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Note to The Executive Board

This document is submitted for review and approval by the Executive Board.

Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session, 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.

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STRATEGIC FOCUS: FOOD INSECURITY AND THE HUNGRY POOR

1. The Country Strategy Outline (CSO) for Bangladesh was submitted to the Subcommittee on Projects (SCP) and the Committee on Food Aid Policies and Programmes (CFA) in November 1995. The SCP concluded that the CSO's "rigorous assessment of national and household food insecurity provided a model 'case study' of the relief-development continuum." This Country Programme Document is based closely on the CSO.

Development progress

2. Selected indicators suggest some promise in the progress of development in Bangladesh. The Gross Domestic Product (GDP) has been growing at a rate of about four percent a year since 1992; there has been significant improvement in access to water, sanitation and health (including reproductive health); fertility has declined; and primary school enrolment - including girls' - has increased. But aggregate economic growth has principally been fuelled by 'enclave' development - including garment manufacture, the country's main earner of foreign exchange - mainly in the major urban centres. Moreover, but the growth process for over 10 years has developed few new backward linkages with rural areas.
3. There remain fundamental problems facing the country. With an estimated population in excess of 120 million in 1996, Bangladesh is already the most crowded non-city state in the world, with as many as 850 people per square kilometre.¹ The rural economy still relies principally on labour-intensive agriculture. People survive at very low standards of living and are critically dependent on a limited number of income-earning opportunities. Since independence there has been little diversification in skills and economic activity in rural areas. Bangladesh remains one of the poorest, least developed countries in the world, with a per capita GDP equivalent to about 220 dollars.

THE HUNGRY POOR

Food insecurity, poverty and vulnerability

4. Despite the good progress made in increasing food grain production (averaging 2.5 percent annually since independence), the high rate of population growth - coupled with periodic natural disasters - has meant that Bangladesh has never enjoyed national food security. Since 1973/74, the average net yearly availability of food grain per capita has been 162 kilograms, about three percent below the poverty threshold set by the Government. Food has been an essential component of the continuing massive international aid package to the country, helping to narrow a widely fluctuating annual gap in food grain. In the early nineties there were emerging claims that the country might have been approaching self-sufficiency in food grains. Yet the net availability of food grain per capita in 1993/94 was only a little over 156 kilograms - the second lowest level since the famine of 1974/75 and nearly six percent lower than the poverty threshold established by the Government.

¹ The 1991 census reported a population of 111.45 million. At a (probably conservative) average annual growth rate of two percent since then, it would have grown to some 123 million by 1996.

5. If food security is so delicately balanced at the national level, among poor households it is even more precarious because distribution is seriously skewed. Food insecurity is a fundamental characteristic of poverty in Bangladesh. The threshold of absolute poverty is described in shorthand as the food needed to meet the internationally recommended minimum per capita energy intake of 2,122 kilocalories a day. An intake below 1,805 kilocalories constitutes extreme poverty. Household surveys indicate that about half of the country's population live in absolute poverty, and that possibly half of these are actually in extreme poverty.
6. Even if or when Bangladesh were able to achieve self-sufficiency in food grain production, there would remain the enormous problem of those with incomes insufficient to buy the food they need. The problem for the landless poor is a composite one of a) the struggle of so many to find employment at all, when b) there are sharp seasonal variations in the demand for labour, hence c) the returns they can expect in such a highly crowded labour market are very low. The concept of employment as a continuing job has no relevance to the rural poor. Instead, they are obliged to assemble a 'mosaic' of various income-earning activities over different periods of time.
7. Land and gender are two of the determining factors of poverty in Bangladesh. In the subsistence rural economy, poverty is directly linked to access to the basic productive resource of land. Some 65 percent of the rural poor are landless. Another key factor is gender-related. Local perceptions and cultural factors result in women and girls often being deprived, for example in eating last and least. The 1995 UNDP Human Development Report confirms that in Bangladesh women are particularly disadvantaged, as evidenced by mortality rates, literacy, health conditions and access to labour markets. A particularly serious feature is that about six percent of all rural households are headed by women. On average, their incomes are as much as 40 percent lower than those headed by men. No less than 96 percent of these households headed by women fall below the poverty line, with one third of them belonging to the hard-core poor who experience chronic food shortages. Food grains (wheat and rice) account for nearly 90 percent of their total caloric intake, implying very little diversity in diet.
8. Vulnerability takes two main forms in rural Bangladesh. First, without strong growth in non-agricultural employment opportunities, increasing population pressure continues to render so many people subject to marginalization and outright landlessness. Second, the country is highly vulnerable to natural disasters such as flooding, cyclones and even droughts. There is indeed an urgent need to pursue the development process through, for example, the construction and rehabilitation of rural infrastructure to enable maximum exploitation of the country's food production resource base. Yet there is also a continuing need to remain ready to respond to potentially massive relief requirements if - or when - disaster strikes.

Government strategies

9. The position of the Government on poverty reduction is that all its programmes are designed to address the major poverty issues facing Bangladesh. It has followed a three-pronged approach: growth programmes, without which there are insufficient national resources available; human development programmes, to build the human capital of the country; and development safety net programmes, to address the needs of the millions of poor who subsist below the market and would otherwise be untouched by normal market forces.

