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PROTRACTED RELIEF AND RECOVERY OPERATION— GEORGIA 10211.0

Relief and Recovery Assistance for Vulnerable Groups

| | |
|-------------------------|---|
| Number of beneficiaries | 209,500 |
| Duration of project | Three years (1 April 2003–31 March 2006) |

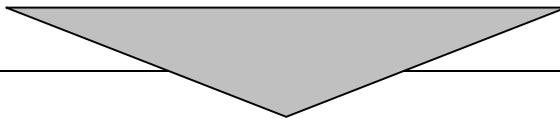
Cost (United States dollars)

| | |
|-------------------|------------|
| Total cost to WFP | 23,389,372 |
| Total food cost | 12,001,455 |

In May 2002, one United States dollar equalled 2.22 Georgian lari (Lr).

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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.

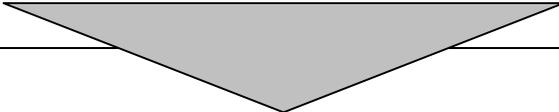
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Executive Summary



After the break-up of the Soviet Union, Georgia entered a state of severe crisis, marked by economic collapse, internal armed conflicts and civil strife. In order to alleviate the suffering of those most directly affected, WFP began providing assistance in 1993 through emergency operations (EMOPs). Since 1999, most WFP assistance is being provided through protracted relief and recovery operations (PRROs).

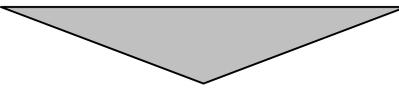
Hyperinflation in the mid-1990s eroded the population's income and savings. After a period of steady development in 1995–1997, real gross domestic product (GDP) growth slowed again. Following the ruble crisis and poor economic performance in 1999, the annual rate of growth fell to 3 percent. Severe droughts in subsequent years slowed growth even further.

Due to limited access to good quality land, and to damaged agricultural infrastructure—coupled with periodic droughts—agricultural production remains low. The country is barely able to meet 50 percent of its cereal needs, even though more than half the Georgian workforce is engaged in agriculture. Another 15 percent of the working-age population is engaged by public organizations that pay salaries below subsistence levels.

The State's economic capacity to address poverty is limited, as available resources are insufficient to guarantee a safety net for the most vulnerable. Factors such as the accumulated non-payment of government wages and pensions and the decline in private income contribute to worsening the situation of the poor.

In collaboration with the Government, the international community and selected non-governmental organizations (NGOs), WFP proposes to assist the vulnerable population with a three-year PRRO, which will comprise two major components. The first relates to protracted relief for some 49,500 most vulnerable persons who depend largely on State support. The second, larger component addresses recovery in rural areas through food-for-work (FFW) activities benefiting some 160,000 persons in the 5 poorest of the 12 administrative regions of the country. Activities under both components will help improve food security, empower communities and contribute to the national recovery and transition process.

Draft Decision



The Board approves Georgia PRRO 10211.0—Relief and Recovery Assistance for Vulnerable Groups (WFP/EB.3/2002/9-B/1).



CONTEXT AND RATIONALE

Context of the Crisis

1. Georgia is undergoing an economic and political crisis that dates back to independence from the Soviet Union in 1991. Like other countries of the Commonwealth of Independent States (CIS)—particularly those relatively poor in natural resources—Georgia experienced severe shock after separation from the highly centralized Soviet economy. According to government figures, between 1990 and 2000, the GDP fell by 78 percent. As a result, public finances are insufficient to maintain basic infrastructure or provide a social safety net for the vulnerable. On the positive side, the Government has recently managed to control inflation and limit public expenditures. Moreover, a national dialogue on economic growth and poverty reduction has begun.
2. The devastation of the economy has been compounded by a series of territorial disputes, armed conflict and political missteps. Unresolved ethnic conflicts in the breakaway regions of South Ossetia—where the Organization for Security and Cooperation in Europe (OSCE) is promoting peaceful negotiation and has fielded an ongoing border monitoring mission—and Abkhazia (patrolled by the United Nations Observer Mission for Georgia) have resulted in the displacement of more than 250,000 people. These regions, as well as the border area near Chechnya, are highly insecure. The risk of renewed fighting remains real. Political and economic isolation from Russia, Georgia's main trading partner, continues to hamper economic prospects.
3. Contributing to the sense of instability—and as a consequence of it—progress on governance and democratization has been uneven. Georgians and donors alike vastly underestimated the effect of the break-up of the Soviet Union on the country's economy, and the challenge of transition to a market economy. The external shocks of the past decade—combined with civil conflict, political crisis and economic mismanagement—have plunged the majority of Georgia's population into poverty. It is most disturbing that no coherent government plan for exiting this situation has yet been articulated and embraced by stakeholders at the national, regional and local levels.

Situation Analysis

4. Classified by the Food and Agriculture Organization (FAO) as a low-income, food-deficit country (LIFDC), Georgia imports nearly 50 percent of its cereal requirements. After rising slightly between 1995 and 1997, by 2000 the country's per capita GDP had fallen to US\$610 (World Bank: World Development Indicators Database). As a result of low incomes and high market prices for food, an overwhelming majority of the population—urban and rural alike—faces enormous difficulties in achieving household food security. Market prices for staple foods are in line with or above world market prices, while wages (e.g. US\$24 a month for a teacher) are at the level of the world's poorest developing countries.
5. Low incomes force the population to take loans and sell their remaining assets, which aggravates their situation. The poor have very little to spend on non-food items as a result of spending a high proportion of their income on food (around 55 percent in 1998–2000 and 64 percent in 2001). Further, in 2001, the percentage of people with a low caloric intake (below 1,800 kcal) represented 30 percent of the total population. In contrast, the prevalence of both chronic and acute malnutrition among children remained low, according to the World Health Organization (WHO), due to the fact that in Georgian families children are fed first.



