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DRAFT COUNTRY PROGRAMMES

Agenda item 8

For consideration

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DRAFT COUNTRY PROGRAMME NEPAL 200319 (2013–2017)

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for consideration

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.

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EXECUTIVE SUMMARY

Nepal is on track to achieve most of its Millennium Development Goal targets by 2015, but it remains one of the world's poorest and least-developed countries. Political instability, limited economic growth, high prices and natural disasters have resulted in 6.7 million people living below the national poverty line – a quarter of the population. Poverty rates reach 42 percent in the mountains and 37 percent in the mid-western and far-western hills.

Malnutrition rates are high and 15 percent of the population is food-insecure: stunting among children under 5 is 41 percent, underweight is 29 percent and wasting is 11 percent.

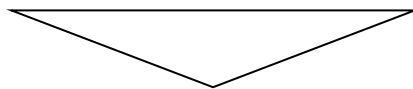
The goal of this country programme is to enhance the resilience of communities prone to shocks and foster the food and nutrition security of vulnerable people. Its objectives are to:

- reduce undernutrition among pregnant and lactating women and children under 5;
- increase children's access to pre-primary and basic education and enhance its quality;
- support the re-establishment of livelihoods and food and nutrition security in communities affected by shocks; and
- enable the development of sustainable nationally owned food-security systems.

Country programme 200319 supports the Government in tackling food insecurity, focusing on social safety nets in education, nutrition and productive assets for livelihoods support. WFP will also reinforce the institutions and systems needed for nationally owned food-security solutions.

The programme is in line with WFP's Nepal country strategy (2010–2013), the United Nations Development Assistance Framework (2013–2017) and the Government's development plans. It contributes to Millennium Development Goals 1, 2, 3, 4, 5 and 7 and to Strategic Objectives 3, 4 and 5.

DRAFT DECISION*



The Board takes note of draft country programme Nepal 200319 (2013–2017) (WFP/EB.A/2012/8/3), for which the food requirement is 128,595 mt at a cost of US\$81 million and the cash and voucher requirement is US\$17.9 million, for a total cost to WFP of US\$215.3 million, and authorizes the Secretariat to formulate a country programme, taking into account the observations of the Board.

* 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

1. Nepal is on track to achieve most of its Millennium Development Goal (MDG) targets by 2015,¹ but it remains a low-income food-deficit country and a least-developed country ranking 157th of 187 countries on the human development index. Per capita gross national income is US\$1,160. Women are particularly disadvantaged: the gender inequality index ranks Nepal 113th of 187 countries;² only 45 percent of women are literate.³
2. Poverty alleviation, the focus of policymakers in recent decades, has contributed to a 17 percent decrease in the number of poor people, but of Nepal's 26.6 million people, 6.7 million still live below the national poverty line. Poverty is highest in rural areas, reaching 42 percent in the mountains and 37 percent in the mid-western and far-western hills.³
3. A five-year political impasse followed the signing of the Comprehensive Peace Accord in 2006, which ended a decade of civil conflict. Annual growth of Nepal's gross domestic product (GDP) has been below 4 percent in the past three years.⁴ Frequent strikes have interrupted economic activity, and a third of working men have left to find employment abroad: remittance inflows – which exceed 25 percent of GDP – are the most important source of income.⁵

Food Security and Livelihoods

4. Fifteen percent of the population is food-insecure, with the highest prevalence in the hills and mountains of the mid-western and far-western regions, where 900,000 people are affected, despite a cereal surplus in 2010/11. In many areas annual production is sufficient for basic food needs for three to six months.⁶
5. A 9.6 percent increase in the consumer price index over the past two years has reduced purchasing power;⁷ inflation is exacerbated because there are few roads in rural areas.⁸ In some hill and mountain districts the price of coarse rice has been up to 185 percent higher than in Nepal's main agricultural production belt;⁹ markets in these areas are often at least a day's walk from people's homes.
6. Agriculture is Nepal's dominant but least productive sector: two-thirds of the work force is engaged in agriculture but it generates only a quarter of GDP.¹⁰ In the past decade, the

¹ United Nations Development Programme (UNDP). 2011. *Human Development Report*. New York.

² *Ibid.* The gender inequality index reflects women's disadvantage in terms of reproductive health, empowerment and the labour market.

³ Central Bureau of Statistics. Nepal Living Standards Survey III, 2010–2011. Kathmandu.

⁴ Nepal Ministry of Finance. 2011. Available at www.mof.gov.np

⁵ World Bank. 2011. *Large-Scale Migration and Remittance in Nepal: Issues, Challenges, and Opportunities*. Washington DC.

⁶ WFP and the Nepal *Khadya Surakshya Anugaman Pranali* (Nepal Food Security Monitoring and Analysis System – NeKSAP). 2011, Nepal food security bulletins.

⁷ Nepal Rastra Bank. 2010. *Monetary Policy for Fiscal Year 2010/11*, Kathmandu.

⁸ There are no tarmac roads in the far west. Department of Local Infrastructure and Development, 2011.

⁹ WFP and Ministry of Agriculture and Cooperatives. 2011. Federation of Nepalese Chambers of Commerce and Industries, Consumer Protection Interest Forum. *Market Watch* (various issues).

¹⁰ Asian Development Bank. 2011. *Nepal Agricultural Development Strategy: Draft Assessment Report*. Kathmandu.

budget allocation to agriculture has been 3 percent or less, and donor support has declined. Most remittances from migrants are not used for productive investment.¹⁰ Low investment in agriculture has limited the adoption of technology and inputs; with limited arable land per capita, this has serious consequences for food production.¹¹

7. Low agricultural investment leads to high dependence on weather:¹² favourable weather resulted in a cereal surplus in 2010/11¹³ while droughts and floods contributed to cereal deficits in four of the past six years. Expected increases in the frequency, intensity and duration of extreme weather conditions¹⁴ could diminish yields in vulnerable regions, and increase food price volatility, health and nutrition risks, and water scarcity.¹⁵ The National Adaptation Programme of Action identifies food security as one of the sectors most vulnerable to climate change.¹⁶
8. The Nepal Food Corporation (NFC) of the Ministry of Commerce and Supplies is responsible for stabilizing markets, managing a food security reserve and selling subsidized rice to beneficiaries. In 2009 and 2010, it made available 16,000 mt of rice; the national cereal deficit was 330,000 mt.¹⁷ Government cash-based social safety nets reach less than 12 percent of the population.

