

WFP LAO PDR COUNTRY PROGRAMME 200242 (2012-2015)

WFP LAO PDR COUNTRY PROGRAMME 200242	
Number of beneficiaries	750,514
Duration of project	Four years (from 1 January 2012 to 31 December 2015)
Food tonnage	37,140
Cost (United States dollars)	
WFP food cost	36,935,488
WFP cash/voucher cost	1,197,433
Total cost to WFP	68,945,603

EXECUTIVE SUMMARY

The Government has set ambitious targets for transitioning Lao PDR to a middle-income country by 2020 while achieving the Millennium Development Goals (MDGs) by 2015. Although the nation has experienced strong economic growth over the past two decades, it remains 'seriously off track' to meet the hunger target of the MDGs and to address undernutrition more broadly. Wasting exceeds 18 percent in one province; the national stunting rate is 40 percent; and micronutrient deficiencies, such as anemia, affect more than 40 percent of children under five years old.

In part due to strong advocacy from WFP, the Government has recognized the importance of addressing undernutrition in order to achieve its goals. With national policies and frameworks now in place, there is an opportunity to take concerted action to deal with the problem. WFP Lao PDR's new Country Strategy therefore focuses on supporting Government efforts to reduce undernutrition, particularly in the areas of wasting, stunting and micronutrient deficiencies. This Country Programme helps to implement the strategy through five components that together reach almost 750,000 beneficiaries over four years:

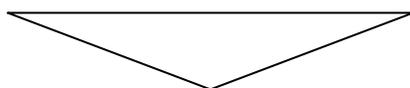
1. Emergency Preparedness and Response
2. Mother and Child Health and Nutrition
3. School Meals
4. Livelihood Initiatives for Nutrition
5. Food Fortification and Marketing

For Component 1, the emphasis is on strengthening the capacity of the government at the national, provincial and district levels to prepare for and respond to emergencies. For Components 2, 3, and 4, the programme will undertake an innovative five-step approach involving: problem analysis, awareness raising, nutrition education, opportunities for action, and follow-up and celebration. For Component 5, the emphasis is on fortification. Each of these components has a specific set of criteria for handover to the government or for

achieving market sustainability.

This approach is in line with the Government's 7th National Socio-Economic Development Plan (2011-2015) and the UN Development Assistance Framework (2012-2015), and supports the achievement of Millennium Development Goal 1 on Hunger and Poverty. It responds to the recommendations of the 2009 Country Portfolio Evaluation and directly contributes to WFP's corporate strategic objectives 2 (disaster preparedness), 4 (chronic hunger and undernutrition), and 5 (local purchase and handover strategies).

DRAFT DECISION*



(for draft country programme)

The Board endorses draft country programme Lao PDR CP 200242 (2012 - 2015), [document reference: e.g. (WFP/EB.A/2010/.../...)], for which the food requirement is 37,140 at a cost of US\$ 36.9 million and the cash and voucher requirement is US\$ 1.2 million, covering all basic direct operational costs, 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. The Government of the Lao People's Democratic Republic (Lao PDR) has set ambitious targets for transitioning the nation to a middle-income country by 2020 while achieving the Millennium Development Goals (MDGs) by 2015. In many respects, the country is making substantial progress towards these targets. Over the past two decades, the economy has grown rapidly – without significant increases in inequality¹. From 1990 to 2002, the average annual growth rate was 6.3 percent; in recent years, it has reached 8 percent. At the same time, the MDGs for reducing child mortality, poverty reduction, and halting the spread of malaria and TB are likely to be met. With 80 percent of the population employed in the agricultural sector, the country has recently achieved rice self-sufficiency at the national level.
2. Despite these achievements, Lao PDR continues to suffer from high rates of undernutrition. The country is 'seriously off track' for achieving the hunger target of the MDG 1 and addressing undernutrition more broadly. It faces three particularly serious, inter-related problems: wasting, stunting, and micronutrient deficiencies.
3. *Wasting*. The national wasting rate stands at 6 percent². In the aggregate, the prevalence does not represent an alarming situation. However, in certain locations at specific times, the wasting rates can reach emergency levels. In 2010, the province of Attapeu had a global acute malnutrition rate of 19 percent, which exceeded the 'critical' threshold of 15 percent. In Sarvavan and Savanakheth provinces, the rates were above the 10 percent, which is categorized as 'serious' by WHO standards.
4. In this politically stable country, these crises are often triggered by natural disasters. Laos has experienced recurrent floods, storms, droughts, and pests, in part as a result of climate change. There was serious flooding of the Mekong and mountain waterways in 2008; Tropical Storm Ketsana and a rodent infestation in 2009; and dry spells in 2010. These natural disasters can lead to extensive crop damage and, when combined with high disease burdens, contribute to a rapid deterioration in the nutrition situation³.
5. *Stunting*. In contrast to wasting, stunting rates are extremely high across most parts of the country. The national average is 40 percent⁴, which is 'critical' by WHO standards. Upland populations and ethnic groups have even more elevated levels, exceeding 50 or sometimes 60 percent⁵. The stunting arises during the 1,000 day critical window of opportunity because of inadequate food in terms of both quantity and quality, poor care practices and disease, often associated with low levels of hygiene and sanitation⁶. As a result, over half the children in rural parts of the country will never grow to their full physical or mental potential. It is estimated that stunting resulted in productivity losses of US\$ 166 million between 2005 and 2010⁷.
6. The underlying causes of stunting relate to cultural, educational and geographic factors that leave populations without the knowledge or means (in terms of food and income) to address the problem. Lao PDR has one of the most ethnically diverse populations in the world. There are 49

¹ The Gini coefficient is .37.

