sup>2</sup>	12	50	10	5	5	2	-	5	<b>27.7</b>
Preschool caregivers <sup>3</sup>	12	556	44	41	17	-	-	22	<b>244.6</b>
Income generation <sup>4</sup>	3	2 000	300	100	50	25	-	25	<b>225.0</b>
FFT <sup>5</sup>	3	400	60	20	10	5	-	5	<b>45.0</b>

<sup>1</sup> For IDPs and vulnerable groups, tea will be given only to adults at the rate of two rations per family (average size 5); for other categories, tea is a single ration.

<sup>2</sup> Beneficiaries under the categories of primary schoolchildren and EGS will receive the indicated quantities in addition to the general relief ration.

<sup>3</sup> Preschool caregivers will receive only FFA rations and not a general relief ration.

<sup>4</sup> Under income generation, whole families (average size 5) will be taken out of the WFP beneficiary list upon delivery of a three-month package.

<sup>5</sup> In cases of FFT, beneficiaries will receive the indicated quantities in addition to the general relief ration, and will then be taken out of the WFP beneficiary list upon delivery of a 3-month package.

40. There is evidence that IDP women suffer from diseases caused by iodine deficiency. Iodized salt was therefore added to the food basket. In addition, iron-fortified wheat flour, vitamin A-fortified vegetable oil and WSB were introduced, which help children at different stages of growth. Sugar is part of the food basket of the present PRRO. It gives energy during the harsh Azerbaijan winter and is used for preserving fruit.

### Selection of Activities

41. WFP will implement the following three types of activities, with continued focus on rural IDPs.

#### Relief

- WFP and its partners will distribute food in 23 districts in central, western and southern parts of the country. At least 60 percent of recipients will be women.
- IDPs will receive take-home rations equivalent to half their minimum energy, protein and fat requirements.



- During the PRRO, the country office will continue to assess changes in living conditions. By the end of the second year, WFP will phase out some 48,000 IDPs who have attained a degree of self-sufficiency.

### **School Feeding**

- During the first year, in collaboration with the Ministry of Education, WFP will provide take-home rations to primary schoolchildren in ten districts of economically disadvantaged areas. This will provide a dry ration for families who maintain their children in primary school. This additional support to family income will to some extent offset the costs of enrolment, school supplies and clothing.

### **Recovery**

- In the first phase of PRRO 6121.00, WFP found it difficult to carry out FFW activities in IDP settlements. Projects were often hindered by a lack of matching inputs and access to land. Despite the ceasefire, full-scale rehabilitation and recovery depends on lasting peace and resettlement. Meanwhile, a US\$10 million World Bank grant covering the period 2002–2005 aims to rehabilitate and reconstruct damaged community infrastructure and upgrade IDPs' shelters as part of a gradual and planned improvement of accommodation. WFP will earmark resources to cover those IDPs involved in EGS related to this government initiative.
42. The immediate and long-term objectives of the Government's Global Programme for IDPs are in line with WFP's core policies and strategies. During the first year of the PRRO, the country office will explore possibilities of using food in exchange for labour and as an incentive for income-generation and FFT recovery activities at community and household levels.
43. In 2000, UNICEF and WFP joined efforts to support multifunctional centres for preschool children in camps in 14 districts. The aim was to introduce low-cost, family and community-based models of early childhood care, survival, growth and development, and to train care providers. The PRRO will build on the success of this initiative. Income-generating activities, including a training element, with non-food support from other United Nations agencies and NGOs will include silk and carpet weaving and handicraft production. Specific indicators for the above portfolio will be developed with partners.

### **Activity Approval Mechanism**

44. WFP will sign a Letter of Understanding (LOU) with the Government detailing activities and responsibilities. To ensure compliance with the Global Plan with respect to social, technical, environmental and economic viability, activities will be discussed at regular meetings with WFP's main government counterpart, the Office of the Deputy Prime Minister in Charge of Humanitarian Affairs.
45. LOUs with WFP's main implementing partners will establish responsibilities for warehousing, distribution, monitoring and reporting, and for providing information from surveys and market analyses.
46. The school feeding programme will be undertaken in collaboration with the Ministry of Education and SCRIDP. Written agreements will be made between districts, WFP and schools, with representatives from each forming steering committees.



47. EGS project proposals from communities will be subject to approval by local and central government and delivered to the country office for final approval. Agreements will be signed between WFP and the Government.