10. Credit is an area of particular relevance to WFP. The Government, through its Poverty Foundation (PKSF), has built on the extensive pioneering work of the Grameen Bank and a number of large national NGOs in the provision of credit to poor rural women as one of the key mechanisms for poverty reduction. In this process there has been a significant increase in the involvement of women in income-earning activities supported by a whole range of development programmes. Indeed, the approximate membership of PKSF-supported suppliers of rural credit, together with that of the Grameen Bank (2.1 million), Bangladesh Rural Advancement Committee (1.7 million) and Proshika (more than one million) - means that today perhaps half the 10 million or so poor households in rural Bangladesh have started to acquire access to credit and the organizational support and human development systems that go with it.
11. In recent years, the Government has also taken steps to streamline and increase the professional efficiency of its institutional mechanisms for undertaking development activities and for responding to natural disasters. Until the early nineties, the Ministry of Relief was primarily responsible for the two main food aid programmes in the country - Food for Work (FFW) and Vulnerable Group Development (VGD). Since then, and in line with the recommendations of the 1988/89 Strengthening the Institutions for Food-Assisted Development (SIFAD) Task Force, the role of these as development - as distinct from relief - programmes has been more explicitly recognized. Greater emphasis has been placed on the quality and effectiveness of activities supported by these programmes through specialized government line agencies. Meanwhile, the Ministry of Relief has been renamed Disaster Management and Relief and substantial technical assistance has been provided by UNDP. These initiatives both strengthen and emphasize the function of that Ministry as the mitigation of the immediate effects of natural calamities.

Government food aid policies

12. The policy of the Ministry of Food (MOF) focuses on three key issues:
- a) **Price stabilization** - Continued interventions (along with seasonal food aid disbursements) to attenuate seasonal variations in grain prices and year-by-year fluctuations in average prices, protecting both producers and consumers.
 - b) **Targeted food programmes** - FFW and VGD are recognized as being relatively efficient in terms of targeting, costs and leakage. They are essential "safety net" programmes that will be needed for a considerable time for the millions of rural poor. In addition, the Government is also financing and operating a major Food-for-Education (FFE) programme.
 - c) **Food grain procurement** - Domestic procurement is carried out mainly for price stabilization. International procurement is needed to ensure adequate security stocks and to complete the balance of the food grain requirement not provided by private imports and food aid.
13. Government domestic procurement has declined steeply from a peak of just over one million tons in 1991/92 to as little as 160,000 tons in 1993/94. In contrast, over the three years to 1995/96, government international procurement has increased from zero to 870,000 tons. A key reason for the aggregate decline in government procurement of food grain has been the partial privatization of grain trading and the partial dismantling of the Public Food-grain Distribution System (PFDS) since 1992/93. The Government has been giving higher priority to the non-monetized targeted programmes such as FFW, VGD and FFE, the first two of which are supported by food aid in a major way.

Country Strategy Note (CSN) process

14. The Government decided at the end of 1995 to implement the General Assembly recommendation of preparing a CSN, but progress has been slow. In 1993 United Nations agencies and the Bretton Woods institutions produced a situation analysis (titled "A Fork in the Path") which can be regarded as a background framework against which their country programmes have been formulated. Among the United Nations Joint Consultative Group on Policy (the JCGP agencies), UNICEF has developed and approved a 1996 to 2000 Country Programme, UNDP has instituted a three-year rolling Country Cooperation Framework to June 1998 and UNFPA is presenting its Country Programme to their Executive Board in late 1996. This WFP Country Programme cycle is therefore appropriately harmonized with those of its JCGP partners.

United Nations, donor and NGO programmes

15. Poverty in Bangladesh is so pervasive that almost all agencies providing foreign aid include "poverty reduction" among their programme objectives. The types of programme which have been developed in conjunction with the Government range from a) macro-oriented growth and institutional reform, supported as part of their programme by the World Bank, Japan and FAO among others, through b) development of human resources, supported by the Asian Development Bank (AsDB), UNDP, UNICEF, ODA, USAID and international NGOs such as CARE, to c) micro-enterprise income generation, supported as part of their programme by donors such as WFP, Australia, the European Union, Canada and France in the form of food-assisted "development safety net" programmes for the poor.
16. Of particular value is the Analysis of Poverty Trends project financed by the Nordic countries, the Netherlands and Canada, and undertaken by the Bangladesh Institute of Development Studies since 1991. This study highlights the importance of household survey data to establish the nature and extent of poverty; national indicators are inadequate in this regard. It also establishes that the poverty situation in Bangladesh may have changed for the better in relation to 'moderate' poverty, but it appears that there is virtual stagnation in 'extreme' poverty. The enormous scale of poverty in Bangladesh remains the major problem.
17. In so far as development projects can lessen the adverse impact of natural disasters, many donors are involved with disaster mitigation. UNDP, however, has spearheaded the more direct approach to disaster prevention. It has funded the establishment of a new Disaster Management Bureau within the Ministry of Disaster Management and Relief. It also coordinates a Disaster Management Team on which United Nations agencies, all major donors and the Government are represented.

ASSESSMENT OF WFP COUNTRY ACTIVITIES

Effectiveness and efficiency of targeted development food aid

18. From 1974 to 1994 WFP assistance to Bangladesh has averaged around 38 million dollars a year for development projects and some 4.5 million dollars for protracted refugee and displaced person projects (PROs) and emergency operations. The two ongoing development projects coordinated by WFP - projects 2197 (Rural development - RD) and 2226 (Vulnerable group development - VGD) - have been characterized by a consistent approach of incremental change which has allowed the building up by the Government and

WFP of more robust project designs, management structures and procedures. Both projects have demonstrated their effectiveness in reaching their principal target groups. As each phase has been implemented, the creation and sustainable development of both human and physical assets for the benefit of the poor have been progressively enhanced. Food aid continues to have the following two significant comparative advantages over other sources of assistance: a) it is self-targeting to the poorest because only the poorest will accept compensation for their labour in food, particularly since wheat is less preferred; and b) it directly addresses the problem of food insecurity.

