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PROJECT NEPAL 3718.01

Assistance to primary schools

Duration of project	Four years and four months (from mid-April 1998 to mid-August 2002)
Number of beneficiaries	250 000
Total cost to WFP	15 027 600 dollars
Total cost to Government	3 522 700 dollars
Total project costs	18 550 300 dollars

All monetary values are expressed in United States dollars, unless otherwise stated. In May 1997, one United States dollar equalled 35.7 Nepali rupees.

ABSTRACT

The project will support His Majesty's Government of Nepal in its priority goal of developing the country's human resources and, in particular, the primary education sector. It will contribute to improving attendance and reducing afternoon absenteeism of primary school students; enhance the attention span and learning capacity of students by relieving short-term hunger; reduce the intensity and incidence of intestinal parasitic infections in schoolchildren by deworming ; and heighten gender awareness among school personnel and communities, particularly as regards the importance of girl's education and the participation of women in the project. The project will assist those districts which meet the following basic selection criteria: food deficit; high educational need (particularly for girls); and coverage under the Basic Primary Education Project (BPEP), supported by a consortium of donors including the World Bank, the Asian Development Bank (ADB), the Danish International Development Agency (DANIDA), the United Nations Children's Fund (UNICEF), the European Union (EU), the Norwegian Agency for International Development (NORAD), the Finnish International Development Agency (FINNIDA), and the Japan International Cooperation Agency (JICA).

A management review-cum-appraisal mission (WFP/UNESCO/WHO), which visited Nepal in May 1997, recommended that the number of beneficiaries be 200,000 in year one, to be increased to 250,000 in the following year, in 12 districts (the eight districts assisted by the current phase and four new ones). It also recommended a reduction in the ration scale as well as a change in the composition of the ration. The timing for the commencement of project activities has been adjusted to coincide with the new scholastic year calendar introduced by the Government.

The project activities will be implemented in close coordination with the BPEP, WHO and bilateral donors.

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NOTE TO THE EXECUTIVE BOARD

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

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

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

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PROBLEM ANALYSIS

1. Classified by the United Nations as a least developed country (LDC), Nepal is one of the poorest and most deprived nations of the world. In fact, according to some criteria, it ranks at the bottom. With a per capita income of only 190 dollars - the eighth lowest in the world - it ranks 151 out of 174 countries on the Human Development Index. Officially, about 40 percent of the population lives in absolute poverty.
2. Nepal is a food-deficit country. Population growth has outstripped food production in most areas and 45 of the country's 75 districts are food-deficit. Over 80 percent of Nepal's population relies on subsistence agriculture which, however, contributes only 40 percent to the gross domestic product (GDP). Classified by FAO as low-income, food-deficit (LIFDC), the country has an aggregate Household Food Security Index of 75.1. Farmers in the hilly and mountainous areas and in some pockets of the Terai belt can produce only a part of their family needs.
3. Malnutrition is rampant, especially among infants and children under five years of age. Two thirds of all under-five deaths in Nepal are associated with malnutrition. Poor feeding and eating practices and improper distribution of food within households put children, particularly girls, at nutritional risk. The prevalence of gastrointestinal parasites among primary-school-age children was found to be above 90 percent by a WHO mission in 1996, and hookworm is a common cause of iron-deficiency anaemia in children. The mortality rate of children under five is 118 per 1,000 live births.
4. In Nepal, the burden of poverty and its consequences fall more heavily on women and female children. There is believed to be a marked preference for male children and Nepal is one of the very few countries in the world where the life expectancy of men is higher than that of women. Legislation is still tilted in favour of men and men have the prerogative of rights to land. Women's control over land and its produce is either absent or limited, even though women are the backbone of Nepal's agrarian economy. This has negative implications on household food distribution and intake among female household members. Gender bias in access to, and control over, resources such as food, education and health affects the psychological and physical ability of women and girls to participate in decision-making within the community and further sustains the vicious cycle of female poverty and illiteracy.
5. Nepal's adult literacy rate of 26 percent is the lowest in South Asia and the fourth lowest in the world. However, female literacy, at 13 percent, is only half of that. Although there are over 23,000 primary schools and more than 82,000 teachers in Nepal, less than half the teachers have received training, and only one fifth of primary teachers are female. However, teaching education for women is expected to be promoted through the various types of training which the BPEP is providing. Teacher attendance is less than 60 percent and actual instruction time is considerably less. In 1995, of the children enrolled in grade one, 42 percent repeated and 21 percent dropped out. Primary schools are co-educational but, in 1995, only 40 percent of primary students were girls. Discriminatory customs against females prevail. In addition, owing to greater wealth and demand, the access of urban populations to education is far greater than that of rural populations.
6. The incidence of short-term hunger is a deterrent for children to regularly attend school or to concentrate on learning. About 40 percent of students in the hill districts walk for 30 to 45 minutes to reach school, often on steep mountainous terrain. Many students who live