6. In 2001, the incidence of poverty among the urban population remained higher compared with that of the rural population (54.4 percent and 47.6 percent, respectively). Nevertheless, overall poverty trends show a slight improvement in the economic situation of the urban population, while among rural dwellers there is a pronounced downward trend. Poverty and food insecurity are consistently highest in 5 of Georgia's 12 regions: Racha-Lechkhumi and Lower Svaneti, Imereti, Guria, Samtskhe-Javakheti, and Kakheti. These regions will be targeted under the proposed PRRO.
7. The first stage of land privatization, begun in 1994, resulted in 55 percent of Georgia's arable land being divided into small plots and distributed to some 1 million farmers, mostly former employees of State farms. Ranging in size from 0.3 to 1.25 ha, privatized farms in Georgia are so small that few farmers are able to exploit them economically. Poor infrastructure and lack of capital and cash earnings, which prevents farmers from buying fertilizers, pesticides and improved seeds, result in extremely low yields. Most farmers are unable to produce enough to cover even the basic nutritional needs of their families. Off-farm employment opportunities are extremely limited, both in urban and rural areas. The visa regime imposed on Georgian citizens by Russia in December 2000 has reduced another important source of employment and remittances.
8. The protracted economic and political crisis in Georgia has decreased employment opportunities for women and men alike. However, women have adapted more quickly to the transition, finding informal employment and in many cases taking over the role of primary breadwinner. At the same time, limited participation of women in high managerial structures, where remuneration is higher, results in women's average wages being only 60 percent of the minimum subsistence level vis-à-vis 96 percent of that for male labour. The almost complete absence of women in government at the local level and their reduced participation at the national level (7 percent of parliamentary seats) does not augur well for the equality of women in future Georgian society.
9. Although basic human development indicators in Georgia remain positive (a legacy of Soviet-era achievements), there are worrisome signals that the present low levels of social expenditure will soon result in declines across all fronts. Among the seven CIS countries, only Tajikistan invests less than Georgia in education and healthcare.
10. The most vulnerable people comprise old-age pensioners without family support—another indication of the State's inability to meet basic social needs. The standard retirement pension in Georgia (Lr 14 or US\$6.5 per month) is worth the equivalent of less than a loaf of bread a day. Benefits are often paid in arrears and are sometimes subject to deductions for taxes or utilities.

Government Recovery Policies and Programmes

11. Government economic policy is dominated by structural reforms begun in 1995, which aim at stabilizing the currency and State finances through disciplined monetary and fiscal policies. With inflation and government expenditures under control, the emphasis has shifted to improving systemic weaknesses in tax and revenue collection.
12. Government policies and programmes for recovery, however, are fragmented and highly centralized. The main vehicle for recovery launched by the Government is the preparation of a Poverty Reduction and Economic Growth Programme (PRGP). Although the PRGP has been under discussion since 2000, there is little evidence that it has galvanized government ministries and other stakeholders to work within a common framework towards growth and poverty reduction.



13. In the short term, recovery plans within the Ministry of Agriculture and Food (MOAF) call for the preservation of soil productivity and increases in household food production. In the medium term, agrarian and land reforms should be completed and new investment directed towards the introduction of sustainable agricultural technology with an emphasis on high quality and ecologically clean and safe products for export. However, at present agricultural extension services and rural credit are virtually non-existent.

Rationale

14. WFP's current PRRO in Georgia (6122.01), with the same objectives as those of the proposed one, was approved in May 2000 for a period of two years, with planning figures of 432,000 beneficiaries under recovery and 22,000 under relief. The PRRO outlined an exit strategy contingent on the development of a number of favourable circumstances: improved stability within the country, politically and in matters of internal conflict resolution; rehabilitation of infrastructure and investment; and growth with equity in income distribution. Unfortunately, the situation has not improved on these fronts. And in the areas of infrastructure and investment, it has worsened. The overall poverty situation was exacerbated by devastating droughts in 2000 and 2001, both of which required emergency food assistance. Given the long-standing economic and political crisis in Georgia, a three-year PRRO is warranted.
15. With poverty and household food security worsening in rural areas, continued WFP assistance, which helps to prevent people from slipping irrevocably into deep poverty and supports improved productivity of smallholder agricultural land, is justified. Given the almost complete absence of investment and credit in remote rural areas, FFW assists in creating and rehabilitating agricultural assets. In turn, it helps the households to move one step further towards achieving food security, in addition to promoting disaster mitigation. FFW activities can also play an important role in mobilizing communities and encouraging social cohesion, especially in a society with a deep distrust of authority and little experience in working together to solve common problems.
16. The need for WFP relief food assistance targeted to the social sector remains crucial. It should, however, be channelled through implementing partners: either NGOs (especially local in order to build their capacity) or local government (in order to support the strengthening of local governance and decentralization).

RECOVERY STRATEGY

Overall Strategy

17. Within the Government's overall strategy for achieving political stability and restructuring the economy, the PRRO will contribute on two fronts to achieving the basic preconditions for sustainable recovery in Georgia: (i) provide relief assistance to vulnerable groups and (ii) support recovery through the improvement of necessary infrastructure for smallholders.