Effectiveness and efficiency in disaster mitigation

19. With their roots in the famine of 1974/75, both RD and VGD have proven to be mechanisms that can be employed in response to disaster. Of the two, VGD procedures can be instituted most rapidly and quickly. The process of selecting women beneficiaries is well understood at the lowest level of local government. The only conceivable constraint to rapid response could be the quantity of grain in the government Local Storage Depots. In the case of RD, mechanisms for the assembly and payment of the work force are as familiar to government and local government agencies as VGD beneficiary selection. The key RD issues usually requiring a little more time for resolution are a) the identification of useful earthwork that can be undertaken in relation to b) the climatic and soil conditions persisting after floods or cyclones.

Experience of other food aid donors

20. The experience of other donors of food aid closely parallels that of WFP itself as the agency responsible for the programming and coordination of so much bilateral food aid. Indeed, following the work of the SIFAD Task Force and the subsequent Action Plans (developed with substantial UNDP support), all food aid partners are requiring attention to be focused much more on development objectives.
21. Many donors are concerned about the Government's very low financial allocations to routine maintenance. WFP-supported physical assets, for example, too often require early rehabilitation. In accordance with a carefully designed strategy to reinforce new government initiatives and minimize dependency, WFP is now proposing to use food aid for routine maintenance of earthwork infrastructure. This will also open up probably the most promising avenue for the involvement in food for work of more women who have already demonstrated their effectiveness in this type of work in a CIDA-funded project executed by the Local Government Engineering Department with the assistance of CARE International.

THE WFP COUNTRY PROGRAMME

Goals and objectives

22. The goals of the Country Programme are directly consistent with WFP's Mission Statement. The two relevant global goals are presented for Bangladesh in reverse order of priority:
- a) Building assets and promoting self-reliance among the poor – This is the principal goal for the ongoing WFP-assisted programme. Within this goal, a series of often inter-linked programme objectives is being pursued. These include: i) establishing a

sustainable break in the cycle of poverty, thereby enhancing food security; ii) greater direct participation of women; iii) greater focus on the poorest; and iv) expanded micro-credit to the poor. To achieve these, other institutional objectives will also be pursued, including v) greater government responsibility for the country programme; and vi) greater collaboration between JCGP partners.

- b) Saving lives in emergency situations - Under this goal, the sole programme objective is enhanced emergency preparedness. This objective is pursued indirectly but very deliberately. Both main components of the Country Programme have made major strides along the relief-development continuum. Both can be adapted and expanded to respond to emergencies. They represent a continuing development safety net which not only mitigates the worst effects of chronic poverty, but whose 'mesh size' can be adjusted to relieve temporary extremes of distress.
23. In order to assess the achievement of these various programme objectives, the following indicators will be used: a) the proportion of participants above the income poverty line two years after they separate from food-assisted programmes; b) the proportion of resources distributed directly to women; c) the proportion of country programme resources being channelled to that half of the country containing the sub-districts with the highest level of relative poverty; d) the proportion of project participants receiving micro-credit-based development packages; e) the proportion of country programme resources for which the Government takes responsibility; f) the value of food aid resources utilized in parallel with JCGP programmes and the value of JCGP resources utilized in parallel with the WFP Country Programme; and g) the effectiveness of all development programme activities.

Target groups

24. This Country Programme targets two distinct groups of people who are among the poorest in Bangladesh. First it targets destitute women, both because they are among the poorest and because it is recognized that investment in women is critical in poverty alleviation strategies, given their key role in their family's health, nutrition and education. The second group is the unemployed rural landless poor. Although there is some overlap between these two target groups, two different targeting mechanisms have been identified. Criteria for the selection of destitute women have been identified by WFP and the Government within a VGD project. These criteria are applied at the local government (union) level and surveys have shown them to be particularly effective. VGD partners at all levels share the Government's commitment to working with these poorest women. The landless unemployed are self-targeted under the RD project. Only the poorest are willing to work for a less preferred, lower-value wheat wage. For them food for work represents just one element of the annual mosaic of employment and income they must piece together. The wage has been set just below that for casual employment in agriculture so as not to compete with food and cash crop production, thereby avoiding excessive dependence on food aid.

Options for the future

25. Concern over sustainable poverty reduction has been the motive behind the continuous move from relief to development. Empowerment of women - a key element of WFP's 1995 Commitments for Women - was originally the chief concern only in VGD, but over recent years it has also been incorporated more into RD. Here the first pilot schemes in fish cultivation and forestry have since developed into major regular components in which women are the principal continuing beneficiaries.

26. The types of assistance that will characterize the Country Programme will continue to be those previously employed. Food will be provided as: a) a monthly platform of support for socio-economic development assistance that includes the creation of household assets for destitute women under VGD; and b) wages to labourers for the creation, rehabilitation and maintenance of public infrastructure and household assets under RD. Other possible areas for food assistance suggested recently include overcoming malnutrition, addressing urban poverty and encouraging school attendance. Considering existing support from other donors and the Government in these areas, WFP activity is not necessary at this time. However, during the course of this programme, pilot activities will be undertaken in collaboration with United Nations system partners to explore different avenues for food assistance, including those that address child malnutrition and urban poverty.

