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**Executive Board  
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## **OTHER BUSINESS**

### **Agenda item 14**

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## **REPORT OF THE EXECUTIVE BOARD MEMBERS' VISIT TO BANGLADESH**

**27 March–3 April 2004**

\* In accordance with the Executive Board's decisions on governance, approved at the Annual and Third Regular Sessions, 2000, items for information should not be discussed unless a Board member specifically requests it, well in advance of the meeting, and the Chair accepts the request on the grounds that it is a proper use of the Board's time.

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## NOTE TO THE EXECUTIVE BOARD

**This document is submitted for information to the Executive Board.**

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

Secretary to the Executive Board:            Mr T. Yanga                            tel.: 066513-2603

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Supervisor, Meeting Servicing and Distribution Unit (tel.: 066513-2328).



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## INTRODUCTION

1. Members of the WFP Executive Board from Cameroon, France, Haiti, India, Mauritania, Peru, Russia and Switzerland visited Bangladesh from 27 March to 3 April 2004. They were accompanied by the Secretary to the Executive Board, Mr Thomas Yanga.
2. This was the second field visit by WFP Executive Board members to Bangladesh; the first took place in May 1999. The main purpose of the visit was to observe the implementation of the country programme that affects 2 million ultra-poor households in a situation where 50 percent of the population – 60 million people – falls below the food poverty line and 30 million people – 6 million households – are ultra-poor, consuming only 1,800 kcal daily compared with the recommended intake of 2,300 kcal.
3. The programme organized for the delegation provided for a visit to the north of the country, where most of WFP's activities in support of development are being implemented. Many meetings were held with national and regional authorities and with WFP's field partners such as non-governmental organizations (NGOs) and local communities. The security situation and lack of time prevented the mission from visiting the "food for peace" projects in the Chittagong Hill Tracts region, nor was it able to visit the refugee programmes in Myanmar.
4. Despite these constraints, however, the mission was able to visit the field for three days and benefited from exhaustive documentation collected and presented by members of the country office in Dacca and the regional bureau in Rangpur.

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## MEETINGS

5. Board members met with the Minister of Finance, the Minister of Women and Children Affairs, the Minister of Food and the Education Adviser to the Prime Minister. Throughout the visit, Board members also had extensive contact with the representatives of the Economic Relations Division of the Ministry of Finance – the focal point in the Government responsible for dealing with WFP and implementing the country programme.
6. Board members used the above-mentioned meetings with Government representatives to draw attention to the following points of importance relating to the implementation of the country programme:
  - the need to finalize the new Basic Agreement between the Government of Bangladesh and WFP (the present agreement was concluded in 1974 and does not reflect current realities);
  - the need to maintain the Government's commitment to implementing the recommendations of the food aid leakage study;
  - the need to ensure proper implementation and monitoring of the Vulnerable Groups Development (VGD) project and its further expansion; and
  - the need to reinforce the Government's commitment to the implementation of the *atta* fortified wheat flour pilot initiative.
7. Board members acknowledged the importance of the Government's contribution, amounting to 30 percent of the total resources of the WFP country programme, in the form of 60,000 tons of cereals for the VGD project and US\$10 million for the Integrated Food Security (IFS) programme. An additional US\$1.7 million is contributed annually for internal transport storage and handling costs.



8. The overall reaction of Government representatives to the points discussed was constructive and positive. It was indicated that additional food would be provided to the VGD project to expand it from its current level of 480,000 to 600,000 beneficiaries. The Government has also initiated a move to enhance its contribution to the school feeding programme, with a pending ministerial approval of 40,000 mt of rice for 2004.
9. Ministry of Finance officials recognized the shortcomings identified by the food aid leakage study and reaffirmed the Government's commitment to implement the recommended action plans to reduce leakages and ensure the smooth running of the operation in the future.
10. Ministry of Finance officials noted the need to enhance capacity building in the food sector and highlighted the current efforts being made by the WFP country office and the Ministry of Finance to computerize food stock information systems in order to ensure the smooth running of the operation.
11. Given limited time and the fact that the mission was organized at short notice, contacts with other United Nations agencies and multilateral and bilateral donors were limited in the opinion of several delegates. It would have been very useful if the delegation had participated in the meeting of the local consultative group on food security, which regularly brings together the main players in the sector.

