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COUNTRY STRATEGY OUTLINES

Agenda item 7

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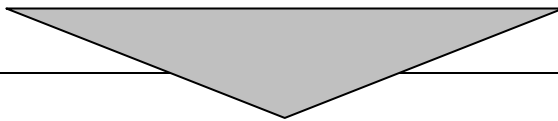
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COUNTRY STRATEGY OUTLINE— BHUTAN

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Note to the Executive Board



This document is submitted for consideration 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 points indicated below, preferably well in advance of the Board's meeting.

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Executive Summary

Bhutan is a small country, one of the most mountainous and sparsely populated in the world. It is classified as a least developed country (LDC) and as a low-income, food-deficit country (LIFDC), with a per capita Gross Domestic Product (GDP) of US\$551 in 1998.¹ Its economy is largely agricultural, with more than 80 percent of the population of approximately 658,000 (an estimate based on the Government's 1998 figure of 638,000) living in scattered, rural settlements and depending on subsistence agriculture. The National Human Development Report for 2000 places Bhutan in the range of medium human development countries, at 130th position.²

In 1996, the WFP Executive Board endorsed a Country Strategy Outline for Bhutan (WFP/EB.3/96/6/Add.2), which recommended that possibilities for a phase-out of WFP assistance be studied. This recommendation was made because of optimistic economic forecasts and the Government's concern about dependence on external aid. In 1999, at the Government's request, WFP fielded a Policy Review Mission. The latter recommended that WFP assistance to Bhutan continue through the Ninth Five-Year Plan and that a Country Programme be prepared.

About one sixth of Bhutan's population is estimated to live in households that face seasonal and chronic food insecurity. These are mainly households of subsistence farmers in remote locations and those of landless workers who maintain the main roads in rural areas. Overall stunting rates of children under 5 are very high (40 percent), and is an indication of chronic malnutrition. Children's growth potential is also affected by the nutritional status of their mothers; one in five women of childbearing age in Bhutan is malnourished.

The goal of the proposed Country Programme (July 2002–June 2007) will be the sustainable improvement of food security for the country's most food-insecure population groups. In accordance with decision 1999/EB.A/2 of the Executive Board, WFP focuses its development activities on five objectives. The Bhutan Country Programme will address objectives 1, 2 and 3 (enable young children and expectant and nursing mothers to meet their special nutritional and nutrition-related health needs; enable poor households to invest in human capital through education and training; and make it possible for poor families to gain and preserve assets).

In preparation for the Country Programme, WFP will undertake baseline food security studies, which will help the implementing agencies in defining beneficiary selection criteria and in identifying the most food-insecure communities, households and individuals. These studies will also consider other important targeting criteria such as availability of partners, implementation capacities and cost-effectiveness.

This Country Strategy Outline proposes three Country Programme activities:

- 1) Support to landless workers engaged in the construction of rural roads. This activity has been essential for the road workers, enabling them to meet the food and other

¹ Royal Government of Bhutan. Bhutan 2020: a vision for peace, prosperity and happiness, 1999.

² Bhutan National Human Development Report 2000. The Global Human Development Report 1999 places Bhutan only in 145th position, with a Human Development Index of 0.459, as the calculations are based on an unrealistic population figure of 1.9 million.



sustenance needs of their household members, although it has not led to the creation of assets directly linked to overcoming their food insecurity. It will be continued during a transitional phase and will be gradually phased out by 2005. The Government has agreed to increasingly provide its own funds for the payment of these workers while they are supported by WFP under well-targeted components of activities 2) and 3).

- 2) Support to education in the form of meals for schoolchildren and take-home rations for women belonging to road workers' households for attending non-formal education classes, thus building and strengthening the human capital of vulnerable populations and closing existing gender gaps in literacy.
- 3) Support to integrated food security initiatives, a new activity that will be implemented in remote and food-insecure areas. It will be community-focused and will promote food security from two angles: through a food-for-work for community asset creation component and a nutrition intervention component, to the extent possible integrated with health and nutrition education services, thus aiming at programme synergies by building physical assets and addressing the inter-generational cycle of malnutrition.

Collaboration with UNDP, the United Nations Capital Development Fund (UNCDF), IFAD and UNICEF will be sought for the implementation of the Country Programme in line with the United Nations Development Assistance Framework (UNDAF). The start of the Country Programme is foreseen for July 2002, harmonized with the programme cycles of other United Nations agencies.

Draft Decision



The Board endorses the Country Strategy Outline for Bhutan (WFP/EB.1/2001/7/4) and authorizes the Secretariat to proceed with the formulation of a Country Programme, which should take into account the comments of the Board.



FOOD INSECURITY AND THE HUNGRY POOR

General Background

1. The Kingdom of Bhutan, a small land-locked country, is almost entirely mountainous, with land rising from about 200 metres above sea level in the south to the high Himalayas in the north, towering to over 7,000 metres. Bhutan is one of the world's ten biodiversity "hotspots", with 72 percent of its land under forest cover.
2. Around 658,000 people live in Bhutan. With only 13.7 persons per square km, it is one of the least populated countries in the world. However, considering that only 16 percent of the land area is arable and only 7.7 percent of the country is under cultivation, the population pressure is in fact much higher: nearly 90 persons per square km. With a population growth rate of 3.1 percent per annum, by 2018 the pressure could increase to over 150 persons per square km of land.
3. The lack of roads continues to be one of the main constraints to development. Despite a network of more than 3,400 km developed over the last 40 years, a large percentage of villages remain anywhere from hours to days walking distance to the nearest road. The network of feeder and farm roads is still very small and leaves many villages cut off from markets, trade and social services. Land communications are often made more difficult by frequent landslides in the rainy season and by snowfall in winter.
4. Urbanization and industrialization have begun only recently, with more than 80 percent of the population living in rural areas and the majority surviving on subsistence farming, animal husbandry and forestry. Wider economic diversification did not start until the late 1980s, with large-scale exploitation of the country's hydropower that paved the way to exports of surplus energy to India. Industry emerged as the leading growth sector of the economy. Its share soared from 4 percent of the GDP in 1980 to 24 percent in 1998, while the share of agriculture declined from 53 to 35 percent.
5. Total Official Development Assistance was estimated at almost US\$85 million in 1999. In the same year WFP development assistance was valued at about US\$1.5 million, comprising more than 4,800 tons of food aid.
6. There is no overt discrimination against women in the country, either socially, economically, politically or legally. Nevertheless, gender-disaggregated development indicators show a substantial gap in literacy, with a female literacy rate of only 28 percent, against 57 percent for men. As no literacy survey has been conducted, literacy figures vary according to sources and methods. Thus, all gender-disaggregated literacy figures are only "guestimates". Females are also underrepresented in the education sector, the civil service and in decision-making bodies. Although these gender gaps are steadily closing, others might open in the process of modernization. Characteristics of social change such as increasing mobility of the population, rising educational requirements and the creation of employment opportunities in newly emerging sectors may have a differential impact on women and men. For example, the tradition of female inheritance of ancestral homes and land enables women to own and control productive assets, but at the same time reduces their mobility, burdens them with double responsibilities in the house and on the farm and often leaves insufficient time for education. Hence, it is the men rather than the women who reject traditional occupations on the land and migrate in search of better job opportunities and living standards.