Beneficiary Needs

⇒ *Protracted Relief*

18. The PRRO will continue to provide support to soup kitchens, since they are run by resource-strapped municipal and district authorities. Around 8,000 beneficiaries will be targeted for the duration of this phase, mostly in urban centres. In accordance with WFP policy, there is no justification for continuing assistance to institutions for which WFP aid constitutes purely budgetary support. Therefore, assistance to institutions managed by the Ministry of Education, to which the European Union is currently providing significant budgetary support, will be phased out. Some 1,500 beneficiaries under the responsibility of the Ministry of Health, Labour and Social Welfare (MHLSW) will continue to be assisted by WFP for the first year of the PRRO in order to prevent an abrupt termination of aid in the absence of external support.
19. Donors and United Nations agencies (World Bank, USAID, UNDP, UNHCR, UNOCHA) are working with the Government towards the goal of integrating internally displaced persons (IDPs) into Georgian society. IDPs are not specifically targeted for assistance based simply on their displaced status. A certain number of them are extremely vulnerable, among them the elderly and other most vulnerable people living in collective centres. IDPs targeted under the relief component will be elderly vulnerable pensioners, without family support or any other source of income, who have been living in collective centres for the last eight years. Although in principle these people are eligible to benefit from the soup kitchens, given the limited resources available and the fact that responsibility for IDPs continues to fall under the Ministry of Refugees, in practice this does not occur. Beneficiaries will include 5,000 IDPs. In order to encourage the move towards integration of IDPs into society, this expansion will be contingent upon the local authorities providing the same support that is given to soup kitchens serving the non-IDP population.
20. In villages where WFP supports FFW activities, families without a potential source of labour in the household are excluded from food assistance under the current PRRO. In such villages, they are sometimes the only vulnerable members of the community not receiving food assistance, as every other vulnerable family has one person participating in the FFW scheme. In order to help maintain a minimum standard for these groups—and to promote social cohesiveness and responsibility in the villages involved in FFW—the proposed PRRO will provide a monthly individual ration to these households for the duration of the FFW activities in their villages. In targeted regions, 5 to 6 percent of the total rural population comprises the most vulnerable categories of society. Based on country office experience, FFW will cover approximately 67 percent of communities in targeted regions. Thus, 29,000 beneficiaries, or 18 percent of overall FFW beneficiaries, will receive free rations in FFW areas.
21. Finally, WFP, together with UNHCR, will continue to assess the needs of and provide food assistance to an estimated 6,000 Chechen refugees, in accordance with the terms of the WFP-UNHCR Memorandum of Understanding (MOU).

⇒ *Recovery*

22. The recovery component of the proposed PRRO will cover five regions. During any project year, 20,000 workers will work for six months and another 20,000 will work for the remaining six months, totalling 40,000 workers per year and 160,000 beneficiaries.¹ This is

¹ Each worker will receive a family ration based on the average family size of four.



in line with the country office's management capacity. In accordance with WFP's Commitments to Women, at least 50 percent of food beneficiaries will be women. Likewise, women will be the beneficiaries of at least 50 percent of all assets rehabilitated or created under FFW. A review mission conducted by WFP concluded that the agricultural and social infrastructure rehabilitation activities undertaken by communities in the current PRRO were consistent with the priorities expressed by those households participating in FFW programmes.

Role of Food Aid

23. Market prices for staple foods such as wheat flour, vegetable oil and sugar are equivalent to or above world market prices. Given its high alpha value²—and the fact that it has no negative effects on markets—food aid is a cost-effective means to address the needs of the poorest sector of the population.

⇒ *Protracted Relief*

24. In Georgia, the elderly and disabled with no family support, some households headed by women and those with an invalid breadwinner are particularly food insecure, as they are unable to cover basic food needs on the State pension. WFP food aid to these groups—through soup kitchens and in FFW areas—will help them bridge the gap between subsistence social welfare assistance and minimum household needs.
25. In line with WFP's MOU with UNHCR, food aid for the Chechen refugee population will cover basic nutritional requirements for those with no alternative means of attaining food self-sufficiency.

⇒ *Recovery*

26. Until now, Georgians have been able to maintain an average food consumption rate of 2,440 kcal/day, staving off the risk of malnutrition by shifting an increasing proportion of their income towards meeting basic food requirements. Confronted with deteriorating rural infrastructure, worsening crop yields and increased vulnerability to drought, the most vulnerable rural population is facing particular stress. Smallholders are unable to invest in basic agricultural inputs to maintain even minimal yields for household consumption. Therefore, international food assistance under the recovery component will play a dual role. First, agricultural and social infrastructure assets will be rehabilitated through FFW, thus leading to a higher level of self-reliance. Second, while providing families with their basic food needs for the duration of FFW activities, it will also allow beneficiaries to cover other essential expenditures.

Intervention Approaches

⇒ *Temporary Budgetary Support*

27. The PRRO will contribute to the care and maintenance of the most vulnerable elderly pensioners and other highly vulnerable categories—including IDPs—through support to soup kitchens in urban settings. The WFP approach—consistent with government and donor objectives—will be to support decentralization, moving away from providing

² The alpha value compares the overall cost for WFP to deliver food to the beneficiaries with the local market value of the same type commodities.



budgetary support to the central Government towards providing assistance exclusively through the local government.

⇒ *Asset-Building and the Promotion of Self-Reliance*

28. In FFW, WFP will stress a community participatory approach that incorporates gender aspects. The aim of FFW activities is the creation of productive agricultural assets that will increase household food security. This will involve a commitment in villages over a two- or three-year period in order to help ensure that lasting assets are created and maintained.

⇒ *Community Building and Cohesion*

29. Georgia is suffering from a failure of governance at all levels. At the village level, distrust of authority during the Soviet era has shifted to distrust of the present Government, which has been unable to meet high expectations and deliver on its many promises. The importance of community mobilization through FFW—and its modest contribution to community cohesion, motivation and, ultimately, local governance—will remain an important element of WFP's overall focus. The PRRO approach will likewise promote peace-building by actively seeking to work in areas with ethnic minority populations or in villages near sensitive border areas.