² Ministry of Health, 2009, *National Nutrition Strategy and Plan of Action*.

³ HIV/AIDS, which has a low prevalence of less than 1 percent, can also contribute to wasting for some people.

⁴ Ibid.

⁵ WFP Laos, 2007, *CFSVA*.

⁶ In a 2010 study, 43 percent of children were reported ill in the previous two weeks. National Institute of Public Health, 2010, *Nutritional Assessment in 2008-2009 Flood and Typhoon Ketsana-Affected Provinces of Lao PDR*.

⁷ WHO, 2004, *Profiles Report* (as cited by FAO).

officially recognized ethnic groups and over 200 different languages spoken. While this diversity represents a great strength of the country, it can also pose challenges for undernutrition. Cultural differences often translate into diverse views on care practices and appropriate foods. Certain groups believe that women should only eat ‘white’ foods such as rice and salt after giving birth or that it is appropriate to feed infants chewed rice⁸. Some do not access health centres because they believe illness is caused by bad spirits. As a result, they do not have all the knowledge needed to provide their children with adequate nutrition during the critical 1,000 day window of opportunity.

7. Low-levels of education also affect the knowledge and means to address stunting. In a 2007 survey, over 50 percent of the household heads had not finished primary education⁹. Ethnic populations tend to be more poorly educated than the majority Lao-Tai group. In the Sino-Tibetan ethnic group, which has the highest rates of stunting, 66 percent of the heads of households and 89 percent of their female spouses have no schooling at all. Currently, net primary school enrolment rates for girls in rural areas range between 49 and 72 percent. Primary completion rate is still low at 62 percent and the progress is slow. High dropout rates remain a challenge and it is as high as 17 percent where WFP implements school meals. Almost one-third of 12 year olds who did not pursue their studies beyond grade five raised financial burden as the main obstacle to continue education¹⁰. This lack of education, especially among women, affects their knowledge of undernutrition (e.g. food, care practices and disease) while also limiting their livelihood opportunities and therefore their means to address the problem.
8. In terms of geography, the country’s terrain can be divided into two zones: the fertile, surplus-producing lowlands along the Mekong and the remote, mountainous uplands, where over 70 percent of the population lives in scattered villages. In the surplus areas, households have adequate amounts of rice, but they do not necessarily have the knowledge or incomes to improve the quality of their diets. In the food insecure, deficit areas, the challenges are compounded by unexploded ordinance (UXO) from the Second Indochina War. Lao PDR is the world’s most heavily bombed country per capita, with two thirds of the country contaminated, mainly in the mountainous east. This inhospitable terrain limits crop production and animal husbandry. In this context, it is difficult for people to create rural livelihoods that provide them with the means to address stunting¹¹.
9. *Micronutrient deficiencies.* The levels of micronutrient deficiencies are also extremely elevated. Over 40 percent of children under 5 and 63 percent of children under 2 suffer from anemia, resulting from insufficient iron¹². These rates constitute a ‘serious public health problem’ by international standards. Almost 45 percent of children under 5 and 23 percent of women between 12 and 49 years suffer from sub-clinical vitamin A deficiency. While the majority of households have access to iodized salt, in some places up to 20 percent of the population does not receive sufficient iodine. These micronutrient deficiencies, which contribute to stunting and wasting, but can also exist on their own, lead to problems with motor and cognitive development (anemia), eye sight and the immune system (vitamin A) and mental ability (iodine).
10. The deficiencies reflect the poor diversity of diets. In Lao PDR, the staple is sticky rice, and there is limited consumption of meats, fats, oils, milk and animal products more generally¹³. Poorer households may only eat meat, which is an important source of iron, once or twice a month¹⁴.

⁸ Holmes, W., et al., 2007, ‘Influences on maternal and child nutrition in the highlands of northern Laos’, Asia Pacific Journal of Clinical Nutrition.

⁹ WFP Laos, 2007, *Comprehensive Food Security and Vulnerability Assessment (CFSVA)*.

¹⁰ The Government of Lao PDR and the United Nations, 2008, *Millennium Development Progress Report*.

¹¹ Many of these areas have also been targeted for government development policies – related to resettlement, slash-and-burn agriculture, opium growing and concessions – that have had mixed impacts on livelihood opportunities.

¹² Ministry of Health, 2009, *National Nutrition Strategy and Plan of Action*.

¹³ WFP Laos, 2007, *Comprehensive Food Security and Vulnerability Assessment (CFSVA)*.

¹⁴ Holmes, W., et al., 2007 (see citation above).

While vegetables (good sources of vitamin A and B) are consumed more frequently, they are only seasonally available. Some ethnic groups, such as the Austro-Asiatics, consume fats and oil only once a week – although they are necessary for absorbing key micronutrients.