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## BILATERAL CONTRIBUTIONS

12. The Board members noted the vital importance of bilateral contributions in support of WFP-assisted programmes currently under way in Bangladesh by: Australia (45,000 mt of wheat for VGD, IFS and school feeding ); the European Commission (US\$8.8 million and 93,000 mt of wheat for the Food Security Vulnerable Group Development (FSVGD) project; Canada (US\$1.7 million for the wheat flour fortification initiative for VGD); the United States (US\$225,000 for the wheat flour fortification initiative for VGD); the Swiss Agency for Development and Cooperation (US\$135,000 for assistance to victims of natural disasters); and the United Kingdom (£7 million [US\$12.6 million] for a 6-year programme of capacity building).

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## THE ROLE OF NGOS

13. The Board members agreed that WFP partnerships with local NGOs, especially the Bangladesh Rural Advancement Committee (BRAC) and *Thengamara Mohila Sabuj Sangha* (TMSS), are indispensable instruments in reaching and engaging the local rural population. The NGO partners have both qualified personnel and an established regional presence with good cooperation from local authorities. They are in a unique position to facilitate and promote WFP activities that otherwise would have required substantial human and material resources. It must be noted that the interaction of WFP and NGO staff members in joint activities also enhances the experience and professional capacity of local NGOs.



## FIELD VISITS

14. The Board members visited the following rural projects:
  - the WFP fortified-biscuit factory for school feeding, Savar, Dhaka;
  - the road-maintenance project, Udaipur;
  - the Milling and Fortification Unit (MFU), Gaibandha district; and
  - food-for-assets (FFA) activities at the Holokhana community fishpond project.
15. The Board members also observed the following WFP operations and activities:
  - *atta* fortified wheat flour distribution to VGD women participants, Gaibandha district;
  - a small trade activity by an ex-VGD beneficiary at Tapat;
  - a school feeding activity at Tapur Char Government Primary School;
  - households of current VGD beneficiaries at Haragach;
  - an income-generation for VGD (IGVGD) training session for women in Haragach;
  - wheat-ration distribution to VGD participants in Haragach; and
  - a community nutrition initiative in Gajaghanta.
16. It was noted that the fortified-biscuit factory for school feeding in Savar, Dhaka was a model facility of its kind: cost-effective and perfectly adapted to the local situation where labour is abundant. In addition to production, the employment provided by this facility is a considerable asset to the local community.
17. The MFU in Gaibandha district is an equally well-managed establishment using local labour. The Board members observed the entire process from milling to the well-organized and monitored distribution to end-users, the ultra-poor women of the district.
18. The road-maintenance project in Udaipur is a classic assets-for-development project combining community benefits with individual assistance to the beneficiaries. The enthusiasm of the participants who were given an opportunity to obtain employment in service of their local infrastructure spoke for itself.
19. FFA activities at the Holokhana community fishpond project drew the particular interest of the Board members. This project combines community assistance with local landowner and business interests, and enjoys support from NGOs and local authorities. The benefits are long-lasting, affecting large numbers of beneficiaries. It must also be noted that WFP, together with local NGOs, upgraded the local fishpond culture with artificial insemination techniques, greatly increasing its productivity.

## OBSERVATIONS FROM VISITS TO PROJECT AREAS

20. The beneficiaries of all of the above-mentioned projects are ultra-poor; most are women who would otherwise have not been able to find any reasonable employment. WFP projects combine food distribution with savings schemes and training for women in domestic activities. With two years' savings, participants may obtain additional credit to purchase inputs such as chickens or cows and start income-generating activities. Graduation, an NGO, helps them with this.



