

PROGRAM BRIEF¹

Food for Work, Work for Money & Test Relief

Bangladesh

In the lean periods ahead of harvest, twice a year, when food shortages are most significant, the rural labor force has fewer employment and income generating opportunities. Many agricultural workers find it extremely hard to survive these seasonal lean periods and until recent years, were affected by seasonal famine called 'monga'. The Government of Bangladesh has been operating two public works schemes, Food for Work (FFW) and Test Relief (TR), to address shortage of both food and work opportunities. As food security of the country improves and transaction costs associated with food payment lower the program efficiency, the food to cash transitions are taking place for wages with the introduction of a complementary program: Work for Money (WFM).

¹ The Program Brief series discusses major safety net programs that the Government of Bangladesh implements. The series includes notes on the Old Age Allowance; Allowances for the Widow, Deserted and Destitute Women; and Allowances for the Financially Insolvent Disabled by the Ministry of Social Welfare; Employment Generation Program for the Poorest; Food for Work; Work for Money; Test Relief; and Vulnerable Group Feeding by the Ministry of Disaster Management and Relief; and the Child Benefit Scheme. Many of these programs are supported by the World Bank.

BACKGROUND

Bangladesh has a predominantly agriculture-based economy with over 40 percent of its labor force employed in agriculture.ⁱ Given seasonality in agriculture, those depending on it for livelihoods are at significant risk of low or lack of income during lean seasons. At the same time, extreme weather conditions are also a key geographic attribute of Bangladesh. While the country has managed to significantly reduce the loss of lives to climatic adversities, agro-based and rural livelihoods and assets continue to be highly vulnerable to natural disasters. As a result, the risk of crop failure or loss of agricultural assets to adverse weather intensifies the risk of seasonal poverty.

Many agricultural workers find it extremely hard to survive these seasonal lean periods and until recent years, were affected by seasonal famine called ‘monga’. Though this phenomenon affects the entire country, the northern region which grows most of the country’s agricultural supplies, is particularly vulnerable. However, agriculture itself does not yield sufficient income while the region has limited options of alternative employment. More than one third of the households in the north face food shortage throughout the year while two-thirds face seasonal poverty.ⁱⁱ

Food for Work (FFW) and Test Relief (TR) are public works programs which are two of the oldest social safety net programs of Bangladesh. They began primarily as relief programs in 1975 as a response to the famine of 1974 with the immediate objective of providing food to the severely food insecure poor. While FFW and TR are similar, the main difference is the type of projects undertaken: FFW is more concerned with developing rural roads and infrastructure, while TR projects are mainly focused on maintaining and developing local educational and religious institutions, including schools, madrasas, orphanages, mosques, temples, among others.

Women’s role in these public works was not prominent to begin with until separate ‘women’s projects’ were undertaken and a gender differential wage system established.ⁱⁱⁱ For a long period since the beginning, FFW/TR projects were administered by the World Food Program (WFP), and as of 1995, implemented by the Water Development Board, the Ministry of Relief and Rehabilitation (currently the Ministry of Disaster Management and Relief, MoDMR) and the Local Government and Engineering Department.^{iv} Major donors included Australia, Canada, the European Union, and the United Kingdom. CARE Bangladesh, a

Non-governmental Organization (NGO) also administered the public works using wheat aid received from the United States Agency for International Development (USAID).

FFW’s objectives are to:

- Generate seasonal employment for the rural poor;
- Help build, repair or strengthen rural infrastructure to improve the performance of agriculture; and reduce physical damage and loss of human life due to natural disasters;
- Maintain equilibrium in food supply; and
- Alleviate rural poverty.

TR’s main objectives are to:

- Develop and maintain rural infrastructure to reduce disaster risk and meet the demand for electricity and renewable energy;
- Reduce the disaster and climate change related risk and food insecurity of the rural poor by:
 - Generating seasonal employment for the rural poor;
 - Ensuring food supply and food security in rural areas;
 - Helping reduce poverty; and
 - Meeting the demand for electricity and renewable energy to reduce dependence on fossil fuels, create employment and improve the quality of life.