Health and Nutrition

9. Malnutrition prevalence continues to be high: 41 percent of children under 5 are stunted, 29 percent are underweight, and 11 percent are wasted; the prevalence of wasting has remained unchanged since 1996.¹⁸ Chronic malnutrition – stunting – in the hills and mountains of the mid-western and far-western regions is extreme, with prevalence between 50 and 70 percent. Anaemia affects 46 percent of children aged 6–59 months and 35 percent of women of reproductive age,¹⁸ with very little change over the past five years.
10. Only 18 percent of babies are delivered at health facilities, and only 19 percent of deliveries are assisted by a skilled birth attendant.¹⁹ Maternal mortality accounts for 11 percent of deaths among women of reproductive age.²⁰

¹¹ The farm size of 50 percent of households is less than 0.5 hectares. Asian Development Bank, 2011.

¹² WFP and Nepal Development Research Institute (NDRI). 2010. Protracted relief and recovery operation 106760 Final Evaluation Report. Kathmandu.

¹³ WFP and Nepal Food Security Monitoring and Analysis System (NeKSAP). 2011. *Nepal Food Security Bulletin*, issue 32.

¹⁴ WFP. 2012. Climate Risk and Food Security in Nepal. (draft)

¹⁵ Intergovernmental Panel on Climate Change. 2007. *Fourth Assessment Report*. Cambridge, UK, Cambridge University Press.

¹⁶ Ministry of Environment. 2010. National Adaptation Programme of Action to Climate Change. Kathmandu.

¹⁷ Ministry of Agriculture and Cooperatives. 2009/2010. Statistical Information on Nepalese Agriculture. Kathmandu.

¹⁸ Ministry of Health and Population. 2011. National Demographic Health Survey (NDHS) 2011. Kathmandu.

¹⁹ NDHS 2006.

²⁰ Ministry of Health and Population. 2010. Nepal Maternal Mortality and Morbidity Study in 8 districts, 2008/09. Kathmandu.

Education

11. The enrolment rate for basic education has increased to 87 percent, with a ratio of 99 girls for every 100 boys,²¹ but access to quality education remains a challenge: 30 percent of children drop out before completing grade 8, 21 percent repeat grade 1 and 6 percent repeat grade 8. Disadvantaged and minority groups traditionally attain low educational levels; among Dalits, enrolment rates are only 22 percent at the primary level, 15 percent at lower secondary, 11 percent at secondary, and 7 percent at higher secondary.
12. Pre-primary schooling enhances child development and the efficiency of basic education, but only 54 percent of children in grade 1 have attended pre-primary school.

Government Policies and Priorities

13. The Government is leading Nepal's involvement in the Scaling Up Nutrition initiative by finalizing a multi-sectoral nutrition plan for the first 1,000 days of a child's life, from conception to 2 years, and forming a national food and nutrition security steering committee, with members from government ministries, partners and technical experts, including WFP and the United Nations Children's Fund (UNICEF). District coordination committees will design, implement, monitor and evaluate programmes.
14. An agricultural development strategy, to be finalized in 2012, aims to improve productivity and competitiveness and includes a ten-year food and nutrition action plan developed by the Ministry of Agriculture and Cooperatives.
15. Development partners support the school sector reform programme for enhancing the quality and accessibility of education. WFP supports the education sector-wide approach programme. The Government is committed to school feeding as a tool for securing equitable access to education, and includes school feeding in its annual work plan and budget.

PAST COOPERATION AND LESSONS LEARNED

16. WFP has operated in Nepal since 1964, with emergency relief, protracted relief and recovery operations (PRROs) and development activities. The country portfolio evaluation of WFP's assistance to Nepal (2002–2009) found that WFP is a capable government partner with proven ability in reaching and assisting remote populations, even during conflict. The evaluation recommended adopting a longer-term productive safety net approach; building more synergies among WFP interventions; and sustaining emergency response capacity. The Nepal country strategy (2010–2013) addresses these recommendations, which are central to this country programme (CP). From 2013, WFP's portfolio will comprise a PRRO for refugees from Bhutan and this CP.
17. The school feeding programme commenced in 1996 and has contributed to increased enrolment and attendance in primary schools in rural areas.²² The incentive of take-home rations for girls has reduced the gender gap and provided value transfers to their families.²³ The Government's cash-based school feeding programme in areas not targeted by WFP

²¹ Ministry of Education. 2012. Flash Report 2011–2012. Kathmandu.

²² WFP. 2010. *Country Portfolio Evaluation of WFP Assistance to Nepal (2002–2009)*. Rome.

²³ The 2006 WFP global school feeding survey found enrolment increased by 27.5 percent between 2001 and 2005; WFP monitoring data found a further 9 percent increase between 2008 and 2011, while girls' attendance increased by 27 percent.

applies decentralized procurement, allocating cash to schools for providing midday meals to children. A WFP/Government review recommends merging the Government's cash-based and WFP's food-based school feeding into one national programme for grades 1 to 8.²⁴ Given the reduced gender gap and a new national government-funded scholarship programme for girls, WFP's incentive for girls' attendance will be discontinued.