Collaboration with United Nations and other donors

27. WFP has developed close links in Bangladesh with its JCGP partners IFAD and UNDP. The link with IFAD involves practical collaboration in fisheries and agricultural development schemes. UNDP is developing with WFP and the Government a major technical assistance project to strengthen the participatory mechanisms of both the RD and VGD projects.
28. WFP has also provided programming, monitoring and other support services for development and disaster mitigation activities to all other bilateral food donors except USAID, Japan and Belgium (because their assistance is either programme aid or channelled directly through NGOs). Collaboration with the World Bank has also taken place for a number of years in relation to flood control, drainage and irrigation. At a different level, informal collaboration is continuing with, for example, AsDB funding the bitumen surfacing of WFP-assisted dirt roads and the World Bank financing part of the revolving credit fund for the VGD income-generation component.
29. Given the current weakness of local government institutions, WFP, in collaboration with the Government, has modified its methods to give a significant role to proven, large-scale national NGOs. These have demonstrated their professional capabilities as implementing agencies in reaching the rural poor. WFP currently relies on such NGOs to provide complementary (non-food) development assistance to current and graduated VGD beneficiaries and for implementing the majority of the forestry and fisheries components of the RD project.
30. The WFP country office chairs a monthly food aid donors' meeting under the umbrella of the Government/Donor Local Consultative Group (LCG) system. Representatives from the Ministries of Food, Agriculture, Disaster Management and Relief, and Finance (External Relations Division), and from the Planning Commission and the Bangladesh Bureau of Statistics are invited to these meetings. Their purpose is to examine and exchange information on all food-aid related issues, including government food policies, the status and future trends of food production and imports, donor projections of food aid, monetization, and disaster preparedness. The meetings also review any critical issues that arise from the country office's monthly publication, *Bangladesh Food Grain Digest*, which monitors cereal supply and demand. This Food Aid group will continue to develop a common approach to food aid utilization, and will also feed information to the Country Food Aid Advisory Committee.

PROGRAMME OF COUNTRY ACTIVITIES

Resources and institutional arrangements

31. The primary limiting factor for the potential country resource level for Bangladesh is the WFP formula for sharing resources worldwide. The exceptional food aid needs of Bangladesh, its status as a least developed and low-income, food-deficit country, and its proven track record of high absorptive capacity are acknowledged. Accordingly, subject to the availability of resources, a WFP multilateral food assistance level of 158 million dollars over four years is proposed under this Country Programme. This represents almost 40 million dollars annually, involving 160,000 tons of wheat a year, as compared to 159,000 tons in 1996.
32. By the end of this Country Programme the proportion of country resources distributed directly to women will increase from around 55 percent currently to at least 60 percent, which will fulfil WFP's Commitments for Women undertaken at Beijing. The CSO envisages apportioning 60 percent of the resource basket for income-generating activities, because such activities provide sustainable development opportunities primarily for the destitute women target group. Of the balance, 35 percent will be apportioned for seasonal employment activities and five percent for new-initiative pilot schemes. WFP's Basic Programme in Bangladesh (the new terminology for the multilaterally resourced component of the Country Programme) focuses on the two continuing RD and VGD activities. RD targets the rural unemployed including poor women who can participate in income-generating schemes, while VGD concentrates primarily on poor women. Small-scale pilot activities are planned under both the RD and VGD projects to explore new, alternative food-assisted development areas.
33. To supplement the WFP multilateral assistance, Bangladesh has been receiving substantial additional resources - bilateral food aid and government wheat. The level of the bilateral assistance varies from donor to donor and from year to year. On the basis of past experience and consultations with donors regarding their future intentions, it is estimated that their wheat commitments in support of WFP-assisted projects will average about 190,000 tons a year over the next four years. In addition, the Government of Bangladesh has been contributing increasing quantities of wheat in support of WFP-assisted project activities. The Government's annual contribution is currently 60,000 tons. These additional resources, totalling at least 250,000 tons of wheat annually, will be used for parallel supplementary programme activities. This will nearly double the size of the Basic Programme, involving in total 410,000 tons of wheat a year.

OVERVIEW OF THE COUNTRY PROGRAMME
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Activity	Category	Donor	Cost (million dollars)	Commodity	Quantity (tons)	No. of Beneficiaries
VGD	Basic	WFP	64.7	Wheat	770 0	
		Government	18.1			
	Supplementary	Bilateral	56.9	Oil	6 1	
		NGO Government	13.6 98.6			
Subtotal			251.9			
RD	Basic	WFP	93.6	Wheat	880 0	
		Government	23.1			
	Supplementary	Bilateral	108.0	Oil	9 0 2 854 000	
		Government	46.0			
Subtotal			270.7			
Total value of Country Programme			522.6	Wheat	1 6 4 419 000	
				Oil	15 2	

34. The WFP country office, in collaboration with the Planning Commission, has developed a Poverty Map showing the relative incidence of poverty by sub-district, based on official data. The highest concentration of country programme activities will be in areas with a higher incidence of poverty. This map will be updated biennially as more current data become available.
35. Each of the project activities will be executed by the government line agency responsible for that sector. For each activity, opportunities will be sought for an expanded role by the local government. The participation of United Nations agencies and NGOs will be promoted wherever their inputs could enhance the achievement of objectives. For the most part, the government agencies responsible have adequate capacity in terms of designated personnel, institutional arrangements, and financial and material resources. Improvements are continually being effected; to that end, counterpart training managed and partly funded by WFP will be available over the next three years under the SIFAD training project funded by Australia and the European Union (EU).
36. Under the Government's approved SIFAD strategy, a Food Aid Development Programme and Coordination Council will be established within the Planning Commission. Under the chairmanship of the Minister of Planning, this Council will oversee and guide the new strategic role of the Planning Commission in integrating all development food aid into the Government's Annual Development Plan, making broad sectoral allocations of food aid, and providing guidance to line ministries for drawing up food-assisted projects. A separate Country Food Aid Advisory Committee will be established under the chairmanship of the Member (Programming) of the Planning Commission as an apex body to advise the Government and the WFP country office on policy and programming issues arising from the implementation of this Country Programme. The membership of the Committee will include representatives of the principal executing agencies (line ministries), development partners (bilateral donors and NGOs) and the WFP country office.
37. This Country Programme is taking form somewhat in advance of these new institutional arrangements. For that reason, consultation has taken place with the Economic Relations Division (Finance), the Planning Commission and line ministries, and the endorsement of the Government has been received. Discussions have also taken place with food aid donor partners, with United Nations agencies and the World Bank, and with the NGO responsible for a significant part of the implementation.