near the school return home for a meal during the mid-morning break and often do not go back to school.

7. However, the Government has accorded high priority to the education sector in the recent past. At present, budgetary allocation to the education sector stands at 13.3 percent of the total government budget, of which 55 percent is spent on primary education. Recognizing the importance of investing in human development, the Government has set the target of an adult literacy rate of 67 percent and primary school enrolment of 100 percent by the year 2000. The school feeding programme (SFP) is an integral part of the Government's education strategy, together with other large programmes for school construction and provision of quality education in primary schools, which receive generous external funding from, for example, BPEP.

PREVIOUS WFP ASSISTANCE

8. WFP's assistance to education started in November 1972 as a component of project No. 709—"Feeding of mothers, infants and pre-school children". It continued in project No. 3718—"Support for basic needs programmes in health/nutrition and education", approved by the Committee on Food Aid Policies and Programmes (CFA) at its Twenty-sixth Session in December 1988, at a total cost of 12,283,800 dollars. An appraisal mission for an expansion phase visited the country in June 1995 and concluded that the components of health care, welfare institutions and day-care centres did not achieve their objectives and that food assistance did not appear justified. The mission recommended to phase out these three components by the end of 1995 and to reorient WFP's assistance exclusively to the education sector.
9. The mission recommended that the project be extended and be refocused exclusively on primary education in eight of the food-deficit districts with low levels of educational attainment, for a period of 18 months, starting January 1996. A budget increase of 5,049,702 dollars, to provide the additional food commodities needed to feed up to 200,000 primary school students for 315 days, was approved by the CFA at its Fortieth Session in November 1995. The project had been extended in time (without additional food commitment) until mid-April 1998, i.e., up to the end of the current academic year.
10. It was also envisaged that 12 months after the start of the ongoing phase, a review would be made of the achievements and possible future involvement of WFP in the sector of education assessed. A WFP management review-cum-appraisal mission, comprising experts from UNESCO and WHO, a WFP logistics officer and a WFP consultant on gender, visited Nepal in May 1997. The main conclusions and recommendations of the mission concerning the future scope of WFP assistance are summarized in Annex III.

PROJECT OBJECTIVES AND OUTPUTS

11. The project's long-term objective is to assist the Government in its priority goal of developing the country's human resources and, in particular, the primary education sector.

Immediate objectives

12. The immediate objectives of the project are:



- a) to contribute to improving attendance and reducing afternoon absenteeism;
- b) to enhance the attention span and learning capacity of students by relieving short-term hunger;
- c) to heighten gender awareness among school personnel and communities, particularly as regards the importance of girl's education and the participation of women in the project; and
- d) to reduce the intensity and prevalence of intestinal parasitic infections in schoolchildren by deworming, thereby strengthening the project's educational and nutritional benefits.

