

Public food transfers during a pandemic: Insights from Bangladesh

Shyamal Chowdhury, Nahian Bin Khaled, Kalyani Raghunathan, and Shahidur Rashid

Public food transfer programs provide a lifeline for poor households that might otherwise face chronic food insecurity and hunger. These programs play a critical role in times of economic shocks that result in job losses and increased household vulnerability, as in the case of the COVID-19 pandemic. This is true not only for low-income countries, but also for countries at higher levels of development. In the United States, for example, more than 35 million people received food assistance in 2019 from its largest anti-hunger transfer program, the Supplemental Nutrition Assistance Program ([SNAP](#)). India's flagship food transfer program, the Public Food Distribution System (PDS), delivers subsidized food to almost 800 million people at a cost of US\$7 billion per year, equivalent to almost 1 percent of the country's annual GDP (Alderman et al. 2018). In Bangladesh too, there are several overlapping food transfer programs, such as the Vulnerable Group Development, Vulnerable Group Feeding, and Gratuitous Relief programs. The largest of these is Khaddo Bandhob Karmasuchi (Food Friendly Program, FFP), which provides subsidized rice during the two "lean" agricultural seasons to about 5 million ultra poor families (roughly 27.5 million people) at an average annual cost of approximately US\$380 million (GoB 2020). Since rice is the main source of calories for the poor, constituting about 60 percent of their calorie intake, the FFP is critical to ensuring that recipients can meet their basic caloric needs.

How did these anti-hunger transfer programs perform in reaching the poor during the COVID-19 pandemic? This question has direct policy implications for protecting the vulnerable and averting humanitarian crises. The FFP and other programs of its kind have the potential to serve as immediate shock absorbers and provide a buffer to the economic impacts of the pandemic. However, the scale and nature of this crisis was unanticipated, and in Bangladesh, this exposed several administrative and logistical limitations, some of which were further compounded by the movement

KEY MESSAGES

- Public food transfer programs provide a lifeline for the poor in both low-and high-income countries. Many countries stepped up these safety-net programs to respond to rising poverty and food insecurity related to the COVID-19 pandemic.
- Little is known about how effective public food transfers have been in reaching the poor. The Food Friendly Program (FFP) in Bangladesh, a well-performing program providing rice transfers to the poor, was evaluated to better understand the resilience of these programs during an unanticipated crisis.
- FFP rice distribution was down slightly in March and April 2020 as a result of the pandemic and the lockdown, and the effort to expand the program into May fared even worse, according to phone survey results.
- Future crisis responses could be improved by institutionalizing routine monitoring of program operational efficiency. Options in Bangladesh include creating a monitoring and reporting unit within the food ministry, and using a small-sample phone survey, complemented by periodic larger evaluations, to provide real-time analysis for policymakers.
- Globally, review of the performance of safety-net programs should be used to make them more robust, generous, and efficient to better avert a hunger crisis when the next calamity occurs.

restrictions imposed to control the pandemic. At present, little is known about the performance of transfer programs such as the FFP in times of large unanticipated shocks. Multiple studies have expressed concern over the increased incidence of [food insecurity and income loss](#) caused by the pandemic, and highlighted the urgent need to address implementation issues that may be exacerbated during this period, such as the [targeting and leakage of safety-net programs](#) (Mobarak 2020; Mottaleb et al. 2020). As countries

brace for a possible second wave of COVID-19, it is crucial that the extent of food insecurity and the effectiveness of public transfer programs be evaluated. To this end, IFPRI carried out an evaluation of the FFP response during COVID-19.

LEARNING ABOUT COVID EFFECTS THROUGH THE LENS OF THE FOOD FRIENDLY PROGRAM

Launched in 2016 as part of Bangladesh's extensive food security program, the FFP provides 30 kg of subsidized rice per month to eligible ultra poor households in the preharvest "lean" months of March and April (for the *boro* or dry season crop) and September, October, and November (for the *aman* or rainfed crop). Households must satisfy certain verifiable needs-based criteria to be eligible for FFP benefits. Although the government of Bangladesh did not loosen the eligibility criteria in response to the COVID-19 crisis, it did make an additional transfer of 30 kg of rice available to existing participants in the month of May 2020 – a temporary adjustment that made the program deeper but did not broaden it to include additional beneficiaries.

We selected the FFP for this evaluation both because it is the largest in-kind transfer program in the country, and because IFPRI had previously conducted a [study](#) of its performance in 2018 (Chowdhury et al. 2020). The 2018 study was based on a nationally representative sample of 4,526 poor households in 61 districts. The program was found to be performing remarkably well for one of its size, with few targeting errors and low amounts of leakage – for every taka spent by the government for the FFP, about 0.88 taka reached eligible beneficiaries, on average.