Human Development

7. The Government of Bhutan places high priority on the continued development of health and education, and human development in general, as illustrated by the goal of achieving “Gross National Happiness”. In 1959, just 440 students were studying in 11 primary schools. In 1998, there were 322 educational institutions and 54 non-formal education centres with 100,200 students.³ Remarkable strides have been made to ensure a steady rise the enrolment of girls, whose access to education in the 1960s was almost non-existent. Over the last decade, the primary enrolment rate of girls has grown much faster than that of boys, at an average annual rate of 9.1 percent. The gross primary enrolment ratio is currently estimated at 62 percent for girls and 82 percent for boys (72 percent for both). The most significant decrease in gender gaps has taken place at the high school and junior high school level. Girls now comprise some 46 percent of both primary and junior high school children and 41 percent of high school children, while at the post-secondary level (grades eleven and twelve), girls barely constitute one third of the students. Among boarders the share of girls is generally much lower than among day students.
8. Boarding schools are a traditional feature and a prerequisite of education in Bhutan as a result of the topography, low population density and widely scattered settlement patterns. According to official regulations boarders have to live more than 5 km from the school, but in practice a walk of even 5 km may take up to two or three hours. Twenty-one percent of all students up to grade ten are boarders, but the demand for such arrangements is much higher than the boarding space available. As a result, there are many “informal” boarders, even at day schools. These students are mostly from remote rural areas where schools have particularly large catchment areas and where food insecurity and poverty are highest. Many live in primitive, self-constructed huts next to the school. Food supplies are brought from home usually once a week, but are often very basic and limited. The lack of boarding facilities and their crowded, unsanitary conditions are a further factor deterring parents from sending girls to school.
9. While in boarding schools students from grade seven onwards are entitled to a government stipend, at primary boarding schools parents have to pay for all meals not provided by WFP as well as for fuelwood for cooking. These payments represent a considerable burden on many families (who usually have more than one child at school) since they add to other costs such as uniforms, building and maintenance of schools or payment of other school fees. Moreover, opportunity costs in terms of labour are high, because labour is a scarce resource in Bhutan. As it is not possible for many poorer families to enrol all their children, girls are the first to stay at home. They are made responsible for helping with the younger siblings, with housework, and also for the land and house they will inherit in the future.
10. While further improving the quality of education, the Government has set a target of universal primary enrolment by 2002 and full enrolment at junior high schools (up to grade eight) by 2007. Starting in 2002 basic education will be extended up to grade ten. The goal of achieving full enrolment up to grade ten is set for 2012. Reaching these ambitious targets will require continuous, significant expansion of the education system at all levels. Student numbers at the primary level increased by an annual average of 7.7 percent during recent years, and this increase will at least have to be maintained to reach full coverage. Hence,

³ In Bhutan, basic education starts with pre-primary schools normally at the age of six. Primary schools cover from pre-primary to grade six; junior high schools from pre-primary to grade eight and high schools from pre-primary to grade ten. Four junior colleges teach grades eleven and twelve. Community schools are built at the initiative of and by communities and typically teach up to grade three or four. With the increase in enrolment, there are fewer and fewer “primary” schools as these are upgraded to junior high and then to high schools.



the Government is very concerned with the rising cost of education and with finding ways to finance further expansion of the system without jeopardizing its quality. Already 12.7 percent of total government resources is allocated to education. The big challenge is to find ways to reduce and share costs, while keeping quality education within the reach of everyone, especially poor children in remote parts of Bhutan.

11. Bhutan has established a decentralized health system that delivers free basic health care to almost 90 percent of the nation's highly dispersed population. The results are impressive: while 40 years ago Bhutan's infant mortality rate was 203 per 1,000 live births, one of the highest in South Asia and the world, it had dropped by two thirds to 70 in 1994. The maternal mortality rate has been halved from 770 to 380 per 100,000 live births within only ten years. A very successful WFP-supported Maternal and Child Health project in the 1980s and 1990s contributed to these positive developments. Still, mortality rates are unacceptably high. Complications of pregnancies and deliveries that may lead to death and that are a result of insufficient iron intake (anaemia) can be prevented. A nationwide survey conducted by UNICEF in 1993⁴ found that more than half of expectant mothers experienced symptoms of anaemia.
12. As a result of a combination of declining mortality rates and a high fertility rate of 5.6, the annual rate of population growth is around 3.1 percent, higher than the 2.6 percent recorded during the 1980s. High fertility rates have severe effects on women's reproductive health, especially on women living in smaller, more remote communities, where maternal mortality rates still tend to be high. There, isolation adds an extra dimension to the difficulty of providing adequate food and child care and of receiving support from health services, while coping with high infant and child malnutrition rates.

Food Availability at the National Level

13. Bhutan's food supply at the national level is largely based on domestic production and to a lesser extent on imports from India. Only very limited food production and consumption data are available and only for certain years, which makes it in general very difficult to analyse trends, compare data or make some projections. Maize and rice alone account for 62 percent of the total area under annual crops and for more than 80 percent of the total cereal production. While rice is grown mainly in the central and southern part of the country, maize is concentrated in the east and buckwheat in the north. It seems that domestic production of the two major crops (rice and maize) has only slightly increased over the past ten years, at a rate below the population growth rate (3.1 percent); and that rice has outstripped maize in terms of quantities produced. Recently a wide range of cash crops such as apples and oranges, vegetables, medicinal plants, cardamom, lemon grass and mushrooms has gained importance.
14. While the country is considered to be self-sufficient in coarse cereal production, it is estimated that around 35 percent of the fine cereals are imported from India.⁵ A comparison with import data from 1990⁶ indicates that rice and wheat imports have increased steeply, by 100 percent and 60 percent respectively. This is largely a result of the shift in dietary habits from coarse to fine. Part of the imports are handled by the parastatal Food Corporation of Bhutan (FCB). FCB buys from the Food Corporation of India, at

⁴ Levitt and Ugen Doma. Motherhood in Bhutan: maternal health practices among postpartum Bhutanese women, UNICEF Bhutan, December 1993.