Outputs

13. The expected outputs are as follows:

- a) average daily attendance rates will be increased to at least 80 percent of the initial enrolment;
- b) a snack will be provided to 200,000 primary students in 10 districts during 280 days in the 1998/99 school year and to 250,000 primary students in 12 districts during 630 days for the following three school years;
- c) gender training will be conducted for at least 1,000 female trainers at the village level, and communities will be encouraged to increase female attendance by at least five percent a year. Women's participation in the management of the school feeding programme should increase by at least 10 percent each year. Communities should present action plans and progress reports; and
- d) The same number of children listed under b) above will be provided with two doses of mebendazole a year, and the curriculum of health education will be modified to include preventive measures for parasitic infections and basic hygiene practices for schoolchildren. Posters and other information material will be provided to schools.

ROLE AND MODALITIES OF FOOD AID

Functions

14. Food aid will serve as an incentive for regular attendance as well as a dietary supplement to relieve short-term hunger. It will also play a role in introducing gender-awareness training, training of trainers and adult literacy training. In addition, the feeding programme will act as a vehicle for deworming of schoolchildren.

Food inputs and commodity justification

- 15. Nepal is in the process of changing the academic year from mid-January to mid-January to from mid-August to mid-August. The 1998/99 school year will run for 16 months, from mid-April 1998 to mid-August 1999. Thereafter, academic years will revert to the usual 12 months, from mid-August to mid-August. In all cases a two-month vacation is included.
- 16. During the project's duration, WFP will supply 18,150 tons of locally produced blended food (40 percent wheat, 40 percent maize, 20 percent soya), 2,135 of vegetable ghee, and 3,205 of sugar. Sugar will be added to the blended food to produce one commodity (85 percent blended food, 15 percent sugar). The daily per capita ration will be 100 grams



of the blended food mix consisting of 85 grams of blended food and 15 grams of sugar, and 10 grams of vegetable ghee. This will provide approximately 441 kilocalories, 13 percent of fat and 11.5 percent of protein, plus micronutrients. The total number of daily rations will be 56 million in the 1998/99 school year and 157.5 million for the school years from 1999 to 2002, i.e., 200,000 students fed for 280 days and 250,000 students for 630 days.

PROJECT STRATEGY

Implementation strategy

17. The Primary School Nutritious Food Programme (PSNFP), formerly known as Nutritious Food Programme (NFP), an organization with over 15 years of experience with WFP assistance, will be responsible at the central and district levels for handling the food as well as managing non-food commodities. PSNFP, which was previously under the auspices of the Government's Social Welfare Council, has been fully integrated into the Ministry of Education as recommended by the appraisal missions of June 1995 and May 1997. PSNFP will be the project management unit of the Ministry of Education responsible for implementing the SFP. The Secretary for Education will supervise the project and ensure that adequate budgetary appropriations are made for the project's implementation, particularly to PSNFP. At the district level, the project will be supervised by district education officers, who will be assisted by the school supervisors and PSNFP regional and district staff.
18. PSNFP will arrange for food distribution from extended delivery points (EDPs) on a monthly basis, always on a pre-established day. Further transportation up to the schools, and the management of the feeding programme at the school level, including storage, cooking and serving food, will be the responsibility of the local communities and the parents. The school meal time, which is now fixed at 1:00 p.m. for day schools and 9:00 a.m. for morning schools, will be adjusted in consultation with the local communities and parents to prevent afternoon absenteeism and short-term hunger. At the school level, food management committees (FMCs) will oversee food management. Given the constraints to the participation of women in community activities and the demands on their time made by household and farm duties, their representation in FMCs is currently low. However, WFP will work with government agencies and communities to aim at reaching gender parity.
19. Medicine for deworming will be distributed twice a year by school teachers who will also oversee food management and receive basic training in health and sanitation.
20. Cooking will be carried out by the messenger-cum-storekeeper where available or FMCs will arrange for cooking, either by parents on a rotation basis or by hiring a cook to be paid for with parents' contributions. FMCs are authorized to collect a fee from families of five rupees per student per month to cover the cost of food collection, storage and cooking. Fees are not collected from those parents who cannot afford it; instead, such parents contribute time and labour, for example, by helping to transport food from distribution centres to schools and collecting firewood.
21. PSNFP used to charge up-front a small fee from schools for the value of empty bags and plastic oil containers. The May 1997 mission recommended that this practice be discontinued and that the proceeds from the sale of empty containers be used by each school and its FMC in order to provide extra seed money for the management of the SFP.