Meanwhile, the Government of Bangladesh introduced another large public workfare program under the same agency, called 100 Day Employment Generation Program (EGP), in response to the food, fuel, and financial crisis in 2008. The EGP program later became the Employment Generation Program for the Poorest (EGPP). While the objectives and basic functions are similar, EGPP differs from FFW/TR with cash payments directly transferred to bank accounts, more robust targeting mechanisms, and quota for women.

With the recognition of the inefficiency associated with the food-based payment programs, since 2009, a cash payment method has partially been adopted in an effort to reduce leakage of allocated funds and improve the program's efficiency, by converting the food allocations to cash at the local level for both FFW and TR. As cash payments became more prominent than food payments, the FFW program has been complemented by Work for Money (WFM) since FY14; allocations are made in the form of cash or in-kind under the same program using these two channels, as decided by the Government (figure 1). Similarly, TR food allocations were complemented by a cash allocation in FY16 and since FY17, TR has received cash allocations only (figure 2).

At present, the Safety Net Systems for the Poorest (SNSP) Project, supported by the World Bank and implemented by the Department of Disaster Management (DDM) under the MoDMR, is extending support for improved administration of DDM's major safety net programs -- which include public works programs (EGPP, FFW/WFM, TR) and humanitarian relief programs (Vulnerable Group Feeding [VGF], Gratuitous Relief [GR]).

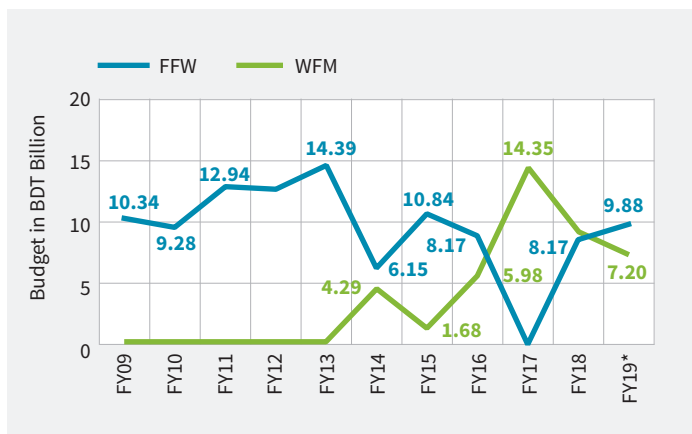


Figure 1: Budget allocation to FFW/WFM
Source: Budget, Finance Division, Ministry of Finance

Key Features of FFW/WFM and TR

In the 1970s, allocation to FFW ranged between 4 and 5 percent of annual national expenditures. As of FY19, the combined budget allocation to FFW and WFM represents 2.7 percent of the safety net budget and 0.07 percent of the GDP.

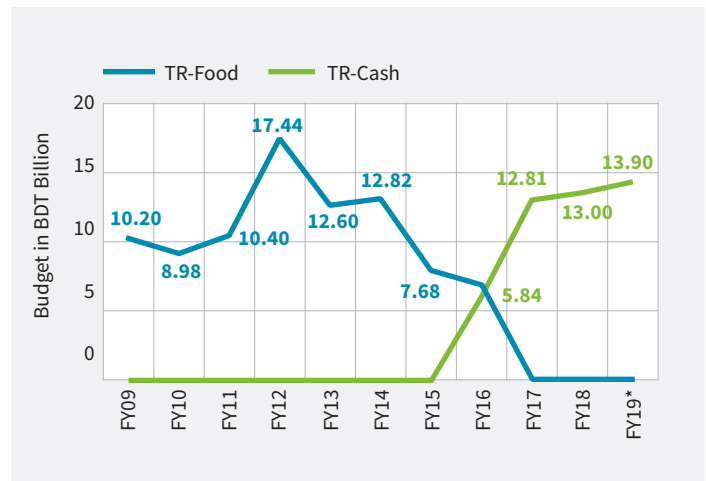


Figure 2: Budget allocation to TR
Source: Budget, Finance Division, Ministry of Finance