### **Institutional Arrangements and Selection of Partners**

48. The United Nations resident coordinator oversees the United Nations country team. Following completion of the Common Country Assessment (CCA), preparations for the United Nations Development Assistance Framework (UNDAF) are under way. WFP leads food-aid coordination (FAC) meetings. It has drafted the food-security section of the CCA and established an interagency contingency plan for various eventualities in the Nagorno-Karabakh conflict.
49. Agreements signed with partners regarding distribution, storage, handling and monitoring are based on a landside transport, storage and handling (LTSH) formula. Responsibilities are outlined in the LOU, including the expectation that partners contribute additional resources to the projects. The country office will explore the possibility of a joint performance review to be incorporated into the LOU. Standard reporting forms will be issued for all activities, with an emphasis on outputs and impact, in line with WFP's results-based approach to monitoring.
50. WFP will initially negotiate LOUs with World Vision International (WVI) and UNICEF, and seek further partnerships during the PRRO. WVI is responsible for distribution and warehousing in 13 of the 23 targeted districts; WFP covers a further nine, and WFP and WVI share one district. As part of a WFP/UNICEF initiative on preschool care, WFP assists caregivers in 36 centres in IDP settlements. Both agencies are expected to bring additional resources to the partnership with WFP. WVI's inputs will include office running costs, monitoring, vehicles and communication equipment amounting to some US\$200,000 a year. UNICEF will conduct workshops and seminars, arrange for monitoring, evaluation and nutritional surveys and provide services and supplies for the children's centres; the cost will be US\$30,000 a year.

### **Capacity Building**

51. In the course of the current PRRO, WFP and partners have received training in gender, security awareness, logistics and procurement, monitoring and survey techniques. Staffing levels are appropriate to the continuing relief programme. With the incorporation of new components, three more field monitors will be recruited, for whom training will be provided. New training for partners and staff will include gender, nutrition, logistics, VAM and monitoring and evaluation (M&E).
52. WFP will continue to seek ways to increase women's participation in food planning, management and distribution. A special item on WFP's Commitments to Women was included in the LOU signed between WFP and its partners, who observe WFP policy on gender when recruiting staff for WFP's payroll. These efforts will help to achieve gender balance and contribute to meeting WFP's Commitments to Women.

### **Logistics Arrangements**

53. Logistics arrangements under the current PRRO work well and will be maintained. Food-aid imports will arrive at the port of Poti in Georgia, from where they will be transported by rail or road to three extended delivery points (EDPs) in Mingechevir, Imishli and Masalli. Standard contracts will be issued to commercial truck owners. Final distribution, directly from trucks, will be carried out by WFP and partners at 130 final



distribution points. The evaluation mission noted the exceptional efficiency and negligible losses of the process.

54. In consultation with the Procurement and contracts branch (MSP), under the current PRRO the country office purchased locally 1,242 tons of sugar, iodized salt and tea. Taking into consideration previous positive experiences, WFP will encourage cash contributions from donors that can be used for local procurement.
55. Cost containment is a high priority for the country office. To keep expenditure down, WFP Azerbaijan will continue to use vehicles, furniture and telecommunications and information technology equipment from previous programmes and equipment transferred from the Kosovo operation. The possibility of expanding local food procurement will be considered when cash contributions are made.

### Monitoring and Evaluation

56. WFP and partners have developed a computerized information system on food distribution, type of work and number of beneficiaries in a gender- and age-disaggregated manner. Indicators will be developed for recovery activities based on changes in the household economy and living conditions measured by surveys. In 1998–1999, the country office conducted a household food-economy survey, with a follow-up in October 2001 and a further survey in 2004.
57. WFP will continue its cooperation with UNICEF to monitor the nutritional status of IDPs, focusing on food-insecure beneficiaries in WFP's areas of intervention. In 2001, WFP conducted a gender survey among its beneficiaries, analysing household food consumption and control. A follow-up survey will be carried out in 2004.
58. Responsibilities for monitoring set out in LOUs are reinforced by field visits by WFP staff. Three staff visit about ten sites each month and follow standard reporting procedures. Country-office staff visit suboffices regularly to provide guidance, identify problems and recommend corrective measures.
59. An independent evaluation, planned for 2005, will lead to recommendations regarding the future of the programme. Monitoring teams will collect data on food and crop prices, nutrition and economic indicators.

### Security Measures

60. The security situation in Azerbaijan is relatively stable. The unresolved conflict with Armenia and social and economic hardships in the country mean that the situation may change at any time. The United Nations Azerbaijan Security Plan is in place and updated regularly. The security level varies from district to district, reaching highest levels in front-line areas and in the south of the country, where WFP's Masalli EDP is located. Security issues are discussed at the regular meetings of the United Nations security-management team, which includes WFP.