18. Joint WFP/Government reviews found that the mother-and-child health and nutrition (MCHN) programme, began in 2002, has increased the numbers of women and children using services at health facilities.²⁵ Partnership with a local non-governmental organization (NGO) contributed to these improvements.
19. In 2009, linked to the assets-creation activity, WFP launched a home fortification project to provide micronutrient powder (MNP) to children aged 6–59 months in hill and mountain districts of the mid-western and far-western regions. An end-line survey found declined anaemia and stunting prevalence in several districts.²⁶ This project is being integrated into a Government-led national MNP programme, which will start in 2012 and is expected to cover the whole country by 2015. WFP will provide monitoring, technical guidance and advocacy. A letter of understanding among WFP, UNICEF and the Government will define roles and responsibilities.
20. Since 1995, asset-creation activities have targeted chronically food-insecure areas and focused on improving rural infrastructure, food production – including through training for farmers – market linkages, and income generation. The PRRO evaluation¹² and a European Union evaluation²⁷ concluded that activities reduced immediate food shortages, protected assets and livelihoods in the short term, strengthened community organization, and contributed to peace building.²⁸ However, the impact and sustainable improvements to livelihoods generated by these short-term interventions still need to be established.
21. A 2009 review of the integration of protection into WFP programmes found that improved food security prevented many people, particularly women, from resorting to damaging coping strategies such as human trafficking and seasonal migration. Food-for-assets (FFA) activities have greater positive impacts on women and people facing caste discrimination when they are accompanied by awareness-raising campaigns.
22. Cash transfers, including cash for assets (CFA), were introduced in 2007 in areas where households have access to better-functioning markets. Monitoring data indicate that cash is an effective incentive and is used to meet food needs. Beneficiaries receiving cash transfers have higher food consumption scores than beneficiaries receiving food, and their higher coping strategy index scores show that they are less likely to resort to negative coping mechanisms.²⁹ Cash transfers also stimulate agricultural production and market activity, with increases in traders' stocks and product variety.

²⁴ Ministry of Education and WFP. 2011. A Joint Review of the School Feeding Programme. Kathmandu

²⁵ Ministry of Health and Population, Ministry of Education and WFP. 2011. A Joint Review of the Mother and Child Health Care (MCHC) Programme. Kathmandu.

²⁶ New Era and WFP 2011. Micronutrient Supplementation for Children in Food-insecure Districts: End-line Survey, Kathmandu.

²⁷ European Union Food Facility Programme. 2011. Nepal Final Report. European Union Delegation Office Nepal, Kathmandu.

²⁸ In conflict-affected areas, different community groups worked together on asset rehabilitation or creation, which often strengthened community relations.

²⁹ Based on comparisons between WFP. 2009. PRRO 106760 Mid-term Review and 2011 monitoring reports.

23. WFP provides FFA support in areas with little arable land that are inhabited by subsistence farmers with limited purchasing power and access to markets. The generally poor quantity and quality of food in local markets make food transfers less likely to cause market distortions. A review of food assistance found that food aid accounted for less than 1 percent of cereal requirements for human consumption.³⁰
24. The Nepal Food Security Monitoring and Analysis System (*Nepal Khadya Surakshya Anugaman Pranali*, NeKSAP), established in 2002, provides reliable data to guide WFP and government food security and nutrition strategies and targeting. NeKSAP is the most comprehensive system in Nepal, and is being integrated into the Ministry of Agriculture and Cooperatives, under the guidance of the National Planning Commission.

STRATEGIC FOCUS OF THE COUNTRY PROGRAMME

25. The goal of CP 200319 is to enhance the resilience of vulnerable communities prone to shocks, and foster the food security and nutrition of vulnerable populations.
26. In line with the Government's efforts to tackle food security challenges, the CP focuses on social safety nets in education, nutrition, and support to productive assets/livelihoods. WFP will reinforce national and sub-national institutions and systems to facilitate nationally owned food security solutions.
27. Country programme activities will engage at two levels:
- the beneficiary level: strengthening the resilience of the most vulnerable households and communities by building long-term human capital and productive assets;
 - the national level: enhancing the Government's capacity to formulate and implement food security and nutrition policies and programmes.
28. The objectives of this CP are to:
- reduce undernutrition among pregnant and lactating women (PLW) and children under 5 – Strategic Objective 4;
 - increase children's access to, and the quality of, pre-primary and basic education – Strategic Objective 4;
 - support re-establishment of the livelihoods and food and nutrition security of communities affected by shocks – Strategic Objective 3;
 - enable the development of long-term, sustainable and nationally owned food security systems – Strategic Objective 5.³¹
29. The CP is in-line with WFP's country strategy (2010–2013), the United Nations Development Assistance Framework for Nepal (2013–2017) and the Government's development strategies and plans. It contributes to Millennium Development Goals (MDGs) 1 to 5 and 7.³²

³⁰ WFP. 2010. Background Note: Dependency on Food Assistance. Kathmandu.

³¹ Strategic Objectives 3 – Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations; 4 – Reduce chronic hunger and undernutrition; and 5 – Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase.

³² MDG 1 – Eradicate extreme poverty and hunger; MDG 2 – Achieve universal primary education; MDG 3 – Promote gender equality and empower women; MDG 4 – Reduce child mortality; MDG 5 – Improve maternal health; and MDG 7 – Ensure environmental sustainability.

30. The CP targets chronically food-insecure populations in the hills and mountains of mid-western and far-western regions (Annex III). These areas are characterized by severe food insecurity, malnutrition, poverty and vulnerability to natural disasters.
31. Food-insecure villages will be targeted in 14 priority districts identified from the Nepal Living Standards Survey III (2010–2011), NeKSAP data, NDHS 2011 and the 2011 population census. All the households in targeted villages will be eligible for assistance through at least one CP component. This district-based approach will promote programme synergies, efficiency and effectiveness.

Programme Components

32. The scale and scope of each CP component are guided by the availability of partners, opportunities for supply chain efficiencies and internal and external integration, WFP's added value, and alignment with government and partner priorities.
33. WFP will use food and/or cash transfers, depending on market conditions, delivery opportunities, beneficiary preference, and risk analysis. A 2011 market study confirmed that cash could be used in almost half the target areas, which would lower delivery costs by 20 percent. Monitoring of cash transfers found no negative impacts on local communities and markets. Cash transfers will continue to be used in asset-creation activities, and WFP will explore options for using them in nutrition activities, in partnership with social protection actors, government counterparts and research institutions.
34. Good practices for cash management – such as insurance, the use of smart cards, and market monitoring – will be shared with the Government for wider application.

