

برنامج
الأغذية
العالمي



Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

**Executive Board
First Regular Session**

Rome, 11–14 February 2002

COUNTRY PROGRAMMES

Agenda item 7

For approval

E

Distribution: GENERAL

WFP/EB.1/2002/7/2

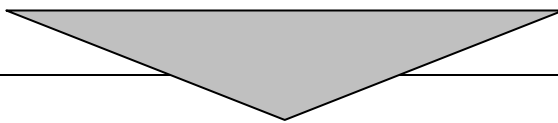
10 January 2002

ORIGINAL: ENGLISH

COUNTRY PROGRAMME— BHUTAN (2002–2007)

This document is printed in a limited number of copies. Executive Board documents are available on WFP's WEB site (<http://www.wfp.org/eb>).

Note to the Executive Board



This document is submitted for approval by 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.

Regional Director, Asia Bureau (ODB): Mr J. Powell

Senior Liaison Officer, ODB: Mr K. Sato tel.: 066513-2383

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).



Executive Summary

Bhutan is a mountainous, least developed, low-income, food-deficit country (LDC/LIFDC) with a population of about 658,000, of whom 30 percent is estimated to be vulnerable to food insecurity throughout the year, with a higher percentage seasonally. The Executive Summary of the Country Strategy Outline (CSO) in Annex I provides additional key information on Bhutan.

The Bhutan Country Programme (CP) (July 2002—June 2007) is based on the CSO presented to the Executive Board in 2001. It has been prepared in conjunction with the United Nations Development Assistance Framework (UNDAF) and the Royal Government of Bhutan's Ninth Five-year Plan, and it contributes to the common goals of both by assisting in the reduction of poverty for food-insecure people in remote locations.

In accordance with decision 1999/EB.A/2 of the Executive Board, WFP focuses its activities on five priority areas. This CP addresses priority areas 2 and 3 of WFP's Enabling Development policy: enable poor households to invest in human capital through education and training; and make it possible for poor families to gain and preserve assets. The CP comprises three activities:

- **Improving Rural Children's Access to School**—in which, as part of the Government's expansion of basic education to all, food aid is used to reduce the cost to food-insecure households of sending children to school. The activity will thereby enable children to be enrolled and to attend school regularly, so gaining an education that will increase their ability to earn, reduce their poverty and achieve greater food security.
- **Improving Roadworkers' Access to Education and Health Services**—in which food aid is used to help meet the immediate food needs of roadworkers and their families while generating funds to upgrade workers' dwellings and improve their access to government health and education services. The improvements in health and average education level will enable many workers to move from poverty into more skilled work and greater food security. This activity will be phased over to government control by June 2004, when it is expected to be sustained by other donors and the Government.
- **Improving Rural Households' Access to Agricultural Services**—in which food aid provides food security for remote households during the agricultural lean season, enabling their labour to be used in constructing agricultural and social assets within the community. Construction of farm roads in particular will help improve not only agricultural production and marketing but also households' access to government education and health services. These improvements will in turn contribute to improvements in food availability, earning power and the alleviation of poverty.

These activities will be implemented in a manner consistent with WFP's broader commitments to development. Implementation will be gender and environmental sensitive,



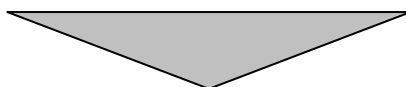
and all data will be disaggregated by gender. WFP will advocate on behalf of the food insecure a set of minimum conditions for employment and will encourage women to participate more fully in leadership and decision-making. Productive partnerships with other agencies will be promoted to ensure complementarity and synergy in development activities.

The CP recognizes that Bhutan may be subject to natural or man-made emergencies. At the request of the Government, the pipeline of resources for the CP and its transit sites will be managed in conjunction with the Food Corporation of Bhutan (FCB), to make provision for a rapid response to such situations should they arise.

The CP for Bhutan (2002–2007)—the basic and the supplementary activities—will provide assistance to about 255,000 food-insecure and remotely located people, and is estimated to require 37,175 tons of commodities, costing about US\$25 million. The resourcing of the CP relies upon continued strong support by donors for the School Feeding Initiative. Should the projected resources not become available, the CP would be scaled back, while maintaining the same relative proportions of the three activities.

For the proposed Bhutan CP, covering the period July 2002 to June 2007, the Executive Director requests that the Executive Board approve, subject to the availability of resources, US\$14.7 million, representing the direct operational costs (DOC) to WFP for all basic activities, and endorse an estimated US\$6.1 million for supplementary activities.

Draft Decision



The Board approves the Country Programme for Bhutan (2002–2007)
(WFP/EB.1/2002/7/2).



STRATEGIC FOCUS OF THE WFP COUNTRY PROGRAMME

1. Bhutan is a mountainous, least-developed, low income, food-deficit country with a population of about 658,000, of whom 30 percent is estimated to be vulnerable to food insecurity throughout the year, with a higher percentage seasonally. The focus of the Bhutan CP is to use WFP food assistance to contribute to halving the number of people who live in poverty by improving their access to social and agricultural services. The Ninth Five-year Plan and the UNDAF for Bhutan give priority to halving poverty by 2015. WFP's contribution will be in achieving the CP goal of improving rural, food-insecure households' access to education and health services and enabling them to increase their cash and in-kind incomes. This focus builds upon the CSO (EB.1/2001/7/4).
2. The Ninth Plan's priority is, "to develop the social and infrastructure sectors through quality education and health services, enhance productive capacities and income in the rural areas through rural access and poverty-alleviation programmes, and further develop the private sector."
3. The people most vulnerable to food insecurity have an average income of around US\$1 per day in cash or their own production of farm produce. They are located in villages or worker camps remote from health and educational services and from potential markets for their limited, periodic food surpluses. In order to develop socially and economically, join the cash economy and achieve food security, these people need assistance to: (i) create better access to markets and services, (ii) increase agricultural production, (iii) raise their educational levels and (iv) create an environment that fosters private-sector income-generating activities. In this regard, the lack of labour and the absence of an adequate road network are probably the most significant constraints on development.
4. The Government is addressing the improvement of the quality and expansion of health and education services and agricultural production and marketing with assistance from bilateral donors and relevant United Nations agencies. WFP's assistance will support the Government's efforts by increasing rural people's access to these services through enabling the people temporarily to divert their labour from subsistence to the creation of agricultural production and marketing assets, and creating the conditions for entrepreneurial development. WFP's assistance will also enable the Government to use its education budget to expand basic education. The Government's investment in education is already considerable; 13 percent of the national budget and recurrent costs in education are a growing burden.
5. These activities will be implemented in a manner consistent with WFP's broader commitments to development. Implementation will be gender and environmentally sensitive, and all data will be disaggregated by gender. WFP will advocate on behalf of the food insecure a set of minimum conditions for employment and the encouragement of women to participate more fully in leadership and decision-making roles. Productive partnerships with other agencies will be promoted to ensure complementarity and synergy in development activities.