Implementation schedule

22. In the latter part of the 1997/98 school year, which terminates in mid-April, the SFP will have achieved a coverage, on a permanent basis, of 150 to 160,000 primary students in five Mid-Hill districts and three Terai districts.
23. During the proposed expansion phase, four new districts will be added to the eight already assisted, according to the following schedule:
 - a) from mid-April 1998 to mid-August 1999, 200,000 beneficiaries in 10 districts (two new districts added); and
 - b) from mid-August 1999 to mid-August 2000, 250,000 beneficiaries in 12 districts (two new districts added).
24. The map at the end of the document highlights the eight districts in which the SFP has been implemented since January 1996 and the four additional ones which, according to the May 1997 mission, should be given priority consideration for inclusion in this expansion phase.
25. A mid-term review mission should be fielded towards the end of the 1999/2000 school year to report on progress made.

Food aid modalities

26. Local production and procurement of all food commodities is envisaged as this has been consistently and unequivocally proven to be cost-effective, in terms of saving both money and lead-time. In addition, local procurement helps to stimulate local agricultural production and develop an efficient locally blended food industry. Moreover, it will allow for savings in ocean freight and overland transport costs, as most commodities will be delivered directly to PSNFP's regional or district warehouses.

Food logistics

27. Food and non-food commodities procured locally or regionally will be delivered to the PSNFP's warehouses directly by the suppliers. PSNFP will arrange on-forwarding transport by its own trucks, or through private portering contractors, up to the road-heads, or cluster distribution points. Four to 12 such EDPs will be established in each district, each covering up to 20 schools. From these distribution points, the school FMCs will arrange for the collection of food either by members of the community or by hired porters. Food will be stored in a storage room at the school or in a safe place in the village designated by the FMC.

Phasing out

28. The project has only very recently become a programme in support of educational development in the country. It has now been placed under the Ministry of Education (MOE) and is strictly targeted to the most food-insecure, needy districts. As a result of these changes, and with further improvements in the project's design and management introduced under this phase, the project will be able to effectively play its role as part of the Government's strategy for the education sector. Sustainability of the project has been considerably enhanced by bringing it under the purview of MOE, as well as by involving local communities. The emphasis on national/local ownership, as well as the project's strict poverty focus, will be maintained and further strengthened during the current phase.



BENEFICIARIES AND BENEFITS

29. Immediate beneficiaries will be 200,000 primary school students in the rural areas of 10 districts (three only in Terai) during the 1998-99 school year. During the following school year, two more Mid-Hill districts will be added and the total number of immediate beneficiaries will reach 250,000. Initially, only an estimated 66,000 of the 200,000 students and 82,500 of the 250,000 will be girls, due to their present low enrolment in primary schools, particularly in hill districts. However, efforts will be made to utilize WFP food to achieve gender parity in enrolment and attendance and to increase the national ratio of girls to boys in primary schools from the current 1:3.

Targeting

30. The four new project districts will be selected on the basis of criteria already applied for the initial phase of the SFP, i.e., food deficit and high education need as expressed in the low primary enrolment ratio particularly for girls; a low percentage of girls in total primary enrolment; a high drop-out rate; and coverage by BPEP. In addition, the May 1997 mission recommended supplementary criteria for the selection of the additional districts from among the list of the poor districts submitted by the Government, i.e., geographic closeness to existing districts and exclusion of additional Terai districts.

31. Within the selected districts, all rural public primary schools (only pure primary schools, i.e., not primary sections at junior secondary or secondary schools) meeting the following criteria will be considered for inclusion in the SFP:

- a) existence of a functioning FMC, established by a general assembly of all parents and community members, with at least 25 percent female members;
- b) FMC's declaration of its willingness to organize food transport from the distribution points as well as cooking and distribution of food, either by collecting a fee or by distributing tasks amongst parents on a rotating basis;
- c) availability of water-supply at a reasonable distance from schools; and
- d) availability of appropriate food storage room and cooking area.