Risk Assessment

30. Risks during the period of the proposed PRRO are manifold. On the economic front, the Government must continue to curtail spending while improving tax collection in order to maintain low inflation and eligibility for crucial International Monetary Fund (IMF) support. In addition, the Georgian economy remains closely tied to the performance of the still fragile Russian economy, which is heavily dependent on the price of oil (currently high). Finally, drought, as experienced in 2000 and 2001, could again cripple agricultural production—especially since the deterioration of irrigation and other infrastructure has yet to be reversed. Should the food security situation deteriorate as a result of drought or conflict, resources for recovery activities might have to be used for relief.
31. On the political front, Georgia faces risks of both internal and external instability and conflict. The poor performance of the economy and the growing discontent with corruption and mismanagement have led to anti-government demonstrations in Tbilisi over the past two years. In addition, the status of the breakaway regions of Abkhazia and South Ossetia has yet to be defined, and the risk of renewed conflict and displacement is an ongoing concern.
32. Ultimately, the likelihood that WFP's intervention will contribute to lasting recovery will depend on the Government's progress in seeing through structural economic and political reforms. Without progress, relief needs will increase and the move towards recovery will be less viable.

Goals and Objectives

⇒ *Overall Goal*

33. The overall goal of WFP food assistance will be to contribute to the national recovery and transition process through selected relief and FFW activities that maintain or improve human and productive capital while longer-term structural reforms are adopted.



⇒ *Immediate Objectives*

34. The PRRO's immediate objectives are to:
- a) provide relief to elderly persons and other most vulnerable categories (the majority of whom are women) with no income other than inadequate State pensions;
 - b) contribute to maintaining a minimum acceptable nutritional status among food-insecure Chechen refugees; and
 - c) rehabilitate/create agricultural and social infrastructure assets, which will be used and maintained to benefit vulnerable households in the five poorest regions of Georgia.

IMPLEMENTATION PLAN BY COMPONENT

Key Programme Components

⇒ *Component A—Protracted Relief*

35. Elderly pensioners (over 65), living alone and other most vulnerable groups such as households headed by women and those with an invalid breadwinner surviving on little beyond their meagre State pensions are WFP's primary target group under this component.
36. WFP will continue to provide a ration of mixed commodities to soup kitchens for the preparation of one hot meal a day; local counterparts will contribute complementary fresh food items, shelter and non-food items. WFP will encourage local authorities to extend soup kitchen coverage—or establish new soup kitchens—to include IDPs from collective centres who are equally needy but currently excluded from assistance.
37. In rural settings, elderly pensioners and other most vulnerable categories have less access to the sort of social services and charity available in urban areas. Sometimes they keep small kitchen gardens or a single “survival” cow. Many have sold their household assets over the past several years in order to buy basic necessities and medicine. In rural areas where communities are engaged in FFW, WFP will provide needy households that have no potential sources of labour with a daily ration of basic food items for the duration of the FFW intervention.
38. Chechen refugees comprise the balance of the PRRO's protracted relief beneficiaries. WFP, in collaboration with UNHCR, will ensure basic food security through the provision of a mixed ration.

⇒ *Component B—Recovery*

39. Recovery activities will be built around community-based FFW activities in the five poorest regions displaying the highest incidence of poverty in the period 1997–2001 according to government statistics (Household Survey—State Department of Statistics [SDS]). Priority will be given to FFW activities that have a positive impact on household food security, principally through the improvement of agricultural yields on privately owned or leased plots.
40. Country office experience—as well as the findings of the WFP review mission of the current operation—of roughly four to six months, is inadequate. With the almost complete absence of other farm inputs and technical assistance (either not available or prohibitively expensive) in the areas where WFP works—added to the drastic depletion of household



assets—WFP beneficiaries and communities are frequently unable to sustain a modest investment in their land over a number of years and hence achieve only a small return, a short-term return, or no return at all on their initial FFW investment. The proposed PRRO will offer a longer, phased and incentive-based commitment to rural communities engaged in WFP-supported FFW activities. The same community will be eligible for several phases of FFW assistance (up to six months a year) over a two- or three-year period. The community will be eligible for a later phase of WFP assistance (e.g. one year from commencement of the original activities) if a number of pre-defined indicators demonstrate that community participants have continued to maintain, exploit or expand the original works.

Beneficiaries, Needs and the Food Basket

⇒ Beneficiaries

41. Details and indicative figures are given in Tables 1 and 2 below.

TABLE 1: BREAKDOWN OF BENEFICIARIES AND RATIONS

| Beneficiary type | Days per year | Total days | Commodity (g/person/day) | | | | | Energy content (kcal) |
|--|---------------|------------|--------------------------|----------|-------|-------|--------------|-----------------------|
| | | | Wheat flour | Veg. oil | Beans | Sugar | Iodized salt | |
| Relief component | | | | | | | | |
| Refugees from Chechnya | 360 | 1 080 | 450 | 25 | 60 | 20 | 5 | 2 077.25 |
| Soup kitchens for vulnerable groups | 300 | 900 | 350 | 25 | 30 | - | 5 | 1 546.75 |
| Soup kitchens for vulnerable IDPs | 300 | 900 | 350 | 25 | 30 | - | 5 | 1 546.75 |
| Vulnerable persons in institutions under the MHLSW | 120 | 360 | 350 | 25 | 30 | - | 5 | 1 546.75 |
| Members of vulnerable households with no potential labour source in FFW villages | 120 | 360 | 550 | 30 | - | 30 | 5 | 2 310.50 |
| Recovery component | | | | | | | | |
| FFW (individual ration) | 120 | 360 | 550 | 30 | - | 30 | 5 | 2 310.50 |

TABLE 2: BREAKDOWN OF BENEFICIARIES BY GENDER

| No. of beneficiaries by gender | Refugees | Relief | | | Members of vulnerable households in FFW villages | Recovery FFW | Grand total |
|--------------------------------|--------------|-------------------------------------|------------------------|--|--|----------------|----------------|
| | | Soup kitchens for vulnerable groups | Soup kitchens for IDPs | Vulnerable persons in institutions under MHLSW | | | |
| Female | 3 200 | 4 800 | 2 800 | 800 | 17 400 | 83 200 | 112 200 |
| Male | 2 800 | 3 200 | 2 200 | 700 | 11 600 | 76 800 | 97 300 |
| Subtotal | 6 000 | 8 000 | 5 000 | 1 500 | 29 000 | 160 000 | 209 500 |



⇒ *Protracted Relief*

42. Targeted refugees will receive a daily dry food ration covering their basic needs, as they receive complementary food items from UNHCR and other organizations. As regards soup kitchens, WFP will support the provision of one hot meal a day. The WFP ration for soup kitchens will be supplemented by perishable food items such as vegetables, fruit and meat provided by the local government and private charities. Beneficiaries under the MHLSW will receive basic food commodities for the whole year, containing the full ration of flour, beans and oil. The Government will provide other essential food commodities. During that time, the Government will be encouraged to take full responsibility for providing food to these institutions, as a preparation for the next phase. For the duration of FFW interventions, relief beneficiaries in villages engaged in FFW will receive an individual monthly ration equivalent to that received by workers and their families. It will consist of wheat flour, vegetable oil, sugar and iodized salt.