Parameters of public works under FFW/WFM

FFW/WFM guidelines stipulate parameters which public works undertaken under FFW/WFM must comply with:

- Pond/canal excavation and re-excavation;
- Road construction/repair including brick roads: up to 60 percent of allocated food grains can be sold to finance such projects;
- Concrete walls of low height on road sides to minimize soil erosion through run-off. Up to 60 percent of the allocated food grains can be sold to finance such projects;
- Enhancing disaster preparedness for communities through:
 - Embankment construction/reconstruction;
 - Construction of drains to prevent waterlogging and also for irrigation;
- Land filling for social institutions;
- Construction and maintenance of agriculture-supporting infrastructure during the slack season;
- Solar panel installation by selling the entire allocation of food grains; and
- Biogas plant installation in registered orphanages and dormitories if required inputs are available by selling the entire allocation of food grains.

Parameters of public works under TR

- Maintenance of previously constructed FFW/WFM infrastructure and other embankments and roads; and construction of bamboo/wood bridges for improved rural connectivity;
- Construction and maintenance of drainage canals sanitary latrines and other public health and environmental development related schemes;
- Installation of deep tube wells;
- Maintenance and development of religious, educational or public welfare related institutions;
- Construction of walls on roadsides to minimize soil erosion through run-off; construction of boundary pillars around roads and ponds to prevent encroachment;
- Participation in Public-private-partnership (PPP) projects for public welfare;
- Construction of disaster resilient houses for the ultra-poor;

- Supply of laptop and multimedia projectors to educational institutions to support modern education techniques;
- Installation of solar panel and biogas projects in educational and religious institutions, rural marketplaces as well as administrative buildings which host large numbers of people; and
- Spending at least 50 percent of the allocation on the installation of solar panel and biogas projects in ultra-poor households.

Table 1: Key features of FFW/WFM and TR

Amount of daily allowance	8kg for 7 hours of work or cash equivalent
Eligibility	Means tested; casual labor by occupation and owns less than 0.5 acre of land
Agency	Department of Disaster Management, Ministry of Disaster Management & Relief

PROGRAM DETAILS

1) Outreach

The program guidelines for FFW/WFM and TR do not specify the need for outreach to find workers. However, significant emphasis has been placed on the identification and selection of subprojects. The Project Implementation Committees (PICs) consisting of five members including Union Chairmen, Ward Members, Female Members and community members, carefully select the projects based on the community needs. At the same time, once a project has been identified, a signboard with the details of the project is required to be installed at the project site.

2) Targeting

FFW/WFM and TF use geographical targeting in the sense that the budget allocation depends on the size of population and area, as well as the poverty rate of each Upazila (figure 3). In addition, the programs use self-targeting given the physically demanding nature of the work: better off households are discouraged while only the poorest households participate. Moreover, it was argued^v in favor

of FFW (while still in-kind) that payment in wheat (as opposed to rice) serves as a means for targeting as it is an ‘inferior good’ and invites those in a more desperate situation in rural Bangladesh. Eligibility criteria for a household to participate in WFM/FFW and TR are:

- Landless due to natural disaster; and
- Ownership of less than 0.5 acre of land.

In general, PIC members identify beneficiaries i.e. workers, based on their assessment of household poverty, and also use the implicit criterion that the selected worker must be able bodied to carry out arduous earthwork. Due to this physically demanding nature of the projects, male applicants tend to get preferred.