6. In addition, the CP recognizes that Bhutan may be subject to natural or man-made emergencies. At the request of the Government, the pipeline of resources for the CP and its transit sites will be managed in conjunction with the Food Corporation of Bhutan, to make provision for a rapid response to such situations should they arise.

PROGRAMME OF COUNTRY ACTIVITIES

7. In accordance with decision 1999/EB.A/2 of the Executive Board, WFP focuses its activities on five priority areas. Under the above activities, this CP addresses priorities 2 and 3 of WFP's Enabling Development policy, responding to:
 - **through school feeding:** remote rural children's need for food, to travel long distances to school or to study in boarding schools;
 - **through food for work and a generated social development fund:** roadworkers' and their families' need for formal and non-formal education, childcare and basic health services; and
 - **through food for work:** the food security needs of poor rural households while they invest their labour in productive assets and the creation of farm roads for improved access to education and health services

COUNTRY PROGRAMME RESOURCES AND PREPARATION PROCESS

8. The preparation of the Bhutan Country Programme has involved all stakeholders at every stage. A Policy Review Mission in 1999 confirmed that:
 - WFP should continue support to Bhutan;
 - WFP assistance should be in the form of a Country Programme coinciding with the Ninth Five-year Plan and harmonized with the rest of the United Nations system in Bhutan; and
 - WFP should concentrate its assistance on three sectors: education, roads and rural development.
9. Following the Policy Review's advice, a CSO was prepared and presented to the Board in 2001. The CSO recommended phasing out support for the Department of Roads' (DoR) national workforce, as, in its current form, it did not meet the requirements of WFP's Enabling Development policy. The CSO also recommended continued assistance with school feeding, but with sharper targeting to those schools serving children from remote locations, and the piloting of WFP assistance to the Government's integrated agricultural development initiative. The CSO also recommended that a study be undertaken to describe more clearly the extent and location of food insecurity in Bhutan. The Asian Development Bank funded a study conducted by the Government, which concluded that around 30 percent of all households are food insecure.
10. This CP document is based on the CSO and was prepared concurrently with the Common Country Assessment (CCA)/UNDAF and the Government's preparation of its Ninth Five-year Plan. The CP thereby benefited from the joint CCA and the data-collection and priority-setting of these processes. It is consistent with and contributes to the achievement of the hierarchy of goals thereby established under the leadership of the Government.



11. The Ninth Five-year Plan was developed using for the first time a highly participatory approach. Each household was represented directly at block (*geog*) meetings to establish needs and priorities. Each *geog* was represented at the district (*dzongkhag*) level, where *geog* plans were synthesized for sequencing, funding and incorporation in the national plan by the central government ministries.
12. While this process will require further refinement for the development of subsequent plans, it is a significant step towards ensuring that the Bhutanese people determine their own development needs and priorities and are therefore committed to ensuring their efficient implementation and sustainability. With the increasing decentralization of decision-making and responsibility to the *dzongkhag* and *geog* levels, not only planning but also implementation will become a local responsibility.
13. The Government has adopted a rational planning model with extensive use of the logical framework. This will facilitate the development of national plan, UNDAF and CP indicators of progress, which will assist managers with feedback and information for accountability.
14. The transparency, openness and cooperation that have characterized the development of the CP, UNDAF and Ninth Plan are typical of the interaction between the Government, donors and United Nations agencies in Bhutan. With largely common approaches, common aims and goodwill on all sides, the complementarity and synergy desired of multi-agency development cooperation is achievable in Bhutan.
15. WFP's CP assistance to the Ninth Plan's goal will require the following allocation of resources to provide assistance to approximately 255,000 beneficiaries:

TABLE 1: ALLOCATION OF RESOURCES TO DIFFERENT ACTIVITIES
(BASIC PLUS SUPPLEMENTARY ACTIVITIES)

Activity	Beneficiaries		Tonnage (mt)	Value (US\$)
	Male	Female		
Improving Rural Children's Access to School	119 637	106 274	29 766	13 007 055
Improving Roadworkers' Access to Education and Health Services	11 562	13 038	4 649	1 431 180
Improving Rural Households' Access to Agricultural Services	2 136	2 314	2 760	825 000
Subtotal	133 335	121 626	37 175	15 263 235
Total	254 961		37 175	15 263 235

16. Of the above total allocation, 22,842 mt of food at commodity costs of US\$11,297,290 are required for the basic activities. This includes 2,888 mt of canned fish, which will be made available from existing stocks. The supplementary activities consist of a proportional expansion of the three basic activities and require 14,333 mt, amounting to US\$3,965,945 in commodity costs.



17. For resourcing of the supplementary activities, the CP relies largely upon continued strong support by donors for the School Feeding Initiative. Implementation of supplementary activities will be subject to the availability of bilateral or multilateral funding. All WFP resources depend on voluntary donor contributions. Should the projected resources not become available, the Programme would be scaled back, while maintaining the same relative proportions for the three activities.

COUNTRY PROGRAMME ACTIVITIES

Activity 1: Improving Rural Children's Access to School

Strategic Focus

18. Improving Rural Children's Access to School (school feeding) addresses Enabling Development policy priority 2: enable poor households to invest in human capital through education and training. It will enable children from remote, food-insecure households to attend school by removing the burden of providing food for school meals or additional provisions for lengthy travel to school and by compensating households for the loss of schoolchildren's productive labour.