TABLE 1: BENEFICIARIES BY COMPONENT						
	Yearly maximum for 2013–2015			Yearly maximum for 2016–2017		
	Men/Boys	Women/Girls	Total	Men/Boys	Women/Girls	Total
Component 1: Productive assets and livelihoods support	205 004	205 331	410 335	164 003	164 264	328 267
<i>Food only</i>	<i>84 603</i>	<i>84 738</i>	<i>169 341</i>	<i>53 574</i>	<i>53 575</i>	<i>107 149</i>
<i>Food and cash</i>	<i>107 660</i>	<i>107 834</i>	<i>215 494</i>	<i>91 475</i>	<i>91 734</i>	<i>183 209</i>
<i>Cash only</i>	<i>12 741</i>	<i>12 759</i>	<i>25 500</i>	<i>18 954</i>	<i>18 955</i>	<i>37 909</i>
Component 2: School feeding	166 500	166 500	333 000	125 000	125 000	250 000
Component 3: Improving mother-and-child nutrition	42 650	67 350	110 000	35 150	59 850	95 000
<i>PLW (prevention of stunting)</i>	-	<i>24 700</i>	<i>24 700</i>	-	<i>24 700</i>	<i>24 700</i>
<i>Children aged 6–23 months (prevention of stunting)</i>	<i>20 150</i>	<i>20 150</i>	<i>40 300</i>	<i>20 150</i>	<i>20 150</i>	<i>40 300</i>
<i>Children 6–59 months (treatment of MAM)</i>	<i>22 500</i>	<i>22 500</i>	<i>45 000</i>	<i>15 000</i>	<i>15 000</i>	<i>30 000</i>
Component 4: Capacity development	n/a	n/a	n/a	n/a	n/a	n/a
Adjusted total*	243 954	243 955	487 909	195 152	195 153	390 305

* Totals are adjusted to take into account beneficiary overlaps among components.

Component 1: Productive Assets and Livelihoods Support

35. As recommended by the WFP country portfolio evaluation, targeted communities will be supported for at least three years, to allow the creation of sustainable productive assets. This represents a shift from the shorter-term approach of previous PRROs to a longer-term, development-oriented approach.
36. Activities will focus on enhancing agriculture and natural resource management, to increase access to alternative livelihoods and income-generating opportunities, while improving resilience to natural disasters and adaptation to climate change. Activities addressing the root causes of food insecurity will be defined in consultation with communities and district and village development committees. WFP and partners will ensure that women and landless people participate in decision-making and benefit from improved livelihoods. Activities will be environmentally sustainable, in-line with WFP guidelines³³ and complemented with agricultural and livelihood training. Community assets may include feeder roads, water management systems, greenhouses, orchards and fish ponds.
37. WFP will continue to partner the Ministry of Local Development on its social safety net project. Partnerships with the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development, NGOs and bilateral cooperation programmes will be strengthened to ensure technical guidance, agricultural inputs and other complementary assistance for targeted communities.
38. The food ration – 5 kg of cereals per working day for an average of 60 working days per year – covers an average family's cereal requirement³⁴ for three to four months and takes into account average household production, complementary programmes, local resources and seasonal agricultural work. Assistance will be provided only during the lean season. The cash transfer value ensures access to the same quantities of food, taking into consideration food prices and labour rates on local markets.

Component 2: School Feeding

39. School feeding will contribute to the Government's goal of achieving universal primary education by 2015. It enables parents to send children to school and represents an investment in human capital and improved future livelihoods. The expected outcomes are to reduce drop-out rates, increase attendance and school retention rates (grades 1 to 8) and maintain high enrolment rates.
40. In line with the Government's emphasis on early childhood development and its restructuring of basic education, school feeding will assist children from pre-primary to grade 8 in priority areas, as recommended by the 2011 school feeding review. Pre-primary education prepares children for primary education and will reduce overcrowding of grade 1 by under-age children.

³³ WFP and Scott Wilson Nepal. 2011. Technical Guidelines for the Project Management and Design of Small Rural Infrastructures.

³⁴ Which is 80 kg a month in Nepal.

41. Children attending school will receive a midday meal of porridge – locally produced SuperCereal³⁵ and cooking oil – which is similar to that in the Government’s cash-based school feeding programme, to facilitate hand-over and sustainability. WFP will advocate and work with the Government to improve the nutritional content of national school feeding.
42. WFP and UNICEF will continue to ensure that targeted schools have water and sanitation facilities, and health, hygiene and nutrition education. Partnerships with the United Nations Educational, Scientific and Cultural Organization, Save the Children Fund and other actors in the education sector will be strengthened to ensure complementary health, nutrition and sanitation assistance for the schools. WFP will participate in the education sector-wide approach, to enhance the quality of education and improve school buildings and infrastructure, for minimizing overcrowding in classrooms.

Component 3: Improving Mother-and-Child Nutrition

43. WFP’s MCHN activities in Nepal will continue to take a combined preventive and curative approach to addressing high prevalence of chronic undernutrition/stunting among children aged 6–23 months and of acute undernutrition/wasting among children aged 6–59 months in targeted food-insecure communities.
44. **Stunting.** Initially, WFP will provide SuperCereal to PLW and children aged 6–23 months in health facilities. In one district, WFP will pilot an improved fortified blended food – SuperCereal Plus – with a view to replacing SuperCereal with SuperCereal Plus for all children aged 6–23 months in 2015. WFP, the Government and other stakeholders will jointly develop enhanced nutrition and hygiene practices for care givers and other household members, to promote optimal infant and young child feeding practices.
45. **Wasting.** WFP, the Ministry of Health and Population and UNICEF are developing national guidelines for the community-based management and treatment of moderate acute malnutrition (MAM) in children aged 6–59 months. WFP will implement a second pilot intervention for treating MAM with SuperCereal Plus, using the community-based approach applied by UNICEF and the Government to address severe acute malnutrition.
46. These activities are in-line with the Government’s national nutrition policy and strategy and ongoing multi-sectoral nutrition planning. WFP is partnering nutrition stakeholders on such initiatives as the United Nations’ REACH and the Scaling Up Nutrition movement, which gather successful interventions for addressing undernutrition and its causes and support governments in developing strategies and protocols, including for maternal nutrition.