⁵ Total imports in 1998 reportedly amounted to 34,813 tons of rice, 6,369 tons of wheat and 3,499 tons of wheat flour.

⁶ Ugyen Gonphel, Agricultural Economic Research report, 1998.



economic rates, which are close or even above world market prices. An increasing share of fine cereals enters the country through private channels.

15. It is estimated that total domestic food supply from production and imports translates into an average of 2,550 kcal per capita per day, of which almost 75 percent is provided by cereals.⁷ Considering the unequal distribution within the country and between different agricultural seasons, some 20,000 households experience chronic or at least seasonal food insecurity (Ministry of Agriculture estimate, November 2000). For example, in the east of the country, average food intake is estimated to be as low as 1,900 kcal per day. Economic growth rates may lead to a shift in the dietary pattern towards more animal products; more cereals will be required for animal fodder. This factor, coupled with a high population growth rate, is likely to result in a steep increase in cereal demand. To meet future demand, Bhutan will either have to increase its own production or step back from its goal of increased self-sufficiency, and increase imports. Both options are difficult to implement.
16. The scope for increasing domestic food production is severely hampered by the following factors:
 - Per capita availability of agricultural land in Bhutan is one of the lowest in the world, despite the low overall population density. Only 16 percent of the land is suitable for agriculture and of this only 7.7 percent is currently under cultivation. Expanding the frontiers of agriculture would risk degradation of the environment and put the fragile ecological balance of the country under increased strain.
 - Lack of roads and thus very limited access to markets hamper the purchase of inputs and the marketing of products.
 - Land productivity is low as landholdings are often fragmented into as many as five parcels at various distances from the homestead and agricultural inputs are not easily available.
 - Both pre- and post-harvest losses are high. Most pre-harvest losses are caused by wild animals, whereas post-harvest losses are a result of a lack of adequate storage facilities.
 - Labour is scarce, especially during the harvest season. Migration of almost 20 percent of rural household members to urban areas has further worsened the situation and most of those left behind to cope with the farm work are women.
17. Large food imports, which are the more realistic option to cover the expected rise in food demand, may create dependency and vulnerability to external factors. India is by far the most important trading partner, accounting for over 90 percent of Bhutan's overall exports and some 70 percent of its imports. Given that the Bhutanese Ngultrum (Nu) is pegged to the Indian Rupee and that trade between Bhutan and India is virtually free of restrictions, price movements in Bhutan closely reflect those in India.
18. Roads have been crucial to Bhutan's macroeconomic development in general and food security in particular. The road network that has been constructed since the 1960s has opened access to both domestic and foreign markets, social services and employment opportunities, thereby enabling a large share of the population to be mainstreamed into development. Roads are also the key to food security, as they constitute not only an incentive to produce surpluses for the domestic and foreign markets, but also a precondition for the redistribution of food from surplus to deficit areas and the nationwide supply of imported food.

⁷ Ugyen Gonphel 1998 and country office calculations.



Household Level Food Insecurity

19. In rural Bhutan, household level food insecurity and poverty are closely linked to land ownership and livestock holding. Almost 70 percent of rural families are subsistence farmers, who primarily produce for their own consumption. Bovines are owned by an estimated 95 percent of households, mainly to manure the fields and for milk. Meat and other livestock products are mostly retained for self-consumption and marketed surpluses are small. In the mountainous and landlocked environment, few viable employment opportunities exist and income sources such as horticulture, forestry and off-farm activities (wage labour, petty trade, weaving etc.) in general play only subsidiary roles. The Household Income and Expenditure Survey (1992) revealed that average monetary incomes are low and that usually more than 70 percent of cash income is spent on food.
20. In short, about one sixth of the country's population is estimated to live in households that face seasonal and chronic food insecurity. Most of them are in remote areas, where domestic cereal production is low, the number of livestock is small and no other significant employment opportunities exist. Because they dedicate all their resources and time to ensuring that minimum food requirements are met, these households are unable to take advantage of development opportunities and invest in their future. The workload is particularly high for women, and even more so in families with a high dependency ratio such as in households headed by women. Although there is no stigma associated with men doing what is regarded as women's work and vice versa, it is generally the women who work inside the house and on the farmland that they inherit. Women work far more hours every day than men.
21. Although pockets of chronic and seasonal food insecurity can be found everywhere in the country, vulnerability analysis and mapping (VAM) results indicate that the southern and eastern regions have the highest concentrations of food-insecure people. The east is characterized by a comparatively high population density, the smallest crop area per household, a lower than average number of bovines per household and very poor land productivity of about one ton of cereals (mainly maize) per hectare. Moreover, the problem of inadequate storage facilities is particularly pronounced there, causing high post-harvest losses. In certain districts, total losses (primarily post-harvest) reach more than 50 percent of the cereal production. Average caloric supply per capita from local cereal production is below 1,300 kcal. This seems very low considering that cereals constitute more than two thirds of the diet, and the major share of cereals consumed comes from own production.
22. Insufficient food stocks add another dimension of "seasonality" to the problem of food insecurity and create high vulnerability among poor farmers. The lack of adequate storage facilities is the reason for low levels of food stocks during the agricultural lean season as well as for high post-harvest losses. The season between May and July is a time of intense agricultural activity involving tilling, planting and weeding, when labour demand is highest and food availability lowest. If households do not have sufficient food stocks, they can neither take the common recourse to exchange labour against food within the community, nor can they meet their food requirements. To cope with the food shortage, households borrow grain from kin or neighbours, barter or collect forest products.⁸ Another rather new coping strategy is to become a casual labourer during the winter or to engage in porter services. To cope with labour scarcity, men and women work longer on their farm or reduce the operational landholding. The first option adds to the already heavy workload in

⁸ More than 95 edible species, including different kinds of jungle potatoes and mushrooms, can be gathered from the forest.



farming households, whereas the second can push farm families further into land segmentation and the resultant hunger trap.