### Exit Strategy

61. The Government was slow in allocating to IDPs land that was potentially profitable in the context of nationwide privatization. Agricultural production has risen in recent years, but land provision to IDPs, even in the rare cases where land is fully utilized, is insufficient to address the chronic unemployment caused by the post-Soviet collapse of industry. Sustained investment in new industries is the only way in which the majority of IDPs will be relieved of aid dependency.





62. The Government is optimistic that oil revenues in the next four to five years will grow sufficiently to allow an economic improvement that will benefit the entire population. Capacity to absorb new revenues may be initially low, but support to the social sector should rise, allowing international agencies to withdraw as the Government takes on increasing responsibility for social support. Azerbaijan will continue to be a net food importer, but support for IDPs should increase, whatever the political resolution of their predicament.

### Contingency Mechanism

63. In June 2001, WFP issued a contingency plan based on two political scenarios—peaceful settlement or escalation of war, and two environmental scenarios—severe drought and earthquake. The three most likely scenarios (earthquake is exceptional) are backed by a risk analysis and contain details of food requirements, logistics, monitoring and management contingencies. This plan is a central component of the United Nations country team contingency plan in preparation.
64. The country office continuously reviews the contingency plan, which reflects political events, security and economics. Following statements by the President of Azerbaijan in late October 2001, the country office considered that the risk of an outbreak of hostilities had increased. The WFP Azerbaijan contingency plan was modified accordingly, with “resumed military hostilities with Armenia” as a main component.

---

### RECOMMENDATION

65. 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 (mt)	Average cost per ton	Value (dollars)
<b>WFP COSTS</b>			
<b>A. Direct operational costs</b>			
Commodity (mt) <sup>1</sup>			
– Wheat flour	31 672	196	6 223 184
– Pulses	4 725	288	1 362 000
– Oil	3 149	807	2 541 750
– Sugar	2 351	300	705 300
– Salt	789	125	98 625
– Tea	320	1 235	395 200
– Wheat-soya blend	81	400	32 400
<b>Total commodities</b>	<b>43 087</b>	<b>264</b>	<b>11 358 459</b>
<b>External transport</b>		<b>59</b>	<b>2 554 960</b>
Landside transport		33	1 421 858
ITSH		37	1 581 654
<b>Total LTSH</b>		<b>70</b>	<b>3 003 512</b>
<b>Other direct operational costs</b>		<b>8</b>	<b>359 000</b>
<b>Total direct operational costs</b>		<b>401</b>	<b>17 275 931</b>
<b>B. Direct support costs</b> (see Annex II for details)		<b>33</b>	<b>1 429 000</b>
<b>Total direct costs</b>		<b>434</b>	<b>18 704 931</b>
<b>C. Indirect support costs</b> (7.8 percent of total direct costs)		<b>34</b>	<b>1 458 985</b>
<b>TOTAL WFP COSTS</b>			<b>20 163 915</b>

<sup>1</sup> This is a notional food basket used for budgeting and approval purposes. The mix and quantities of commodities as in all WFP-assisted projects, may vary depending on availability.



**ANNEX II****DIRECT SUPPORT REQUIREMENTS (dollars)**

<b>Staff</b>	
International Professional staff	417 900
National General Service staff	192 900
Temporary assistance	120 000
Overtime	7 200
Incentives <sup>1</sup>	108 000
International consultants <sup>2</sup>	307 000
National consultants	9 000
Staff duty travel	51 000
Staff training and development	13 500
<b>Subtotal</b>	<b>1 226 500</b>
<b>Office expenses and other recurrent costs</b>	
Office supplies	7 200
Communications and IT services	72 000
Insurance	1 500
Equipment repair and maintenance	7 200
Vehicle maintenance and running cost	18 000
Other office expenses	39 600
United Nations organizations' services	36 000
<b>Subtotal</b>	<b>181 500</b>
<b>Equipment and other fixed costs</b>	
Furniture, tools and equipment	9 000
ICT equipment	12 000
<b>Subtotal</b>	<b>21 000</b>
<b>TOTAL DIRECT SUPPORT COSTS</b>	<b>1 429 000</b>

<sup>1</sup> R&R cost for two international staff.

<sup>2</sup> Costs of VAM mission, household food security surveys, monitoring and evaluation and formulation mission.