BASIC PROGRAMME ACTIVITIES

Activity 1 : Rural development

38. Two high priorities of the Government are: a) to address the food insecurity of the poorest segment of the rural population caused by lack of employment opportunities; and b) construction, rehabilitation and maintenance of large-scale public works, such as coastal embankments, drainage and irrigation canals, and rural link roads, which, in addition to being vital for the development of rural areas, are also critical as part of the national disaster preparedness strategy against floods and cyclones. The Government does not have sufficient resources to address fully both these problems. The strategic focus of this project

is to create immediate employment opportunities for the rural poor, and whenever possible, for women in particular.

39. RD concentrates on creating, improving and rehabilitating four main types of public assets. These are flood control, drainage and irrigation infrastructure; upgrading of roads; the rehabilitation of inland fish ponds; and tree-planting. The RD component also leads to the creation, for participants, of personal and family assets - both productive and living condition assets. It also leads indirectly to employment generation and improved standards of living for the whole infrastructure catchment area. The medium- and large-scale labour-intensive earthworks involved are undertaken during the dry months, from January to April. The forestry sector activities go on throughout the year. The WFP Bangladesh action plan on Commitments for Women aims at expanding sustainable income-generating opportunities for women. Forestry, fishery and earthwork maintenance activities are particularly appropriate in this regard.
40. The RD project will run for four years, from 1 January 1997 to 31 December 2000, and will involve a total WFP commitment of 94 million dollars - 378,000 tons of wheat and 9,100 tons of oil. The implementing agencies, key objectives and outputs of project activities differ from component to component. These are described in tabular form in Annex I.

Activity 2 : Vulnerable group development

41. The effects of extreme poverty in Bangladesh fall most severely on women and children. Helping women from the poorest segment of the rural population - with motivation, training and access to credit - to move out of extreme poverty, is the strategic focus of this project because: a) households headed by women are among the poorest; b) experience has shown that women are more highly motivated to learn in groups; c) women direct newly found knowledge and income to benefiting their entire household; and d) they actually repay their loans.
42. VGD aims to offer its vulnerable women participants an opportunity to develop new survival strategies initially through a platform of support in the form of food for a period of a year and a half. Simultaneously, vulnerable women will be given assistance in developing new income-generating skills which will lead to the creation of productive and household assets. Participants will also receive a guarantee of further NGO support until self-reliance is reached. The Income Generation (IG) component organizes very poor women into groups and motivates them to participate in savings schemes. For at least 75 percent of these women the IG scheme will impart basic knowledge on health and social issues, provide training in income-generating skills, and provide access to credit for undertaking micro-enterprises. To a significant extent, these various activities enable the increased participation of women in public development processes. This package of development services is provided in collaboration with NGOs and government agencies. In areas where the full package of development services is not available from an existing organization, Group Leaders and Extension Workers will be used to organize VGD women into groups, motivate them, develop their awareness on social issues and help them acquire access to credit. At Women's Training Centres (WTCs) operated by the Government and NGOs, poor women learn skills in marketable trades and undergo awareness-building by participating in courses of one year's duration.
43. Up to June 1998, this project will also assist orphans and children who are boarding at various educational institutions. WFP wheat helps to supplement the meals provided. As a

part of the strategy to move from relief to more intentional development programmes, WFP assistance to this component is being phased out.

44. The Fortieth Session of the CFA approved funding for this four-year VGD project for only two years, from 1 July 1996 to 30 June 1998, for budgetary reasons. This ongoing project is now to be incorporated into this Country Programme and extended for the period 1 July 1998 to 31 December 2000, involving from WFP 65 million dollars - 262,000 tons of wheat and 6,200 tons of oil - over the four years of the Programme. The implementing agencies, key objectives and outputs differ from activity to activity. These are described in tabular form in Annex II.

Activity 3 : Protracted refugee operation

45. Since 1992 WFP has been providing relief to refugees from Myanmar. With 80 percent of the refugees having already been repatriated, it was expected that this operation would cease during 1996. It is now less likely that this will occur. As at the time of writing (July 1996), WFP had not received a request from either the Government or UNHCR for continued support to refugees in 1997. Should support be required, on the basis of estimates for 1996, some 10,000 tons of food (utilizing a basket of commodities), worth approximately four million dollars, would be required for a case-load of 45,000 refugees over 12 months. As this possible commitment is not yet firm, and as the resources required represent less than one percent of this Country Programme, this activity has not been included in the Country Programme Overview (see table in paragraph 33).

SUPPLEMENTARY PROGRAMME ACTIVITIES

Activities 1 and 2: Bilateral and government co-financing

46. Supplementary development programme activities undertaken with bilateral donations and government contributions directly parallel nearly all components of the two basic programme activities. The commodities supplied by bilateral donors and the Government supplement WFP assistance and expand dramatically the coverage of these activities. The aggregate contributions expected, by basic programme activity, are shown in Annexes I and II. In total, over the four years of this Country Programme, bilateral donors are expected to contribute 502,000 tons of wheat to RD and 268,000 tons to VGD. The Government is expected to contribute 240,000 tons of wheat to VGD. It is considering a further 240,000 tons of wheat for RD.

Activity 3: Disaster mitigation

47. In the last 20 years there have been 14 WFP-assisted emergency operations in Bangladesh caused by cyclones, tidal waves, floods and droughts. In the most recent WFP emergency operation in 1991, WFP - in collaboration with bilateral donors (EU, Canada and France) - provided emergency food aid for relief and the reconstruction of embankments, roads and houses through food-for-work activities. There has also been active and successful participation of NGOs in the implementation of emergency operations.
48. Past experience shows that WFP assistance for emergencies has represented less than eight percent of total WFP commodities committed. Emergency operations have been extensively supported by bilateral donors. It is therefore reasonable to expect that possible

commodity requirements for emergencies for the duration of this Country Programme may be in that order. Detailed planning and commitment requests can only be initiated as the need arises.