23. Another category of food-insecure people in the country are those who do not have any assets and rely solely on their labour for their livelihood. By far the largest group among them are those who work on rural main roads. In order to maintain existing roads and build new ones, the Department of Roads has recruited a 6,200 person strong National Work Force. These road workers and their families are among the poorest people in the country not only in terms of income, working and living conditions, but also with regard to opportunities to develop their capabilities. The majority of them live along the roads without proper drinking water or sanitation, have poor access to health, school and market facilities, and are sometimes as far as 40 km away from the nearest retail outlet. They work six days a week, starting extremely early in the morning and returning late in the evening. Their only day off is devoted to collecting fuelwood and to trekking long distances to purchase supplementary food items. Children of road workers are exposed to a harsh environment and are often highly prone to infections, diarrhoea and respiratory diseases. A study revealed that only some 57 percent of them attend school; this share is significantly below the national average. Women make up roughly 30 percent of the workforce. They face a harsher life than the men, as besides their work on the rural roads, they must cope with pregnancies, child care and household chores. Despite working full time, road workers hardly earn sufficient income to purchase the food they need to lead a healthy and active life.

Food Utilization: Nutrition of Women and Children

24. How food is utilized within a household depends on intra-household distribution, health status, and nutrition and child care practices. Bhutanese culture asserts that all household members have equal access to food and that they eat together the same food at the same time, thus overlooking women's and children's special nutritional requirements during critical periods of their lives. Moreover, feeding practices of infants are often inadequate. While breast-feeding extends for a relatively long period, exclusive breast-feeding during the first months of life is not widely practised. Complementary feeding often begins shortly after birth. The colostrum, which is important to build up the immune system of the body, is not given. From the age of six months until they are two to three years old, in addition to breast milk, infants are raised on fried rice or flour, which lack essential micronutrients. The increasing pressure of workload on ordinary households, especially on women, is seen as an important deterrent to optimal infant feeding.
25. Children's growth potential is also affected by the nutritional status of their mothers; one in five women of childbearing age in Bhutan is malnourished.⁹ In 1998, 23 percent of 2,663 babies weighed at birth in hospitals and Basic Health Units were found to be below 2,500g. With 90 percent of deliveries taking place at home, it is difficult to provide accurate statistics on low birth weight in Bhutan, but its actual prevalence is presumably much higher than the official figure. Girls and women who are malnourished during infancy, childhood, adolescence or pregnancy have an increased risk of delivering infants with low birth weight who are in turn more likely to become stunted during early childhood. Thus the inter-generational cycle of malnutrition is perpetuated through malnourished mothers.

⁹ Asian Development Bank. Country Operational Strategy for Bhutan (draft), January 2000.



26. Iodine deficiency disorder, vitamin A deficiency and iron deficiency anaemia are widespread, most seriously affecting expectant and nursing mothers and small children.¹⁰ Of particular concern are the high malnutrition rates among children below five years of age. A recent anthropometric survey (see table below)¹¹ revealed that while under-five malnutrition rates declined in the 1990s, there is still a very high prevalence, particularly of stunting, which is probably an indication of chronic malnutrition.

UNDER-FIVE MALNUTRITION BY REGION AND GENDER (1999)		
Regions and Gender	Stunting Height-for-age -%	Underweight Weight-for-age -%
East	47.7	19.3
West	33.6	13.7
South	31.1	15.0
Central	34.9	16.6
National average	40.0	18.7
Females	37.3	17.2
Males	42.8	20.1

27. Poor food utilization is further compounded by inadequate food access and availability. According to a correlation analysis done by the VAM Unit in Bhutan, there is a strong linkage between poverty (in terms of landholding) and per capita cereal production on one side and the malnutrition of children on the other.

GOVERNMENT DEVELOPMENT PRIORITIES AND POLICIES

28. Bhutan is following a cautious path towards development by emphasizing the need to maintain a balance between economic growth, environmental preservation, cultural values and good governance. A distinctive feature of the Government's development policy is the importance attached to:
- **Non-materialistic values** as reflected in the concept of Gross National Happiness, which is used as an alternative to Gross Domestic Product.
 - **Preservation of natural resources** as indicated by the stipulation that a minimum of 60 percent of land under forest cover should be maintained; currently 72 percent is under forest cover.

¹⁰ The results of the 1999 national vitamin A survey will soon be available and will provide a more detailed and accurate picture of the vitamin A problem.

¹¹ Pem Namgyal and Nyima Yoezer. Nutritional status of Bhutanes children: Results of an anthropometric survey, 1999.



- **Equity** as shown in the commitment to “dispersing the benefits of socio-economic progress widely and equitably”.¹² This commitment relates also to gender equality.
 - **Self-reliance** from an economic perspective in the sense of reducing the trade and current account deficit.¹³
 - **Decentralization** as a driving force for empowering local level decision-making. In the second half of the 1990s, the role of the elected bodies was strengthened and further devolution empowered the lower level administrative units. This process marks a major transformation of the political structure of Bhutan and strong efforts are currently directed at institutional capacity-building, with technical and financial support from United Nations organizations and other donors.
 - **Universal Primary Education** as per the Government’s commitment to the goal of “Education for All”. It has set a target of universal primary enrolment by 2002 (end of the Eighth Five-Year Plan) and full enrolment at junior high schools (up to grade eight) by 2007 (end of the Ninth Five-Year Plan), while further improving the already high quality standards.
29. The above policy principles are well reflected in the Eighth Five-Year Plan (July 1997-June 2002) and the longer-term strategy document “Bhutan 2020: A Vision for Peace, Prosperity and Happiness”. The latter document also acknowledges that although the benefits of development have been widely shared, "there are groups within our nation that have been largely by-passed" by development. "These groups are often disadvantaged by their remote locations and are particularly vulnerable to uncertainties that are associated with the harsh environments in which they live". The upcoming Country Programme envisages deliberately targeting these groups under the integrated food security activity.

Food Security Policies

30. The Government aims at ensuring food security at the national and regional levels through a policy of sustainable agricultural growth and limited imports. The former goal of self-sufficiency in cereal supply has been abandoned in favour of the more realistic goal of covering 70 percent of the cereal demand through domestic production and 30 percent through imports from India by the year 2002. The concept of self-reliance in this context means the ability to finance the food imports through export earnings, by exploiting the country's comparative advantages (horticulture, hydropower). The current level of 65 percent self-sufficiency is, however, declining.
31. The Government considers roads, particularly farm roads, to be the key to increased food security in the country. Accordingly, the mandate of farm road construction has been recently transferred from the Department of Roads to the Ministry of Agriculture. The expansion of the farm road network is destined to bring production areas and farmers closer to the markets and other social amenities and to open up potential production areas for more intensive farming. Selection, construction and maintenance of farm roads will be done in a participatory way.
32. At a household level the Government tries to ensure access to food to all families through a subsidized public distribution system. The FCB imports basic food items from

¹² Royal Government of Bhutan. Bhutan 2020: a vision for peace and happiness, 1999.