Since the guidelines do not layout specific beneficiary selection criteria and emphasize the community benefit and quality of the resulting infrastructure, recent surveys fielded by DDM and the

World Bank reveal that significant proportions of FFW/WFM and TR projects are implemented by contractors. Moreover, many are solar panel installation projects which do not employ safety net beneficiaries.

3) Enrolment & Payment

The guidelines do not specify enrolment requirements. As a result, the documentation requirements for beneficiary enrolment, apart from a muster roll at the Union Parishad, are not clear.

According to the guidelines, minimum allotment per project of FFW was 8 metric ton rice or 9 metric ton wheat or cash equivalent

to the price of 8 metric ton rice. This translates into individual beneficiary daily payments of 8kg of rice or cash equivalent for 7 hours of work.

In spite of the specific guidelines on entitlements and self-targeting characteristics, FFW/WFM and TR have been criticized for leakages and inefficiency. One estimate suggested that total leakage from FFW in mid-1990s was 30-35 percent of total allocation.^{vi} Some major areas of shortcomings include:

- Projects selection by local elites and influential people, not based on the objective needs;

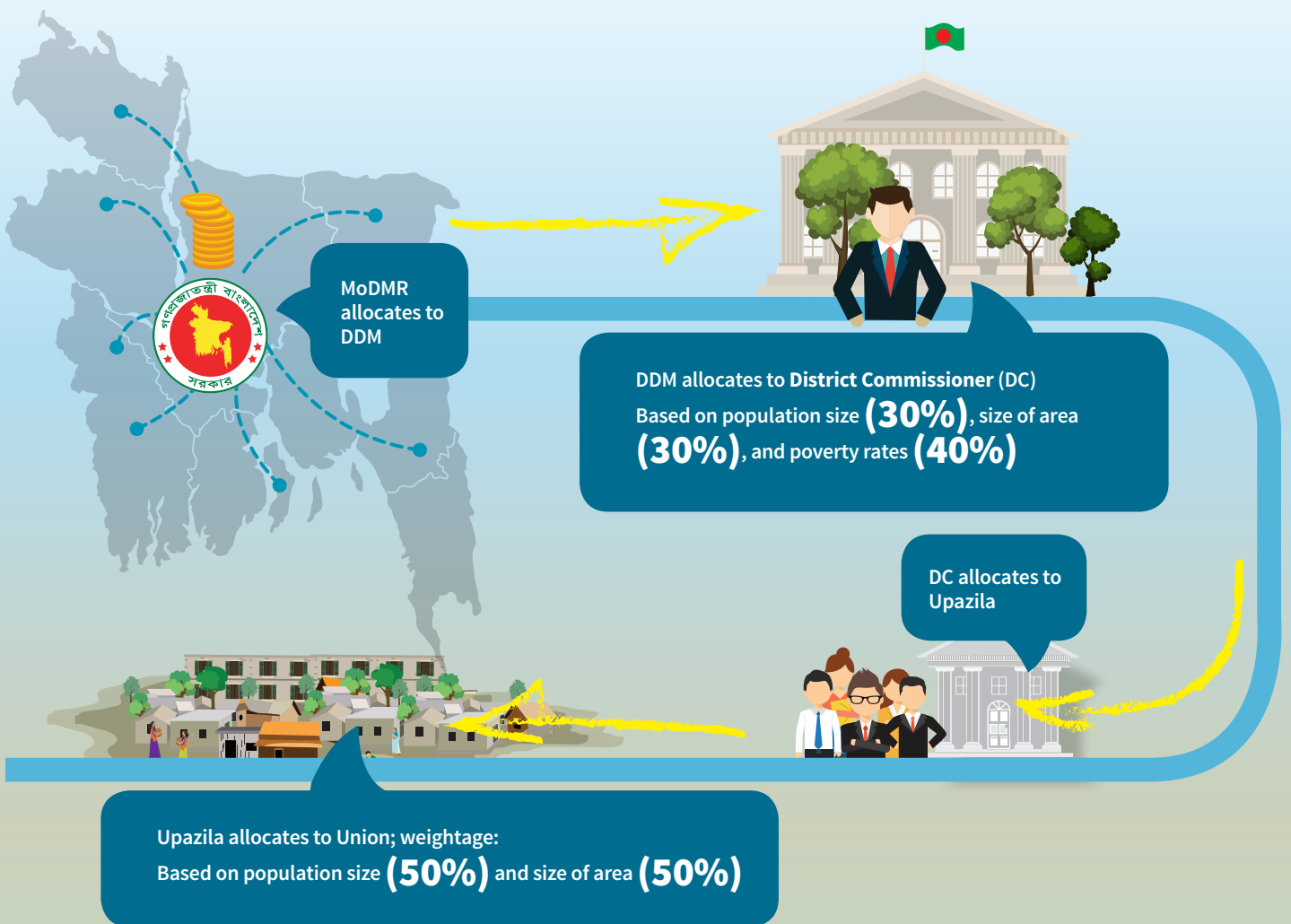


Figure 3: Budget allocation process of FFW, WFM and TR

- Over reporting of work done;
- Practice of leaving the earth uncompacted, which makes it difficult to ascertain the actual volume of earthwork completed; and
- Underpayment to workers.

Recognizing the vulnerability to leakages and the high management costs of food transfers, the Government introduced the WFM, a cash-based program through a policy decision in FY14. Since FY16, cash allocations to TR were also introduced. This decision was also based on the premise that cash would ensure better availability of workers and help build rural infrastructure. However, these newly introduced cash transfers under WFM and TR-cash reach beneficiaries through very rudimentary, hand-to-hand channels through the Union Parishad, leaving a broad scope for leakage and issues of transparency and efficiency.

4) Grievance

According to the program guidelines, the official grievance desk is at the upazila level with the Upazila Executive Officer (UNO). However, the guidelines also state that complaints can be filed anywhere in the chain. Eventually, if unresolved, the grievance gets escalated to the national level.

