

MEMORANDUM OF UNDERSTANDING (MOU)



BETWEEN

MINISTRY OF FOOD AND DISASTER MANAGEMENT (MoFDM) OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

AND

UNITED NATIONS WORLD FOOD PROGRAMME (WFP)

ON

JOINT COLLABORATION ON STRENGTHENING FOOD SECURITY

IN

BANGLADESH

This Memorandum of Understanding is entered into between:

1. the Ministry of Food and Disaster Management of the Government of the People's Republic of Bangladesh, (MoFDM), Bangladesh Secretariat, Dhaka.

And

2. the **United Nations World Food Programme**, the United Nations food aid agency, with headquarters in Rome, Italy, via Cesare Giulio Viola 68/70, through its Bangladesh Country Office, IDB Bhaban 14th, 16th and 17th Floors, E/8-A Rokeya Sarani Agargaon, Sher-e-Bangla Nagar, Dhaka-1207, Bangladesh (**WFP**),

(each a Party and, jointly, the Parties).

WHEREAS:

- (A) WFP is the United Nations food aid agency, mandated to provide emergency and development assistance to eradicate hunger and poverty amongst food-insecure countries and populations;
- (B) WFP has been working in Bangladesh since 1974 to address humanitarian and developmental needs in food security. WFP's Bangladesh Country Programme, currently reaching about 5 million people, is implemented in partnership with the Government of the People's Republic of Bangladesh (GOB). In order to minimise leakage and reach the neediest, WFP employs strict targeting criteria and rigorous monitoring. WFP can contribute its lessons and experiences to the larger national food security and safety net programmes of Bangladesh;

- the GOB and WFP have signed a Basic Agreement on 2 October 1974, concerning assistance from WFP for emergency relief and development purposes (the **Basic Agreement**), as well as an Operational Contract on 19 March 2001, concerning a programme of activities aimed at improving the food security and nutritional well-being of the ultra poor (the **Operational Contract**);
- (D) in the new National Poverty Reduction Strategy of Bangladesh (a policy matrix thereof is attached hereto as **Annex 2**), improving food security and addressing malnutrition are key issues and the GOB is committed to improve the coverage and targeting of its food security measures.

MoFDM and WFP have identified several areas of joint collaboration. The National Food Security Workshop 2005 proceedings includes recommendations on areas where WFP can strengthen some of the national measures and processes to improve the overall food security situation for the poor and vulnerable, especially women and children, in Bangladesh;

- (E) The GOB will support mutual collaboration between the MoFDM and WFP into operational modalities to assist realizing national food security programmes of the GOB. MoFDM and WFP therefore will adopt a joint approach and establish the necessary operational modalities through an agreed Plan of Action to be completed within two months of signing of the MOU.
- (F) In particular, the MoFDM has requested WFP to support the MoFDM in strengthening the food security measures of the MoFDM within a formal technical collaboration arrangement (the **Project**). The measures of assistance and support under such technical collaboration arrangement (i.e. this Memorandum of Understanding) to be in the areas of:
 - Food Planning
 - Strengthening of GOB food security and social safety net programmes.
 - Food Security Monitoring
 - Disaster Risk Management

(G) WFP intends to provide such assistance in line with the WFP Strategic Objective 5 (WFP/EB.A/2005/5A/Rev.1) for strengthening the capacities of countries and regions to establish and manage food-assistance and hunger reduction programmes. Such assistance is to be provided in the framework of the Basic Agreement and the Operational Contract¹; and

(H) WFP will implement the MOU in active consultation with FAO, within the framework of cooperation outlined in the WFP-FAO MOU dated 26 October 2004 and in close collaboration and coordination with the activities and operational modalities of the National Food Policy Capacity Strengthening Programme (NFPCSP) implemented by MoFDM and FAO²; and

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¹ This will be replaced by the Country Programme Activity Plan (CPAP) when it gets agreed and signed by GOB and WFP by the end of this year.

² This partnership framework is supported by USAID and EC.