KEY ISSUES AND RISKS

49. Although approved by the Government, the SIFAD concept of integration with development planning is still in its infancy. Its successful implementation is critical for this Country Programme. It remains to be seen how effectively the Planning Commission and line ministries are able to assume their new roles under SIFAD.
50. Management of the RD project has so far been under the Ministry of Disaster Management and Relief, (MDMR) which had resourcing responsibilities but no implementation stake in project activities. Full project management responsibility for each component is now being transferred to the relevant line agency. The success of these activities will depend largely upon how effectively the agencies shoulder this task.
51. Overall responsibility for policy and coordination of the VGD project has moved for the first time to the Ministry of Women and Children's Affairs (MWCA). During a two-to four-year transition period, management will be shared at the sub-district and union level between MWCA and MDMR. The effectiveness of these new arrangements will depend on the capacity of MWCA to quickly develop the resources and skills required.
52. Effective targeting of food assistance to the poorest and neediest is critical to attaining the primary objectives of the Country Programme and the WFP Mission Statement. The impact of the newly revised Poverty Map will be assessed during the Country Programme.
53. Bilateral donations are dependent on many factors that are beyond the scope of this document. Any variation in the projected contributions from bilateral donors will result in modifications to the scope of this Country Programme.

PROGRAMME MANAGEMENT PROCESS

Appraisal

54. Adequate institutional arrangements are in place to carry out the WFP appraisal of all government requests for food aid. The Government's request for the VGD project was appraised in 1995 by a standard WFP management review-cum-appraisal mission that comprised technical experts and a representative of a major donor. The project summary, based on the mission's recommendations, was commended and approved by the Fortieth Session of the CFA. As indicated above, it is now proposed that the project be extended for another two and a half years, up to the end of this Country Programme period (December 2000). All aspects of the project's performance will be reviewed in the mid-term progress report to the Executive Board through the WFP Country Programme Committee.
55. Again, following standard WFP project cycle procedures, a WFP headquarters mission carried out a pre-appraisal of the Government's request for the new phase of the RD project scheduled to start at the beginning of this Country Programme. It provided guidance on critical issues, such as the expansion of components involving women, which was taken

into account during the project's full appraisal in mid-1996. The appraisal mission comprised expertise on project management drawn from WFP headquarters and expert consultants in economic and rural development. This activity summary has been reviewed by the WFP Country Programme Committee; because of its large size, it will be recommended for approval by the Executive Director once this Country Programme is approved by the Executive Board.

56. As yet unspecified experimental pilot components of the RD and VGD activities are planned to utilize up to five percent of the WFP resources available, that is up to 8,000 tons of wheat (two million dollars) a year, on average. When requested by the Government, the individual pilot schemes will be appraised by the country office and approved by the WFP Country Director.
57. Any request received for refugee or emergency relief will also be appraised in collaboration with WFP headquarters while making optimum use of in-country expertise, particularly from other United Nations agencies. Depending on the size of the request, approval will be sought from the Executive Board, or the Executive Director or her delegate, on the recommendation of the WFP Country Programme Committee.

Programme implementation

58. The WFP country office is equipped with adequate specialist staff and necessary logistic means, and has the appropriate organizational structure to implement this Country Programme in an efficient manner. It also has the capacity to manage extensive counterpart and in-house staff training for institutional strengthening.
59. In the past, the lack of timely commodity management and project performance reports has been one of the weakest areas of project management. Under the new SIFAD arrangements the responsibility for implementing development projects has been transferred to the relevant line ministries, with MDMR strengthening its capacity to manage refugee and emergency operations. This basic change in the implementing strategy of all WFP-assisted projects will go a long way in improving their management.
60. Other new initiatives to improve project implementation are: a) sensitizing project authorities to the needs of project beneficiaries through participatory rural appraisal (PRA) techniques; b) developing systems for the involvement of project participants, particularly women, in activity planning and management processes; and c) helping implementing agencies improve project management by further refinement of monitoring strategies and reporting systems from the grass-roots to the central level.
61. All WFP and bilateral wheat shipments received for basic and supplementary activities, along with the Government's allocations, are merged with the national wheat stocks of the MOF and issued to project authorities from the local storage depots nearest to the project sites for distribution to project participants. For WFP commodities, Bangladesh has been receiving a land transport, storage and handling (LTSH) subsidy of 50 percent for development projects and emergency operations, and of 100 percent for assistance to refugees. During the period of this Country Programme, no attempt will be made to change these LTSH cost-sharing arrangements because the Government already shoulders an exceptionally large share of programme costs in the form of overseas freight and 100 percent LTSH for some bilateral shipments, together with a yearly wheat contribution of 60,000 tons to VGD. In addition, it is considering a further 60,000-ton annual contribution to the RD activity - a contribution which is three times more substantial than 50 percent of the WFP LTSH costs.

62. In order to maximize the flow of food supplies to beneficiaries, under the CSO, monetization of WFP food commodities has been discouraged wherever cash resources can be obtained. Declining quantities of WFP commodities are expected to be monetized during this Country Programme. A part of the bilateral commodities will need to be monetized to support the cost of structures under the roads component of the RD activity and for funding credit operations under the VGD activity. A sound mechanism is already in place for undertaking such monetization.
63. Each implementing agency will have a Project Management Unit (PMU) headed by a Project Manager who will be responsible for day-to-day management of the project activity, including establishing annual work targets on the basis of needs identified through participatory and consultative processes, and allocating the resources required at each project site.