21. Wheat-ration distribution to VGD participants was observed in Haragach in coordination with an IGVGD training session for women. A positive element of such food assistance is that it is done in conjunction with training aimed at attaining sustainable livelihoods. Often, the individual results of such assistance can be astonishing. The Board members witnessed small trade activity by an ex-VGD beneficiary at Tapat – a classic success story in which a woman with an invalid husband rose from utter poverty to possession of a small business and a position of respect in her community. During a visit to households of current VGD beneficiaries at Haragach, the Board members witnessed a remarkable transformation of the attitudes of beneficiaries that had learned a trade, from that of aid recipient to productive, self-sustaining member of society. In learning to raise domestic animals, they obtained a chance for a better future.

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## CONCLUSIONS AND RECOMMENDATIONS

22. Of the projects being implemented under the country programme for Bangladesh, those falling under the heading of development were the largest. Local and international human resources, and financial resources, were considerable but remained insufficient for the number of beneficiaries in the country. This has been especially true in the last few years, given the decrease in development resources and consequent drop in operational resources allocated to the country office. Multilateral resources for the country programme in 2003 were 50,000 mt, compared to 100,000 mt in 2001 and 2002; the initial objective was 160,000 mt per year. Overall multilateral and bilateral resources were 187,000 mt in 2003 instead of 320,000 mt as programmed, a deficit of 133,000 mt. Prospects for 2005 are poor and drastic decisions will need to be made if the programme does not receive additional resources in the next few months.
23. Bangladesh's main food-security problems are malnutrition and access to available food among the poorest of the poor; it is estimated that the ultra-poor number 28 million. The objectives of WFP's programmes and projects are well-focused and correspond to the priorities set by the Executive Board. Beneficiaries are selected from among the most vulnerable groups, such as single, pregnant and lactating women affected by malnutrition and poverty. Such targets are only rarely the focus of other aid programmes, including micro-credit organizations such as the Grameen Bank or NGOs. WFP's interventions are therefore appreciated by the Government, which strongly supports the programme with contributions of its own: 30 percent of the country programme's resources and US\$10 million, a sum which it is planning to increase.
24. The team charged with vulnerability analysis and mapping (VAM) in Bangladesh has done a remarkable job of identifying and targeting the most vulnerable regions and population groups. The country office is making sure that these data are made available to WFP's partners and other development organizations.
25. Nutritional education and the distribution of supplementary micronutrients, especially to schools, and enriched foods to nutritional centres and women's groups, are included in several projects being implemented, as are initiatives aimed at training women in income-generating skills.
26. The country office has conducted a number of evaluations in association with the International Food Policy Research Institute (IFPRI), especially regarding the comparative advantages of food aid in cash or in-kind. It would be useful for the results to be further disseminated.