(I) Activities in the areas of disaster risk management will be implemented in consultation and coordination with the Comprehensive Disaster Management Programme (CDMP) at the Directorate of Relief and Rehabilitation under the Ministry of Food and Disaster Management.³

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS

1. Modalities of Cooperation

- 1. This Memorandum of Understanding regulates WFP assistance to the MoFDM in strengthening and enhancing the MoFDM food security policies, programmes and measures in the identified key areas of (i) food planning, (ii) disaster risk management, (iii) food security monitoring and (iv) improving the effectiveness of the MoFDM social safety net programmes.
- 2. The specific purpose of MoFDM and WFP activities under this Memorandum of Understanding, as well as their strategies and plans, are detailed in **Annex 1** (**Project Plan**).

2. Responsibilities of the Parties

The responsibilities of the Parties under this Memorandum of Understanding shall be those indicated hereinafter.

2.1 Responsibilities of the MoFDM

The MoFDM shall:

(a) Upon signing of this Memorandum of Understanding, designate by an official order a focal point for coordinating with the WFP appointed focal person for implementation of this Memorandum of Understanding (MOU);

- (b) Form a Steering Committee headed by Secretary, MoFDM and such other members as deemed necessary, and a technical committee will also be formed with the Director General, FPMU as its Chairperson and such other members as appropriate to advise the Steering Committee on technical issues in course of the implementation of the activities to be carried out under MOU;
- (c) Link the implementation of the studies, wherever possible, to the work carried out by the Technical Assistance Team (TAT) and the Thematic Research Teams (TRTs) to be formed with the support of the NFPCSP to avoid duplication;
- (d) The Technical Committee will advise and discuss the studies conducted under this MOU. However, they will maintain close coordination with the NFPCSP, wherever applicable;
- (e) Report major findings from the studies conducted to the Food Planning and Monitoring Committee and present them in the seminars carried out under the NFPCSP as appropriate;
- (f) Integrate MOU within the MoFDM plans;
- (g) Make MoFDM staff available to attend the trainings planned in connection with this Memorandum of Understanding;
- (h) Facilitate research work by making available required data, information, etc.

³ Partnership with other donors and other development partners will be explored at all stages for effective implementation of the MOU

(i) Actively facilitate coordination between this technical cooperation agreement (TCA) and the NFPSCP seated within the FPMU in areas of food security monitoring and human development.

2.2 Responsibilities of WFP

WFP shall:

- a) Make funds available to the Project in accordance with the provisions of Clause 3 below;
- b) Manage the Project's funds directly and in accordance with WFP rules and regulations;
- c) Employ Project related staff and arrange the contracting field surveys and other related support for the Project in accordance with Annex 1 and in compliance with WFP rules and regulations.
- d) The funds will be managed by WFP in accordance with the Partnership Agreement signed with DFID

3. Funding

- 1. WFP shall endeavor to make available funds to the Project in accordance with its rules and regulations and manage such funds in accordance with the budget details that shall be estimated and specifically approved in writing by WFP after a thorough initial analysis and assessment of activities of the Project, up to an overall maximum amount of USD 1,000,000 (one million) on the understanding that the availability of funds is dependent on the WFP DFID Partnership Agreement. WFP is not liable towards MoFDM for availability of funding under the latter agreement. Funds will be made available on the basis of activity-wise requirement. Any additional financial support to the Project, as required to carry out the Project's activities, may be considered by WFP and provided in the amount and under terms and conditions to be specifically approved in writing by WFP in a separate agreement. The funds will be made available under the existing WFP-DFID Partnership Agreement.
- 2. Either Party may seek financial and/or technical resource support for the Project from development partner(s) and/or the GOB.
- 1. 4. Implementation, Monitoring, Reporting and AuditBoth Parties will establish formal contact points within their respective organisations to ensure effective collaboration between them. The focal persons will establish procedures and structures that ensure effective planning and implementation of the MOU. Plan of Action for this MOU will be elaborated in collaboration with MoFDM in full consideration of the work plans for CDMP and NFPCSP.
- 2. This MOU will be implemented under the overall guidance of a steering committee comprising the Secretary of the MoFDM, the Deputy Country Director of WFP and WFP-DFID PA adviser/s The FAO Representative or her/his delegate will be invited as observer.
- 3. Wherever possible in coordination with NFPCSP the Technical Committee will oversee the conduct of the evaluation/assessments of the social safety programmes and implementation of the evaluation findings/recommendations and other studies under this MOU.
- 4. Implementation and Completion reports, including financial report and narrative, of specific activities will be produced and submitted to WFP for reporting and audit purposes. These

reports will be produced as detailed and mandated in the Plan of Action of the MOU. See also Annex 1, TCA logframe, MoVs.