11. *Government and UN response.* In the past, the Government recognized the problem of food insecurity, but tended to equate it with rice production. However, in part as a result of advocacy efforts by WFP and other stakeholders, it has now strongly prioritized undernutrition and has developed extensive policies and frameworks for addressing the problem. The 7th National Socio-Economic Development Plan (NSEDPlan), the principal document outlining the Government's development priorities, contains a sub-section on health and nutrition and provides clear government targets for reducing undernutrition by 2015. The Government has also developed two key documents that provide a framework for action on nutrition: the National Nutrition Policy and the National Nutrition Strategy and Plan of Action. However, it has requested assistance from international organizations to implement these frameworks.
12. The UN country team works closely together on nutrition issues to support the Government's efforts. Nutrition is a focus of the UN Development Assistance Framework. Lao PDR is also one of the two pilots worldwide for the REACH (or 'Renewed Efforts to Address Child Hunger and Undernutrition') Initiative, a joint collaboration between the government of the Lao PDR, UN agencies, NGOs, the private sector and civil society to help combat child malnutrition. However, the efforts are still at their early stages: while the coordination mechanism has been established, actual implementation is just beginning.

PAST COOPERATION AND LESSONS LEARNED

13. Since establishing an office in Lao PDR in 2000, WFP has learned a number of lessons that have informed the development of this country programme. In the past five years, WFP Lao PDR has had three major programmes: a Protracted Relief and Recovery Operation (PRRO), a Food-for-Work (FFW) Development Project, and a School Feeding Development Project. Each has been individually reviewed; they were then examined as a package in the comprehensive Country Portfolio Evaluation in 2009.
14. *PRRO.* In 2008, a mid-term review of the PRRO found that the activities are 'relevant and generally responding to the needs of the most vulnerable in Laos'. However, it noted that more could be done to address malnutrition given the high levels of stunting in the country. In particular, it suggested a focus on promoting dietary diversity, offering community-based nutrition and health trainings, and placing greater emphasis on agricultural schemes. It also pointed to the need to consider a more nutritionally balanced food basket. Finally, it indicated that Food-for-Work activities under the PRRO needed to be harmonized with those carried out under the Development Project.
15. *FFW Development.* Several evaluations of this project by local consultants presented a mixed record for FFW activities. One weakness was targeting. The evaluations suggested that too many of the villages were close to town centers, rather than in the more food insecure rural locations. A second criticism focused on the uneven impact of the assets. While performance varied by context, broadly speaking, access roads and paddy expansion were more effective in enhancing food security than fish ponds, tree planting and other activities. There was a largely positive review of a cash pilot in two villages using the postal system as a delivery mechanism. It recommended expanding cash for work, but raised concerns about the distances participants must travel to receive their payments.

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16. *School feeding.* This project has not been formally evaluated; however, a 2009 review mission recommended a reduction in the size of take-home rations in order to better align WFP's activities with the Government's plans for a more affordable national programme.
17. *Country Portfolio Evaluation.* In 2009, WFP carried out a portfolio evaluation of all its activities. The evaluation, which was based on wide-ranging consultations with stakeholders, identified several key lessons for the country office as it considered options for its new strategy. It expressed concern about the fragmentation of programme activities and implementation structure and identified a lack of a unifying goal as one of the causes of this problem. It also underlined the importance of working with partners especially in areas that require technical inputs. The evaluation further underscored the value of adapting interventions to the local context with a clear consideration of ethnicity in the design of programme activities. It made recommendations about the importance of maintaining leadership on hunger analysis, developing a strong monitoring and evaluation system, and creating a sustainable funding model.

STRATEGIC FOCUS OF THE COUNTRY PROGRAMME

18. After consulting with the Government and considering the lessons learned from previous interventions, WFP Lao PDR's new Country Strategy focuses on reducing undernutrition and its debilitating impacts on individual and national development. In line with the timing and priorities of the National Socio-Economic Development Plan (2011-2015) and the United Nations Development Assistance Framework (2012-2015), the Country Strategy (2011-2015) identifies three priorities for WFP's work in Lao PDR: preventing and reducing wasting; reducing stunting; and reducing micronutrient deficiencies.
19. This Country Programme has five component activities that support these priorities and WFP's strategic objectives:
- Component 1 – Emergency Preparedness and Response (WFP Strategic Objective 2)
 - Component 2 – Mother and Child Health and Nutrition (WFP Strategic Objective 4)
 - Component 3 – School Meals (WFP Strategic Objective 4)
 - Component 4 – Livelihood Initiatives for Nutrition (WFP Strategic Objectives 4 and 5)
 - Component 5 – Food Fortification and Marketing (WFP Strategic Objective 4)
20. Component 1 contributes to broader efforts to prevent wasting; Components 2, 3 and 4 help to reduce stunting; while Component 5 focuses on reducing micronutrient deficiencies.
21. The activities will be concentrated primarily in six provinces: Luangnamtha, Oudomxay, and Luangprabang in the north and Saravan, Sekong, and Attapeu in the south¹⁵. The areas have been chosen based on: 1) high levels of stunting, micronutrient deficiencies and, in some cases, wasting; 2) the location of government priority districts; and 3) the need to concentrate activities for greater impact.