Problem Analysis

19. Close to 80 percent of Bhutan's population lives in rural areas and is dependent upon subsistence farming. The difficult mountain terrain and climate, limited communications and highly scattered settlements impede access to schools. The education-sector strategy notes that the biggest challenge to providing universal basic education in Bhutan lies in enrolling and retaining those children from poor and food-insecure families of remote communities. The Government envisages universal enrolment at primary and lower secondary schools by 2007. To achieve this, school infrastructure has to be expanded not only to allow for increased enrolment rates but also to accommodate the growing number of school-age children resulting from the population growth rate of 2.5 percent.
20. There has been a steady rise in girls' enrolment, which 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 8.3 percent, as compared with 5.9 percent for boys. While there is no major gender difference in enrolment at the primary level, a gender gap appears in enrolment at the middle secondary school level. At present, girls represent 46 percent of both primary and lower secondary schoolchildren, in contrast with just 43 percent of middle secondary schoolchildren.
21. According to official regulations, only students living more than 5 km away from a school are entitled to boarding facilities. It takes young children two to three hours to walk 5 kilometres. Such long walks consume a lot of energy, and so, upon reaching school, the children are hungry. The Government intends to reduce the maximum walking distance to 3 km, which will require more schools and boarding facilities.



📌 Objectives and Intended Outcomes

Goal

22. The goal of this activity is to increase the percent age of poor, food-insecure people in remote areas who have received 10 years of basic education (grades 1 to 10). By reducing the cost of education to poor, food-insecure families, WFP assistance will help them to access basic education for all of their children, thereby reducing the gender gap. The education they gain will be a personal asset that will help to reduce poverty.

Purpose

23. The objectives of the project are:

- to help increase enrolment and reduce the drop-out rate of students up to grade 10 in all rural boarding schools;
- to help increase enrolment and improve regular attendance of day students, especially girls, from remote areas in less accessible schools; and
- to improve children's attention at school by increasing their food intake. (WFP's confidence in achieving this objective is based upon previous, substantial experience and research of school feeding projects.)

Outcomes

24. The activity will have the following outcomes:

- an increase in the national percent age of school-aged children enrolled in classes up to grade 10;
- an increase in the attendance of children enrolled in the participating schools;
- a reduction in the drop-out rate for each grade up to grade 10; and
- closing of the national gender gap in school enrolment for each age cohort of school-aged children.

Outputs

25. The activity will have the following outputs:

- an average of 27,400 boarding students at primary schools (PS), lower secondary schools (LSS) and middle secondary schools (MSS) having received two meals per day during 295 days per year for five years;
- an average of 13,900 day students at selected remote primary and community schools having received two meals per day during 230 days per year for five years;
- an average of 1,800 day students at LSS having received one meal per day during 230 days per year for five years; and
- at least 49 percent of the above students having been females.



✧ *Role and Modalities of Food Aid*

26. The roles of food aid will be to:
- enable poor, food-insecure families to enrol their children in schools, and to maintain their regular attendance by reducing the cost of education to their families;
 - provide a nutritional supplement for students in WFP-assisted schools to augment the local diet, which is known to be low in protein and micronutrients; and
 - alleviate short-term hunger and help meet classroom energy requirements.
27. The students in community, primary, lower secondary and higher secondary boarding schools receive two meals from WFP. The third meal in the community and primary schools is contributed by the parents. In the lower secondary and high secondary boarding schools, a stipend from the Government covers the third meal. The targeted day students in community and primary schools receive breakfast and a mid-day meal from WFP. Lower secondary day students will receive one mid-day meal per day.

✧ *Food Inputs and Commodity Justification*

28. The food basket is designed to address the low protein intake of children from poor households and the higher nutrient requirements of older children. The specific daily rations for the different student groups are provided in the table below:

TABLE 2: DAILY FOOD RATIONS FOR THE DIFFERENT TYPES OF WFP BENEFICIARIES										
School	Student type	Rice	Kharan	Pulses	Oil	Fish	CSB	Sugar	Protein	Energy
										(g)
										(kcal)
Community & primary	Day	100	25	15	10	25	25*	17.5*	22.8	830
	Boarder	200	50	30	20	50		15	35.5	1 390
Lower secondary	Day	125	25	15	10	30		10	21	811
	Boarder	250	50	30	20	60		20	41	1 621
Middle secondary	Boarder	300	50	20	20	60		20	42	1 767

* Breakfast for community and primary students comprises 10 g sugar and 25 g corn-soya blend (CSB). This equals 135 kcal and 5 g protein.

✧ *Implementation Strategy*

29. To identify eligible community and primary day schools, the Department of Education (DoE), based on the recommendations of a recent study (June 2001), will conduct a targeting exercise to be completed in November 2001.
30. The DoE has the overall responsibility for the implementation of the WFP-supported school feeding activity. Responsibility for school planning and management has been given to the district (*dzongkhak*) administration under the Government's decentralization plans. At the school level, the head teacher will be in charge of school feeding, including the receipt and distribution of commodities and reporting. He/she is considered the key to quality improvement and cost-effective implementation of school feeding. Community-level management of education is seen as a cornerstone of effective development, and to that end, the Ninth Five-Year Plan makes provision for the increasing



involvement of parents and community members in the management and functioning of schools.

31. The Food Corporation of Bhutan, a parastatal organization, is responsible for the receipt, central storage, handling, transportation and delivery of the commodities. FCB will deliver commodities directly to the schools accessible by road; in case of off-the-road schools, FCB will deliver the commodities to the nearest of the existing 16 FCB/WFP transit stores. The schools concerned will then hire porters or ponies at national standard and fixed rates to transport the commodities from these stores to the schools. These transport costs will be borne by the district administration. The DoE will finance the construction of kitchens and storerooms, provide dining hall furniture, cooking utensils and stoves; will pay the salaries of cooks; and will cover the costs of cooking fuel.
32. Under the Ninth Plan, enrolment and attendance are expected to increase and stabilize. With the construction of an increasing number of day schools close to the communities, children will no longer have to walk long distances to attend school. In secondary schools, cost-sharing arrangements with parents are intended to allow WFP to withdraw its assistance. Bhutan is likely to experience appreciable economic growth rates by expanding its hydropower capacity, so export revenues will reach levels that may allow the Programme to phase over its support for education to the Government. However, a mid-term assessment in 2005 will determine to what extent the phase-over is realistic, and a phase-over plan of action will be developed.