- 5. The TCA will be reviewed and evaluated under the regular evaluation and review of the DFID PA.
- 6. The expenditures under the MOU will be audited in accordance with WFP's financial rules and regulations.

5. Intellectual Property and Confidentiality

- 1. Each Party shall retain the intellectual property rights in all materials, publications, images and texts, which they introduce during the collaboration foreseen under this MOU. The intellectual property rights in any materials, publications, images and texts resulting from joint activities by the Parties under the terms of this Memorandum of Understanding shall be owned by MoFDM and WFP unless specified to the contrary by a separate MOU entered into by the MoFDM and WFP.
- 2. Neither Party shall use the name or emblem of the other Party, or any abbreviation thereof, in connection with its business or otherwise without the express prior written approval of the other Party. In no event will authorization of the WFP name or emblem, or any abbreviation thereof, be granted for commercial purposes or for use in any manner that suggests an endorsement by WFP of third party products or services.
- 3. Neither Party shall communicate at any time to any other person, government, authority or entity external to the other Party and the GOB, any information known to it by reason of its association with the other Party which has not been made public, except with the authorization of the said Party or as required by law or regulation. Should law or regulation require either Party, to disclose confidential information of the other, that Party shall notify the other immediately in writing. These obligations do not lapse upon termination of this MOU.

6. Duration

This MOU shall become effective upon the signing thereof by both Parties and shall remain in force till December 2010, in line with the second phase of WFP-DFID PA unless terminated by either Party in accordance to Clause 7 below.

7. Amendment & Termination

- 1. Any amendment to the MOU can be made at any point of time through mutual agreement between MoFDM and WFP.
- 2. Either Party may terminate this MOU at any time, by giving the other Party 15 day's written notice.
- 3. In the event of a failure by one Party to fulfil any of its obligations under this MOU, the other Party may either (i) suspend the discharge of its own obligations by giving written notice to that effect, or (ii) terminate the MOU by giving the other Party 15 day's written notice.

4. Any termination of this MOU shall not affect any activities or liabilities undertaken prior to termination in connection with the Project.

8. Indemnification

MoFDM shall be responsible for dealing with any claims, which may be brought by third parties against the WFP or against its officials, agents, servants, employees or consultants or other persons performing services on behalf of WFP under this Memorandum of Understanding. Moreover, the Government will hold the WFP and the above-mentioned persons harmless in case of any claims or liabilities resulting from operations under this Memorandum of Understanding, except where it is agreed by the MoFDM and WFP that such claims or liabilities arise from the gross negligence or wilful misconduct thereof.

9. Notices

Unless otherwise agreed, any correspondence, notification or communication between the Parties under or in connection with this Memorandum of Understanding should be in English and addressed as follows:

(i) if to the MoFDM:

Ministry of Food and Disaster Management Bangladesh Secretariat Dhaka.

Attention of: The Secretary, MoFDM

e-mail: mof@bttb.net.bd

telephone: 716-3464 fax: 716-9623

(ii) if to WFP:

The United Nations World Food Programme Bangladesh Country Office IDB Bhaban, E/8-A Rokeya Sarani, Agargaon Sher-e-Bangla Nagar Dhaka-1207 Bangladesh

Attention of: The Representative

e-mail: countrydirector.dhaka@wfp.org telephone: 8116344-48 Ext. 2102, 8119064-73

fax: 8113147

10. Applicable Law

This Memorandum of Understanding shall be governed by general principles of law excluding any choice of law rules, which would refer the matter to the laws of any given jurisdiction.