Component 1 – Emergency Preparedness and Response

22. In the context of increased natural disasters, in part attributable to climate change, Laos PDR will likely continue to face emergency situations that lead to wasting and a greater risk of mortality.

¹⁵ Activities involving Purchase for Progress (see below) will also be carried out in parts of three central provinces – Bolixkhomxay, Khamaune, and Savannakhet. Also, Phongsaly, a province in the north, currently receives school meals and will continue this single activity during part of the Country Programme; however, the activity will be phased out in order to concentrate WFP's efforts. All the areas of focus are subject to change based on agreement with the Government.

WFP's direct responses to wasting will be carried out under Emergency Operations. However, capacity development efforts can contribute to the Government's ability to address smaller scale emergencies on its own and will be a focus of Component 1 of this Country Programme.

23. The Government has taken important steps to strengthen its capacity to respond to disasters. It has established a National Disaster Management Office and co-chairs the Inter-Agency Standing Committee for humanitarian activity. However, it has also indicated that it would like greater support to strengthen capacity for emergency preparedness and response. WFP will offer comprehensive training involving simulations to strengthen government capacity at the national, provincial and district levels to identify, plan for and respond to emergencies in the country¹⁶. It will then arrange a package of technical support (e.g. consultations, field backup) to assist the Government as it begins to tackle smaller-scale emergencies on its own.
24. WFP Lao PDR will seek partnerships and coordinate with international NGOs (e.g. Oxfam and RedR) and UN agencies (e.g. UNDP, UNICEF, and WHO), which have expertise and experience in these areas. It is envisioned that most of the small-scale disasters affecting less than 5,000 people will be handled by the government (in collaboration with NGOs, if necessary) by the end of this Country Programme.
25. In order to ensure that populations have both the knowledge and the means to address stunting (the focus of Components 2, 3, and 4), WFP will take an integrated approach that tailors interventions to contexts and involves five steps: problem analysis, awareness raising, nutrition education, action, and follow-up and celebration.
26. *Problem analysis.* Given the many different ethnic groups and contexts, WFP will begin each intervention with a detailed assessment that determines the level of stunting and pinpoints the precise causes of the problem for a particular location. This problem analysis, utilizing VAM tools combined with participatory approaches, will form the basis for the remaining steps in the process.
27. *Awareness raising.* Once the scope of the problem is identified, WFP and partners will work together to raise awareness in the community about the issue and its impacts. For many, small stature is considered normal and not particularly concerning. An awareness campaign involving theme songs, slogans, community champions, radio talk shows, and dance events will get the communities to discuss the topic and to become interested in learning more.
28. *Nutrition education.* Once awareness is raised about the problem of stunting, the programme will then focus on providing nutritional education. Drawing on its comparative advantage in this area, WFP will use its interactive, participatory 'Feeding the Future' nutrition education package, which helps villagers to learn the basics of nutrition through games, role plays, cooking demonstrations, and informal quizzes¹⁷. The nutrition education is tailored to the needs of different ethnic groups and administered in the local language and will be carried out through Ministry of Health and NGO staff.
29. *Action.* Once communities have been equipped with knowledge about nutrition problems, they need opportunities to act on that knowledge to improve the situation for themselves and their children. Supporting the government, WFP will offer a menu of options that will be tailored to the needs of the communities.

¹⁶ The training on responses will focus on both preventing wasting through general distributions and treating wasting through the integrated management of acute malnutrition. Where appropriate, WFP may also contribute limited technical assistance on nutritional issues for HIV/AIDS treatment.

¹⁷ WFP will also explore the possibility of conducting hunger courses at the university level.

Component 2 – Mother and Child Health and Nutrition

30. One of the key interventions will be Mother and Child Health and Nutrition (MCHN) programmes targeting pregnant and lactating women and their infants (0 to 23 months) to ensure that young persons receive the required nutrients and care during the critical 1,000 day window of opportunity when most stunting occurs. To reach pregnant and lactating women, the programme, designed in collaboration with the Ministry of Health, will provide a ration of rice and Nutributter. The rice will serve as an incentive for mothers to attend health clinics for ante- and post-natal checkups while the Nutributter and rice will help meet their caloric and micronutrient requirements. For children between 6 and 23 months of age, the activity will use village health teams to deliver a ready-to-use food (Plumpy'Doz) to communities on a monthly basis. These efforts should have a direct impact on stunting rates.
31. In many locations, the activities will be delivered as part of a joint programme on MCHN with UNICEF, WHO, UNFPA and the Ministry of Health. By the end of the Country Programme, WFP will begin to handover its MCHN project to the Ministry. Since a Government policy for MCHN is already in place, WFP will focus on ensuring that three additional criteria are met in preparation for handover: 1) results have been demonstrated in reducing stunting; 2) government funds are committed, and a low-cost, locally produced ready-to-use food is available (see 'fortification' below); and 3) the capacity of government staff has been developed through trainings and practical experience to carry out project.