Compliance with these criteria will be verified before schools are included in the SFP.

32. In Nepal, there is traditionally a large number of younger children (aged three to five) enrolling in primary schools - sometimes as many as 50 percent of the children in class 1. This tendency seems to increase with school feeding, for reasons such as lack of time for parents to look after the young children, the attraction of food and the belief that even young children may benefit from being at school. It was concluded that it is inadvisable to attempt to exclude such children from the SFP. Thus, the beneficiaries include on average 25 to 50 percent of under-aged children in class 1. BPEP plans to address this problem and is at present implementing an Early Childhood Component in 36 of the 75 districts in the country. All children enrolled in government primary schools in the selected districts will benefit from WFP assistance. By limiting the assistance to public schools in rural areas, the project will self-target the relatively poorer families.

Benefits

33. The children will benefit from the provision of regular snacks with added nutrients and vitamins, as well as from regular deworming, which will help to improve their general



health and nutritional status. The combination of other health inputs, such as health education materials, the training of teachers, and in some schools, the improvement of health and hygienic facilities, will help to create a healthy and hygienic environment in the schools. Children and their families will benefit from improved and sustained access to education. There will also be some relief in the family's overall food basket, as parents will no longer have to provide snacks or mid-day meals for their children. Moreover, with the support extended to under-aged children enrolled in primary school classes, mothers will have more time and girls will be able to attend school, although the presence of under-aged schoolchildren may have a negative impact on the teaching in these classes.

34. Community members, in particular women, will also benefit from the project as they will have the opportunity to participate in the organization and management of the SFP. In addition, women will be provided with training in awareness raising and community participation.

Anticipated effects of the project on women

35. The project will directly support the Government's policy of improving gender educational indicators by providing scholarships for girls, waiving various fees and hiring female teachers in schools.
36. In order to encourage mothers and female members of the community to participate in the project, district and grass-roots' level orientation will be continued, with women as a target group, at an estimated cost of 25,000 dollars. This should increase the participation of women in the management of the SFP as they will play a more important role in food management through an increased participation in the FMCs. Functional literacy is also expected to contribute to improved confidence building, advocacy and participation of rural women.
37. The project will also include a "package" of training and awareness-raising programmes targeted to women and men in the community. These will cover topics such as the socio-economic status of women, leadership and self-assertiveness, group dynamism and cohesiveness, women's legal rights, children's rights and organizational skills, and the strategy will be based on the Training of Trainers module, so as to create a critical mass of trainers from among the community itself, through the multiplier effect. This will strengthen local capacity-building and sustainability and involve not only mothers but also fathers and the community at large, providing gender-awareness training and functional literacy for women, and also giving the communities with assessment tools to allow women, in their role as parents and community members, to identify indicators to monitor positive changes in their own lives and that of their female children. This training package will cost an estimated 72,000 dollars.
38. The education components in basic health and nutrition will particularly benefit women and girls by providing practical information to improve food preparation. The female community health volunteers (CHVs) who, together with health workers from the health posts, will participate as monitors in the deworming component, will benefit from additional training as well as the provision of small incentives to attend deworming training.



PROJECT SUPPORT

39. The project will be implemented in close coordination with BPEP, which receives support from the World Bank, ADB, DANIDA, UNICEF, EU, NORAD, FINNIDA and JICA. BPEP's objectives include school construction and repair, curriculum reform, teacher training, provision of textbooks, strengthening of girl's education, etc. The second phase of BPEP, at an estimated cost of 250 million dollars, will be operational from 1998 to 2002. The May 1997 mission found close coordination between the SFP and BPEP to be very beneficial, as it creates synergies between both programmes and enhances their effect. BPEP also includes a component to set up community-based pre-schools, which would also strengthen community and parental support of the project. Any pre-schools located close to an assisted primary school will also be eligible for benefits from WFP assistance. Throughout project activities, training at all levels will be undertaken in order to improve prospects for success and sustainability.
40. The deworming component will be carried out with WHO, which will provide technical cooperation. WHO will also be responsible for training health staff, the mid-term review and impact assessment. This component, estimated at 200,000 dollars, will be funded by the Micronutrient Facility of the Canadian International Development Agency (CIDA). The Ministry of Health has a programme through which deworming tablets are distributed to children aged from two to five. This complements the deworming activity of the project which targets children over five.
41. JICA, in collaboration with Japan Medical Association (JMA), is implementing a school and community health project, which includes a deworming component in a district not covered by WFP. An agreement was made to share the baseline data and consult on technical matters, where appropriate.