## ANNEX III

**BREAKDOWN OF BENEFICIARIES AND FOOD REQUIREMENTS**  
(in tons)

Beneficiary type	No. of benefic.	Male	Female	Commodity and quantity (in tons)							Total
				Wheat flour	Pulses	Oil	Sugar	Salt	Wheat-soya blend	Tea	
<b>First Year</b>											
IDPs	157 200	62 880	94 320	11 318.4	1 697.8	1 131.8	848.9	283.0	-	113.2	<b>15 393</b>
Vulnerable groups	5 000	2 000	3 000	360.0	54.0	36.0	27.0	9.0	-	3.6	<b>490</b>
Primary schoolchildren	1 500	525	975	138.4	16.2	14.9	10.1	4.7	20.3	-	<b>205</b>
EGS	500	175	325	45.0	7.2	4.5	3.6	1.3	-	0.9	<b>62</b>
Preschool caregivers	300	-	300	60.0	4.8	4.4	1.8	-	-	2.3	<b>73</b>
Income generation	200	100	100	50.4	7.6	3.2	2.0	0.8	-	0.5	<b>64</b>
FFT	300	105	195	32.4	4.9	2.7	1.9	0.7	-	0.1	<b>43</b>
<b>Total</b>	<b>165 000</b>	<b>65 785</b>	<b>99 215</b>	<b>12 004.6</b>	<b>1 792.4</b>	<b>1 197.6</b>	<b>895.3</b>	<b>299.4</b>	<b>20.3</b>	<b>120.6</b>	<b>16 330</b>
<b>Second Year</b>											
IDPs	135 300	54 120	81 180	9 741.6	1 461.2	974.2	730.6	243.5	-	97.4	<b>13 249</b>
Vulnerable groups	3 500	1 400	2 100	252.0	37.8	25.2	18.9	6.3	-	2.5	<b>343</b>
Primary schoolchildren	2 000	700	1 300	184.5	21.6	19.8	13.5	6.3	27.0	-	<b>273</b>
EGS	1 500	525	975	135.0	21.6	13.5	10.8	3.8	-	2.7	<b>187</b>
Preschool caregivers	300	-	300	60.0	4.8	4.4	1.8	-	-	2.3	<b>73</b>
Income generation	500	250	250	126.0	18.9	8.1	5.0	2.0	-	1.1	<b>161</b>
FFT	400	140	260	43.2	6.5	3.6	2.5	0.9	-	0.2	<b>57</b>
<b>Total</b>	<b>143 500</b>	<b>57 135</b>	<b>86 365</b>	<b>10 542.3</b>	<b>1 572.4</b>	<b>1 048.8</b>	<b>783.1</b>	<b>262.8</b>	<b>27.0</b>	<b>106.3</b>	<b>14 343</b>
<b>Third Year</b>											
IDPs	112 700	45 080	67 620	8 114.4	1 217.2	811.4	608.6	202.9	-	81.1	<b>11 036</b>
Vulnerable groups	2 000	800	1 200	144.0	21.6	14.4	10.8	3.6	-	1.4	<b>196</b>
Primary schoolchildren	2 500	875	1 625	230.6	27.0	24.8	16.9	7.9	33.8	-	<b>341</b>
EGS	3 000	1 050	1 950	270.0	43.2	27.0	21.6	7.6	-	5.4	<b>375</b>
Preschool caregivers	300	-	300	60.0	4.8	4.4	1.8	-	-	2.3	<b>73</b>
Income generation	1 000	500	500	252.0	37.8	16.2	9.9	4.1	-	2.3	<b>322</b>
FFT	500	175	325	54.0	8.1	4.5	3.2	1.1	-	0.2	<b>71</b>
<b>Total</b>	<b>122 000</b>	<b>48 480</b>	<b>73 520</b>	<b>9 125.0</b>	<b>1 359.7</b>	<b>902.7</b>	<b>672.7</b>	<b>227.1</b>	<b>33.8</b>	<b>92.8</b>	<b>12 414</b>
<b>TOTAL FOOD REQUIREMENTS FOR PRRO</b>				<b>31 672</b>	<b>4 725</b>	<b>3 149</b>	<b>2 351</b>	<b>789</b>	<b>81</b>	<b>320</b>	<b>43 087</b>



# AZERBAIJAN



The boundaries and names shown on this map do not imply any official endorsement or approval by the United Nations.

WFP/EB.2/2002/6/3

The designations employed and the presentation of material in this publication 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

CIS	Commonwealth of Independent States
EDP	Extended delivery point
EGS	Employment-generating schemes
EMOP	Emergency operation
FFA	Food for assets
FFT	Food for training
FFW	Food for work
IDP	Internally displaced person
LOU	Letter of understanding
LTSH	Landside transport, storage and handling
NGO	Non-governmental organization
PRRO	Protracted relief and recovery operation
SCRIDP	State Committee for Refugees and Internally Displaced Persons
UNICEF	United Nations Children's Fund
VAM	Vulnerability analysis and mapping
WSB	Wheat-soya blend
WVI	World Vision International

