**PROGRESS REPORTS ON APPROVED PROJECTS**

Agenda item 9

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**PROJECT NEPAL 5324 (Exp.1)**

**Food assistance to Bhutanese refugees in Nepal**

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total food cost</td>
<td>12 920 440 dollars</td>
</tr>
<tr>
<td>Total cost to WFP</td>
<td>16 387 641 dollars</td>
</tr>
<tr>
<td>Number of beneficiaries</td>
<td>90 000</td>
</tr>
<tr>
<td>Date approved by the CFA</td>
<td>17 November 1995</td>
</tr>
<tr>
<td>Date letter of understanding signed</td>
<td>11 December 1995</td>
</tr>
<tr>
<td>Date of first distribution</td>
<td>1 December 1995</td>
</tr>
<tr>
<td>Duration of WFP assistance</td>
<td>Two years</td>
</tr>
<tr>
<td>Duration of PRO as at 31 October 1996</td>
<td>Eleven months</td>
</tr>
</tbody>
</table>

All monetary values are expressed in United States dollars, unless otherwise stated. One United States dollar equalled 56.80 Nepalese rupees in December 1996.

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NOTE TO THE EXECUTIVE BOARD

This document is submitted for consideration to the Executive Board.

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

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

The WFP focal points for this document are:

Regional Director: J. Schulthes tel.: 5228-2209
Senior Desk Officer: R. Huss tel.: 5228-2358

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Documentation and Meetings Clerk (tel.: 5228-2641).
OBJECTIVE OF THE REPORT

1. This report is being submitted in response to the directive given by the Committee on Food Aid Policies and Programmes (CFA) at its Fortieth Session, when it approved the ongoing phase of the protracted refugee and displaced person project (PRO). The CFA had asked the Secretariat to submit a progress report within a year highlighting developments linked to the status of refugees and revisions, where appropriate, in the commodity commitments for the PRO, size of the case-load, duration of assistance, etc.

PURPOSE OF THE PRO AND OF WFP ASSISTANCE

2. The purpose of the PRO and of WFP assistance is to provide basic food rations to 90,000 registered Bhutanese refugees and asylum seekers residing in seven camps in the districts of Jhapa and Morang in the eastern region of Nepal, and supplementary food rations to refugee children under five years of age, expectant and nursing mothers (up to six months), tuberculosis patients, and sick and elderly persons. In addition, a part of WFP assistance is provided to undertake, on a food-for-work basis, small-scale and self-contained micro-projects. These are identified on the basis of their potential to benefit not only the local community, but also refugees and asylum seekers. The workers employed on these projects are recruited from among the refugees and asylum seekers and local people and are paid their daily wages in rice.

IMPLEMENTATION

3. The Ministry of Home is the main executing agency for the Government, with responsibility for screening and registering refugees and asylum seekers, maintaining camp security and convening monthly national and district-level coordination meetings of the governmental agencies and of WFP, UNHCR and NGO partners. The Nepal Red Cross Society (NRCS) maintains the camp warehouses, monitors the food distribution, and stores and issues kerosene, soap and other non-food items. At the camp level, there is a Refugee Camp Committee (RCC) whose members are elected by the refugees and asylum seekers. In addition to holding an overall coordinating role, the RCC is divided into sub-committees dealing with food distribution, administration and social services. A Counselling Board composed mainly of respected elders deals with a variety of minor disputes in the camps in cases where the law has not been broken. Several other informal structures have been established within the camps, such as women’s representation on various committees, and cooperatives. At the end of October 1996, there was a case-load of 89,800 refugees and asylum seekers in seven camps in eastern Nepal; six are located in the Jhapa district and one in Morang district.

4. UNHCR and several NGOs cooperate with the Government in implementing the PRO at the camp level. UNHCR helps refugees to organize themselves in camp committees, which include food distribution and social service sub-committees. Save the Children Fund (UK) establishes and manages the basic health units in the camps and operates the supplementary feeding programme. The Association of Medical Doctors for All (AMDA) runs a health centre to attend to cases referred to it by the basic health units. The Centre for Victims of
Torture (CVICT) provides counselling services and medical care for special cases. CARITAS constructs schools, supplies textbooks and stationery, and offers incentives to teachers. Lutheran World Service (LWS) installs and maintains water-supplies to the camps, and undertakes maintenance and rehabilitation of camp infrastructure. Refugee Women's Forum manages the income-generating activities started by OXFAM. Water-Induced Disaster Prevention Technical Centre (DPTC), assisted by Japan International Cooperation Agency (JICA) renders technical advice on improving the technical quality of rehabilitation works undertaken with food aid.

FOOD MANAGEMENT

5. The food management and the distribution of rations have been extremely smooth thanks to the availability of an adequate network of warehousing and distribution facilities, the local procurement of commodities, and the exceptional discipline and cohesiveness of the Bhutanese refugee population. There are nine camp warehouses, each with a capacity of 300 tons and a central warehouse with a capacity of 2,000 tons located at an average distance of 35 kilometres from the camps. There are food distribution points adjacent to the camp warehouses. Depending on the size of the population, each camp has three to six distribution points. Of the 17,533 tons of food commodities distributed as at the end of October 1996, 990 (5.64 percent) was imported and the balance of 16,549 tons was purchased locally. The locally purchased food items were directly delivered to the camp warehouses by the suppliers at agreed intervals; this in turn obviated the need for prolonged storage, minimized storage losses and reduced the costs of internal transport, storage and handling (ITSH). Food rations were distributed to each family on a fortnightly basis under the supervision of the food distribution committee, whose members are elected from among the refugees. This committee is responsible for delivering commodities from the camp warehouses, arranging distribution and maintaining records, including beneficiary cards. Thanks to Bhutan social traditions on the position of women, their participation in food management is high. Distribution is monitored on a regular basis by NRCS.