Component 3 – School Meals

32. In order to address the inter-generational cycle of undernutrition, there will also be options for interventions at other stages of life. For school age, WFP's emphasis will be on School Meals (SM). In conjunction with partners, WFP will provide a package that combines a mid-morning snack¹⁸ for children between two to five years of age and primary school students, with appropriate nutrition and family planning messages. There will also be a package for informal boarders¹⁹ at primary and secondary schools. The packages, directed particularly at girls and ethnic communities, will help address stunting through two pathways. First, by contributing to enhanced enrolment and better attendance in the assisted schools, the packages will assist more students to grow up with the knowledge (i.e. specific messages, intellectual ability) and means (i.e. improved livelihoods) to prevent stunting among their children. Although this has a more limited impact in the short-run, the increased human capital is critical for breaking the inter-generational cycle of stunting in the long-run²⁰. Second, the nutritious meals for pre-primary students will help meet the immediate energy and vitamin and mineral requirements of children between two and five still at risk of stunting²¹.
33. The plans for a handover to a government-led school meals programme are already well advanced. They have been developed in close collaboration with the Ministry of Education, the World Bank, AusAid and UNICEF, and the Government has received Fast-Track Initiative (FTI) funding. The first pilots of the handover, which include a home-grown school feeding component, will be completed by early 2012. WFP will support the Ministry to identify qualified staff to lead the Government project and will serve as a resource as they begin implementation. As the Government takes on districts, WFP will expand to additional areas in line with requests from the Ministry of Education. The speed of the transfer will depend upon regular reviews that examine factors such as: 1) Government capacity to manage existing and planned caseloads (e.g. logistics, procurement,

¹⁸ WFP has removed its take-home rations to align its programme with the preferred approach of the Government.

¹⁹ Informal boarders are students who live in dormitories at schools far from home.

²⁰ For a summary of the evidence, see WFP, 2006, *World Hunger Series 2006: Hunger and Learning*.

²¹ In particular, it will contribute to reductions in micronutrient deficiencies such as anemia.

programming); 2) impact of handover on key indicators (e.g. student enrolment); and 3) accountability and transparency.

Component 4 – Livelihood Initiatives for Nutrition

34. For adults, WFP will identify context-specific Livelihood Initiatives for Nutrition (LIN). In rice surplus areas, the emphasis will be on Purchase-for-Progress and creating a pro-nutrition value chain. Smallholders will grow nutritious (e.g. bio-fortified) foods, be linked to processing opportunities (see ‘fortification’ below) and connected to markets. When combined with awareness and nutrition education, the increased incomes will enable households to better meet the nutritional needs of their children.
35. In deficit areas, WFP will use its problem analysis to identify the key nutritional constraints in communities. It will then offer tailored livelihood activities such as vegetable gardens, poultry raising, access roads, or sanitation projects that address the specific nutritional problems (e.g. diet diversity, protein consumption, market access, and disease) in a particular area²². Where communities face serious short-term food constraints, they may be provided with food rations, cash or vouchers. The FFW and cash-for-work schemes will run in both the dry (January to March) and wet (April to September) seasons in groups of villages with high rates of stunting. The choice of transfer (food or cash) will be made on the basis of market analysis, including the availability of nutritious foods for purchase²³. Participation will be voluntary based on self-targeting at the village level²⁴.
36. The Purchase-for-Progress Initiative will partner with supply-side NGOs and UN agencies such as SNV/Helvetas and FAO and work in close collaboration with the Ministry of Agriculture and Forestry. With its emphasis on a market-oriented approach, the P4P efforts should be self-sustaining. For deficit areas, the programme will build on its successful partnerships with IFAD-supported government projects (e.g. in Oudomxay and Attapeu) at the provincial level. It will strengthen the capacity of local government to lead these efforts by joint planning and implementation of projects. Clear criteria for handover will include an assessment of: 1) government skills and capacity; 2) budget allocations or other funding sources; and 3) demonstrated results of the programme.
37. *Follow up and celebration.* As communities act on the knowledge through MCHN, SM and LIN activities, WFP will follow up to celebrate successes and adjust programmes to address points of weakness. Regular growth monitoring will be a key component of the efforts, and a strong Monitoring and Evaluation system will be put in place to ensure WFP’s contribution is targeted in the most effective way possible. Awards and prizes will be given to recognize communities that have been successful in following the programme.
38. There are three principal interventions for addressing micronutrient deficiencies (the focus of Component 5): supplementation, diet diversification, and fortification. Supplementation programmes for vitamin A and iron are well-established with support from UNICEF and WHO to the Ministry of Health. However, the rates still remain unacceptably high, suggesting a need for complementary approaches. To a certain extent, the Livelihood Initiatives for Nutrition will

²² The aim is to ensure that they can improve the quality and quantity of their diet (e.g. food consumption score).

²³ The evaluation of the WFP Lao PDR cash pilot showed that money was spent on meat and fish, good sources of nutrients missing from diets.

²⁴ The Provincial Government also sometimes selects households for participation based on ‘wealth categories’. The categories correspond to the levels of household assets (e.g. land, livestock).

address diet diversification as part of the larger effort to reduce stunting; however, fortification may be a way to specifically and cost effectively tackle micronutrient deficiencies on their own.