¹³ This is a difficult task, taking into account that from Fiscal Year 1994/95 to 1998/99, the trade deficit increased from US\$27 million to US\$59 million, while the current account deficit increased from 13.5 percent to 28.8 percent of the GDP.



India and sells them in Fair Price Shops at prices usually below domestic market prices. But most districts have only one shop. In remote areas, private traders are involved in food supply, but only as far as it is still profitable for them and at prices often not affordable to the poorer families.

33. As a matter of emergency preparedness, the Government maintains a national reserve stock of 5,000 tons of cereals in ten warehouses in the country.

Food Aid Policies

34. WFP is the only source of external food assistance. While the Government is using food aid in an appropriate manner, its policy is not to be dependent and to phase it out as soon as revenues from hydropower generation and export earnings reach expected levels.

ASSESSMENT OF WFP'S PERFORMANCE TO DATE

35. Since 1975, WFP has assisted Bhutan with development projects totalling US\$48.9 million. WFP's assistance to Bhutan began in the area of education but then expanded to communications (construction and maintenance of roads, mule tracks and suspension bridges), health (feeding of infants, expectant and nursing mothers, and hospital patients), agriculture (forestry, dairy development, irrigation schemes and buffer stocks) and resettlement schemes. Food aid in Bhutan in the two fields that have received most assistance—education and communications—has been evaluated as being especially successful in creating human capital and improving physical access to remote areas and reaching the hungry poor.
36. In October 1996, the WFP Executive Board endorsed a Country Strategy Outline for Bhutan (WFP/EB.3/96/6/Add.2) that recommended that WFP operations be phased out by 2002. The 1999 Policy Review Mission, however, recommended that WFP remain in Bhutan for the following reasons: (i) household food insecurity remains a national issue, (ii) contrary to its earlier concern about dependence on external aid, the Government has now adopted a revised strategy and considers food-aid-assisted activities an integral part of its overall development efforts; and (iii) WFP-assisted projects have worked well in the country.

Ongoing Projects

📌 Education

37. WFP support to children's education began in 1975, covering a little more than 1,000 students in nine schools scattered throughout the country. By 1999, WFP coverage had increased to roughly 30,100 students, of which 11,800 were girls, in 132 schools. The school feeding project is widely credited for having made a significant contribution not only to the increase in enrolment and attendance, but also to the rapid development of modern education in the country. Since only 40 percent of beneficiaries are female, WFP has not yet reached the target set out in its Commitments to Women (50 percent of resources under an education activity are to benefit girls), but participation of girls is steadily increasing.
38. Meals provided by WFP have been an important incentive for parents to send children to school and instrumental in extending education coverage in Bhutan, where the primary gross enrolment ratio today is estimated at 72 percent. WFP's support to boarding schools,



including primary schools, has made it possible to bring education within the reach of children from remote, food-insecure areas of the country. A recent study¹⁴ assessed the consequences of phasing out WFP assistance from schools. Very few parents from remote areas would be able to pay fees for food. About one fifth to one fourth of the students were expected to drop out without differentiation between boarders and day students. The drop-out rate was expected to be highest among the most remote and the poorest communities.

✦ *Road Communications*

39. WFP has provided food aid as partial wage to road workers of the Department of Roads under the Ministry of Communications since 1979. The long-term objectives were to reduce regional food insecurity through assistance to rural road construction, including improvement, stabilization and maintenance, with minimal damage to the environment. Some 6,200 workers on rural main roads, of whom 30 percent are women, currently benefit from WFP rations. Female and male workers receive equal pay.
40. The food is distributed against wage deductions based on highly subsidized food prices. Thus the road workers receive more food than they would be able to buy with the deducted wage amount in cash. The different regional road divisions remit the funds to Thimphu where they are deposited in an interest-bearing account. Decisions on disbursements are made jointly by the Government and WFP. WFP has used the leverage of generated funds to initiate measures that improve the living and working conditions of the road workers and their household members. This in turn has created a new perception within the Department of Roads, which is now focusing increasingly on the social and human dimension in road workers' camps. A major part of the generated funds has been spent on housing, the purchase of safety equipment, improvement or construction of water taps, cooking facilities and latrines, benefiting entire families but mainly women. A specially appointed Social Welfare Officer from the Department of Roads has the discretion to allocate 20 percent of the generated funds to activities that benefit women. This post was established as an integral part of the Government's obligations set out in the Plan of Operations and is funded by the Government. Hence it may be concluded that WFP's commitment to spend at least 25 percent of generated funds to benefit women has been surpassed by far. There are also efforts to encourage female workers to enter technical fields that are traditionally male dominated, and train them to become drivers, machine operators or masons. However, illiteracy hinders women from qualifying as skilled workers.
41. WFP's assistance to the construction of a road network of roughly 3,400 km has significantly contributed to increased national and regional food security. But, support to regular and periodic maintenance of the road network has also been of great importance. Bhutan is extremely vulnerable to severe damage during the yearly monsoon season, as was shown in the summer of 2000, when the entire country's food supply was put at risk. The Himalayas are a very young mountain range and thus highly prone to erosion. Only through continued maintenance can roads be kept open. This project has certainly made it possible for vulnerable and food-insecure road workers to maintain their households by meeting their food and other sustenance needs, but—apart from cash allocations under the generated fund—has not created assets directly linked to overcoming their food insecurity. Hence this activity will be continued only during a transitional phase and will be gradually phased out by 2005. During the transitional phase the human development of most

¹⁴ Tenzin Chhoeda. World Food Programme aid for schools in Bhutan—an assessment of the benefits and recommendations for future programmes, October 1998.



vulnerable members of road workers' households will be supported by giving them the opportunity to participate in food-assisted educational and nutritional interventions.

Past Assistance

42. WFP assistance to health-related activities started in 1977 with the project "Feeding of infants, expectant and nursing mothers and in-patients at hospitals" at a total food cost of US\$2.9 million. Food assistance through Basic Health Units and Outreach Clinics contributed to larger immunization coverage and to improved health awareness among the population. Assistance focused mostly on encouraging mothers and pre-school children to visit Maternal and Child Health Centres, Basic Health Units and Outreach Clinics, and providing budgetary support to the Government for feeding hospital patients. Progress in this area has been impressive; immunization coverage currently stands at 80 percent. WFP support to Basic Health Units and Outreach Clinics was terminated at the end of 1994 and assistance in support of hospital feeding was phased out in December 1998. Despite the increased utilization of health services, the nutritional status of women and children, especially in remote areas, gives cause for concern. It is therefore envisaged that the nutrition and nutrition-related health needs of the most food-insecure population will be addressed under the new Country Programme.