⇒ *Recovery*

43. Monthly FFW rations are calculated with the intense physical activity and climatic conditions during the winter taken into consideration. The review mission recommended that the ration be increased to compensate for the absence of beans, which will not be provided as they are available locally. On the other hand, wheat flour, the staple food, is much appreciated. The wheat flour ration was increased from 500 to 550 g and vegetable oil from 25 to 30 g. The average duration of a FFW intervention will be six months, which, according to the experience of the country office in recent years, proved to be adequate time for the proper creation/rehabilitation of sustainable assets.
44. **Iodized salt.** Given the high rates of iodine deficiency disorder in children and the growing prevalence of goitre, added to the fact that the local cost of iodized salt is several times higher than that of non-iodized salt, all rations will include this commodity. This is in line with an ongoing UNICEF campaign to eliminate all uses of non-iodized salt in Georgia.

Selection of Activities

⇒ *Relief*

Soup Kitchens

45. WFP will support soup kitchens in urban areas of all 12 regions of Georgia, including Tbilisi. The responsibility for soup kitchen targeting rests with the local government (and in some cases local NGOs) that manage the soup kitchens and provide non-food items and other complementary resources. In order to ensure that IDPs who are eligible for soup kitchens are covered, WFP will advocate with the local government to expand facilities.

Food Assistance to Rural Households with No Source of Labour

46. In villages selected for FFW interventions, the community will identify those households eligible for relief assistance for the duration of the FFW activity.

⇒ *Refugee Feeding*

47. Refugees from Chechnya will receive a take-home ration that covers their basic energy, protein and fat requirements.



Recovery

⇒ Targeting

48. Experience under the present PRRO has confirmed that regional targeting for recovery activities is justified. By targeting the poorest regions and not dispersing its limited resources, or management capacity, too thinly, WFP is more likely to achieve a sustainable impact.
49. Within regions, targeting at the district level will be flexible, guided by factors such as the VAM Unit's district profiling exercise, local absorption and implementation capacity, and the presence of partners with complementary inputs. In addition, in order to take advantage of the modest peace-building potential of local WFP interventions, factors such as the presence of minority communities or the proximity of villages to sensitive border areas will be considered in the selection of communities. The selection of priority FFW activities by the communities themselves—regardless of average plot size—will remain the basis for recovery activities.
50. Individual beneficiary targeting for FFW will continue to be based on a poverty scale developed by WFP through a household food economy study. As poverty profiles differ from region to region, efforts will be made through VAM analysis to devise food-economy/region-specific targeting criteria.

Recovery Activities

51. Based on experience in FFW activities within the current PRRO and during the EMOP, a number of activities—focused on the improvement of privately held lands³—have been identified as having a high likelihood of achieving a positive impact on food insecurity.
52. WFP and its partners will promote greater self-reliance by supporting the following activities:
 - a) FFW Agricultural Activities:
 - land reclamation (uprooting of unproductive tea plantations, vineyards, fruit gardens, etc., to replace them with food or fodder crops);
 - improvement of quality and management of common pastures;
 - land protection (construction of gabions on the rivers, anti-erosion terraces, wind belts, etc.);
 - drainage of water-logged arable lands (on condition that provisions are made for their maintenance); and
 - rehabilitation of irrigation channels (with emphasis on community maintenance and management of water allocation). Ideally, the last two WFP interventions will be carried out in collaboration with World Bank-sponsored village water users' associations, though these have yet to get off the ground.

³ In certain situations, FFW might be supported on community-held land. Criteria will be user rights to the land for a minimum of ten years and a high degree of probability that the workers could eventually purchase the land at a reasonable price. The Government is currently considering its second phase of land privatization, which will better define future land ownership possibilities.



b) Social Infrastructure Projects:

- Social infrastructure projects such as rehabilitation of potable water systems, feeder roads and small bridges may also be supported. A WFP review mission in April 2002 recommended that these types of projects should have a stronger technical supervision component and also more non-food items. In this regard, WFP will ensure that partners with adequate technical expertise and resources are identified.

Activity Approval Mechanism

53. Selection of FFW projects will continue to be based on proposals submitted by local authorities, NGOs and community groups. In practice, local authorities consult with members of the community, including women, and prepare proposals with them, forming a de facto community group for the management of the project. A recent PRRO review mission concluded that proposals did in fact reflect the priority needs of the community, including the needs expressed by women and the poorer members of the community. In addition, decision-making and the distribution of commodities were generally found to be sufficiently transparent. However, management of WFP activities has been driven by local authority structures in which the participation of women is limited and considerably lower than prior to independence. This is a further argument in favour of seeking implementing partners that emphasize building gender-conscious community-based organizations—though it should be recognized that progress on this front will take time. Training in gender will be incorporated into all training events, which will be carried out at different levels.
54. Project proposals will be assessed according to the following criteria: priority given to the project by the community; the expected output; sustainability of the assets created; technical capacity available to the project; and the expected level of increase in production based on the rehabilitation efforts.
55. Following assessment of project feasibility by implementing partners and WFP programme staff together with community groups and technical experts, as required, a WFP internal approval committee will carry out the final project approval. As per the current practice, a project document will be prepared for each approved project, to be signed by the main parties to the project (i.e. the project counterpart, implementing partner[s], and WFP Country Director).