To understand the resilience of the FFP to unanticipated shocks, and to document the economic distress faced by households during the pandemic, a follow-up phone survey was conducted in August 2020 with a set of households from the 2018 survey for whom we had phone numbers. The survey team was able to reach 2,800 households in 61 districts.

ECONOMIC IMPACTS OF THE PANDEMIC ON THE POOR

The pandemic's immediate impact on poor individuals and households was felt through loss of employment, which led to reduced incomes and consumption. A [survey](#) conducted in June–July 2020 by the BRAC Institute of Governance and Development (BIGD) and the Power and Participation Research Centre (PPRC) reported that close to 20 percent of those who were employed in February had lost their jobs by June (PPRC-BIGD 2020). In addition, the nationwide lockdown imposed by the government to stem the spread of COVID-19 (known formally as the "general

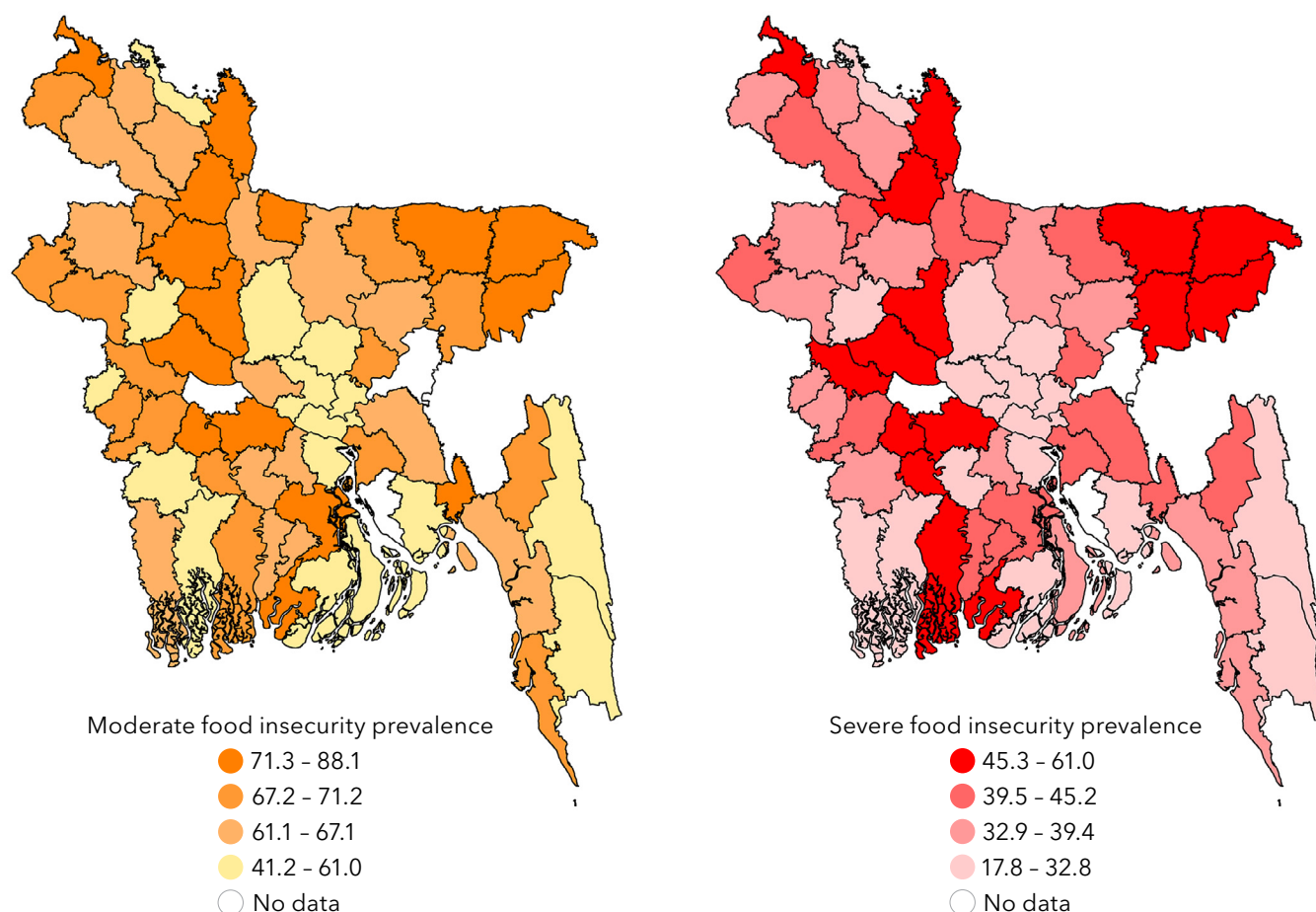
holiday") restricted the movement of people and goods, further reducing income-earning opportunities and hence household consumption. This was particularly devastating for the poor, for whom earning a daily wage makes the difference between eating and going hungry. A BRAC [study](#) in April 2020 estimated that extreme poverty would increase by 60 percent as a result of the lockdown (BRAC 2020).