Component 5 – Food Fortification and Marketing

39. Fortification efforts will focus on both product development and market linkages. There are a number of possibilities to consider for fortified products: supporting smallholders to grow bio-fortified rice, a variety bred for high micronutrient content; encouraging the development of an edible oil plant; supporting fortified noodle production; and investing in the development and production of a low-cost, lipid-based ready-to-use food – among others. WFP will support feasibility studies for different possibilities and, based on the results, provide technical support and fortification-related equipment for the options with the greatest potential. It will work with the private sector, the Government, and international organizations with expertise in micronutrient deficiencies to carry out these activities.
40. WFP will also help link these products to markets. The biofortified rice, the edible oil, and the special nutritional products could be relevant for MCHN, SM, and LIN activities under this Country Programme and for any Emergency Operation. The delivered products will directly reduce micronutrient deficiencies such as anemia. As the Government takes over programmes, such as MCHN and SM, it will be provide another buyer and opportunities to reach households. Nutrition awareness and education campaigns may generate demand among the wider public within Laos. Regional buyers may also be interested in these products.
41. Given the interrelatedness of the nutritional challenges, activities addressing one of the problems will likely have an impact on others. Thus, for instance, the assistance to produce fortified food locally under Component 5 can also enhance the Outcomes and Outputs of Components 3 and 4. . These interactions argue for implementing these activities together for greater impact.
42. The components will reach a total of 750,514 food beneficiaries as shown in Table 1 below. They will also provide assistance to non-food beneficiaries: 1,950 for Component 1 and 126,962 for Component 5²⁵.

TABLE 1. BENEFICIARIES BY COMPONENT			
	Beneficiaries		
Component	Male	Female	Total
Component 1 – Emergency Preparedness and Response	--	--	--
Component 2 – Maternal Child Health and Nutrition	45,540	108,085	153,625
Component 3 – School Meals	197,921	193,949	391,870
Component 4 – Livelihood Initiatives for Nutrition	102,171	102,848	205,019
Component 5 – Food Fortification and Marketing	--	--	--

²⁵ The beneficiaries for Component 3 include school children who will receive micronutrient fortified products under the Government school meals programme.

Total	345,632	404,882	750,514
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* Note: 47,897 beneficiaries will receive cash or vouchers under Component 4. Total is without overlaps.

43. The rations have been selected based on the nutritional needs of the target beneficiaries, cultural preferences, and guidance from the Ministries of Health and Education. The cash transfer is set at 80 percent of the daily wage rate and can purchase an equivalent of the FFW ration on the local market.

	Component 2		Component 3		Component 4	
Commodity Type/ Cash & voucher	MCHN – Children Under 2	MCHN – Pregnant and Lactating Women*	SM – Mid-Morning Snack	SM – Boarder Rations	LIN – FFW*	LIN – CFW*
Corn Soya Blend			80.0	80.0		
Oil			15.0	15.0	45.0	
Sugar			15.0	15.0		
Glutinous Rice		388.9		120.0 ²⁶	583.3	
Plumpy Doz	46.3					
Nutributter		20.0				
Cash/voucher (US\$/pers/day)						2.5
Total	46.3	408.9	110.0	230.0	628.3	
Total kcal/day	247.0	1,508.0	496.8²⁷	928.8	2,497.0	
% Kcal from protein	9.5	8.0	11.6	19.4	6.5	
% Kcal from fat	58.0	6.0	35.9	37.2	17.3	

* Denotes household ration or transfer

44. The overall commodity requirement of 37,140 metric tonnes was calculated as shown below.

	Component 2	Component 3	Component 4		
Commodity Type/ Cash & voucher	MCHN	SM	LIN – FFW	LIN – CFW	Total
Corn Soya Blend		10,238			10,238
Oil		1,920	588		2,508

²⁶ The assumption is that parents provide other food or cash to procure food commodities.

²⁷ The programme does not have two meals to better address the full Kcal requirements because: 1) the government's national programme will likely have one meal, and preparation of two meals has proven burdensome for schools and their cooks.

Sugar		1,920			1,920
Glutinous Rice	4,407	7,858	7,631		19,896
Plumpy'Doz	2,351				2,351
Nutributter	227				227
Cash/voucher (US\$)				1,197,433	
Total	6,985	21,936	8,219		37,140
% of total requirements²⁸	19%	59%	22%		100%

PROGRAMME MANAGEMENT, MONITORING AND EVALUATION

45. *Management.* The national and local governments will guide the interventions under the Country Programme. WFP will manage the project from a central office in the capital, Vientiane, and six sub-offices in the north and south of the country. This office structure is matched by a logistical network that includes a central warehouse in the capital and regional warehouses in Oudomxay and Saravan. In terms of staff, WFP Lao PDR will want to strengthen its expertise in three areas: 1) nutrition and fortification; 2) handover and capacity development; and 3) cash and voucher programming. Cash transfers will be distributed using the postal system, but the programme will target communities closer to district centres or explore village banking services in order to overcome the challenges with distances. Risks of inflation, corruption and market failure will be mitigated through careful market and programme monitoring.
46. *Monitoring and evaluation.* The country office uses a results-based management approach to its programming. It will establish the baseline figures for outcome indicators, against which the project's success will be measured. The baselines may include government-led national surveys and WFP-sponsored assessments. The project's monitoring and evaluation system will be coordinated by a fully staffed sub-unit. Outcome and output data will be captured and stored in the WFP Laos M&E Database, which will provide a basis for reports and improved management. Evaluations will be held midway through the CP and at the end. The mid-term evaluation will be more qualitative and focused on identifying lessons to improve the programme. The final evaluation will assess overall performance. WFP's M&E efforts will be coordinated with other UN agencies and contribute to reporting on the UNDAF.
47. *Resource mobilization.* In the past, WFP Laos has funded its development programmes through multi-lateral allocations. In the future, it will be important to have a resource mobilization strategy that focuses on receiving multi-year funding from donors engaged in a range of sectors. First, the Country Office will use bilateral approaches for donors that have expressed interest in particular components of the strategy. Second, it will work to identify government contributions for WFP activities (e.g. FTI funding for school meals). Third, it will approach donors with a particular emphasis on coordination through joint UN initiatives (e.g. REACH nutrition activities). In this way, the Country Office should be able to move to a sustainable funding model.