Evaluations suggest that complaints are few and those filed are usually lodged with Ward Members or Union Chairmen. There is little evidence of their resolution. People are often afraid of complaining against local representatives in fear of being excluded from the program and perhaps stronger consequences. At the same time, poor people often lack confidence and have limited access to the UNO or other government bodies to voice grievances; in many cases, the aggrieved are apprehensive of overstepping the Ward Members or Union Chairmen to lodge a complaint at a higher level of the administration.

PROGRAM ACHIEVEMENTS

It was estimated in 1995 that the FFW/WFM program generates BDT 1 as income to a participating household at a cost of BDT 1.8-2.4.^{vii} In the case of WFM, program costs have been presumably reduced by avoiding commodity-handling costs which are

incurred for food-based transfers under FFW. Moreover, a shift from construction to maintenance activities that is relatively easier to monitor, can further lower the scope for leakage.

In their long periods of implementation, the FFW/WFM and TR programs are believed to have brought the following positive outcomes although only few rigorous evaluations conducted:

- Significant concentration among the poorest; and
- Stabilization of food grain prices in the market.

In addition, many more were indirectly benefited through the rural infrastructure FFW/WFM helped build:

- Improved production in the agriculture sector benefiting producers and consumers;
- Enhanced connectivity and market linkage through improved roads; and
- Enhanced protection from natural disasters like floods.

CHALLENGES

- **Monitoring and supervision:** FFW/WFM and TR have inadequate access to specialized planning, design, and supervision services. The capacity within the government to ensure compliance with program standards is weak. Moreover, local government officials are preoccupied with other administrative functions and even Project implementation Officers (PIOs) whose primary task is monitoring public works are not able to make monthly visits to every project in their jurisdiction. At the same time, a review^{viii} notes that the presence of a strong Union Parishad is a key predictor of well performing FFW. The review defines the performance of FFW by the following criteria: generating seasonal employment for a large number of people, improved agricultural production, rural infrastructure development and low leakage.