📌 *Beneficiaries and Intended Benefits*

33. Students receiving WFP-supported school meals are expected to gain the benefit of a basic education that their families would not otherwise have been able to afford. The education gained should subsequently enable the students to earn a higher income, be more food secure and realise the wider benefits of education. It is expected that the number of student beneficiaries will increase from around 39,000 per annum at the beginning of the CP to close to 48,000 by 2007. At least 49 percent of beneficiaries will be female. Table 3 shows the projected number of beneficiaries for the five-year period of the CP, based on the DoE's estimates of enrolment for various levels of school.

TABLE 3: NUMBER OF BENEFICIARIES PER YEAR BY DIFFERENT GRADES

Year	Community & primary		Lower secondary		Middle secondary		Total beneficiaries	
	Boarder	Day	Boarder	Day	Boarder	Day	Boys	Girls
2002–2003	7 160	12 248	7 470	2 414	10 200	0	20 136	19 356
2003–2004	7 621	13 019	8 142	2 122	10 200	0	20 963	20 141
2004–2005	8 116	13 862	8 875	1 796	10 200	0	21 852	20 997
2005–2006	8 667	14 801	9 940	1 295	10 200	0	22 900	22 003
2006–2007	9 274	15 843	10 835	1 402	10 200	0	23 777	23 777

📌 *Support, and Coordination and Partnerships*

34. Concurrent with WFP's food assistance, the Government plans major investments in the education sector under the Ninth Five-year Plan, including the construction of more than 100 community primary schools, 26 lower secondary and 23 middle secondary schools. Moreover, 20 resource (information technology) centres will be built, infrastructure of



DoE headquarters will be upgraded, and teacher training will be expanded with Asian Development Bank (ADB) assistance. Principal donors will be Denmark, Switzerland and UNICEF. International Development Association (IDA) loans from the World Bank will supplement additional resource needs for infrastructure development. Support from the Government of India, which substantially contributed to the sector in the past, is expected to continue.

35. WFP will continue to participate in regular donor coordination meetings and to maintain both its strong relationship with the DoE in general and its cooperation through the DoE/WFP Coordinator. The Programme will also participate in the Bhutan United Nations system's Theme Group on Education, which coordinates the work of the agencies working in the education sector. And it will also work closely with the FCB on the purchase and distribution of the food commodities.

Activity 2: Improving Roadworkers' Access to Education and Health Services

📌 *Strategic Focus*

36. Improving Roadworkers' Access to Education and Health Services provides assistance for two years in the priority area identified by Enabling Development policy priority 2: enable poor households to invest in human capital through education and training. The activity will be phased-over to the Government and WFP assistance will cease at the end of June 2004.

📌 *Problem Analysis*

37. This activity is the phase-over to the Government of WFP's assistance to the Department of Roads' national workforce, which is being implemented as a project. The goal of the current project – to maintain and extend the national road system—is not consistent with WFP's Enabling Development policy in that the assets created do not belong to the beneficiaries. The new CP activity will focus on the access of beneficiaries to schools and health services so that they are enabled to develop personal education and health assets. It will also provide the Government with a sound foundation for continuing support to the social and economic development of the DoR national workforce, one of the most vulnerable groups in the country.
38. The national workforce comprises about 4,000 largely illiterate labourers, of whom 53 percent are women. The national workforce and the casual labourers are among the neediest and most food insecure people in the country. Approximately two thirds of their income is spent on food and other necessities. A majority of them have migrated from food-deficit areas, where landholdings cannot entirely support their livelihood. They live in DoR-provided dwellings that are located mostly in remote areas with limited access to school, health, market and other facilities. Sixty-four percent of dwellings do not have sanitation facilities, and 72 percent do not have access to clean water. Many of the dwellings are temporary and do not provide adequate protection during the monsoon and winter. Only 28 percent of roadworkers' children attend school, with daughters often being kept at home to provide childcare for their siblings. In the absence of alternative care arrangements, some children are taken to the worksite, where they are exposed to unhealthy conditions and hazards.
39. While the Government recently increased the salary of roadworkers by 100 percent, and has invested in social and physical infrastructure through counterpart funds, the lack of



adequate resources inhibits further investment to raise roadworkers from poverty. Therefore, assistance is required to meet their immediate food needs and enable them to access and create social infrastructure.

➤ *Objectives and Intended Outcomes*

Goal

40. The goal of this activity is to increase the standards of education and health of the DoR's national workforce. With the personal assets of improved education and health, the roadworkers will be better able to alleviate the conditions of acute poverty.

Purpose

41. This activity has three objectives:

- to improve the immediate access of labourers and their families to adequate food and nutrition;
- to increase their access to education, health, childcare, non-formal education and skills training; and
- to have roadworkers housed in dwellings suitable for the climate and to facilitate their access to a safe water supply and sanitary facilities.

Outcomes

- reduced number of worker sick days taken;
- increased percentage of workers' children enrolled in school, at least 49 percent of whom will be female;
- reduced number of children at the worksites.
- increased number of workers and family members, particularly women, who have completed a non-formal or skills training course; and
- reduced percentage of roadworkers' children who are undernourished.

Outputs

- 4,000 labourers' households regularly receiving the WFP ration of food in return for work undertaken to maintain the national road network;
- at least 300 new worker dwellings that meet minimum standards, including a safe water supply and effective sanitation;
- worker dwellings located within two hours walk of a school, or transport provided to and from school;
- an increased percentage of workers' families able to attend a hospital, basic health unit or health outreach services within two hours' walk of their dwelling;
- community child day-care services established at roadworker camps with trained attendants/supervisors; and
- non-formal education and training courses available to at least 25 percent of workers and their families.



📌 *Role and Modalities of Food Aid*

42. The food aid enables a portion of the roadworkers' cash wages to be contributed to a social development fund. The fund will be used to help relocate worker camps and dwellings, build improved dwellings, provide transport to schools and health centres as necessary and build and staff camp day-care centres. Food aid will serve as a food-for-work incentive to the workers for their maintenance of the national road system.
43. The workers will receive their food rations—family or single rations as required—for each working day. Day-care attendants will receive a single food ration for each workday. The ration will comprise rice, pulses, vegetable oil and iodized salt. In addition, CSB will be provided to expectant and nursing mothers and to small children.