²⁸ Commodities allocated to each component as percentage of total commodities

ANNEX I-A

BUDGET SUMMARY FOR WFP LAO PDR COUNTRY PROGRAMME 200242 (2012–2015) (US\$)						
	Component 1	Component 2	Component 3	Component 4	Component 5	Total
Food (mt) ²⁹	--	6,985	21,937	8,218	--	37,140
Food (US\$)	--	13,601,916	16,549,841	6,783,731	--	36,935,488
Cash transfers (US\$)	--	--	--	1,197,433	--	1,197,433
Total by component	--	13,601,916	16,549,841	7,981,164	--	38,132,921
External transport						1,635,760
Landside transport storage and handling (total)						6,017,422
Landside transport storage and handling (per mt)						162.02
Other direct operational costs						7,970,335
Total direct operational costs						53,756,438
Direct support costs ³⁰						10,678,705
Indirect support costs ³¹						4,510,460
Total WFP costs						68,945,603

²⁹ This is a notional food basket for budgeting and approval. The contents may vary.

³⁰ Indicative figure for information purposes. The direct support costs allotment is reviewed annually.

³¹ The indirect support cost rate may be amended by the Board during the project.



DIRECT SUPPORT REQUIREMENTS (US\$)	
Staff and staff-related costs	
International professional staff	3,123,533
International general service staff	-
Local staff - national officers	584,534
Local staff - general service	931,066
Local staff - temporary assistance	1,290,072
Local staff - overtime	42,000
Hazard pay and hardship allowance	-
International consultants	702,000
Local consultants	-
Non staff HR: UNV	360,000
Commercial consultancy services	210,000
Staff duty travel	897,500
Subtotal	8,140,705
Recurring expenses	
Rental of facility	265,200
Utilities general	57,800
Office supplies and other consumables	302,000
Communications and IT services	205,400
Equipment repair and maintenance	44,500
Vehicle running cost and maintenance	504,000
Office set-up and repairs	195,000
UN organization services	184,000
Subtotal	1,757,900
Equipment and capital costs	
Vehicle leasing	326,400
TC/IT equipment	197,500
Local security costs	256,200
Subtotal	780,100
TOTAL DIRECT SUPPORT COSTS	10,678,705

Annex II: Summary of Results and Resources Matrix of WFP Lao PDR CP, 2012-2015

Results	Performance indicators	Risks, assumptions	Resources required
UNDAF Outcome: By 2015, vulnerable people are more food secure and have improved nutrition ³²	UNDAF outcome indicators: <ul style="list-style-type: none"> ▪ Prevalence of wasting ▪ Prevalence of stunting ▪ Prevalence of micronutrient deficiencies 	<ul style="list-style-type: none"> ▪ UN agencies work in partnership to support the Government 	
Country Programme Component 1: Emergency Preparedness and Response			
<i>Strategic Objective 2: Prevent Acute Hunger and Invest in Disaster Preparedness and Mitigation Measures</i>			
Outcome 1 Early warning systems, contingency plans and food security monitoring systems in place and enhanced with WFP capacity development support	<ul style="list-style-type: none"> ▪ 100% of targeted government administrative units and communities have a disaster preparedness index of greater than 7 by 2014 	<ul style="list-style-type: none"> ▪ Government agencies and communities recognize dangers posed by natural disasters 	
Output 1.1 Disaster mitigation measures set in place with WFP capacity-development support	<ul style="list-style-type: none"> ▪ 100% of targeted government administrative units and communities have a disaster response system put in place by 2014 		
Country Programme Component 2: Mother and Child Health and Nutrition			
<i>Strategic Objective 4: Reduce Chronic Hunger and Undernutrition</i>			
Outcome 2 Improved nutritional status of target groups of women, girls and boys	<ul style="list-style-type: none"> ▪ 10% reduction per year in prevalence of stunting in targeted children under 2 ▪ 10% reduction per year in prevalence of iron deficiency anemia in targeted women and children 	<ul style="list-style-type: none"> ▪ No major natural disasters occur in intervention areas ▪ No major pipeline breaks in food supply 	

³² UNDAF outcomes are still being finalized. WFP Lao PDR's Country Strategy most directly supports this outcome on food and nutrition security. However, there may be other relevant outcomes related to disaster preparedness, education, and health.