Cost Efficiency

43. WFP procures food from FCB, a parastatal organization responsible for the receipt, storage, handling, transportation and delivery of food. This is an efficient system for WFP as locally procured commodities tend to be cheaper, timelier to deliver, have lower losses and are more suited to local tastes and preferences.
44. The landside transport, storage and handling (LTSH) of commodities, at a flat rate of US\$92 per ton since 1997, is relatively expensive, but still in the normal range if compared with other LDCs. WFP provides cash to meet 50 percent of these costs, or US\$46 per ton.

Impact on Markets and Domestic Production

45. WFP's supply of food to Bhutan has always been a small portion of the total food imports. Averaging about 4,000 tons per year, it represents less than two percent of domestic cereal production. Owing to the predominantly subsistence nature of Bhutanese agriculture, the marketable surplus of domestic rice, pulses, vegetable oil and even maize is extremely limited. Therefore, the relatively small quantities supplied under this programme are not likely to displace local markets or commercial imports.

Monitoring and Evaluation

46. The current monitoring system consists of data collection and compilation for Quarterly Progress Reports, which are quarterly reports on commodities prepared by FCB, and for semi-annual Project Implementation Reports on development achievements prepared by the Government Project Coordinator for the WFP projects. Currently, monitoring strategies and formats, which are inclusive of qualitative as well as quantitative data, are under review. It is recognized that in the future additional emphasis needs to be placed on selective field monitoring at the household level. However, lack of baseline data has hampered the determination of project outcomes. In 2000, a VAM exercise was initiated. In November 2000, the WFP country office, as well as its counterparts, benefited from in-country logframe training, which will be applied for the preparation of the Country Programme.



47. There is a dearth of socio-economic data on Bhutan. This is highlighted in the common country assessment (CCA), which concludes that “it is apparent that continued improvement is necessary to the common information database as well as a refinement of data; likewise, cooperation must be expanded in order to collect, analyse and share what is known in order to close any gaps, including gender-disaggregated quantitative and qualitative data”. However, with a number of surveys planned for 2001, it is expected that the basis for targeting, programming, monitoring and evaluation will improve considerably, not only for WFP but also for the Government and all development agencies. WFP intends to undertake a study in collaboration with the Government in the context of a school retargeting exercise. The Asian Development Bank is finalizing a report on poverty in Bhutan with block-level data. The Ministry of Agriculture is undertaking a nationwide agricultural census in December 2000/January 2001. It is intended to repeat this census every five years. A nationwide gender study is planned by the Government in collaboration with WFP, UNDP, UNICEF, UNIFEM and possibly the Asian Development Bank to assess the situation across a range of issues, such as division of labour, access to opportunities and resources, violence and legislation. The study will draw information from representative population samples, by way of household surveys and community-level focus group discussions.

FUTURE ORIENTATION FOR WFP ASSISTANCE

48. WFP’s future orientation is the result of a consultative process between WFP, the Government and other partners. It is based on VAM, including a participatory vulnerability profiling and a logframe process. VAM studies undertaken by the country office have indicated that the most vulnerable regions are the south and the east, in addition to pockets of poverty in remote areas throughout the country. Since Bhutan is very small, WFP will not aim at strict geographical targeting. Instead emphasis will be put on defining beneficiary selection criteria. Before the formulation of the Country Programme, baseline studies on food security will be undertaken, which will help the implementing agencies identify the most food-insecure communities, households and individuals. These studies will also consider other important targeting criteria such as availability of partners, implementation capacities and cost-effectiveness.

49. It is proposed that the Country Programme comprise three activities:

- 1) **Support to landless workers** engaged in the construction of rural roads. This activity has been essential in enabling the road workers to meet the food and other sustenance needs of their household members, although it has not led to the creation of assets directly linked to overcoming their food insecurity. It will be continued during a transitional phase and will be gradually phased out by 2005. The Government has agreed to increasingly provide its own funds to pay these workers while they will be supported by WFP under well-targeted components of activities 2) and 3).
- 2) **Support to education** in the form of meals for schoolchildren and take-home rations for women belonging to road workers’ households for attending non-formal education classes, thus building and strengthening the human capital of vulnerable populations and closing existing gender gaps in literacy.
- 3) **Support to integrated food security initiatives**, which is a new activity that will be implemented in remote and food-insecure areas. It will be community-focused and will promote food security from two angles: through food for work for community asset creation as well as a nutrition intervention component, which, to the extent



possible, will be integrated with health and nutrition education services, thus aiming at programme synergies by building physical assets and addressing the inter-generational cycle of malnutrition.

50. It is envisaged that the Country Programme will extend to an average of 43,500 programme participants or 77,000 food aid beneficiaries per year. Over the course of the Country Programme the support to road workers will reach 30 percent of the beneficiaries, the support to children's and women's education 40 percent, and the support to integrated food security initiatives 30 percent. Women and girls are expected to constitute about half of all food aid beneficiaries, with the lower number of girls benefiting from school feeding balanced by the higher number of females being reached by the nutrition intervention component.

Activity 1: Support to Landless Workers Engaged in the Construction of Rural Roads (Phasing Out)

51. While the country greatly benefited from the rural road project and landless road workers have derived a valuable benefit from the provision of the highly subsidized food rations, this activity will be gradually phased out. The Government has agreed to start paying full cash wages to the national work force from 2002 while the provision of WFP food rations will be gradually phased out, at a rate of approximately 25 percent per year until their total elimination by 2005.
52. Food assistance to this highly vulnerable population group will, however, be continued through well-targeted components of activities 2 and 3 that focus on women's and children's education and nutrition. A network of day-care centres will be established for infants and pre-school children. These centres will provide a location for the Department of Health Services to immunize the children and monitor their growth. The centres will double up as non-formal education centres and attending women will be provided with a take-home ration. Nationally, 70 percent of the non-formal education students are women. The enrolment rate of school-age children of road workers stands at 57 percent, 15 percent below the national average. Concerted efforts will be undertaken to increase this rate through supporting children's education with food aid. By the end of the Country Programme, WFP food assistance to road workers' households will be targeted only to women and children in the form of infant and pre-school feeding in day-care centres, school feeding of children, and take-home rations to women attending non-formal education centres.