27. The Board members recall that Bangladesh is one of the countries selected for a series of field surveys conducted within the framework of an evaluation of WFP's development activities by a group of donors. The results should be made available to all the members of the Executive Board.
28. The distinction between the various categories of intervention, such as development, emergency operations (EMOPs) and protracted relief and recovery operations (PRROs) continued to raise questions among Board members. Some members of the delegation believed activities in Bangladesh constituted emergency relief to vulnerable groups rather than development aid. Others thought they represented a continuum of activities and that it was not helpful to make clear-cut distinctions. A third group believed that the interventions were neither emergency nor development operations. The majority of members agreed that the debate should continue in the Executive Board while taking account of the results of the above-mentioned evaluation. Changing the name of an operation will doubtless not suffice to obtain more financing, but it could help donors overcome their reticence and finance operations now classified as development activities from different budgetary lines.
29. It was noted that the questions of capacity-building and exit strategies are linked, and WFP should pay greater attention to the issue. WFP should also monitor the effectiveness of its implementing partners.
30. It was also noted that food aid in Bangladesh should be considered as a vehicle to achieve development in education, health and local development. In this sense, it allows WFP to play its proper role, particularly among the most vulnerable population groups, and appears to be having a positive impact in the medium-term.
31. A recent study, "Food Aid Leakage Study – Bangladesh", shows that most losses suffered in food distribution occur during unloading at ports of destination, and amount to 8 percent. This is not excessive, however, and the Government of Bangladesh has promised to do all it can to reduce losses.
32. The Bangladesh country programme accounts for half of the United Nations system's interventions in the country, clearly demonstrating the importance of WFP's role there. The programme's effectiveness is universally recognized, but it presently suffers from a severe financing problem. Unless a solution is found, it is uncertain whether the country programme can continue. In the last few years, the programme has been kept running through accumulated reserves. But these have now run out and a major share of financing is missing. In 2001, WFP's Executive Board approved a country programme for 2001–2005, which foresaw providing US\$27 million, or 40 percent of the financing in 2003. But only US\$9 million, 22 percent, actually materialized, resulting in a deficit of US\$18 million, which is 18 percent or 133,000 mt. The Government of Bangladesh financed 30 percent of the initial programme and has pledged to increase its in-kind contribution. Bilateral donors such as Australia and the European Commission contribute the remaining 30 percent. Unless WFP's share is increased, it will no longer be in a position to meet the costs of its mission in Bangladesh and will have to close it down. This problem stems from the fact that country programmes can only be financed by WFP's development fund. The development fund's guiding principles were established several years ago and have since caused friction between the G77 and donors; a solution has yet to be found.
33. An opinion was expressed that the title of WFP projects in Bangladesh should be changed from development projects to EMOPs. A solution would then have to be found to the problem of financing country programmes, which can only be funded by a development fund that is diminishing rapidly. If WFP intends to finance country programmes, alternative sources of financing must be found from another WFP budget





line. Hope was expressed that the donors' evaluation team on development financing, visiting Bangladesh, would cast new light on the issue.

34. The Board members would like to express appreciation to the WFP staff stationed in Bangladesh for their performance and dedication. They are a credit to themselves, WFP and their countries. The Board members' visit was organized and executed flawlessly by the country director and his staff. The Board members would also like to note the quality and comprehensive nature of the briefing made by the country director on the issues relating to implementation of the country programme, which greatly enhanced the effectiveness of the country programme observation process.
35. It was the unanimous opinion of the Board members that in future visits, it would be advisable to meet with the representatives of the Government after observing the implementation of the operation in the field, instead of before, to have the best possible perspective of the situation on the ground.
36. The Board members concurred that it would be advisable for the Executive Board to invite the Finance Minister of Bangladesh to address the Board in the context of an evaluation of the country programme.
37. Board members encourage further actions that would enhance the delivery and monitoring capacities of Bangladesh administrative staff in the field.
38. The Board members would like to stress that in the course of the field visits, contacts with local NGO partners and resident representatives of other United Nations agencies operating in the country should also be pursued in order to promote adequate cooperation and coordination.
39. While this report does not aim to address issues relating to development versus emergency food assistance, the Board members observed that, when used innovatively, food aid can be an impressive instrument to promote sustainable enhancements in the livelihoods of beneficiaries. The projects visited are worthy of being reproduced in other countries, conditions permitting.
40. It is hoped that the WFP country programme in Bangladesh will receive adequate financing so that it can continue in full.





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## ACRONYMS USED IN THE DOCUMENT

BRAC	Bangladesh Rural Advancement Committee
EMOP	emergency operation
FFA	food for asset
FSVGD	Food Security Vulnerable Group Development
IFPRI	International Food Policy Research Institute
IFS	Integrated Food Security (programme)
IGVGD	income-generation for VGD
MFU	Milling and Fortification Unit
NGO	non-governmental organization
PRRO	protracted relief and recovery operation
TMSS	<i>Thengamara Mohila Sabuj Sangha</i>
VAM	vulnerability analysis and mapping
VGD	Vulnerable Groups Development