Our survey highlighted the particularly severe impact of the pandemic on the poor. More than half our 2020 sample reported that the primary income-earning member in the household had lost their job due to COVID-19, and about a quarter of them were still unemployed when the follow-up survey was conducted. A staggering 90 percent reported that their total household income in July 2020 was less than their income pre-pandemic (March 2020) or in the same month in the previous year (July 2019). Unlike other sectors of the population, it is not surprising that most FFP recipients were affected by the shock, as these are the poorest of the poor who rely on informal sector jobs or work as wage laborers.

How did households respond to the shock? In the absence of any formal unemployment insurance, households resorted to several coping strategies. Close to 90 percent of the sample reported reducing expenditure on nonfood items, like clothes and education; 76 percent reported drawing down their savings; 62 percent reported reducing health expenditures; and 53 percent reported reducing expenditures on agricultural, livestock, or fisheries inputs, such as fertilizer and seeds. About 92 percent of households engaged in some form of emergency borrowing, primarily within informal networks of friends, family, and neighbors.

The Food and Agricultural Organization (FAO) of the United Nations and World Food Programme (WFP) [identified](#) Bangladesh as one of Asia's acute food insecurity hotspots during the pandemic, and warned that there could be disruptions to transport and market access as a result of COVID-19 (FAO-WFP 2020). To check this conjecture with data-based evidence, we collected information on households' experience of food insecurity using the [Food Insecurity Experience Scale](#) (Cafiero et al. 2018), which allowed us to estimate the prevalence of moderate and severe food insecurity for each district in our sample (Figure 1). Food insecurity prevalence was high in the north, northwest, and center of the country, with households in the districts of Sylhet, Sunamganj, Panchagarh, Kurigram, Gaibandha, Pabna, Faridpur, Bagerhat, and Barguna facing a high likelihood of severe food insecurity. Despite being one of the richest regions of the country, Sylhet suffered a double setback – from the pandemic and from severe floods in the *haor* (swamp) areas in June.

FIGURE 1 Moderate and severe food insecurity by district



Source: FFP follow-up survey 2020

HOW DID THE FFP PERFORM DURING THE PANDEMIC?

Assessing how the FFP or other safety-net programs performed during the pandemic has a direct bearing on the food security of millions of vulnerable households. To help provide the evidence needed for effective policies, we compare FFP performance indicators in 2020 with the pre-pandemic performance indicators from our 2018 survey.

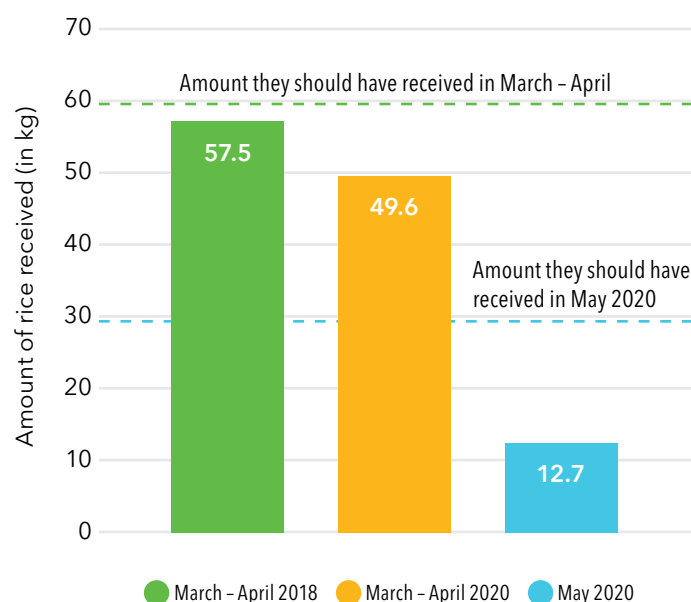
The 2020 survey suggests that the FFP's performance was adversely affected during the early months of the pandemic. In 2018, 97 percent of the sample reported receiving some rice under the FFP; this proportion declined slightly to 94 percent of those who were still beneficiaries in 2020.¹ The average amount of subsidized rice received in March and April of 2020 was about 8 kg less than in the same two

months in 2018 (Figure 2), with only 64 percent of respondents reporting receipt of the full 60 kg in March–April 2020, compared with 86 percent in 2018.