Institutional Arrangements and Selection of Partners

56. The United Nations Resident Coordinator oversees the collective efforts of the United Nations Country Team. WFP plays a lead role in issues related to food security, including responsibility for drafting inputs on food security for the latest United Nations Common Country Assessment (August 2001). In addition, WFP chairs the Food Aid Coordination Committee, which discusses issues of mutual interest such as contingency planning and emerging food security issues. These efforts will continue to be enhanced during the current phase of the PRRO.
57. To date, implementation of the PRRO is for the most part being undertaken directly by WFP staff. In order to improve community mobilization efforts, the provision of technical expertise, and project monitoring—as well as to support the strengthening of local capacity—the PRRO will increasingly shift towards a greater involvement of partners at the local level and, eventually, to a government, local government, and/or NGO-implemented approach. March 2004 is the target date for reaching full participation of NGOs in project implementation. In the case of international NGOs, the complementary



resources contributed will be one of the determining factors in the NGOs' selection as implementing partners. In the case of local NGOs, more weight will be given to their potential to build local skills and capacity.

58. Arrangements for partnerships with NGOs will be made in harmony with the framework of WFP's policy on partnerships and the standard practice of negotiated Letters of Understanding (LOUs), detailing the responsibilities of WFP and its partners and including standard reporting formats in accordance with WFP's results-based approach to monitoring. An amended budget will be prepared to reflect the consequences of these partnerships, and overall costs are not expected to increase. WFP's Commitments to Women will be reflected in all LOUs.

Capacity-Building

59. Plans under the current PRRO to contribute to a functioning community-based approach to development remain a top priority for capacity-building. Assisting the emergence of strong local governance—where communities and community leaders identify their own solutions to problems and are accountable for those solutions' implementation—may be WFP's most meaningful contribution to the long-term recovery and transition process in Georgia. WFP will use the leverage of its assistance to push for the integration of women in the local governance process. The shift towards the use of international and (especially) local NGOs for implementation—NGOs with experience and commitment to community mobilization—should assist this capacity-building process.
60. Bringing new farming techniques to rural areas—through demonstration plots—will be another important capacity-building element of the PRRO, provided by implementing partners. The operation's increased stress on bringing agricultural technical assistance to project sites will help build the capacity of farmers and communities by linking them with assistance provided by other agencies.

Logistics Arrangements

61. The ongoing logistics arrangements under the current PRRO have been highly satisfactory and will be maintained. All food commodities for Georgia arrive at the ports of Poti and Batumi. Shipments of 3,500 tons or smaller, under liner-out discharge terms, will be handled and delivered by rail directly to extended delivery points (EDPs) in Tbilisi (East Georgia) and Kutaisi (West Georgia) by a forwarding agent appointed by WFP. The Eastern Europe regional bureau (ODR) will issue a request for quotation to nominate a forwarding agent for discharge and transportation for all shipments, under free-out terms or above 3,500 tons. After receipt and storage of goods at both EDPs, WFP and the implementing partners will organize transportation of commodities to final delivery points and will hand over the food to implementing partners for distribution.

Monitoring and Evaluation (M&E)

62. During this PRRO efforts will focus on reinforcing monitoring and reporting systems at all levels. When agreements are signed with implementing partners, specific reporting requirements will be agreed upon. WFP/Tbilisi will regularly compile the reports received from implementing partners. The results will be used to review performance and identify areas where corrective action is required. In addition to these consolidated reports, standardized reports (quarterly project reports [QPRs], country office reports [CORs]) will be prepared for submission to WFP/HQ in line with requirements. WFP will continue to use the computerized information system on food distribution, type of FFW activities and gender-disaggregated number of beneficiaries/participants. An M&E consultancy for the



PRRO, completed in April 2002, helped prepare monitoring tools and adjusted the current indicators to take account of WFP's new emphasis on results-based management. This ensured full complementarity between WFP's VAM Unit and the country office's monitoring structure. Data on food prices and early warning indicators will be collected. A logical framework for the project will guide the work plans of the country office and implementing partners, including monitoring of outputs and outcomes. A breakdown of indicators by objective is given in Annex V.

Security Measures

63. The United Nations security phases in Georgia vary between 1 and 4. Barring any major developments in Abkhazia, South Ossetia, Pankisi Valley or elsewhere in the country, the security situation is expected to remain stable throughout the duration of the PRRO. However, the Caucasus region remains volatile, and WFP will continue to monitor events closely, making every effort to protect its personnel and assets. WFP will continue its close collaboration with UNDP and the other United Nations agencies in order to coordinate and address security-related concerns in Georgia. Efforts will be made to ensure that minimum security standards are met, including the provision of Security Awareness Training to all new staff.

Exit Strategy

64. The three-year duration of the proposed PRRO reflects a realistic assessment of the hurdles still faced by Georgia to reach political and economic stability and move towards an era of economic development. In addition to examining the activities of the PRRO, a mid-term evaluation will assess progress made by the Government in achieving the basic reforms outlined in the "Context and Rationale" section (paragraphs 1–16). At that time, WFP will determine whether or not to consider phasing out protracted recovery. Throughout the duration of this PRRO, the country office will explore a possible exit strategy under the relief component by advocating for the Government and local and international NGOs to take over responsibility for the institutions. Capacity-building will be another means of formulating an exit strategy.

Contingency Mechanism

65. Given Georgia's fragile environment and its volatile political situation, the country office has prepared a contingency plan that takes into account four scenarios: drought, increased tension with Russia leading to border closure, resumption of armed conflict in Abkhazia, and earthquake. The PRRO will maintain a contingency stock of 2,275 tons based on a take-home relief ration sufficient to feed 50,000 people for three months.