³⁵ In Nepal, WFP uses a fortified wheat-soya blend.

Component 4: Capacity Development

47. WFP and counterparts will enhance national food security policies and programmes and strengthen national and local institutions and systems for nationally owned hunger solutions.
48. **Food security monitoring and analysis system.** Food security monitoring is fundamental in providing evidence to guide the design of food security policies and programmes. To facilitate the hand-over of NeKSAP to the Ministry of Agriculture and Cooperatives by 2016, WFP will transfer the collection and analysis of food security data at the district and central levels to the Government.
49. **National school feeding strategy.** WFP will support the Ministry of Education in developing its national school feeding strategy, to ensure linkages and harmonized objectives, targeting criteria and nutrition provisions between school meal programmes and other health and nutrition interventions under the multi-sectoral nutrition plan. Support will include assessing the cost efficiency and effectiveness of using locally produced food and existing transfer modalities. WFP and the Ministry of Education will prepare a five-year plan for progressive national ownership of the WFP school feeding programme.
50. **Disaster risk management.** With coordination by the Ministry of Home Affairs, WFP will develop the disaster preparedness capacities of central and district-level government, including through technical training and management support. WFP will advise the NFC on improving its emergency food reserve capacity, and will continue to coordinate the food security, logistics and emergency telecommunications clusters, composed of the Government, United Nations agencies and NGO partners.
51. **Nutrition.** WFP will continue to support a national MNP programme, including by facilitating district-level training and exploring more cost-effective methods for packaging and producing MNPs and fortified supplementary foods locally. WFP will lead the national maternal nutrition task force.

	Component 1: Productive assets and livelihoods support*		Component 2: School feeding	Component 3: Improving mother-and-child nutrition		
	FFA	CFA	On-site meals	Prevention of stunting		Treatment of MAM
				2013–2014	Pilot and 2015–2017	
Cereals	943					
SuperCereal			100	200		
SuperCereal Plus					200	200
Edible oil			10			
Cash transfers (US\$/beneficiary/day)		0.45				
TOTAL	943	0.45	110	200	200	200
Total kcal/day	3 396		468	760	788	788
% kcal from protein			12.8	16.3	16.7	16.7
% kcal from fat			34.6	18.9	22.8	22.8
Feeding days per year	60–90	60–90	200	365	60	60

* 5 kg/US\$2.40 per participant per day, for five beneficiaries per household. Some beneficiaries will receive combined FFA/CFA transfers.

	Component 1:	Component 2:	Component 3:	Total
	Productive assets and livelihoods support	School feeding	Improving mother-and-child nutrition	
Cereals	69 552			69 552
SuperCereal		29 980	14 169	44 149
SuperCereal Plus			11 896	11 896
Edible oil		2 998		2 998
Cash/voucher (US\$)	17 898 587			17 898 587
TOTAL	69 552	32 978	26 065	128 595
% of total requirements	54	26	20	100

PROGRAMME MANAGEMENT, MONITORING AND EVALUATION

Programme Management

52. The CP will be managed by WFP and relevant government ministries and district authorities. Local authorities will be closely involved.
53. *Procurement.* WFP will procure 80 percent of the fortified blended foods for this CP locally. Most rice is procured regionally, but WFP is exploring opportunities for procuring it within Nepal and will monitor market conditions and prices. WFP seeks linkages between its food procurement and agricultural support projects.
54. *Logistics.* WFP will maintain overall responsibility for supply chain logistics for FFA/CFA, while developing the capacity of the Ministry of Local Development. The Ministry of Education's school feeding unit manages the logistics for the school feeding and MCHN components, with WFP support for planning, procurement and monitoring. WFP will cover 50 percent of the Government's expenses for internal transport, storage and handling from central storage depots within Nepal to those nearest to distribution points. Landside transport, storage and handling costs will be reviewed periodically to reflect local changes.
55. *Resources.* The CP was developed in consultation with government stakeholders and development partners. Detailed scenario planning and the prioritization of activities will be based on evidence, to enhance credibility and manage expectations. Most funding is expected to come from multilateral allocations, directed funding and government contributions, which may be complemented by thematic funds and joint United Nations programmes.

Monitoring and Evaluation

56. With training and technical support from WFP, government counterparts and cooperating partners will report on programme implementation and outputs through a web-based database linked to the Government's management information systems, to enhance government involvement and ownership.
57. WFP uses field monitors and programme staff for regular monitoring of districts: 3,500 beneficiary interviews are conducted every six months. Findings are shared with all stakeholders in summarized monitoring reports. Public audits of FFA/CFA activities ensure transparency; beneficiaries' perceptions and satisfaction are captured through the use of score cards and visual aids; and case studies will record best practices.
58. Cash activities will be monitored with particular care. WFP's Vulnerability Analysis and Mapping Unit collects monthly food availability and price data for setting/revising the value of cash transfers and ensuring that food commodities are available and easily accessible.
59. Baseline, mid-term and final evaluations, with external support, will assess the effectiveness of WFP interventions. Baseline data will be used to determine the targets for outcome indicators in the logical framework (Annex II).