LTSH

42. Nepal, being an LDC, is entitled to receive a 50 percent subsidy towards the cost of transport (estimated to be 100 dollars a ton) up to the EDPs. A new LTSH matrix will be drawn up before the project's commencement. However, WFP reimbursement will be limited to a maximum of 54.26 dollars a ton.

Non-food items

43. The May 1997 mission listed the non-food items that the Government should secure directly from bilateral donors. Efforts should be made, in particular, to strengthen PSNFP's ageing and worn-out truck fleet. Alternatively, budgetary appropriations should be increased to meet the use of local, private trucking contractors as required.
44. The following non-food items will be provided through WFP: pots, pans, ladles and measuring scoops (25,000 dollars); and 20 mobile warehouses/storage tents of about 80-120 tons capacity (100,000 dollars, included in the storage and handling subsidy).

Monitoring and evaluation (M&E)

45. The monitoring and evaluation (M&E) system was streamlined by a specific M&E mission in April 1996. The recommendations of this mission were mostly implemented, and the M&E system already in use can essentially be maintained. However, several adjustments will be introduced to improve M&E practices. These include more regular monitoring with the use of a standardized field monitoring checklist; simplification of the monthly report



from the district to the central level; and inclusion of monthly attendance of students, and information relating to the gender advocacy and training component in the monthly district reports, field visit checklists, quarterly progress reports, and project implementation reports. The attendance figures will be disaggregated and analyzed by gender, PSNFP will be made responsible for all aspects of project management, including field monitoring and the preparation of reports. A clearer definition of responsibilities and lines of authority should contribute to making monitoring and evaluation more efficient.

46. **Deworming component.** Data on coverage of this component will be integrated into the SFP's M&E system. Monitoring and evaluation of changes in the incidence and intensity of intestinal parasitic infections and other parameters (e.g., nutritional status) will be observed through the Ministry of Health (MOH) reports which will be sent for information to PSNFP and WFP.

PROJECT FEASIBILITY

Technical feasibility

47. The May 1997 mission concluded that much has been achieved during the current phase of the project and that the project's implementation structure is in place. It recommended that the project be continued and enlarged on a manageable scale. The PSNFP, which has a long experience with WFP assistance, is now fully integrated with MOE (as recommended by the 1995 mission), and will be MOE's Project Management Unit for implementing the SFP. The Government also accords high priority to the education sector, particularly primary education, and will continue to support the SFP.
48. Local production of blended food was reviewed very favourably by a WFP procurement mission in June 1996 and the management review-cum-appraisal mission of May 1997. The recommendation of the procurement mission to change the blended food formula to consist of 40 percent wheat and 40 percent maize, and to reduce the soya component to 20 percent, will be implemented. The new blended food/sugar mix will offer several advantages, namely:
- a) reduction of production costs;
 - b) simplification of logistics;
 - c) reduction of cooking time and fuelwood requirements;
 - d) reduction of the loss of micronutrients that is caused by excessive cooking; and
 - e) the taste of *haluwa*¹ will remain more consistent with no possibility of sugar pilferage.
49. The deworming of schoolchildren using two doses of medendazole a year was appraised positively by a WHO team in June 1996. A plan of action was developed by WHO and endorsed by the Ministry of Health.

¹ *Haluwa* is a pastry prepared with blended food, sugar, vegetable ghee and water. If sugar is already mixed with blended food, roasting time when preparing *haluwa* at the school can be reduced to half.