Activity 2: Support to Children's and Women's Education (Addressing Enabling Development Priority 2)

53. WFP will continue and enhance its support to school feeding, thus enabling poor households to invest in human capital through education. The bulk of the food resources under the Country Programme will be in support of school feeding. As education is of prime importance for combating hunger and poverty and improving the quality of life of the most vulnerable, WFP will continue and expand its support in the form of school meals for primary, community, junior high and high school students in day and boarding schools. At the same time, the targeting will be strengthened to avoid inclusion and exclusion errors. The food will offset opportunity costs and enable poor families to send their children to school. By addressing short-term hunger in day schools, the food will also increase the benefits to children for attending school. In addition, food aid will be instrumental in improving the access of informal boarders and in facilitating their



schooling. A small amount of food will be used for non-formal education activities for women belonging to road workers' households.

54. WFP's assistance to education of children helps the Government to pursue its policy of expanding basic education, thereby achieving the summit goals of the Education for All Conference in 1990 and the fourth World Conference on Women in 1995: universal primary school enrolment at the latest by 2015 (Bhutan has an even more ambitious deadline of 2002) and alleviation of gender gaps in education. The Government's investment in education is already considerable and recurrent costs are a growing burden. More than 60 percent of recurrent educational expenditure in 1998 was for primary education. A recent government report¹⁵ identifies the lack of resources as one of the main problems encountered in trying to reconcile the expansion of the education system, to satisfy demand from the communities, with maintaining the quality of education. It concludes that the issue of resources is critical as both internal and external aid will continue to occupy a major part of the development agenda in the coming decade. However, WFP expects that at the end of the Ninth Five-Year Plan in 2007, enrolment growth rates will have stabilized and Bhutan's revenues and household incomes will have reached a level that may allow WFP to phase out.
55. Without WFP support, the Government would need a significant contribution from the already overburdened parents. This would discourage many of them, particularly from the poorer population groups, from allowing their children to continue their education. Parents would be more likely to withdraw their daughters. Especially in junior high and high boarding schools, where gender gaps are relatively greater than at primary level, WFP's assistance facilitates the enrolment and retention of girls.
56. The school feeding activity is in line with WFP policies (Operational Guidelines for WFP Assistance to Education and WFP's Commitments to Women). According to the education guidelines, WFP assistance can be provided to boarding schools at primary and secondary level if they serve population groups that would otherwise not have access to education, such as in the case of sparsely populated areas in which schools are widely scattered.¹⁶ These exceptions clearly apply in the case of Bhutan. Boarding students, who currently represent 70 percent of the beneficiaries, are usually from remote and hence poorer and more food-insecure areas.
57. WFP will provide the equivalent to two meals per day for all boarders up to grade ten (this is an increase from one meal to two in the high schools), with the Government paying for the third meal as well as the cooks' wages and the fuelwood. *Informal boarders* will be treated like boarders, i.e. they will also receive two meals per day. This will allow children from remote, food-insecure areas living far from school, yet not far enough to be considered as formal boarders, to enrol and be retained in school even if there is no boarding facility available to them. The informal boarders at present live in self-constructed huts near the school; discussions are under way to construct more adequate shelters for them. *Day students* will receive one meal per day. To identify eligible day schools at the basic education level, a two-tier targeting process is proposed. First,

¹⁵ Royal Government of Bhutan, Ministry of Health and Education, Department of Education. Education for all. An assessment of progress. November 1999.

¹⁶ Chapter III, section 1, paras 1 and 2 of the WFP/UNESCO/WHO School Feeding Handbook, Rome 1999: "WFP will not provide assistance to secondary day schools. Exceptions may be made for boarding schools (primary and secondary) serving clearly identified poor populations that would otherwise not have access to education, (for example, sparsely populated areas in which schools are widely dispersed). These will be considered on a case-by-case basis".



food-insecure districts and then blocks have to be identified, where the primary enrolment ratio is below the national average of 72 percent. Second, schools with a large number of students who must walk for more than one hour to reach school and/or large numbers of informal boarders will be selected for food assistance. The necessary school-by-school review (to be conducted by the Department of Education) will build on the 1994 retargeting exercise that used the same criteria.

58. In addition to food aid other non-food items (e.g. schools and boarding facilities, bedding, mattresses, technical assistance) are required for the expansion of the education activities. Apart from the Government, agencies such as the World Bank, UNCDF, Danish International Development Agency and UNICEF are helping to meet these needs. WFP will coordinate its activities closely with the next phase of the Basic Education Project, which is currently under preparation with the main donors being the World Bank and Swiss Agency for Development and Cooperation.

Activity 3: Support to Integrated Food Security Initiatives (Addressing Enabling Development Priorities 1 and 3)

59. The third activity will focus on enabling poor families to gain and preserve assets (Enabling Development priority 3) and will initiate an effort to address their inter-generational cycle of malnutrition (Enabling Development priority 1). Both components will be implemented in the same food-insecure communities in order to achieve programme synergies.
60. Food resources will be targeted towards highly food-insecure people in remote, isolated communities where the economy has yet to be monetized and where food aid has unique advantages over other forms of assistance. Causes of chronic and seasonal food insecurity in these areas are low productivity, crop losses due to inadequate storage, and lack of market integration. Moreover, in these communities intake of nutritious food by expectant and nursing mothers and infants is often insufficient, and heavy workloads make it difficult to provide adequate childcare and leave no time for seizing development opportunities. WFP will address these shortcomings with two activity components:
- i) by building community assets through food-for-work activities which, in conjunction with inputs from other donors, will enable marginalized food-insecure populations to create food-security-related community assets;
 - ii) by a direct nutrition intervention addressing the inter-generational cycle of malnutrition through supplementary feeding of expectant and nursing mothers and young children, which, to the extent possible, will be integrated with health and nutrition education services.

Food for Work for Community Asset Creation Component

61. In this component food will offset the opportunity costs to subsistence farming households while they are engaged in food for work for community asset creation. In the medium term, these assets have the potential to improve the life and food security of the whole community in a sustainable way.
62. Initially this component will be implemented as a pilot project in selected food-insecure communities that request support for investments in community assets. Examples of appropriate activities are the construction of farm or feeder roads, mule or yak trails, food storage facilities (to address the high post-harvest losses), irrigation facilities and fish ponds. It is likely that the greater part of these assets will be farm roads or trails. Results of informal beneficiary surveys underline the fact that communities consider them to be by



far the most important priority in promoting the development of their village or block. These activities will come under the responsibility of the Ministry of Agriculture, which has recently taken over the mandate for farm road construction and has established guidelines to this effect. The guidelines stipulate that a sense of ownership and participation by the beneficiary communities is crucial and that beneficiaries should be involved in identifying and maintaining the road. Site selection will be demand-driven by communities, which are in turn requested to provide labour inputs for road construction and to form a group or cooperative responsible for maintenance. At the same time, the capacity of communities to implement activities will also be considered before any selection is made.