11. Dispute Resolution

Any dispute and/or claim arising out of this Memorandum of Understanding or other document related to this Memorandum of Understanding, or any breach thereof, unless settled amicably by direct negotiation, shall be referred to arbitration in accordance with the UNCITRAL Arbitration Rules. The arbitration shall be held in Dhaka, Bangladesh, and the language of the Arbitration proceedings shall be English. The Parties shall be bound by the arbitration award rendered in accordance with such arbitration, as the final adjudication of any such controversy or claim. The arbitration tribunal shall have no authority to award punitive damages.

12. Privileges and Immunities

Nothing in this Memorandum of Understanding shall imply a waiver by WFP, the United Nations or any of its agencies or organizations of any privileges or immunity enjoyed by them or their acceptance of the jurisdiction of the courts of any country over disputes arising out of this Memorandum of Understanding.

| For the Ministry of Food and Disaster Management (MoFDM): | For the United Nations World Food Programme (WFP) |
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| Ehsan Ul Fattah | Douglas Broderick |
| Secretary | Representative |
| Date: | Date: |

ANNEX 1

Project Plan

The MOU is in line with the objectives of DFID-WFP Partnership Agreement. It is contained within the activity 5 of the new draft CP 2007-2010. The activities mentioned in the MOU are contained within the DFID-WFP PA logframe both in output 1 and output 2. (Annex 3). The MOU fleshes out and strategizes the purpose of the DFID-WFP PA, as it pertains to MoFDM.

1 Food Planning:

A better planning of the food availability, distribution and stocking for meeting the emergency and developmental needs of the nation is required. Demand for food as well as food gap has to be estimated more accurately. There are both present and future dimensions to this. The current comfort levels in food availability and food security may be challenged by population growth, decreasing availability of agricultural land and other factors like climate changes. An estimation of the requirements is required to plan for food availability from different sources. Under this the following two important information needs have to be filled in:

- Determination of the availability and consumption patterns in Bangladesh
- The commercial/private sector food stock movement/levels

i) Determination of the availability and consumption patterns in Bangladesh and setting up of nutritional standards

Government of Bangladesh, in June 2005, formed a Task Force comprising members from all concerned Ministries and Divisions, academic and research institutions to review the issue of per capita cereal intake requirement and make realistic recommendations. Since then, the task force has discussed the associated issues more comprehensively. The task force in its second meeting made following observations: i) need to conduct surveys on food consumption at regular intervals; ii) need to set targets of food (quality/diet diversification) intake considering the physical, mental and intellectual capability that the nation desires in future; iii) need to find out the per capita daily calorie intake requirement; iv) need to set Required Daily Allowance (RDA) for different groups of population i.e. age/sex, Physical Activity Level (PAL) etc; v) Need to make a projection of the food availability and requirement to achieve the target with respect to the above issues; vi) Need to make food balance sheet in the country; vii) Putting a strategy in place to meet the requirements from different sources.

The issue was discussed at the National Workshop on "Food Security in Bangladesh" held at IDB Bhaban, Dhaka on 19-20 October 2005 and a paper was presented on "Setting a Standard Cereal Intake for Balanced Nutrition in Bangladesh."

It was observed that the task force needs advice of technical experts on all the above issues and attention was drawn on funding of the initiatives.

WFP will support this initiative in streamlining of food planning and setting of nutritional standards. The support will include provision of funds needed to cover remuneration of experts, survey/study costs, logistic and stationary costs, report dissemination and associated costs, including DSA.

TOR, activities and duration of the consultants will be decided by the taskforce already formed with DG, FPMU as its Chairperson.

The consultants/team leader will work under the guidance and supervision of the taskforce and in close collaboration, whenever possible, with NFPCSP. Periodic reports will be submitted to the committee as well as to the task force elaborating on the progress, suggestions on course of action, problems/prospects, if any. The final report will be made public after the task force endorses it and a formal clearance from the Government of Bangladesh is obtained.

ii) Private Stock Monitoring

The Management Information System of D.G. Food regularly monitors the GOB stock. The Govt. handles 0.8 to 1.0 million metric tons food grain, which is only about 4% of the total yearly national requirement. The larger portion of the available food is stored and maintained by the private sector. However, there is no mechanism to monitor how much food is floating in the private channels and stocks.