Programme monitoring and audit

64. Programme monitoring is a new concept for WFP. The identification of programme objectives and programme indicators (see paragraphs 22 and 23) is therefore presented in this first Country Programme for Bangladesh in a tentative manner. Using the indicators listed, the achievements of these objectives will be evaluated during the Country Programme mid-term review.
65. As a development of the extensive WFP/Bangladesh monitoring and reporting systems, institutional arrangements for the monitoring, reporting and audit requirements of all resources for each sub-project will be spelled out in detail in their "operational contracts". These requirements will be refined progressively during the course of this Country Programme as the Government's Implementation, Monitoring and Evaluation Division (IMED) takes on responsibility for food-assisted development projects. The PMU of each sub-project will be responsible for regular "management monitoring". The monitoring formats for each level will be designed in such a way that the information can directly be summarized into the usual quarterly project reports (QPR) on resources, and six-monthly Project Implementation Reports (PIR) agreed with WFP. These reports will reflect as appropriate the WFP Bangladesh Commitments for Women. The project staff will receive training in monitoring the project's critical indicators, and in reporting techniques. The "operational contracts" will also incorporate provisions for carrying out an annual audit of all project resources on a calendar-year basis.

Programme adjustments and supplementation

66. The WFP country office will closely supervise the performance of all activities in the Country Programme on the basis of an analysis of the Government's project reports, the findings of WFP staff on field visits and contacts with other development partners. Field visits will pay particular attention to undertaking simple diagnostic studies of successes as well as shortcomings in implementation. The country office's assessment will be summarized in the six-monthly country office project report (COPR). The COPRs will be shared with the PMU, development partners, and the Country Food Aid Advisory Committee.
67. Meeting initially in April 1997 and then each six months, the Country Food Aid Advisory Committee will review the performance of individual sub-projects on the basis of the COPRs. For sub-projects requiring improvements, the Committee will analyse the root causes of problems and advise on appropriate corrective steps. It will also recommend

when assistance to a sub-project needs to be phased out or terminated, when such assistance could be enhanced, or when a new pilot scheme could be initiated.

68. Bilateral Supplementary development activities are based on WFP approved basic programme activities and are approved in the context of individual bilateral intergovernmental understandings and linked bilateral understandings between the donor and WFP. Under this Country Programme and following the introduction of the new SIFAD institutional arrangements, the allocation by activity of these bilateral resources will be undertaken by the Planning Commission at the same time as WFP and government food resource allocations are decided. The respective roles in this process of the two new institutions - the Government's Coordination Council and the Government/WFP Food Aid Advisory Committee - will be identified during 1997.
69. Supplementary refugee or emergency relief activities will be initiated at the Government's request depending on their scale, they will be approved by the Executive Board, the Executive Director or a delegate (see paragraph 57 above).

Evaluation

70. The recently strengthened Management Information Section in the country office has developed an impact evaluation strategy. This strategy involves the establishment of in-built impact evaluation systems (with due attention to the WFP Bangladesh Commitments for Women) for all four components under RD, as well as the IG and WTC components under VGD. Beneficiary profiles will be established, permitting short and longer-term impact to be traced. Two complementary methodologies are planned. First, longitudinal surveys will ensure that the socio-economic conditions of a sample of participants are tracked over a period of four to five years. Second, "participatory learning exercises" (PLEs) will be undertaken, in which different innovative group-based qualitative assessment methods will be utilized. The PLEs will be undertaken with participants, various sections of rural society, stakeholders (such as members of implementation committees), representatives of implementing government agencies and NGOs, and WFP officers.
71. Impact evaluation systems for the IG and WTC (VGD) and the roads (RD) sub-projects have already been developed and implemented. Those for the remaining three sub-projects (water, fisheries and forestry - RD) are planned to be established by 1997. Considerable EU financial assistance will be available for this purpose.
72. A comprehensive mid-term review (MTR) of the Country Programme will be carried out in early 1999. Since this is the first Country Programme, and in view of the volume of resources involved, assistance will be sought from WFP headquarters to ensure an adequately objective and thorough MTR. The mid-term progress report will be submitted to the Second Regular Session of the Executive Board in 1999. The results of this review will be used to further strengthen activities during the second half of the Country Programme. The critical lessons learned will also provide the basis for the formulation, during 1999 and 2000, of the second Country Programme (2001 to 2005). The end-of-term evaluation of the Country Programme will be carried out in the second half of 2000.

ANNEX I

Project number and title		Duration	Project costs			
				<u>Tons</u>	<u>Million dollars</u>	
2197 (Exp.10)		4 Years	WFP	Wheat for distribution	378 250	73.0
				Oil for LTSH subsidy	9 076	8.6
Rural development		1.1.1997 to 31.12.2000		Cash costs		12.0
			Bilateral	Wheat for distribution	501 750	96.8
				Freight for 361,750 tons c.i.f. Wheat		11.2
			Government	Wheat for distribution	*	*
				Recurrent, freight & LTSH costs		69.1
			Total	Wheat	880 000	
				Oil	9 076	270.7

Component	Executing agency	Key objectives	Outputs
Water	Bangladesh Water Development Board Ministry of Water Resources	To save lives and assets from floods and cyclones and increase agricultural production through rehabilitation and construction of water-related infrastructures.	Creation of infrastructure for protection from floods/cyclones and employment generation for 19 million workdays.
Roads	Local Government Engineering Department Ministry of Local Government Rural Developing and Cooperatives	To improve links of rural growth centres through maintenance, rehabilitation and construction of roads.	Roads rehabilitation and employment generation for 11 million workdays.
Forestry	Department of Forestry Ministry of Forestry	To create income-generating opportunities for the rural poor, primarily women, through planting and protecting young trees which provide both medium-term returns and embankment protection.	Increase in tree coverage and employment creation for 13 million workdays.
Fisheries	Department of Fisheries Ministry of Fisheries	To create fisheries-based income-generating opportunities for the rural poor, primarily women, by rehabilitating water bodies for fish cultivation.	Rehabilitation of fish ponds and employment generation for 6 million workdays.