Risk Assessment

60. **Contextual risks.** Nepal may remain politically volatile, delaying the drafting of a new constitution, eroding development gains and threatening food and nutrition security. Monitoring of food and nutrition security through NeKSAP will enable prompt response to changes. Mitigation and response mechanisms for natural disasters must be integrated into national policies and strategies. WFP's leadership of the food security, logistics, and information technology and communications clusters will facilitate capacity development of government counterparts at the central and district levels, and rapid implementation of emergency operations when required.
61. **Programmatic risks.** The Government's ability to take over implementation depends on the capacities of relevant institutions. The CP integrates capacity development into all activities, focusing on the district level. Weak infrastructure poses logistics challenges, and may limit access to targeted beneficiaries. The road and path network is regularly monitored and transport modalities adapted. Market changes may require adjusted assistance modalities: a strong market assessment system monitors fluctuations. Since 2008, practices have been adopted to minimize the operational risks of managing, delivering and distributing cash. Nepal's experience with smart cards has been widely disseminated. The segregation of duties among partners mitigates the risks of cash distribution, and insurance is compulsory for cash in transit.
62. **Institutional risks.** Erratic and unpredictable funding would make it impossible to assist targeted communities for three years, reducing sustainability. Multi-year funding would enable WFP to achieve results and ensure adequate and appropriate staffing.

ANNEX I-A

BUDGET SUMMARY (US\$)				
	Component 1	Component 2	Component 3	Total
<i>Food (mt)</i> ¹	69 552	32 978	26 065	128 595
Food cost	27 289 648	26 674 020	27 083 328	81 046 996
Cash transfers	17 898 587			17 898 587
Total	45 188 235	26 674 020	27 083 328	98 945 583
External transport				5 907 016
Landside transport, storage and handling (<i>total</i>)				54 012 472
Landside transport, storage and handling (<i>per mt</i>)				420
Other direct operational costs*				20 181 840
Direct support costs ²				22 194 632
Indirect support costs ³ (7.0 percent)				14 086 907
TOTAL WFP COSTS				215 328 450

* Capacity development costs are included in the other direct operational costs and direct support costs.

¹ This is a notional food basket for budgeting and approval. The contents may vary.

² Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

³ The indirect support cost rate may be amended by the Board during the project.

ANNEX I-B

DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and Staff-Related Costs	
International professional staff	4 583 719
National officers	2 898 468
General service	6 703 980
Local employees' overtime	68 003
Local consultants	650 000
Staff duty travel	1 680 253
Subtotal	16 584 423
Recurring Expenses	
Rental of facility	493 001
Utilities	279 375
Office supplies and other consumables	276 000
Communications services	560 600
Equipment repair and maintenance	128 700
Vehicle running costs and maintenance	630 450
Office set-up and repairs	293 050
United Nations Services	320 350
Subtotal	2 981 526
Equipment and capital costs	
Vehicle leasing	805 800
Communications equipment	1 342 383
Local security costs	480 500
Subtotal	2 628 683
TOTAL DIRECT SUPPORT COSTS	22 194 632

ANNEX II: LOGICAL FRAMEWORK¹

Results	Performance indicators	Risks, assumptions
<p>UNDAF outcomes</p> <p>Outcome area 1</p> <p>Ministry of Education and its institutions improve performance in early childhood care and education, formal and non-formal education, in line with the School Sector Reform Plan</p> <p>Households, especially vulnerable groups, practice optimal maternal, infant and young child feeding and care practices and manage acute malnutrition</p> <p>Adolescent girls, mothers, infants, young children and disadvantaged vulnerable groups have increased access and utilization of essential micronutrients – vitamin A, iron, folic acid, MNP, Iodized salt</p> <p>National Planning Council and government sectors of have strengthened information management system for monitoring food security and nutrition, enabling better-informed policy-making and interventions</p>	<p>UNDAF outcome indicators</p> <ul style="list-style-type: none"> ➤ Enrolment rate: average annual % change in number of girls and boys enrolled Target: 1% ➤ Survival rate: % of children completing grade 8, of those who enrolled in grade 1 Target: 80% ➤ % of girls and boys receiving midday meal on schooldays Target: 100% ➤ % of children 6–59 months with access to effective MAM management and treatment Target: Baseline planned for August 2012 ➤ % of targeted beneficiaries suffering from iron-deficiency anaemia in programme areas ➤ PLW Target: 10 % reduction per year ➤ Children 6–23 months Target: 10 % reduction per year ➤ Technological capacity for local production/packaging of fortified foods and supplements Target: Baseline survey planned for August ➤ NeKSAP fully operated and funded by Government on project completion, and integrated with existing systems. Target: NeKSAP handed over to the Ministry of Agriculture and Cooperatives ➤ Nutrition information system is strengthened, fully and has mechanisms for reporting and corrective action as needed Target: A DevInfo system developed and operational for nutrition indicators 	<p>Schools receive adequate support – infrastructure, teachers, etc.</p> <p>Political and security situation remains stable</p> <p>Stable elected government bodies exist at the national, regional, district and village levels</p> <p>Government has a food supplementation programme in place for young children and PLW in targeted food-insecure areas</p>



¹ Targets might change subject to the baseline survey, planned for August 2012.

ANNEX II: LOGICAL FRAMEWORK¹

Results	Performance indicators	Risks, assumptions
<p>Outcome area 2</p> <p>Client groups are engaged in and benefiting from economic empowerment and a social protection floor</p>	<ul style="list-style-type: none"> ➤ Food consumption score Target: Stabilized at ≥ 35 for target households ➤ Negative coping strategy index Target: Baseline survey planned for August 2012 ➤ Community asset score Target: Increased in at least 80% of targeted communities 	<p>Political and security situation remains stable</p>
<p>UNDAF Outcome area 6</p> <p>People living in areas vulnerable to climate change and disasters benefit from improved risk management and are more resilient to hazard-related shocks</p>	<ul style="list-style-type: none"> ➤ People in at least 20 food-insecure districts have access to newly established strategic food reserves Target: ≥ 5 regional-level warehouses established and ready for an emergency ➤ People affected by natural disasters able to communicate needs through a Government-owned emergency operations network linked to relief funding Target: Baseline survey planned for August 2012 	
Component 1: Productive assets and livelihoods support		
Strategic Objective 3: Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations		
<p>Outcome 1.1</p> <p>Adequate food consumption for target households over the assistance period</p> <p>Outcome 1.2</p> <p>Increased access to assets in fragile, transition situations for target communities</p>	<ul style="list-style-type: none"> ➤ Household food consumption score Target: Stabilized at ≥ 35 for target households ➤ Coping strategy index Target: Baseline survey planned for August 2012 ➤ Gender score: % of women in leadership positions reporting active involvement in decisions – identifying projects, managing labour groups, recordkeeping Target: 50% 	<p>Political and security situation remains stable</p> <p>Stable government institutions and good governance policies and practices are in place</p> <p>Stable, elected government bodies exist at the national, regional, district and village levels</p> <p>Ministry of Local Development has strong ownership and capacity</p> <p>External factors such as natural disasters and increased input costs do not decrease agricultural production</p> <p>Markets remain functional in cash-based assistance districts</p>