In consideration of the above, WFP will support a market analysis and estimation of the food flow. The objectives of this exercise are:

- I) To establish a mechanism of private stock monitoring to make available stock data to the policy maker;
- ii) To estimate the role of private sector in supply and price stabilising situation of food grain (rice and wheat);
- iii) To estimate the volume of private stock for last one year and indicate historic stock for last few years.

FPMU and WFP will jointly prepare the study proposal. Hiring of expert/consultant, expenditure for the study and other logistic support will be provided by WFP.

iii) Commodity tracking

The Food Aid Leakage Study carried out by the International Food Policy Research Institute (IFPRI) in 2003 identified the level of leakage in some of the national food assistance programmes. It was subsequently recommended by IFPRI, that WFP assist implementing partners, particularly the host government, in improving the handling and logistics system. Such a system will enable the tracking of:

- how much of any commodity has been requested/demanded;
- how much is due to arrive:
- how much is now available; and
- how these quantities compare with needs.

Using its international expertise in commodity tracking, WFP will assist the MoFDM/FPMU/**DGF/DRR** in strengthening the capacity of tracking of various food commodities in the PFDS.

- One of the major assumptions/risk of this activity is that WFP's COMPAS functioning is strengthened and is made more effective. In this regard, WFP has been recently taken series of measures. A COMPAS office has been recruited in Dhaka to strengthen our COMPAS and capacity to track commodities. There are plans to recruit an MIS expert to strengthen the effective use of COMPAS. This expert will as also train the GOB/MoFDM staff in upgrading their existing MIS. S/he will work with FAO and the GOB to develop an inter-phase system between the existing GOB systems and WFP's COMPAS to make the food tracking in the PFDS more effective and scientific.
- WFP will install and facilitate the implementation of the tracking system per plans agreed jointly by the two agencies.

2 Strengthening Food Based Safety Nets:

Joint Evaluation of targeted food assisted programmes:

GOB and other partners implement several safety net programmes for the vulnerable people to meet their emergency and chronic hunger/food needs.

The Government of Bangladesh operates the Public Food Distribution System (PFDS) to make food accessible for the vulnerable group through price subsidies and targeted food distribution programmes such as VGF/VGR, FFW, Test Relief and Gratuitous Relief. In the lean season the PFDS becomes operational through open market sales (OMS). Through this, the government seeks to prevent large fluctuations in rice prices and prevent worsening of the food security status of the poor. On an average about 1 million mt of food is given out as targeted as food assistance.

Many of these programmes have not been thoroughly assessed. It is important that these programmes are assessed for efficiency and effectiveness so that timely assistance can be targeted in a cost effective manner to the people most in need. A series of joint WFP-MoFDM evaluation is being proposed to assess the relevance and the effectiveness of these programmes. The recommendations of the evaluation will be implemented through an inter-ministerial technical committee. This will be in line with the spirit of joint monitoring and implementation as outlined in the PRSP.

3 Food Security Monitoring Mechanism

Appropriate humanitarian intervention modalities can only be planned and effectively implemented when there is a comprehensive understanding of the factors and risks determining household food insecurity. Factors that need to be monitored include:

- The main risks faced by poor and food-insecure households;
- The effects of these risks on a set of food security outcomes (i.e., income, health, education, etc); and
- The livelihood strategies households adopt to manage shocks and risks.

Monitoring of these factors helps to define how and when external assistance can support households to better manage acute and chronic food insecurity. A conceptual framework and a food security monitoring operational capacity need to be established within the GOB/MoFDM that would enable the timely and accurate monitoring of food and livelihoods security throughout the country. This capacity is critical for improved planning and targeting of the food based safety nets and related shorter-term relief interventions. This capacity may be developed within FPMU, which is the apex planning and monitoring unit of the MoFDM. It is proposed that WFP supports the FPMU/MoFDM in developing this capacity. This activity will be carried out in partnership with the NFPCSP.