Budget

⇒ *Input Requirements*

66. The PRRO budget is given in Annexes I and II. Direct operational cost (DOC) amounts to US\$19,690,884, and other direct operational cost (ODOC) amounts to US\$1,224,793, with a total WFP cost of US\$23,389,372.

⇒ *Commodity Requirements*

67. It is estimated that 50,493 tons of wheat flour, vegetable oil, beans, sugar and iodized salt will be required from April 2003 through March 2006, as indicated below:



TABLE 3: TOTAL FOOD REQUIREMENTS BY TYPE OF INTERVENTION

| | Commodity (tons) | | | | | Total |
|--|------------------|--------------|------------|--------------|--------------|---------------|
| | Wheat flour | Veg. oil | Beans | Sugar | Iodized salt | |
| Relief component | | | | | | |
| Refugees from Chechnya | 2 916 | 162 | 389 | 130 | 32 | 3 629 |
| Soup kitchens for vulnerable groups | 2 520 | 180 | 216 | - | 36 | 2 952 |
| Soup kitchens for vulnerable IDPs | 1 575 | 113 | 135 | - | 23 | 1 846 |
| Vulnerable persons in institution under the MHLSW | 189 | 14 | 16 | - | 3 | 222 |
| Members of vulnerable households with no potential labour source in FFW villages | 5 742 | 313 | - | 313 | 52 | 6 420 |
| Total for relief component | 12 942 | 782 | 756 | 443 | 146 | 15 069 |
| Recovery component | | | | | | |
| FFW | 31 680 | 1 728 | - | 1 728 | 288 | 35 424 |
| Total | 44 622 | 2 510 | 756 | 2 171 | 434 | 50 493 |

RECOMMENDATION

68. 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 (<i>mt</i>) | Average cost per ton | Value (<i>dollars</i>) |
|--|---------------------------|-------------------------|-----------------------------|
| WFP COSTS | | | |
| A. Direct operational costs | | | |
| Commodity (mt) ¹ | | | |
| – Wheat flour | 44 622 | 209* | 9 338 180 |
| – Oil | 2 510 | 663* | 1 663 750 |
| – Beans | 756 | 475 | 359 100 |
| – Sugar | 2 171 | 275 | 597 025 |
| – Iodized salt | 434 | 100 | 43 400 |
| Total commodities | 50 493 | 238 | 12 001 455 |
| External transport | | 70 | 3 540 175 |
| ITSH | | 58 | 2 924 472 |
| Total LTSH | | 58 | 2 924 461 |
| Other direct operational costs | | 24 | 1 224 793 |
| Total direct operational costs | | 390 | 19 690 884 |
| B. Direct support costs (see Annex II for details) | | 40 | 2 006 122 |
| Total direct support costs | | 430 | 21 697 006 |
| C. Indirect support costs (7.8 percent of total direct costs) | | | |
| Subtotal indirect support costs | | 34 | 1 692 366 |
| TOTAL WFP COSTS | | | 23 389 372 |

¹ 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.

* Figures are rounded up.



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

| | |
|--|------------------|
| Staff | |
| International Professional staff | 417 900 |
| National Professional officers | 96 615 |
| National General Service staff | 716 595 |
| Temporary assistance | 69 840 |
| Overtime (in US\$ only) | 14 400 |
| Incentives | 28 584 |
| International consultants | 41 200 |
| National consultants | 6 000 |
| Staff duty travel | 71 960 |
| Staff training and development | 46 200 |
| Subtotal | 1 509 294 |
| Office expenses and other recurrent costs | |
| Rental of facility | 192 177 |
| Utilities general | 30 060 |
| Office supplies | 14 400 |
| Communication and information technology (IT) services | 46 440 |
| Insurance | 23 000 |
| Equipment repair and maintenance | 8 950 |
| Vehicle maintenance and running costs | 125 000 |
| Other office expenses | 45 000 |
| United Nations organizations services | 2 700 |
| Subtotal | 487 727 |
| Equipment and capital costs | |
| TC/IT equipment | 6 500 |
| Furniture, tools and equipment | 2 600 |
| Subtotal | 9 100 |
| TOTAL DIRECT SUPPORT COSTS | 2 006 122 |



REGIONAL TARGETING



 **TARGET ZONES**

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



ANNEX IV

BREAKDOWN OF BENEFICIARIES AND FOOD REQUIREMENTS (in tons)