6. Over nearly half of the PRO’s duration, 17,535 tons of food commodities have been utilized representing 44 percent of the commodity commitment. The post-c.i.f. losses were 4.51 tons and accounted for 0.02 percent of the quantities distributed. Of the total loss, 4.24 tons of rice was collected as sweepings and auctioned in July 1996. There were reports that refugees sometimes exchanged pulses provided by WFP with other types of pulses in the local market. This was attributed to the fact that only a single type of pulses (yellow lentils) had been distributed for the previous year. Some outflow of food from the stocks issued to the refugee population in the camps to local market was also reported. One of the reasons for this outflow is believed to be the steady trickle of refugees leaving the camps to seek occasional work. This trading, although not significant, warrants the introduction of a system to monitor absentees and control food distribution. This matter was being discussed among the operational partners and with the Government.

GOVERNMENT'S CONTRIBUTION

7. The Government contributed in local currency equivalent to 200,000 dollars for the local procurement of 280 tons of pulses to be distributed in the camps. In addition, the Government has contributed funds to meet the costs of its staff engaged in maintaining an administrative
setup at the camp level. There is room for the Government to improve further its monitoring of absentee refugees from the camps, complete audit of operations of the previous phases of the PRO and settle issues such as waiving of local taxes and octroi duty on WFP purchases in Nepal. All these issues were under discussion with the Government.

**PROSPECTS FOR REPATRIATION**

8. Bilateral discussions between the Governments of Bhutan and Nepal have been going on for some years now. The seventh round of talks at the level of foreign ministers of the two countries was held in April 1996 in Kathmandu after the present Government in Nepal took office. There was no visible progress achieved even at that round of the bilateral talks and no date has yet been fixed for the next round of talks. The only progress achieved so far is an agreement in principle, reached in 1994, to enlist the refugees in four categories for the purpose of further discussion on repatriation. Since then, no agreement has been reached on the modalities of categorizing the refugees. The Government of Bhutan does not seem inclined or ready to receive all the refugees and asylum seekers. The host Government also does not want to accept all the refugees or allow them to move outside the camps. The refugees and asylum seekers themselves appear to be getting restless and large groups have made several attempts to organize a peace march to Bhutan, but without success in reaching the Bhutan border. Under the current conditions, with bilateral talks between the two Governments reaching a stalemate, there appear to be no prospects for an immediate solution to the problem.

**IMPACT OF BILATERAL TALKS ON CASE-LOAD AND COMMODITY COMMITMENT**

9. The case-load at the end of October 1996 was 89,828, against the approved figure of 90,000. The influx of new refugees has been under six persons a month. The current case-load seems stable, except for natural growth in the camp populations. The growth rate, which was at around four percent at the beginning of the current phase, has now come down to around 2.5 percent as a result of reproductive health education programmes introduced by SCF (UK). The average case-load for 1997 is estimated at 93,000. The unutilized commitment available in the PRO will suffice to meet the needs of the anticipated case-load for the remaining duration of the PRO and therefore does not require any revisions.

**ASSESSMENT**

10. According to the surveillance reports, the nutritional level of the refugee population seems to be in a stable and satisfactory condition, particularly as a result of the continued inclusion in the basic ration of parboiled rice and vitamin-fortified blended food.

11. There is no land available that could be added to the camps to allow the refugees to produce their food requirements. Although the Government of Nepal does not officially allow the refugees to leave the camps, a small number of refugees have started moving outside to seek work. As this number increases, there will be a need for introducing measures to adjust food distribution to the number of refugees present in the camps, as well as on the refugees trading or exchanging food outside the camp area.
12. Efforts to develop income-generating activities in the camps have made slow progress. Chalk production has been started as an income-generating activity, using proceeds from the sale of empty containers. A limited market within the refugee camps for the sale of products is one of the main factors hindering the initiation of income-generating activities. In developing such activities, emphasis has always been placed on promoting women's cooperatives.

CONCLUSIONS AND RECOMMENDATIONS

13. The regular and timely supply of food aid has played a major role in stabilizing and maintaining the well-being of a large population in a sensitive situation prevailing in the country of origin and the host. The maintenance of the case-load inside the camps in Nepal with external assistance is not feasible for an extended period of time. Because of the protracted nature of the PRO, it is felt that some long-term strategy for the problem should be developed, in joint consultation among the donors, host government, neighbouring countries and the country of origin. A large number of refugees wish to return to Bhutan. On the other hand, some phased-in integration of a part of the population needs to be negotiated with the host government. In the interim, the continuation of the package of humanitarian assistance, including food aid, is warranted. Interruptions in food supply will destabilize the situation in the camps and lead to violence. As a partial absenteeism of refugees to seek outside employment has been noticed, a census of the camp population should be conducted with the cooperation of UNHCR and the Government. Once there is a breakthrough in the current stalemate in bilateral talks, possibilities should be explored of utilizing food aid in support of re-integration and vocational training.