



News Release

## EXTREME POOR BEST SERVED BY COMBINATION OF FOOD AND CASH TRANSFERS

**Dhaka, Wednesday, 14 March 2007:** Food aid and cash transfer are complementary rather than alternative options to respond to the food security issues facing the extremely poor.

As part of the growing debate “cash versus food” as poverty alleviation strategies, speakers in a workshop held in the city today stressed that both options have advantages in certain circumstances as part of safety net programmes.

The workshop was jointly organised by the Economic Relations Division of the Government of Bangladesh and the United Nations World Food Programme (WFP).

On the one hand, organisations advocated cash transfers to the poor to enable them to purchase food, rather than handing out food rations.

Others conclude from study results that properly targeted and monitored cash transfers can be appropriate when food markets function normally and prices are stable, but they believe that when the markets do not function, as in most emergencies, food aid remains the most appropriate response. Moreover, in programmes aimed at improving the livelihood of the extreme poor, food enables people to participate in development programmes while nutritious food given to vulnerable people directly improves their nutrition status.

While inaugurating the workshop the Secretary Economic Relations Divisions, Ministry of Finance Md. Aminul Islam Bhuiyan said, “*Food security discussions and planning have been often centered around a much narrower focus on availability of food although access to adequate diets is generally the major constraint for food security. We hope the comparative advantage of food and cash transfers would be more taken into account in designing pro-poor safety net programmes in Bangladesh.*”

Experts also argued in the discussion that to date, most cash transfers have been implemented as pilot projects, making it hard to determine longer-term or larger-scale effects. “*We have consistently promoted a twin track approach, encouraging donors to respond to address both the immediate nutritional needs of the hungry poor and longer-term food and livelihood security,*” said Douglas Broderick, WFP Representative Bangladesh.

High-level representatives from a number of countries, development partners, donor agencies, GoB and NGO officials including eminent and foreign researchers took part in the day-long workshop, titled 'Dynamics of Food and Cash: Impact on Livelihoods of the Extreme Poor,' held in the Bangladesh-China Friendship Conference Centre.

WFP Bangladesh commissioned IFPRI (The International Food Policy Research Institute), based in Washington DC, USA to conduct a study on "Relative Efficacy of Food and Cash in Enhancing Livelihood of the Extreme Poor" in May 2006. The workshop disseminated major findings of the study. With DFID support the study examined four major food and cash based interventions in Bangladesh. The study was designed through an extensive consultation with key development partners and stakeholders with an aim to make social safety net programmes in Bangladesh more effective.

While sharing the experience from Ethiopia Mohamed Diab, WFP Representative of Ethiopia said, “ *Uneven distribution of banking facilities, insufficient planning and technical capacity, complex environment and livelihood issues often create problems in implementing safety net programmes that combine food and cash. However combined options can be effective if planned properly following a need base approach.*” The main objective of the safety net programmes of Ethiopia is to protect asset depletion at household level and create community assets.

A special paper on “Corporate Social Responsibility (CSR)” was also presented in the workshop. Participants from corporate sectors discussed various ways to establish partnerships with actors engaged in social development processes including UN agencies, with a view to improve the quality of life of the extreme poor in Bangladesh.

In his concluding remark the WFP representative appreciating the Government of Bangladesh and donor’s role in organising such event said “*As the world’s largest humanitarian organisation, WFP welcomes all efforts and creative initiatives to help better understand the circumstances in which cash, food or a combination of both can be the most appropriate solution to help those in need.*”

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**Photo caption:**

Md Aminul Islam Bhuyian, Secretary, Economic Relations Division (ERD), Ministry of Finance speaks in the workshop on 'Dynamics of Food and Cash: Impact on Livelihoods of the Extreme Poor,' on Wednesday 14 March 2007, organised by ERD, Ministry of Finance and WFP Bangladesh at Bangladesh-China Friendship Conference Centre. Ms. Elizabeth Carriere, Acting Representative, DFID, Douglas Broderick, WFP Representative Bangladesh, and Joan Fleuren, Regional Advisor, WFP Bangkok, are also seen in the picture.