Economic viability

50. The locally produced blended food was found to be both acceptable and economical. The new improved formula of the product requires some investment in equipment, but it has a potential market in Nepal and in neighbouring countries. Although relatively modest in operational costs at the school level, the project does entail costs for the parents and schools. It is therefore important that its enlargement to new schools and new districts be guided by a bottom-up participatory approach.
51. The Government will have to weigh very carefully the cost/benefit ratio of reaching remote schools, as portering costs to reach the EDPs can be prohibitively high.

RISKS

52. Experience gained since January 1996 makes the execution of the project being proposed relatively predictable. The project's expansion needs to be carefully weighed against the capacity of the MOE and PSNFP to execute the project and their current staffing cadre. Structural problems in the education sector, such as the large number of under-aged children in the lower grades, the presence of over-aged children in primary grades and the negligible proportion of female teachers, are all factors that need to be taken into account as they may have a negative impact effect on the project's achievements. Permanent and close cooperation with BPEP is advocated to minimize this risk.

Environment

53. The cooking of *haluwa* in schools, although relatively simple, leaves room for improvement as it requires both sufficient and easy access to a safe water-supply, a minimum of hygienic conditions and fuelwood. Alternative sources of energy will need to be explored.

DISINCENTIVES, DISPLACEMENT AND DEPENDENCY

54. All food aid provided through this project will be manufactured or procured locally. Thus, the local agricultural production of commodities such as wheat, maize, soya, sugar and vegetable ghee will receive substantive support.
55. The deworming component will be financed through the sale of Canola oil provided from Canada. As the annual production of vegetable oil is estimated at 115,990 tons and the market requirement around 189,990 tons, no significant market displacement is anticipated.
56. At the community and household level, market displacement by provision of school snacks is not anticipated, as the project will be strictly implemented only in food-deficit districts. School snacks meet a fraction of household food requirements, therefore, dependency on food aid at the household level will not be created.
57. Local communities are firmly encouraged to contribute to the SFP and this will reduce long-term dependency on external aid, even though neither the Government nor local communities are expected to be able to take over the SFP in the foreseeable future.



PROJECT COSTS

58. The cost breakdown for the project is as follows:

PROJECT COST BREAKDOWN			
	Quantity (tons)	Average cost per ton (dollars)	Total value (dollars)
WFP COSTS			
A. Direct operational costs			
Commodities ¹			
– Blended food ²	18 150	390	7 0
– Sugar mix ²	3 205	410	1 3
– Vegetable ghee/oil	2 135	920	1 9
Subtotal commodities	23 490		10 3
Ocean and overland transport			1 3
Superintendence/quality inspection			13 7
Transport up to EDPs		54.26	1 2
Storage and handling (WFP's 50% subsidy)			
Subtotal direct operational costs			13 0
B. Direct support costs			
Non-food items			25 0
District and grass-roots level orientation courses			25 0
Gender training of trainers "package"			72 0
Project monitoring and evaluation			50 0
Audit mission			10 0
Subtotal direct support costs			182 0
Total direct costs			13 1
C. Indirect support costs (13.9 percent of total direct costs)			1 8
TOTAL WFP COSTS			15 0
GOVERNMENT COSTS			
– Food handling, transportation and distribution			2 1
– Staff costs			674 6
– Supplies and materials			189 2
– Cash wages for workers			19 0
– Office supplies			38 2
– Operating expenses, including monitoring travel costs			291 7
– Maintenance			140 0
TOTAL GOVERNMENT COSTS			3 5
TOTAL PROJECT COSTS (WFP and Government)			18 5

WFP costs as a percentage of total project costs: 84 percent

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.

² Blended food consisting of wheat, maize and soya, and sugar mix, to be produced locally.



COORDINATION AND CONSULTATION

59. Since the initial formulation of the project outline, there has been constant consultation with United Nations agencies and all the major donors involved in Nepal's education sector, particularly through BPEP.

RECOMMENDATION OF THE EXECUTIVE DIRECTOR

60. The project is recommended for approval by the Executive Board.