Food commodities have been valued on the basis of the following estimated costs: FOB value of wheat at 193 dollars a ton, FOB value of oil at 950 dollars, insurance, superintendence and ocean freight at 31 dollars a ton. LTSH costs estimated at 46 dollars a ton. LTSH subsidy for WFP wheat for distribution at 23 dollars a ton. About 140,000 tons of bilateral wheat is expected to be supplied on an FOB basis and the remaining 361,750 tons on c.i.f.

* The Government is considering a direct food contribution of about 60,000 tons of wheat annually, totalling 240,000 tons of wheat valued at some 53.8 million dollars in support of project activities. If this materializes, then the outputs will increase proportionately.

DETAILS OF COUNTRY PROGRAMME: RURAL DEVELOPMENT
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Project number and title	Duration	Project costs			
				<u>Tons</u>	<u>Million dollars</u>
2197 (Exp.10)	4 Years	WFP	Wheat for distribution	378 250	73.0
			Oil for ITSH subsidy	9 076	8.6
Rural development	1.1.1997 to 31.12.2000		Cash costs		12.0
		Bilateral	Wheat for distribution	501 750	96.8
			Freight for 361,750 tons c.i.f. Wheat		11.2
		Government	Wheat for distribution	*	*
			Recurrent, freight & LTSH costs		69.1
		Total	Wheat	880 000	
			Oil	9 076	270.7

Component	Executing agency	Key objectives	Outputs
Water	Bangladesh Water Development Board Ministry of Water Resources	To save lives and assets from floods and cyclones and increase agricultural production through rehabilitation and construction of water-related infrastructures.	Creation of infrastructure for protection from floods/cyclones and employment generation for 19 million workdays.
Roads	Local Government Engineering Department Ministry of Local Government Rural Developing and Cooperatives	To improve links of rural growth centres through maintenance, rehabilitation and construction of roads.	Roads rehabilitation and employment generation for 11 million workdays.
Forestry	Department of Forestry Ministry of Forestry	To create income-generating opportunities for the rural poor, primarily women, through planting and protecting young trees which provide both medium-term returns and embankment protection.	Increase in tree coverage and employment creation for 13 million workdays.
Fisheries	Department of Fisheries Ministry of Fisheries	To create fisheries-based income-generating opportunities for the rural poor, primarily women, by rehabilitating water bodies for fish cultivation.	Rehabilitation of fish ponds and employment generation for 6 million workdays.

Food commodities have been valued on the basis of the following estimated costs: FOB value of wheat at 193 dollars a ton, FOB value of oil at 950 dollars, insurance, superintendence and ocean freight at 31 dollars a ton. LTSH costs estimated at 46 dollars a ton. LTSH subsidy for WFP wheat for distribution at 23 dollars a ton. About 140,000 tons of bilateral wheat is expected to be supplied on an FOB basis and the remaining 361,750 tons on c.i.f.

* The Government is considering a direct food contribution of about 60,000 tons of wheat annually, totalling 240,000 tons of wheat valued at some 53.8 million dollars in support of project activities. If this materializes, then the outputs will increase proportionately.

DETAILS OF COUNTRY PROGRAMME: VULNERABLE GROUP DEVELOPMENT

Project number and title	Duration	Project costs			
				<u>Tons</u>	<u>Million dollars</u>
2226 (Exp.7)	4 Years	WFP	Wheat for distribution	256 885	49.6
			Wheat for monetization	4 865	0.9
Vulnerable group development	1.1.1997 to 31.12.2000		Oil for LTSH subsidy	6 164	5.9
			Cash costs (including freight, etc.)		8.3
		Bilateral	Wheat for distribution	218 400	42.2
			Wheat for monetization	49 850	12.0
		NGO	Freight for 88,250 tons c.i.f. wheat		2.7
		Government	Support services	*240 000	13.6
			Wheat for distribution	770 000	46.3
		Total	Recurrent, freight & LTSH costs	6 164	70.4
			Wheat		251.9
			Oil		

Component	Executing agency	Key objectives	Outputs
Income generation (IG)	Department of Women's Affairs (DWA)	To organize women in groups and train them in marketable skills, encourage savings and provide access to credit to build their income-earning capacity.	443,000 women participating in each of three VGD programme cycles with 75 percent receiving full development package.
Women's training centres (WTC)	DWA	To develop women's income-generating skills and social awareness through structured training programmes.	50,000 women a year trained at WTCs.
Group leaders and extension workers (GLEW)	DWA	To promote group formation of VGD women for their participation in self-development activities and to facilitate provision of extension services.	1,000 GLEWs employed and delivering extension services to VGD women in areas where full development package is not available
Institutional feeding	Directorate of Social Services (DSS)	To provide wheat supplement to poor children residing in institutions, such as orphanages, and who are nutritionally at risk.	34,000 children assisted during first two years of the project (22,000 in the first and 12,000 in the second year).

Food commodities have been valued on the basis of the following estimated costs: FOB value of wheat at 193 dollars a ton, FOB value of oil at 950 dollars, insurance, superintendence and ocean freight at 31 dollars a ton. LTSH costs estimated at 46 dollars a ton. LTSH subsidy for WFP wheat for distribution at 23 dollars a ton. About 180,000 tons of bilateral wheat is expected to be supplied on an FOB basis and the remaining 88,250 tons on c.i.f.

