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REPORTS OF THE EXECUTIVE DIRECTOR ON OPERATIONAL MATTERS

Agenda item 7

For information



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PROTRACTED RELIEF AND RECOVERY OPERATION APPROVED BY THE EXECUTIVE DIRECTOR (1 JULY-31 DECEMBER 1999)—ARMENIA 6120.00

Food Aid for Relief and Recovery Assistance for Refugees and Vulnerable Groups in Armenia

170 000

Number of beneficiaries

Number of beneficiaries	170,000
Duration	Six months (1 July–31 December 1999)
Cost (United States dollars)	
Total cost to WFP	4,316,257
Total food cost	2,365,200
Total project cost	4,316,257

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NOTE TO THE EXECUTIVE BOARD

This document is submitted for information to 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(s) indicated below, preferably well in advance of the Board's meeting.

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1. Eight years after independence, Armenia still faces the challenges of widespread poverty and the quest for economic recovery. The war with Azerbaijan over the enclave of Nagorno-Karabagh displaced thousands of people into Armenia. The cease-fire of May 1994 has held, with occasional border clashes. Triggered by the conflict, a blockade was imposed by Azerbaijan and Turkey in 1989, drastically limiting Armenia's trade. There has been little change in the number of refugees and internally displaced persons (IDPs) as the conflict has not been fully resolved. The vast majority of almost 250,000 refugees from Azerbaijan live in deplorable conditions and as many as 157,000 earthquake victims continue to live in temporary accommodation since the disaster in 1988. The earthquake claimed 25,000 lives, made 530,000 homeless and destroyed 40 percent of the country's production means.

- 2. The financial crisis in Russia in the third quarter of 1998 had a severe impact on the Armenian economy, as almost one quarter of all foreign trade had been with the Russian Federation. In addition, many Armenian workers in Russia returned, adding to the number of unemployed.
- 3. Armenia is a land-locked country, and the poorest and least developed in the Caucasus. Since 1995, it has been classified as a low-income, food-deficit country by FAO and a low-income economy by the World Bank. Armenia has a population of 3.1 million and a per capita gross domestic product (GDP) of US\$505. Transition to a market economy and the continuous decline of socio-economic conditions over the past decade have resulted in the multiplication of social and economic disparities among different sectors of the population and across regions in the country.
- 4. Levels of food consumption for a large percentage of the population fall far below the poverty line. Food represents about 70 percent of expenditure in poor households, but such expenditure still covers less than the cost of the minimum food basket for 44 percent of Armenians. Poor diet leads to a marginal or low micronutrient intake.
- 5. The Government of Armenia has launched a reform programme aimed at: a) the reduction of the public sector and a shift to privatization; b) the promotion of private investment and the development of competitive markets; and c) macro-economic stabilization. Nevertheless, it emphasizes the need for continued humanitarian assistance.
- 6. WFP assistance to Armenia started since 1994 with relief food distributions. Activities were initially focused on refugees and IDPs. However, WFP established new targeting mechanisms, based on vulnerability to food shortages, in order to ensure an equitable distribution of food aid also for the resident population.
- 7. WFP has provided over 51,000 tons of relief food aid to Armenia under emergency operations (EMOPs) over a period of five years (from 1994 to mid–1999). An average of 200,000 beneficiaries a year, including vulnerable groups, refugees and IDPs, have benefited from relief food distributions and an additional 75,000 vulnerable people have participated in food-for-work projects.
- 8. Under PRRO 6120.00, WFP has developed a two-tiered approach in its programme of activities: take-home relief rations for the socially vulnerable, including a special winter food preservation scheme for households headed by women and recovery through food for work for the unemployed, able-bodied population. The WFP target population for the first activity numbers 110,000 beneficiaries and 60,000 for the second.



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9. The overall objectives of WFP assistance are to: a) improve the nutritional status of vulnerable persons, including refugees, with a special focus on the needs of women and children; b) improve the health status and living conditions of the socially vulnerable through rehabilitation of social infrastructure; c) assist in the recovery process among the poor and hungry by rehabilitation of rural infrastructure to promote food production and self-reliance; d) contribute to sustaining refugees and encouraging long-term solutions; and e) cushion the negative results of the introduction of new welfare systems.

10. This project was approved for expansion for a period of one year (January to December 2000) by the Executive Board in October 1999 under project number 6120.01.