| Beneficiary type | No. of benefic. | Male | Female | Wheat flour | Veg. oil | Beans | Sugar | Iodized salt | Total |
|--|-----------------|---------------|----------------|---------------|--------------|------------|--------------|--------------|---------------|
| First year | | | | | | | | | |
| Refugees from Chechnya | 6 000 | 2 800 | 3 200 | 729 | 41 | 97 | 32 | 8 | 907 |
| Soup kitchens for vulnerable groups | 8 000 | 3 200 | 4 800 | 630 | 45 | 54 | - | 9 | 738 |
| Soup kitchens for vulnerable IDPs | 5 000 | 2 200 | 2 800 | 394 | 28 | 34 | - | 6 | 461 |
| Vulnerable persons in institutions under the Ministry of Labour, Social Affairs and Health | 1 500 | 700 | 800 | 142 | 10 | 12 | - | 2 | 166 |
| Members of vulnerable households with no potential labour-source in FFW villages | 29 000 | 11 600 | 17 400 | 1 436 | 78 | - | 78 | 13 | 1 605 |
| FFW | 160 000 | 76 800 | 83 200 | 7 920 | 432 | - | 432 | 72 | 8 856 |
| Total | 209 500 | 97 300 | 112 200 | 11 250 | 634 | 197 | 543 | 110 | 12 734 |
| Second year | | | | | | | | | |
| Refugees from Chechnya | 6 000 | 2 800 | 3 200 | 972 | 54 | 130 | 43 | 11 | 1 210 |
| Soup kitchens for vulnerable groups | 8 000 | 3 200 | 4 800 | 840 | 60 | 72 | - | 12 | 984 |
| Soup kitchens for vulnerable IDPs | 5 000 | 2 200 | 2 800 | 525 | 38 | 45 | - | 8 | 615 |
| Vulnerable persons in institutions under the Ministry of Labour, Social Affairs and Health | 1 500 | 700 | 800 | 47 | 3 | 4 | - | 1 | 55 |
| Members of vulnerable households with no potential labour-source in FFW villages | 29 000 | 11 600 | 17 400 | 1 914 | 104 | - | 104 | 17 | 2 140 |
| FFW | 160 000 | 76 800 | 83 200 | 10 560 | 576 | - | 576 | 96 | 11 808 |
| Total | 209 500 | 97 300 | 112 200 | 14 858 | 836 | 251 | 724 | 144 | 16 813 |
| Third year | | | | | | | | | |
| Refugees from Chechnya | 6 000 | 2 800 | 3 200 | 972 | 54 | 130 | 43 | 11 | 1 210 |
| Soup kitchens for vulnerable groups | 8 000 | 3 200 | 4 800 | 840 | 60 | 72 | - | 12 | 984 |
| Soup kitchens for vulnerable IDPs | 5 000 | 2 200 | 2 800 | 525 | 38 | 45 | - | 8 | 615 |
| Vulnerable persons in institutions under the Ministry of Labour, Social Affairs and Health | - | - | - | - | - | - | - | - | - |
| Members of vulnerable households with no potential labour-source in FFW villages | 29 000 | 11 600 | 17 400 | 1 914 | 104 | - | 104 | 17 | 2 140 |
| FFW | 160 000 | 76 800 | 83 200 | 10 560 | 576 | - | 576 | 96 | 11 808 |
| Total | 208 000 | 96 600 | 111 400 | 14 811 | 832 | 247 | 724 | 144 | 16 757 |
| Fourth year | | | | | | | | | |
| Refugees from Chechnya | 6 000 | 2 800 | 3 200 | 243 | 14 | 32 | 11 | 3 | 302 |
| Soup kitchens for vulnerable groups | 8 000 | 3 200 | 4 800 | 210 | 15 | 18 | - | 3 | 246 |
| Soup kitchens for vulnerable IDPs | 5 000 | 2 200 | 2 800 | 131 | 9 | 11 | - | 2 | 154 |
| Vulnerable persons in institutions under the Ministry of Labour, Social Affairs and Health | - | - | - | - | - | - | - | - | - |
| Members of vulnerable households with no potential labour-source in FFW villages | 14 500 | 5 800 | 8 700 | 479 | 26 | - | 26 | 4 | 535 |
| FFW | 80 000 | 38 400 | 41 600 | 2 640 | 144 | - | 144 | 24 | 2 952 |
| Total | 113 500 | 52 400 | 61 100 | 3 703 | 208 | 62 | 181 | 36 | 4 189 |
| TOTAL FOOD REQUIREMENT FOR PRRO | | | | 44 622 | 2 510 | 756 | 2 171 | 434 | 50 493 |



ANNEX V

INDICATORS BY OBJECTIVE

| Objectives | Indicators |
|---|--|
| To provide relief to elderly persons and other most vulnerable categories (the majority of whom are women) with no income other than inadequate State pensions | <ul style="list-style-type: none"> ➤ Quantity, type, composition and caloric value of food basket distributed ➤ Caloric value of household food basket and WFP contribution ➤ Level of food basket acceptability ➤ Beneficiary perception of impact of food aid on their lives |
| To contribute to maintaining a minimum acceptable nutritional status among food-insecure Chechen refugees | <ul style="list-style-type: none"> ➤ Quantity, type, composition and caloric value of food basket distributed ➤ Caloric value of household food basket and WFP contribution ➤ Qualitative information regarding nutritional and health status of the target groups ➤ Level of food basket acceptability ➤ Beneficiary perception of impact of food aid on their lives |
| To rehabilitate/create agricultural and social infrastructure assets, which will be used and maintained to benefit vulnerable households in the five poorest regions of Georgia | <ul style="list-style-type: none"> ➤ Extent to which the agricultural assets created/rehabilitated are used ➤ Extent to which the agricultural assets created are maintained ➤ Qualitative information on change in livelihoods of households and communities arising from availability of new/rehabilitated productive assets, social infrastructure, knowledge and skills ➤ Percentage of household income spent on food |



ACRONYMS USED IN THE DOCUMENT

| | |
|--------|--|
| CCA | Common Country Assessment |
| CIS | Commonwealth of Independent States |
| EMOP | Emergency operation |
| EU | European Union |
| FAO | Food and Agriculture Organization of the United Nations |
| FFW | Food for work |
| GDP | Gross domestic product |
| GNP | Gross national product |
| Lr | Georgian lari |
| IDP | Internally displaced person |
| IMF | International Monetary Fund |
| IP | Implementing partner |
| MHLSW | Ministry of Health, Labour and Social Welfare |
| MOAF | Ministry of Agriculture and Food |
| MOU | Memorandum of Understanding |
| M&E | Monitoring and evaluation |
| NGO | Non-governmental organization |
| OSCE | Organization for Security and Cooperation in Europe |
| PRGP | Poverty Reduction and Economic Growth Programme |
| PRRO | Protracted relief and recovery operation |
| PRSP | Poverty Reduction Strategy Paper |
| SDS | State Department of Statistics |
| UNDP | United Nations Development Programme |
| UNHCR | Office of the United Nations High Commissioner for Refugees |
| UNICEF | United Nations Children's Fund |
| VAM | Vulnerability analysis and mapping |
| WHO | World Health Organization |
| USAID | United States Agency for International Development |
| UNOCHA | United Nations Office for the Coordination of Humanitarian Affairs |