📌 *Implementation Strategy*

44. The DoR will have overall management responsibility for the activity. It will work in partnership with the Ministry of Health and Education as well as with UNICEF, UNFPA, and the United Nations Capital Development Fund (UNCDF) wherever appropriate. A coordination committee will be established to schedule, target and concentrate resource contributions and to guide field operations.
45. A fund management committee (the Technical Coordination Committee [TCC]) comprising 50 percent female and 50 percent male representatives of the roadworkers, the DoR and other collaborating agency officials will manage the use of the social development fund. The committee will review funding proposals (giving preference to those that have the greatest benefits for women), ensure that they are technically sound and feasible; set priorities; endorse building plans; and initiate action for fund release and implementation. Development activities will be identified by the roadworker communities and sent to FMC through DoR Divisional Offices for technical review and endorsement for implementation. The roadworker communities will be involved in the construction and maintenance of community assets.
46. To promote the complementarity of inputs from each agency, coordination committees will be established at the DoR division and sub-division levels, with representation from the partner agencies, roadworkers and DoR technical support staff.

📌 *Food Logistics*

47. The FCB will supply the food commodities to the DoR field divisions, and each month the field divisions will transport the food commodities to the road camps for distribution. The divisional offices of the DoR will arrange for storage of the food commodities, until distribution.

📌 *Phasing Over*

48. Project BHU 5822 has provided valuable assistance to the roadworkers, supplementing their wages with food, and thereby enabling the Government to utilize its savings in providing improved living and work conditions for the workers. However, most of the housing and other assets created under this project remain under the control of the DoR and not the roadworkers, making the project inconsistent with WFP's Enabling Development policy. WFP support to the project will therefore be halved in 2003 and terminated in June 2004, as recommended by the Bhutan CSO. The Government will increase its support as WFP's support is withdrawn.



✧ *Beneficiaries and Intended Benefits*

49. The beneficiaries of this activity will be 4,000 workers and 16,000 of their family members. Workers will receive WFP food rations consisting of rice, pulses, oil and salt for each working day. In addition, all expectant and nursing mothers will receive CSB, and the workers' children in day-care will receive a morning drink or an afternoon porridge that will provide 43 percent of their daily calorie and 70 percent of their daily protein requirements.
50. Some 1,300 households will receive the benefits of proper housing, sanitation or drinking water supply, to be provided through the counterpart fund. In addition, 1,000 children will be able to attend school; 2,500 mothers and children will receive health education and medical care; 900 smaller children will receive day-care services established by the community; and 1,000 men, women and adolescent boys and girls will receive non-formal education and skills training. The Ministry of Health and Education and UNICEF will organize the provision of the necessary services.

✧ *Support, and Coordination and Partnerships*

51. Coordination will take place at the central, divisional, sub-divisional and community levels, as described above. The DoR will have overall management responsibility in cooperation with the Ministry of Health and Education. The World Health Organization (WHO) and other United Nations agencies are supporting services in education, health and reproductive health. These agencies will provide technical and service support.
52. Both the DoR/WFP Coordinator and DoR Social Welfare Officer will play a major role in managing the activity, and they will liaise with collaborating service delivery agencies at the operational level.

Activity 3: Improving Rural Households' Access to Agricultural Services

✧ *Strategic Focus*

53. Improving Rural Households' Access to Agricultural Services addresses primarily Enabling Development policy priority 3: make it possible for poor families to gain and to preserve assets.

✧ *Problem Analysis*

54. Poor subsistence farmers in remote areas experience a lean period of two to four months each year, when they can maintain food security only through household members' migrating to undertake construction work. This prevents them from using their own labour to create and maintain farm assets, such as access roads and small-scale irrigation schemes. Creation of these assets would enable them to increase agricultural production and this would enable them to achieve year-round food security.
55. These households are also distant from formal and non-formal education and health facilities. This makes it difficult for expectant and nursing mothers to obtain the necessary care and advice on reproductive health and nutrition. Farm roads and tracks will reduce travel time and difficulty and thereby enable more of these households to access education and health facilities.
56. WFP assistance will provide food security for households that would normally be forced to undertake off-farm labour during the lean season. The household labour will instead be



used to create integrated agricultural development assets that will improve access to markets, education and health facilities and agricultural production.

📌 **Objectives and Intended Outcomes**

Goal

57. The goal of this activity is to improve the access of rural households to agricultural, education and health services.

Purpose

58. The objective of this activity is to invest in creating productive assets, leading to increased agricultural production, improved storage, better marketing and improved access to education and health facilities.

Outcomes

59. The outcomes and targets will be determined in detail during the activity preparation, when the agriculture component of the Ninth Five-year Plan will be available.

Outputs

60. The intended outputs are community assets—such as farm roads, irrigation schemes and food storage facilities—completed as per MoA annual plans.

📌 **Role and Modalities of Food Aid**

61. The food aid will cover most of the food needs of the farm families during the lean season. Therefore, families can use labour to create farm roads, small-scale irrigation schemes and food storage facilities, without threatening their food security. The food aid will be provided for performance against work norms for the construction of these community assets.

📌 **Food Inputs and Commodity Justification**

62. Rice is the preferred staple, but as this alone would not help to address the undernutrition of the people. A balanced ration of rice, pulses and cooking oil will be provided by WFP.

📌 **Implementation Strategy**

63. The MoA will be the executing agency working through the *dzongkhag* and *geog* structures to plan and implement the asset-construction projects. *Geog*-level food management committees will be formed, comprising at least 50 percent women, in coordination with the concerned *dzongkhags*, and will be responsible for the identification of the households that meet the agreed-upon criteria for food aid assistance and for distributing and accounting for food allocations.

📌 **Beneficiaries and Intended Benefits**

64. About 800 food-insecure farm households per year in 46 food-deficit *geogs* will benefit from the activity. The beneficiary households comprise approximately 2,000 males and 2,000 females.



65. The beneficiaries will be selected on criteria agreed upon with the MoA and DYT's (district development committees) (*dzongkhag* administration) including that: (i) the households within the communities normally spend the agricultural lean period labouring off farm to maintain their food security and, (ii) they commit to participate and complete work norms on the creation of the community assets.