ANNEX II: LOGICAL FRAMEWORK¹

Results	Performance indicators	Risks, assumptions
<p>Output 1.1 Food and non-food items and cash transfers distributed to target groups in sufficient quantity and quality under secure conditions</p>	<ul style="list-style-type: none"> ➤ Number of beneficiaries, by gender and age group ➤ Tonnage of food distributed, by type, as % of planned ➤ Quantity of non-food items distributed, by type, as % of planned ➤ Total cash transferred to beneficiaries ➤ Number of United Nations agencies, international organizations and NGOs collaborating in complementary inputs and services ➤ Number of joint United Nations programmes/activities ➤ Numbers of community assets created or restored by targeted communities and individuals, by type, as % of planned ➤ Numbers of women and men trained in livelihood-support thematic areas 	
Component 2: School feeding		
Strategic Objective 4: Reduce chronic hunger and undernutrition		
<p>Outcome: 2.1 Increased access to education in assisted schools</p>	<ul style="list-style-type: none"> ➤ Enrolment rate: average annual % change in number of girls and boys enrolled Target: 1% ➤ Attendance rate: numbers of schooldays attended by girls and boys, as % of total schooldays Target: 91% ➤ Survival rate: % of children completing grade 8, of those who enrolled in grade 1 Target: 80% 	<p>Ministry of Education has strong ownership, capacity and willingness</p> <p>Price increases and natural disasters do not increase food insecurity</p> <p>External factors such as natural disasters and increased input costs do not decrease agricultural production</p> <p>Major alternative income sources are not lost</p>

ANNEX II: LOGICAL FRAMEWORK¹

Results	Performance indicators	Risks, assumptions
<p>Output 2.1</p> <p>Food and non-food items and cash transfers distributed in sufficient quantity and quality to target girls and boys, under secure conditions</p>	<ul style="list-style-type: none"> ➤ Number of feeding days, as % of total schooldays ➤ Number of schools supported ➤ Number of students assisted, by gender ➤ Tonnage of food distributed, by type, as % of planned ➤ Number of pre-school boys and girls supported 	
Component 3: Improving mother-and-child nutrition		
3A: Prevention of stunting		
Strategic Objective 4: Reduce chronic hunger and undernutrition		
<p>Outcome 3.1A</p> <p>Improved nutrition status of target groups</p>	<ul style="list-style-type: none"> ➤ % of stunting among targeted children under 2 (height-for-age) Target: Baseline planned in August 2012 ➤ % of iron-deficiency anaemia among targeted PLW and children under 2 Target: 10% reduction per year ➤ % of targeted PLW with enhanced knowledge of infant and young child feeding practices Target: 80% 	<p>Ministry of Health and Population has food supplementation programme in place for young children and PLW in targeted food-insecure districts</p> <p>An uninterrupted supply of supplementary food is available</p> <p>External factors such as natural disasters and increased input costs do not decrease agricultural production</p> <p>Price increases and natural disasters do not increase food insecurity</p> <p>Major alternative income sources are not lost</p>



ANNEX II: LOGICAL FRAMEWORK¹

Results	Performance indicators	Risks, assumptions
3B: Treatment of moderate acute malnutrition		
Strategic Objective 3: Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations		
Outcome 3.1B Improved nutrition status of target groups	<ul style="list-style-type: none"> ➤ % of acute malnutrition among children under 5 (weight-for-height) Target: Baseline survey planned for August 2012 ➤ Supplementary feeding performance rates: recovery Target: 75% 	<ul style="list-style-type: none"> ➤ National guidelines for the management of MAM are developed in time ➤ Ministry of Health and Population has a programme in place for early identification and treatment of children with MAM ➤ An uninterrupted supply of supplementary food is available ➤ Adequate internal and external funding is available
Outputs 3.1A and 3.1B	<ul style="list-style-type: none"> ➤ Quantities of fortified foods, complementary foods and special nutritional products distributed, by type, as % of planned ➤ Quantity of fortified foods, complementary foods and special nutritional products distributed, by type, as % of actual distribution ➤ Number of PLW receiving health counselling and health education ➤ Numbers of children under 2 and PLW assisted 	