The shortfalls were even larger in the month of May 2020, which represents the additional transfer initiated by the government to help beneficiaries cope with the pandemic. During this extra month, FFP beneficiaries received on average only 12.7 kg of the promised 30 kg. Only 41 percent of households reported receiving their full entitlement in May 2020, and a sizable 58 percent reported receiving less than 10 kg. While the average price paid by the beneficiaries was the same in both survey years at about 10 Bangladeshi taka (about US\$0.12) per kilogram, the proportion of households that reported paying a bribe in 2020 (10.1 percent) and the average amount of that bribe (3 taka or approximately US\$0.04 per transaction) were both substantially

¹ In total, fewer than 200 respondents had been eliminated from the program; while 20 percent of these said that their elimination was for valid reasons, such as a change in their eligibility status, 36 percent reported that they had been removed for invalid reasons.

FIGURE 2 Average amount of rice received in March – April 2018 and March – April – May 2020



Source: FFP follow-up survey 2020

higher than in 2018 (3.9 percent and 0.5 taka per transaction, respectively). This highlights the implementation challenges that safety-net programs often face in responding to a crisis: expansion can dilute quality by straining administration (Alderman and Haque 2006).

TAKEAWAYS AND POLICY RECOMMENDATIONS

Before the COVID-19 pandemic hit, the FFP was performing better than similar programs in Bangladesh and in other developing countries. IFPRI's 2018 survey estimated leakage of only 12 percent, compared to [70 percent under another food security program in Bangladesh, the Palli Rationing program](#)² (Ahmed 1992), and close to [50 percent under the Public Distribution System in India](#) (Khera 2011). However, the 2020 phone survey findings suggest that the pandemic disrupted the distribution of rice under the FFP, implying that the program was not resilient to unanticipated shocks. Transfer programs are most crucial during economic crises, and improving their resilience to unanticipated shocks is a key step for safeguarding the livelihoods of the poor.

The financial and human costs for poor individuals of failures in these social safety nets are large. The food policy research community has barely begun to quantify the extent and cost of human suffering due to weaknesses in transfer

programs of this kind, though this remains an important area of inquiry. Given the results of our 2020 phone survey, our primary recommendation is to set up a routine monitoring mechanism to make information on operational efficiency readily available. One possibility is to establish a unit within the Food Planning and Monitoring Unit (FPMU) of Bangladesh's Ministry of Food to monitor and report on progress. Another way to keep policymakers informed would be to develop a small-sample phone survey to generate real (or almost real) time analysis of the FFP, as well as other programs. Particularly during pandemics such as COVID-19, technology-based solutions that enable the collection of information while adhering to norms of social distancing fill a critical need. To supplement the quick-and-lean phone surveys, larger evaluations need to be carried out periodically, taking into consideration the limits imposed by safety restrictions and resources. In addition to identifying and informing solutions to administrative hurdles, these proposed data collection efforts must also address the additional challenge of identifying the growing number of people pushed into poverty as a result of the crisis, the so-called "[new poor](#)" (Mobarak 2020). This will allow for dynamic targeting, rather than the static targeting currently used in FFP and other similar programs (Alderman and Haque 2006).

The COVID-19 pandemic has laid bare many vulnerabilities in our economic systems and shown us how precarious the lives and livelihoods of the poor really are. The food policy community now has an obligation to invest time and effort in designing robust and efficient safety nets to prepare ourselves for another calamity of this magnitude and ensure that we avert a crisis of hunger. This opportunity must not go to waste.

² While FFP is not a successor to the discontinued Palli Rationing Program, the eligibility criteria of the two programs overlap to a certain extent.

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Shyamal Chowdhury is an associate professor of economics at the University of Sydney, Australia. **Nahian Bin Khaled** is a research analyst with the International Food Policy Research Institute (IFPRI) in Dhaka, Bangladesh. **Kalyani Raghunathan** is a research fellow and **Shahidur Rashid** is the director for South Asia with IFPRI in New Delhi, India. (Authors are listed in alphabetical order.)

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1201 Eye St, NW, Washington, DC 20005 USA | T. +1-202-862-5600 | F. +1-202-862-5606 | Email: ifpri@cgiar.org | www.ifpri.org | www.ifpri.info

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