📌 **Support, and Coordination and Partnerships**

66. The Government's MoA will provide through its central offices and those of the concerned *dzongkhags* and *geogs*, the design and oversight capacity for the activities. MoA and *geog* development committees (GYTs) will maintain the records of the activity and furnish agreed-upon data for reporting. The Ministry of Health and Education will be responsible for the facilities and programmes in non-formal and formal education and the health services, supported by WHO and UNICEF. The *dzonghak* and *geog* administration will be supported by UNDP/UNDCF. The Government's total contribution to the activity is estimated to be US\$8,166,000.
67. The Integrated Agricultural Development programme of the MoA and the support of WHO, UNICEF and UNDP/UNDCF are coordinated through the Ninth Five-year Plan.

Support Activities

68. WFP will be an active partner in the United Nations theme groups on education, health and agriculture. These groups include government and bilateral donor representatives and will work to elucidate issues and formulate policy suggestions for consideration by the Government. WFP's particular role in these groups is to encourage and support the collection, analysis and use of statistics that will assist in the better targeting of food assistance and in identifying creative means to utilize food aid for the eradication of poverty in Bhutan. The Government is planning a similar inter-disciplinary group to address dietary deficiencies, and WFP expects to be able to contribute substantially to this. During the CP period, a number of advocacy activities are planned. For example, the United Nations system sponsors a radio programme on its activities in Bhutan; each agency is allocated a number of spots on this programme. A campaign promoting greater public awareness of the special nutritional needs of women and small children will be advanced through this medium. WFP will maintain its leading role in promoting girls' education. The regular meetings of the donors' forum, and WFP's involvement in the preparation of the Country Human Development Report will provide opportunities to ensure continued collaboration of aid agencies in Bhutan and complementarity in activities and targeted areas.

Key Issues, Assumptions and Risks

69. Bhutan has, thus far, proven to be an extraordinarily efficient and committed development partner. The kingdom boasts of a compact, motivated and highly educated civil service. Bhutan is indeed a small country and cannot afford to have a large civil service. The down side, however, is that civil servants are more often than not overworked; responsible for too many projects, programmes or donors; and responsible for attending too many workshops and meetings. This is a major challenge in the appraisal and implementation of the CP activities, but the UNCDF assistance for strengthening districts and *geogs'* capacity to support decentralization and the use of consultants will minimize this difficulty.
70. In addition, the Government's plans to achieve education for all and to assume full resourcing of the roadworkers' needs are ambitious and may encounter difficulties in



timing and funding. Both plans involve substantial budgetary increases for capital, and recurrent costs. While government revenue is expected to rise significantly during the planning period, particularly through revenue from major hydroelectric generation schemes that will be commissioned, unforeseen circumstances may delay the Government's capacity to meet the increased costs in the education and communications sectors. This should be a major focus of the CP's mid-term review and in the design of a phase-out strategy for WFP assistance.

PROGRAMME MANAGEMENT PROCESS

Appraisal

71. Upon approval of the CP, WFP country office staff and the concerned government departments will finalize the design of each of the activities. Technical and design consultants will address appraisal of these designs and technical issues, as required. The relevant technical agencies of the United Nations system will also be invited to participate.

Implementation

72. The implementation of the CP will require continued close collaboration between the WFP country office and the Government, as well as regular liaison with other concerned donors. It will also require a review of the monitoring procedures to ensure that they meet the requirements both for the introduction of the Commodity Movement Processing and Analysis System (COMPAS) and the requirements of the new Country Office Report (COR), and to ensure that the latter provides the data necessary for management of the activity.
73. To meet the demands of a better monitoring system for commodities and results, it may well be necessary to expand the number of national officers at the country office. Should this be necessary, the cost will be contained within the direct support costs (DSC) generated by the activity.

Programme Monitoring and Audit

Monitoring and Evaluation

74. During the appraisal of Activity 3, Improving Rural Households' Access to Agricultural Services, the targets, outcomes, outputs and inputs will be detailed in a logframe that will provide indicators for regular monitoring. The indicators will comply both with the commitments on accountability and reporting to the Executive Board made by WFP in its Strategic and Financial Plan, 2002–2005, and with the MoA's system that is currently being revised. The WFP country office, in collaboration with the Government, will be responsible for monthly monitoring throughout the months of CP activity implementation. For Activities 1 and 2, the CP logframe (Annex II) provides—with the Strategic and Financial Plan, 2002–2005—the basic indicators of progress for the CP activities.
75. These indicators will determine the core information required in the Quarterly Progress Reports (QPRs) of the DoE Coordinator and will contribute to the information used to manage the activity. The commodity pipeline will be the subject of weekly reports by FCB to WFP, and the quantity and location of commodities will be tracked with the inputting of this data into COMPAS.



76. CORs, which will include progress as shown by the indicator data of the QPRs and consequent management recommendations and decisions, will be provided to the Asia regional bureau and entered in the WFP Information Network and Global System (WINGS) as it becomes available to the country office. These reports will provide the material for the compilation of the Standard Project Reports and the WFP Annual Performance Report. Oversight of project implementation will be maintained by WFP through regular field monitoring visits. Additional monitoring strategies are under review by the Department of Education and the WFP country office in recognition of the planned participation by school management boards and parent-teacher associations.
77. Periodic review of the above reports will enable a judgement to be made as to the need for a formative (during implementation) evaluation of the activity to explain its outputs and outcomes and to learn lessons from it and similar activities. These reports will also provide the basic gender-disaggregated data required for an ex-post (after inputs have ceased) evaluation of the activity.
78. The Royal Audit Authority will audit all WFP activities annually. Its audits have proven to be rigorous and exhaustive, with the findings being actively followed up. Monitoring of the CP has been described above under each activity.

Supplementary Activities

79. The CP for Bhutan consists of three basic activities (Improving Rural Children's Access to School; Improving Roadworkers' Access to Education and Health Services; and Improving Rural Households' Access to Agricultural Services), as described above. If adequate additional resources are available, WFP, jointly with the Government, will fully implement the activities as described. Should resources be insufficient, the activities will be reduced in scale to match the resources available, with the relative size of each activity preserved.

Evaluation

80. Formative evaluation either of the activities or of the CP as a whole will be agreed upon with the Government should the monitoring data suggest that the assistance is working particularly successfully, is not being successful or may yield some useful lessons for other activities or programmes. The Office of Evaluation (OEDE) and the regional bureau will be consulted on the Terms of Reference, staffing and timing of any evaluation. A mid-term CP evaluation will be undertaken to assess the continuing relevance of WFP assistance. A summative or ex-post evaluation will be mounted at the request of OEDE.

