



# Discussion Paper BRIEFS

Food Consumption and Nutrition Division of the International Food Policy Research Institute

*Discussion Paper 173*

## Food Aid Distribution in Bangladesh: Leakage and Operational Performance

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Donors support a number of targeted food-based programs in Bangladesh that are widely credited with providing poor people access to food and improving their food security. However, inefficiency in the food distribution system may be hindering the realization of the full benefits of these programs. The International Food Policy Research Institute (IFPRI) conducted a comprehensive study of the efficiency of food distribution in food aid-supported programs in Bangladesh. The capacity and efficiency of the food distribution system was assessed from entry ports to targeted beneficiaries. The study identified problems in the whole food distribution system, determined the level of losses, leakages, and other lapses at various stages, and recommended solutions. The study has three components: (1) food discharge at harbors, (2) the public food distribution system, and (3) food distribution to program beneficiaries. This brief summarizes the main findings and a few of the many key recommendations of the third component of the study.

### Insights from IFPRI Research

**Food distribution to program beneficiaries.** The analysis of food distribution at the beneficiary level focused on the performance of the Vulnerable Group Development (VGD) program and the Integrated Food Security (IFS) program.

**Findings.** The VGD is well established and widely known, while the IFS is relatively new. In both programs, however, survey results suggest that beneficiaries have clear knowledge of their entitlements and responsibilities—essential in ensuring minimum levels of social accountability in both programs.

Selection into the VGD program is primarily demand-driven, while the IFS program is more supply-driven. The study found no major anomalies in the selection process of either program. There are problems with transportation and handling of grains for distribution at the beneficiary level. While the VGD

program has provision to pay food distribution operators the transport and handling costs from local supply depots (LSDs) to distribution sites, lengthy delays or nonreceipt of transport and handling commissions are reported. Further, the commission is not sufficient to cover the costs. The survey also indicates that, on average, 3.5 percent less wheat is received from LSDs than is allotted. Another weakness in the VGD and IFS programs is the ration-weighing system at distribution sites. An absence of standardized weighing techniques and equipment makes monitoring and verification of program performance difficult.

One of the operating rules of the VGD program is that beneficiaries possess their VGD cards. However, 77 percent of VGD women did not possess their cards at the interview time. The majority of them reported that Union *Parishad* (UP) officials kept their cards.

Many beneficiaries reported selling part of the received wheat ration, using a sizable portion of the proceeds to buy rice, the preferred staple food. Further, VGD beneficiaries used about 22 percent of the sales proceeds to make the monthly savings deposit required by the program.

***The estimated average leakage in the Vulnerable Group Development (VGD) program due to short ration and undercoverage is 8 percent of the total wheat allotment. These losses are low by international and Bangladesh standards, and are due, in part, to monitoring and evaluation throughout the system and women's empowerment at the union level to hold program managers accountable.***

Estimating leakage due to short ration is problematic since quantities of wheat reported by beneficiaries are likely to be riddled with errors arising from weighing inaccuracies. For this reason, field surveyors of the study physically weighed ration amounts received by the beneficiaries. The estimated average leakage in the VGD program due to short ration and undercoverage is 8 percent of the

total wheat allotment. This leakage estimate corresponds to food distribution from the LSDs to the program beneficiaries. These losses are low by international and Bangladesh standards, and are due, in part, to monitoring and evaluation throughout the system and women's empowerment at the union level to hold program managers accountable.

## Implications for Food Assistance Programming Recommendations

1. Transportation and handling costs from the LSD to distribution centers should be assessed for each union, and transportation and handling allowances should be allocated in advance.

2. Care should be taken in selecting and monitoring the community-based organizations (CBOs) that support the IFS user committees.

3. Weighing of rations at distribution sites should be replaced by standard volume measures, using clearly calibrated and tamper-proof metal buckets.

4. Involuntary sharing of food rations violates program rules and the practice should be eliminated.

5. The operating rule regarding the possession of VGD cards should be strictly enforced.

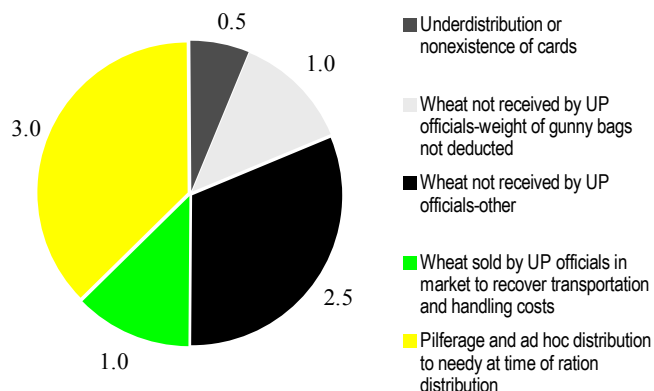
6. The Government of Bangladesh and the World Food Programme (WFP) should monitor program activities regularly to observe whether unauthorized activities persist in food distribution at the beneficiary level and to ensure that the beneficiaries receive good quality of wheat ration.

The report was submitted to the Government of Bangladesh in early October 2003. By December, the government—with WFP support—had already implemented some of the recommendations on a pilot basis.

Current activities and follow-up may include

- a pilot test of metal buckets for distribution in two districts;

Composition of 8 percent of Vulnerable Group Development (VGD) program leakage: Bangladesh (weighed rations)



- the placement of a WFP International Logistic Officer in the WFP country office to assist the Government of Bangladesh in remedial action;
- the formation of two special task forces by relevant ministries, and one inter-ministerial technical committee to implement actions and follow-up progress; and
- a review of the Local Transport, Storage, and Handling (LTSH) costs matrix, including selected EDP-based assessment.

**Keywords: food aid, food distribution, leakage, Bangladesh**

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