Annex II: Summary of Results and Resources Matrix of WFP Lao PDR CP, 2012-2015

Results	Performance indicators	Risks, assumptions	Resources required
<p>Output 2.1 Food and non-food items distributed in sufficient quantity and quality to targeted beneficiaries</p>	<ul style="list-style-type: none"> ▪ 100% of beneficiaries receiving food and non-food items ▪ Tonnage of food distributed by type, as percentage of planned distribution ▪ Quantity of non-food items distributed, by type, as percentage of planned distribution 		
Country Programme Component 3 – School Meals			
Strategic Objective 4: Reduce Chronic Hunger and Undernutrition			
<p>Outcome 3 Increased access to education and human capital development in targeted schools</p>	<ul style="list-style-type: none"> ▪ Average annual rate of increase in enrolment above 3% ▪ Attendance rate of 80% in assisted schools ▪ Ratio of girls to boys enrolled equals 0.9 in assisted schools 		
<p>Output 3.1 Food and non-food items distributed in sufficient quantity and quality to targeted beneficiaries</p>	<ul style="list-style-type: none"> ▪ 100% of beneficiaries receiving food and non-food items against plan 		
<p>Outcome 4 Improved nutritional status of target groups of women, girls and boys</p>	<ul style="list-style-type: none"> ▪ 10% reduction per year in prevalence of iron deficiency anemia in pre-primary children 	<ul style="list-style-type: none"> ▪ De-worming is carried out in targeted areas. 	
<p>Output 4.1 Food and non-food items distributed in sufficient quantity and quality to targeted beneficiaries</p>	<ul style="list-style-type: none"> ▪ 100% of beneficiaries receiving food and non-food items ▪ 80% of feeding days versus plan 		
Strategic Objective 5: Strengthen Capacities of Countries to Reduce Hunger, Including Through Hand-over Strategies and Local Purchase			

Annex II: Summary of Results and Resources Matrix of WFP Lao PDR CP, 2012-2015

Results	Performance indicators	Risks, assumptions	Resources required
Outcome 5 Progress made toward nationally owned hunger solutions	<ul style="list-style-type: none"> ▪ Hand-over strategy developed and implemented 	<ul style="list-style-type: none"> ▪ Government has the capacity and commitment to take over programme 	
Output 5.1 Agreed hand-over strategies in place	<ul style="list-style-type: none"> ▪ Hand-over strategy for school meals in place 		
Country Programme Component 4 – Livelihood Initiatives for Nutrition			
<i>Strategic Objective 4: Reduce Chronic Hunger and Undernutrition</i>			
Outcome 6 Adequate food consumption reached over assistance period for targeted households	<ul style="list-style-type: none"> ▪ 100% of households with a food consumption score > 35 without food assistance by 2014 		
Output 6.1 Food and non-food items distributed in sufficient quantity and quality to targeted beneficiaries	<ul style="list-style-type: none"> ▪ 100% of beneficiaries receiving food and non-food items 		
<i>Strategic Objective 5: Strengthen Capacities of Countries to Reduce Hunger, Including Through Hand-over Strategies and Local Purchase</i>			
Outcome 7 Increased marketing opportunities with cost-effective WFP local purchases	<ul style="list-style-type: none"> ▪ 10% increase in local purchase annually ▪ 10% increase in income of targeted farmers annually 	<ul style="list-style-type: none"> • Smallholders recognize market opportunities and are willing to take advantage of them 	
Output 7.1 Food purchased locally	<ul style="list-style-type: none"> ▪ 50% of the country office's food purchased locally by 2015 	<ul style="list-style-type: none"> ▪ Normal conditions for cultivation during the project period 	
Country Programme Component 5: Food Fortification and Marketing			
<i>Strategic Objective 4: Reduce Chronic Hunger and Undernutrition</i>			

Annex II: Summary of Results and Resources Matrix of WFP Lao PDR CP, 2012-2015

Results	Performance indicators	Risks, assumptions	Resources required
<p>Outcome 8 Increased production capacity for fortified foods, including complementary foods and special nutritional products</p>	<ul style="list-style-type: none"> ▪ 30% increase in production of fortified foods 	<ul style="list-style-type: none"> ▪ Competitive, suitable industries can be identified to carry out fortification 	
<p>Output 8.1 Food and non-food items distributed in sufficient quantity and quality to targeted beneficiaries</p>	<ul style="list-style-type: none"> ▪ 40% increase in locally-sourced fortified foods, complementary foods and special nutritional products distributed 		

ANNEX III - LIST OF ACRONYMS USED IN THE DOCUMENT

CFSVA	Comprehensive Food Security and Vulnerability Assessment
CFW	Cash for Work
CP	Country Programme
FAO	Food and Agriculture Organization of the United Nations
FFW	Food for Work
IFAD	International Fund for Agricultural Development
Lao PDR	Lao People's Democratic Republic
LIN	Livelihood Initiatives for Nutrition
MCHN	Maternal and Child Health and Nutrition
MDG	Millennium Development Goals
NSEDP	National Socio-Economic Development Plan
NGO	non-governmental organization
PRRO	Protracted Relief and Recovery Operation
REACH	Renewed Efforts Against Child Hunger and Undernutrition
SM	School Meals
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UXO	unexploded ordinance
WHO	World Health Organization

ANNEX IV – MAP