RECOMMENDATION

81. For the proposed Bhutan CP, covering the period July 2002 to June 2007, the Executive Director requests that the Executive Board approve, subject to the availability of resources, US\$14.7 million, representing the direct operational costs (DOC) to WFP for all basic activities, and endorse an estimated US\$6.1 million for supplementary activities.



ANNEX I

EXECUTIVE SUMMARY OF THE BHUTAN CSO (WFP/EB.1/2001/7/4)

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.

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.



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 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.

HIGHLIGHTS OF THE DISCUSSION HELD DURING THE EXECUTIVE BOARD ON THE CSO FOR BHUTAN

The Board commended the CSO for its problem analysis, which highlighted that a significant portion of the population was food insecure and that low birth weight and malnutrition were still exceptionally high. Two representatives proposed that the analysis be sharpened further with respect to inheritance rights and the gender division of labour in households. It was also pointed out that the Government of Bhutan had postponed the target of achieving universal primary school enrolment by 2002. Considering the limited data available, the Board welcomed the fact that WFP would soon conduct baseline food security studies in order to identify and target the most food insecure populations.

One representative praised the CSO's emphasis on the social sector and confirmed the intention to provide additional resources for children's education. The representative also stressed the medium-term need for continued assistance, in light of a potential increase in social tensions. Another representative questioned WFP's plan to continue food assistance to Bhutan and pointed out that food aid may not be an appropriate part of the longer-term solution to the country's problems. That representative requested that WFP collaborate closely with the Government to sustainably improve food security and phase out WFP assistance to the country by 2007. The Secretariat responded that the Government intended to reduce the need for food aid and advised WFP to strive to phase out as early as feasible. The Secretariat informed the Board that at the end of 2000 the Government announced that cash wage rates to road workers would be doubled. Responding to a query on the possible negative environmental effects of constructing rural roads, the Secretariat pointed out that



every proposal was assessed by the National Environment Commission before being approved.

Representatives expressed appreciation for the envisaged harmonization of the CP with the Ninth Five-Year Plan, and for WFP collaboration with the Government and IFAD on the new food-for-work activity. The representatives voiced appreciation also for WFP's plan to address, jointly with the Government and UNICEF, nutrition problems in the country.



COUNTRY PROGRAMME—BHUTAN (2002–2007) LOGICAL FRAMEWORK SUMMARY
--

Results Hierarchy	Performance Indicators	Assumptions
Country Programme Goal		
To contribute to halving the number of people in Bhutan who live in poverty.	Number of Bhutanese living below national poverty line.	Economy will expand to provide employment for majority of educated workforce.
Purposes of the Country Programme		
1. To increase the percentage of poor, food-insecure people in remote areas who have received an education to grade 10.	<p>National percentage of school-age children enrolled in classes up to grade 10.</p> <p>Frequency of attendance of enrolled children in the participating schools.</p> <p>Drop-out rate for each grade to grade 10.</p> <p>National gender gap in school enrolment for each age cohort of school-age children.</p>	Donors and government will ensure timely expansion of school infrastructure and improvements in the quality of education.
2. To increase the standards of education and health of the DoR's national workforce.	<p>Percentage of workers' children enrolled in school or attending day-care.</p> <p>Number of sick days taken by workers.</p> <p>Number of workers' children enrolled in school.</p> <p>Number of children at worksites.</p> <p>Number of workers and family members who have completed a non-formal or skills training course.</p> <p>Percentage of roadworkers' children who are undernourished</p> <p>Percentage of workers' families living in temporary dwellings.</p>	The Government, with ADB assistance, will be able to take over resourcing of the activity.



COUNTRY PROGRAMME—BHUTAN (2002–2007) LOGICAL FRAMEWORK SUMMARY
--

Results Hierarchy	Performance Indicators	Assumptions
<p>3. To enable time to be invested in creating productive assets, leading to increased agricultural production, improved storage and better marketing and improved access to education and health facilities.</p> <p>Major Outputs</p> <p>1. An average of 27,400 boarding students at PS, LSS and MSS having received two meals per day during 295 days per year for five years.</p> <p>An average of 13,900 day students at selected remote primary and community schools having received two meals per day during 230 days per year for five years.</p> <p>An average of 1,800 day students at lower secondary schools having received one meal per day during 230 days per year for five years.</p> <p>At least 49 percent of the above students' being females.</p> <p>2. 4,000 labourers' households regularly receiving the WFP ration of food in return for work undertaken to maintain the national road network.</p> <p>At least 300 new workers' dwellings that meet minimum standards including a safe water supply and effective sanitation.</p> <p>Workers' dwellings located within two hours' walk of a school, or transport provided to and from school.</p> <p>An increased percentage of workers' families able to attend a hospital, basic health unit or health outreach services within two hours' walk of their dwelling.</p>	<p>Change in production and income.</p> <p>Level of use made of farm roads to and from the settlements.</p> <p>Percentage of households able to reach education and health facilities within two hours' travel.</p>	



COUNTRY PROGRAMME—BHUTAN (2002–2007) LOGICAL FRAMEWORK SUMMARY
--

Results Hierarchy**Performance Indicators****Assumptions**

Community child day-care services established at road worker camps, with trained attendants/supervisors.

Non-formal education and training courses available to at least 25 percent of workers and their families.

3. At least 4,000 individuals from targeted households receiving WFP family rations for work undertaken through the lean season.

Farm roads, irrigation schemes and food storage facilities completed as per MoA plans.



ANNEX III

BUDGET PLAN FOR BHUTAN COUNTRY PROGRAMME (2002–2007)

Basic Activities

	Activity 1	Activity 2	Activity 3	Total
Food commodities (mt)	18 535	2 728	1 579	22 842
Food commodities (value)	9 985 670	840 640	470 980	11 297 290
External transport	1 097 375	171 393	101 752	1 370 520
LTSH (total)	1 068 728	157 296	91 045	1 317 070
LTSH (cost per mt)	58	58	58	58
ODOC	620 823	59 499	30 893	711 215
Total direct operational costs	12 722 596	1 228 829	694 671	14 696 095
DSC ¹	904 932	133 189	77 090	1 115 212
ISC ²	1 066 847	106 237	60 197	1 233 282
Total WFP costs	14 744 375	1 468 255	831 958	17 044 589

¹ The DSC amount is an indicative figure presented to the Executive Board for information purposes. The annual DSC allotment for a Country Programme is reviewed and set annually following an assessment of DSC requirements and resource availability.