63. Through this component WFP will support and build on the Government's decentralization policy. The capacity of the newly empowered block and district level administrations to plan and implement development programmes is still relatively weak. Therefore, WFP will synchronize its activities with UNDP's intervention in the area of institutional strengthening, as well as UNCDF's Local Development Fund project. Moreover, WFP will investigate the scope for cooperation with IFAD, which has recently begun to implement the Second Eastern Zone Agricultural Project in six eastern districts over a period of eight years.

Nutrition Intervention Component

64. The second component is planned to focus on breaking the inter-generational cycle of malnutrition that manifests itself in low birth weights and stunting among children. In order to prevent and reduce high prevalence of stunting among children and micronutrient deficiencies (lack of vitamin A, iodine, iron and folates) among expectant and nursing mothers, WFP will consider a direct nutrition intervention. It is planned to provide micronutrient-fortified blended food to expectant and nursing mothers and young children who live in highly food-insecure, remote communities supported under the food for work for community asset creation component and to those belonging to road workers' households. Primary schoolchildren might also be supported in areas where malnutrition rates are especially high.
65. Basic Health Units and Outreach Clinics are among the possible channels for the provision of fortified, pre-cooked blended food together with health services for young children and expectant and nursing mothers. For mothers and children of road worker households, fortified food and services will be delivered through day-care cum non-formal education centres. The services will include immunization, growth monitoring, nutrition and health education. The blended food will allow women to prepare nutritious meals easily at low cost and will make time for extended and improved child care. Blended food and public health interventions for expectant and nursing mothers are expected to have a positive effect on the birth weight of babies. To the extent possible the intervention will aim at an integrated approach of providing health, nutrition and nutrition education services, and thus at achieving synergies to improve the nutritional status of women and children.
66. A pilot scheme for this component has been very successful with respect to the acceptability and use of a fortified blended food imported from India (*Indiamix*). A study conducted in the pilot areas¹⁷ found that about 35 percent of the targeted children were underweight and that many mothers stopped bringing their children to Basic Health Units and Outreach Clinics once their immunization schedule was completed. As a result, growth

¹⁷ Ugen Doma. Report on blended food mix pilot study, Thimphu, October 2000.



monitoring was often discontinued far too early. The study concluded that a project that provides an easy-to-prepare and readily available supplementary food for young children and expectant and nursing mothers would be of enormous benefit. The report also recommended that a supplementary feeding activity be closely coordinated with other ongoing nutritional programmes in the country, as well as with an advocacy effort to improve feeding practices. There is much scope for collaboration with UNICEF in this area.

67. In preparing the Country Programme, WFP will consult the Department of Health Services and UNICEF for the design of those baseline studies leading to the identification of beneficiaries. In addition, WFP will explore the possibility of establishing and supporting the local production of micronutrient-fortified blended food in Bhutan and of developing a social marketing strategy.
68. WFP will seek the assistance of UNICEF, the Department of Health Services and other technical institutions in collecting more specific baseline data on the nutritional status of young children, and the prevalence of micronutrient deficiencies among expectant and nursing mothers in areas where integrated food security initiatives are planned. It is planned to collect the data prior to the interventions and at an interval of 6-12 months after the interventions.

Resource Allocation and Exit Strategy

69. Under the new Country Programme (July 2002–June 2007), which is harmonized with the Government's Ninth Five-Year Plan, approximately half of the food resources will be allocated to school feeding. The phasing out of assistance to road workers by 2005 is expected to be balanced by the phasing in of the two new components under the integrated food security activity. The total food allocations will increase by about three to six percent per year to accommodate the rising demand for school meals caused by increasing enrolment rates. It is expected that the Government will be able to raise revenues significantly over the Ninth Five-Year Plan period. In the context of the Country Programme evaluation, WFP will review possibilities of phasing out food assistance to Bhutan.

PARTNERSHIPS

70. Partnership has been and will continue to be a key to success. The main partner will remain the Government, together with bilateral and multilateral agencies and the communities themselves. There is strong cooperation in the area of joint studies. However, there are also pilots, in which WFP intends to cooperate with UNDP and UNCDF on the rehabilitation of mule and yak trails, and with UNICEF regarding day-care centres and maternal and child health care including supplementary feeding activities. A CCA has been prepared and work on the UNDAF has begun. This document is expected to be ready prior to the finalization of the United Nations system's programme documents in late 2001. In order to gain a greater pooling of resources and access to more technical expertise from other programmes, WFP may have to adjust its preferred targeting in some areas.



KEY ISSUES AND RISKS

71. Generating revenues to recover recurrent costs is clearly an important issue and at the same time a risk to be faced during the Ninth Five-Year Plan (July 2002–June 2007). The Government will need to finance its increasing take-over of the payment of road workers. In addition, the Government's ambitious goal of providing quality primary education to all requires continuous increases in cash allocations. Achieving universal enrolment at junior high schools (up to grade eight) by 2007 will require even more financial efforts, both for capital investments (e.g. construction and expansion of schools) and resulting recurrent costs (especially for teachers' salaries). Additionally, if the Government is unable to cover the stipend for *informal boarders* it will be difficult for WFP to include them among its beneficiaries, as it is a prerequisite that they be treated equally to the formal boarders.
72. The food absorption capacity of the integrated food security activity is limited because communities are widely scattered, difficult to reach and small, and often comprise no more than five houses. It is difficult to reach reasonable cost-efficiency ratios under these circumstances. However, comparatively higher costs can be justified given the importance of intended benefits (such as access to basic education, improved nutrition and increased food security) for the food-insecure population residing in these areas. Envisaged partnerships for the integrated food security activity, particularly in the area of institutional strengthening, are vital for the achievement of the objectives.



LIST OF ACRONYMS USED IN THE DOCUMENT

ADB	Asian Development Bank
CCA	Common Country Assessment
FCB	Food Corporation of Bhutan
GDP	Gross Domestic Product
IFAD	International Fund for Agricultural Development
LDC	Least developed country
LIFDC	Low-income, food-deficit country
LTSH	Land transport, storage, and handling
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Women's Fund
VAM	Vulnerability Analysis and Mapping