ANNEX II: LOGICAL FRAMEWORK¹

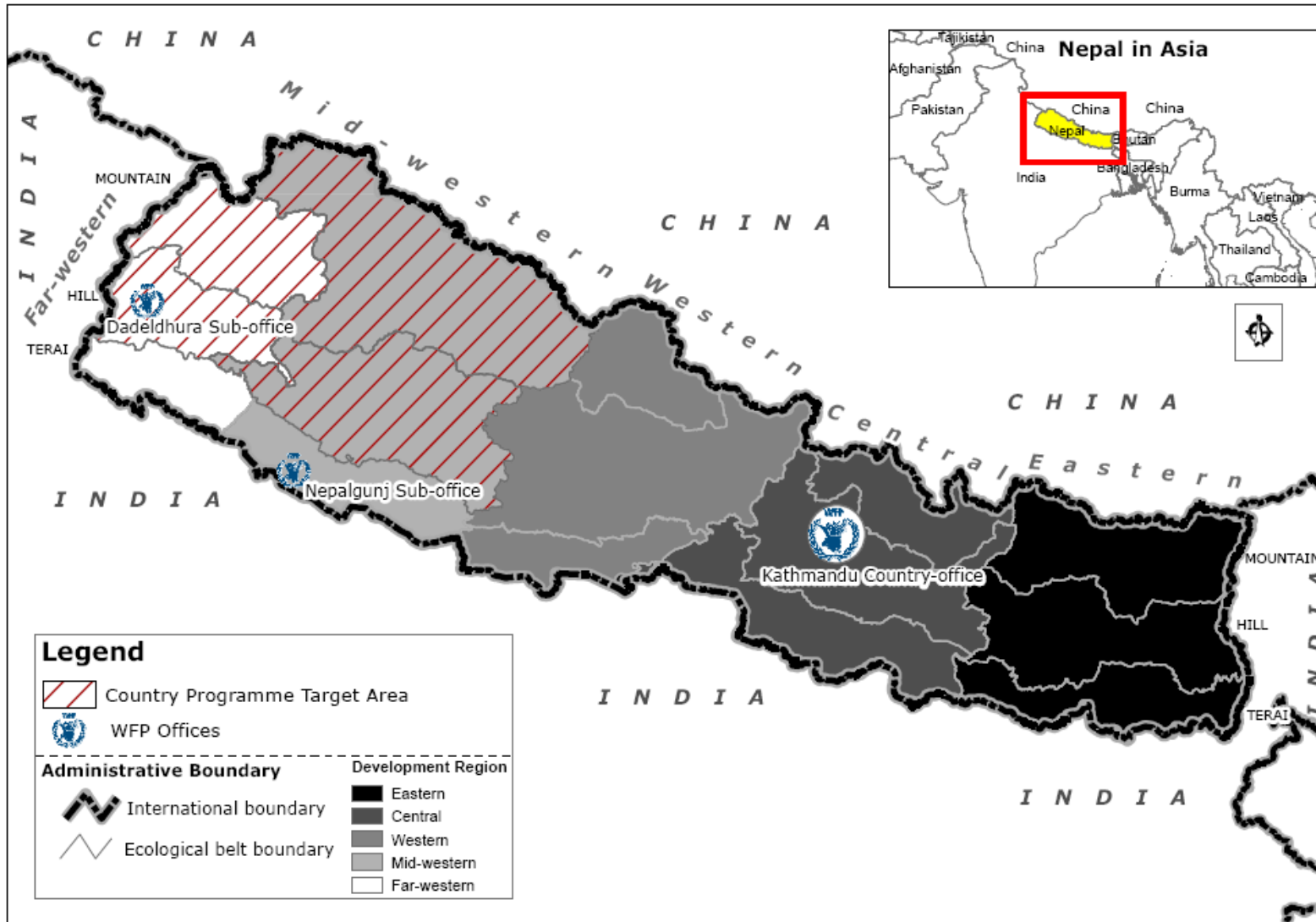
Results	Performance indicators	Risks, assumptions
Component 4: Capacity development		
Strategic Objective 5: Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase		
4A. Food and nutrition security monitoring and analysis system		
Outcome 4.1 A Progress towards nationally owned hunger solutions	<ul style="list-style-type: none"> ➤ National capacity index Target: Consultations to be held in November 2012 	Political and security situation remains stable Ministry of Agriculture and Cooperation has strong ownership and capacity, including for the allocation of resources Stable elected government bodies exist at all levels
4B. National school feeding strategy		
Outcome 4.1 B Ministry of Education and its institutions improve performance in early childhood care and education, formal and non-formal education, in line with school sector reform programmes	<ul style="list-style-type: none"> ➤ National capacity index Target: Consultations to be held in November 2012 	The Ministry of Education has strong ownership and engagement School feeding receives continued funding through government budget
4C. Disaster risk management		
Outcome 4.1 C National preparedness and emergency systems able to prepare for and respond to hazard-related disasters	<ul style="list-style-type: none"> ➤ National emergency food security reserve established, and utilized in emergencies Target: 5 regional warehouses established and ready ➤ Logistics team established in NFC, and enhanced coordination between logistics and emergency telecommunications clusters ➤ National capacity index Target: Consultations to be held in November 2012 	NFC (Ministry of Commerce and Supply), Ministry of Home Affairs, Ministry of Local Development and Nepal Red Cross Society have strong ownership and capacity



ANNEX II: LOGICAL FRAMEWORK¹

Results	Performance indicators	Risks, assumptions
4D. Nutrition		
<p>Outcome 4.1 D</p> <p>Adolescent girls, mothers, infants, young children and disadvantaged vulnerable groups have increased access to and utilization of essential micronutrients</p>	<ul style="list-style-type: none"> ➤ National capacity index Target: Consultations to be held in November 2012 ➤ Technological capacity for local production/packaging of fortified foods and supplements Target: Baseline survey planned for August 2012 	
<p>Output 4.1 A–D</p>	<ul style="list-style-type: none"> ➤ Numbers of systems put in place, by type (early warning systems, contingency plans, food security monitoring systems, etc.) ➤ Risk reduction and disaster mitigation assets created or restored, by type and unit of measure (area in hectares protected/improved, number of trees planted, dams constructed, etc.) ➤ Number of counterparts trained in capacity development on MCHN and nutrition activities ➤ Nutrition guidelines for the school feeding programme prepared ➤ Numbers of people trained in programme design and planning, implementation procedures and practices, disaggregated by category (national government and partner staff) ➤ Number of WFP technical assistance projects for strengthening national capacity ➤ Number of WFP-managed hunger solutions, systems and tools handed over to Government 	

Country Programme Target Area



ANNEX III

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 THIS DOCUMENT

CFA	cash for assets
CP	country programme
FFA	food for assets
GDP	gross domestic product
MAM	moderate acute malnutrition
MCHN	mother-and-child health and nutrition
MDG	Millennium Development Goal
MNP	micronutrient powder
NDHS	Nepal Demographic Health Survey
NDRI	Nepal Development Research Institute
NeKSAP	<i>Nepal Khadya Surakshya Anugaman Pranali</i> (Nepal Food Security Monitoring and Analysis System)
NFC	Nepal Food Corporation
NGO	non-governmental organization
PLW	pregnant and lactating women
PRRO	protracted relief and recovery operation
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund