

Food Crisis Cash Transfer Project (FCCTP)

Duration : November 2008 – June 2010, including a pilot phase (November 2008 – June 2009) and an expansion phase (June 2009 – June 2010)

Donors : United Nations World Food Programme (WFP)

Region : Far West (Baitadi, Dadeldhura and Kailali Districts)

Beneficiaries : 15,500 households (estimated 93,000 individuals)

Amount : US\$ 2,163,986, including a US\$ 277,635 pilot stage and a US\$ 1,886,351 expansion phase

Sector : Food Security, with additional benefits for Agriculture, Education, Disaster Risk Reduction, and Water/Sanitation

Partner : Nepal Red Cross Society (NRCS) –Baitadi, Dadeldhura and Kailali Districts Chapters

The Challenge

The global rise in food prices has increased the level of vulnerability and suffering in many already food insecure communities of rural Nepal. The crisis in world food markets due to food price volatility is drastically decreasing food security and purchasing power for the poorest populations. People are coping by adopting negative coping mechanisms such as borrowing money at unfavorable terms; selling livestock; consuming less preferred and/or wild foods; and, in extreme cases, removing children from school.

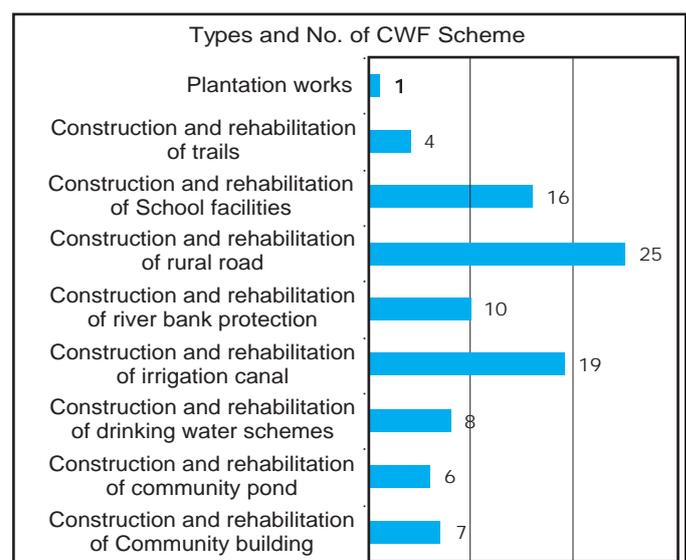


Road construction and stone sowing

rehabilitation or creation of productive community assets that can contribute to longer-term food security improvements.

In the pilot stage, CFW schemes enabled participating communities to construct 96 infrastructure schemes, while effecting cash transfers to 2,213 households. Figure 1 summarizes the categories of schemes completed during the pilot stage. A joint monitoring survey¹ conducted by WFP and Mercy Corps showed that 97% of beneficiaries felt that the selected schemes were the most important for their communities, and that 96% of beneficiaries felt that cash transfers improved household food security conditions. The project also had positive impacts on the quantity and variety of food consumed: 38% of beneficiaries reported that they consumed an increased variety of foods due to the project, while 34% reported an increased number of meals per day due to the project. In addition to food expenditures, participating households also spent CFW wages on education for their children, health, agricultural inputs, clothing, and debt payments.

Figure 1. Types and number of CFW Schemes



In 2008 and 2009, this vulnerability was also exacerbated by natural disaster for the communities affected by flooding in the Far Western Terai (plains), and for communities affected by drought in the Mid Western and Far Western hills. According to WFP's 2009 estimate, the number of food insecure people in Nepal in need of assistance is 3.4 million.

The Pilot Phase (November 2008 – June 2009)

Mercy Corps, with support from WFP, piloted the first phase of Cash for Work (CFW) schemes in the Far Western Districts of Baitadi, Dadeldhura and Kailali in Nepal between November 2008 and June 2009. The purpose of these CFW schemes were two-folds: first – and primarily – to provide cash transfers to mitigate the effects of food price volatility on



Construction of collection center for agri products

The Expansion Phase (June 2009 – June 2010)

Based on the success of this pilot stage, Mercy Corps and WFP expanded CFW activities from ten to 27 VDCs, and from over 2,200 households to approximately 15,500 households. These expanded CFW activities are implemented in

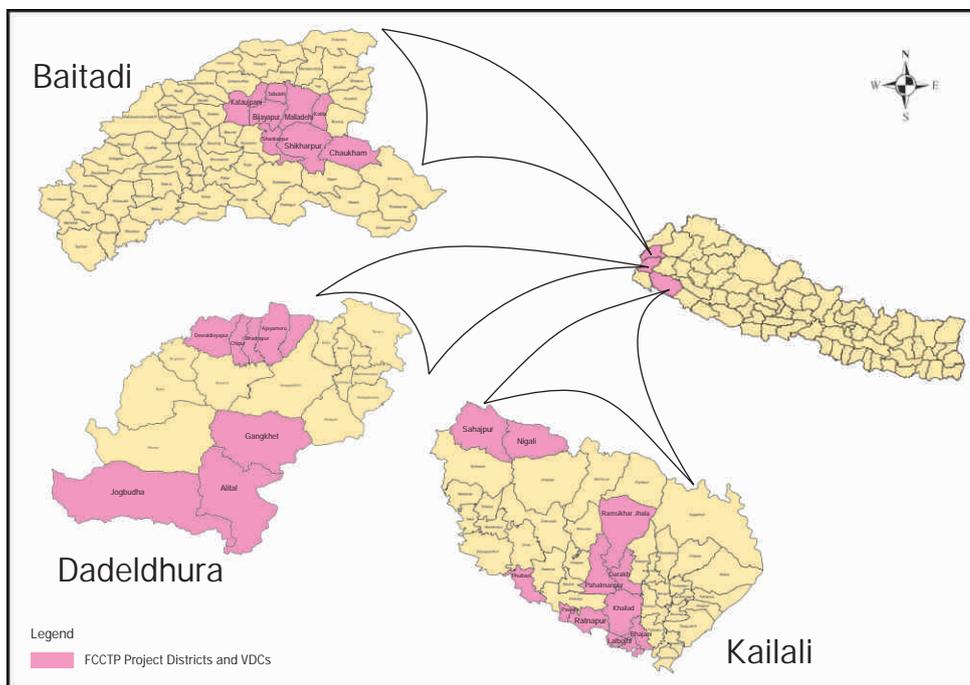
¹CFW monitoring questionnaire was designed by WFP and was conducted by Mercy Corps' field staff. As per the monitoring plan, a total of 292 beneficiaries were interviewed along with 24 project committees.

partnership with the Baitadi, Dadeldhura and Kailali Districts Chapters of the Nepal Red Cross Society (NRCS). The 27 target VDCs include eight in Baitadi; eight in Dadeldhura; and, eleven in Kailali, selected with reference to WFP's Protracted Relief and Rehabilitation Operation (PRRO) rankings. Furthermore, priority was given to VDCs whose wheat crop was severely affected by the winter drought of 2008/2009; and, to VDCs suggested by local Government of Nepal stakeholders. The feasibility of cash delivery and market access was also considered when selecting target VDCs.



Throughout the expansion phase, 15,500 households are working for 50 days per ward on community-prioritized schemes, which will provide them with income generating opportunities at the rate of Nepalese Rupees (NPR) 140 per person per day. In order to maintain the infrastructure built during the project, participants have agreed to each contribute NPR 10 per day to a community-managed infrastructure maintenance funds. To date, schemes have included improved irrigation systems; expanded flood mitigation works; improved agricultural roads; new post-harvest storage facilities or agricultural collection centers; new or improved school infrastructure; expanded drinking water systems; and, in several cases, micro-hydropower units. Targeted wards send one person per household to participate in the schemes, which in turn encourages community cohesion. Beneficiaries participate in "public audits" twice during each scheme, which have resulted in 92% of beneficiaries reporting that they are fully aware of their entitlements to date.

FCCTP Project Districts and VDCs



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*You must be the change
You wish to see in the world.
- Gandhi*