- **Objective of the program:** FFW and TR are old programs and over time, seem to have shifted to becoming rural infrastructure development programs than a safety net. There are other public works safety net programs under DDM such as the EGPP. Since the major difference with other programs, based on food

transfer, is no longer the case, there is a strong need to reconsider the programs' objectives and value added.

- If the programs were to remain as safety nets, the beneficiary selection process needs to improve to be more objective and pro-poor.
- The hand-to-hand payment process need to be modernized.
- The grievance process can be strengthened to be more accountable and provide reassurance to potential complainants about timely resolution and minimal chances of backlash.

WORLD BANK SUPPORT

The World Bank has been providing financial and technical support to the DDM of the Ministry of Disaster Management and Relief from 2009 to present. Initially the design and implementation of the EGPP program was supported, and later, the program coverage was expanded to other safety net programs under DDM as part of the SNSP Project.

The SNSP Project aims to enhance efficiency and transparency of FFW/WFM, TR and other major public works and humanitarian relief programs under DDM with modernization of systems and business processes. More emphasis has been placed on converting food to cash transfers through WFM with the Project's efforts to improve efficiency and transparency. However, compared to the newer EGPP, FFW/WFM and TR have more challenges that have accumulated over a long period of time. There is a need to review the programs' objectives and business processes as well as impacts to identify reform solutions.

ⁱ Bangladesh Bureau of Statistics, 2015-16, Labor Force Survey

ⁱⁱ Ahamad, Mazbahul Golam; Khondker, Rezai Karim; Ahmed, Zahir Uddin; Tanin, Fahian; 2011, Seasonal Unemployment and Voluntary Out-Migration from Northern Bangladesh

ⁱⁱⁱ i.e. 70 cubic feet of earth needed to be moved by men while only 50 cubic feet of earth needed to be moved by women to be able to claim the same payment i.e. about 750g of wheat per day in the 1977-78 FFW season; Marum, M. Elizabeth, Women at Work in Bangladesh, A Study of Women's Food for Work Programs, USAID, 1981

^{iv} Ahmed, Akhter U; Zohir, Sajjad; Kumar, Shubh K.; Haider, Omar Chowdhury; Bangladesh's Food-For-Work Program and Alternatives to Improve Food Security

^v Ahmed, 1993a

^{vi} Ahmed, Akhter U; Zohir, Sajjad; Kumar, Shubh K.; Haider, Omar Chowdhury; Bangladesh's Food-For-Work Program and Alternatives to Improve Food Security, National Social Security Strategy (NSSS), 2015

^{vii} Ahmed, Akhter U; Zohir, Sajjad; Kumar, Shubh K.; Haider, Omar Chowdhury; Bangladesh's Food-For-Work Program and Alternatives to Improve Food Security. 1995.

^{viii} Khuda, Barkat-e, Social Safety Net Programmes in Bangladesh: A Review, Bangladesh Development Studies, Vol. XXXIV, June 2011, No. 2



For more information:

<https://bit.ly/2TOa2Vb>

Overview on Bangladesh's safety net program:

World Bank. 2016. Bangladesh Social Protection and Labor Review: Towards Smart Social Protection and Jobs for the Poor. Bangladesh Development Series, no. 33;. World Bank, Dhaka, Bangladesh. © World Bank.

<https://bit.ly/2TWWx9>

This Program Brief has been prepared by **Rubaba Anwar, Yoonyoung Cho** and **Ashiq Aziz**, Social Protection & Jobs Global Practice, World Bank, with kind support of the Korea-World Bank Partnership Facility (KWPF).

World Bank Office Dhaka

Plot- E-32, Agargaon, Sher-e-Bangla Nagar
Dhaka-1207, Bangladesh
Tel: 880-2-5566-7777, Fax: 880-2-5566-7778
www.worldbank.org/bangladesh