² The ISC rate may be amended by the Executive Board during the period covered by the Country Programme.

BUDGET PLAN FOR BHUTAN COUNTRY PROGRAMME (2002–2007)

Supplementary Activities

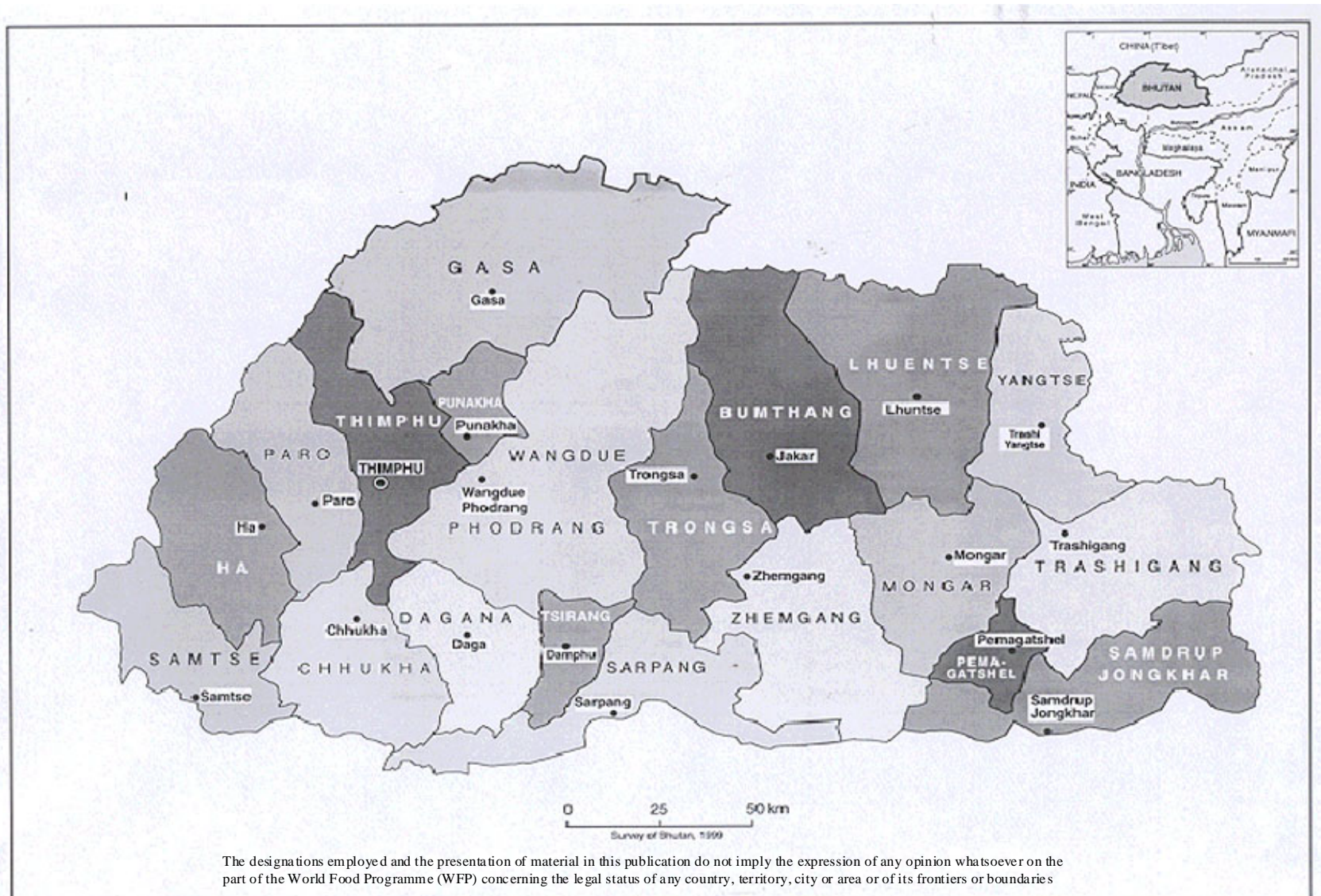
	Activity 1	Activity 2	Activity 3	Total
Food commodities (mt)	11 231	1 921	1 181	14 333
Food commodities (value)	3 021 385	590 540	354 020	3 965 945
External transport	688 585	107 547	63 848	859 980
LTSH (total)	647 579	110 765	68 096	826 441
LTSH (cost per mt)	58	58	58	58
ODOC	376 177	41 898	23 107	441 182
Total direct operational costs	4 733 727	850 749	509 072	6 093 548
DSC ¹	548 330	93 789	57 660	699 778
ISC ²	412 000	73 674	44 205	529 879
Total WFP costs	5 694 057	1 018 212	610 936	7 323 205

¹ The DSC amount is an indicative figure presented to the Executive Board for information purposes. The annual DSC allotment for a Country Programme is reviewed and set annually following an assessment of DSC requirements and resource availability.


² The ISC rate may be amended by the Executive Board during the period covered by the Country Programme.



BHUTAN ADMINISTRATIVE MAP



ACRONYMS USED IN THE DOCUMENT

ADB	Asian Development Bank
CCA	Common Country Assessment
COMPAS	Commodity Movement Processing and Analysis System
COR	Country Office Report
CP	Country Programme
CSB	Corn-soya blend
CSO	Country Strategy Outline
DoE	Department of Education
 DoR	Department of Roads
DSC	Direct support cost
DYT	District development committee
FCB	Food Corporation of Bhutan
GYT	<i>geog</i> development committee
IDA	International Development Assistance
LDC	Least developed country
LIFDC	Low-income, food-deficit country
LSS	Lower secondary school
MoA	Ministry of Agriculture
MSS	Middle secondary school
PS	Primary school
QPR	Quarterly Progress Report
TCC	Technical Coordination Committee
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
WHO	World Health Organization
WINGS	WFP Information Network and Global System