4 Disaster Risk Management

Recurrent natural disasters are a reality of life in Bangladesh, affecting the poorest and the most vulnerable. The national government is committed to reduce vulnerabilities and strengthening Disaster Risk Management. In several interactions with the senior officials from the GOB, the relevance of WFP bringing in international expertise and experience to inform the ongoing national efforts has been emphasised. This TCA proposes to support these expressed needs through the following activities:

- WFP assists the GOB/MoFDM with technical expertise and training on Disaster Risk Management. The support provided will incorporate both lessons learned from the Bangladesh national past experience as well as drawing in international expertise and experience from outside Bangladesh as appropriate.
- With regards to *Monga* mitigation, WFP will assist MoFDM in identifying priority areas by utilizing its Vulnerability Analysis and Mapping (VAM) capacity, through needs assessment, and in strategy and programme design. In this regard, WFP has already commenced working closely with the Directorate of Relief and Rehabilitation (DRR) led working group on *Monga* Mitigation.
- Assistance/fund for training and training materials/equipment for capacity building of trainers and trainees on Disaster Risk Management is proposed to take place in collaboration with the Training Institute of the Disaster Management Bureau.

Emergency Food Security Assessment

Assessments are recognized as the major mechanism for providing estimates of food aid needs as well as non-food needs. Within the context of a food security crisis, the first analysis usually carried out is an Emergency Food Security Assessment (EFSA). For emergencies that require a rapid response, the EFSA process verifies and provides critical information regarding:

- the scope of the emergency how many are affected? why? where? who?
- whether food aid is actually the best response to meet the crisis
- non-food emergency responses
- the size of response needed what food gap do the hungry face and how can they best be assisted?

WFP will assist MoFDM in terms of reviewing and improving its conceptual framework and methodology for Emergency Food Security Assessment. The focus of the capacity building will be on training for GOB staff that will strengthen the assessment of needs with an emphasis on needs quantification and targeting.

5 Human Resource Development

As FAO is supporting capacity building of the FPMU through its NFPCSP and has similar elements of human development and office automation, this component will be implemented supplementing the support already foreseen in the NFPCSP, and will be planned in partnership with the NFPCSP. Particular attention should be given not to overstretch the capacity of the FPMU with uncoordinated demands on its human resources. This is particularly the case in the organisation of study tours and other activities, which remove staff from their physical location.

i) Study tour and training:

To catalyse capacity building and learning among the GOB officials, WFP will arrange some study tours to countries with successful experiences in addressing food insecurity/hunger (social safety net reform) and disaster management. It is expected that such exposures will inform and inspire the GOB officials involved in policy, planning and implementation of the programmes, to replicate some of the best practices from the world. Details of such trips, as and when required and possible, will be drawn in consultation with both the organizations. The Study Tours (participants, duration) should be carefully coordinated with the training activities of the NFPCSP.

Efforts will be made to arrange for training for MoFDM/FPMU/DGF/DRR officials on relevant aspects of food security strategies, programmes/interventions, food management and disaster management, as appropriate. However, the training activities will be chalked out in coordination with that of NFPCSP.

ii) Office Automation

FPMU is a research-based unit. Different types of research/analytical works have to be done regularly. This unit also needs to maintain close contact with different working partners both locally and internationally. FPMU/DGF office will be equipped with sufficient Internet connections, high profile computers/laptops, analytical software, cell-phones, fax machines etc. for improving MIS, communications and research. Budget cost and equipment procurement will be closely coordinated with the NFPCSP, which provides for the refurbishment of the FPMU premises and the procurement of equipment to that effect.

6 Expected Results

- 1. A better planning of national food availability from various sources including that from domestic, import and food aid.
- 2. The GOB food assistance goes to the most needy
- 3. GOB disaster response and preparedness is enhanced

7 Expected outputs

- 1. A report on National Nutritional Standards and Food Availability Plan (2006-2015)
- 2. An evaluation report of the impact of the various GOB food security and safety net programmes
- 3. Consultation sessions on implementations of the recommendations of the above studies
- 4. A food security monitoring system within FPMU
- 5. A scientific commodity tracking system set up at FPMU

6. Series of training in Emergency Food Security assessment for MoFDM officials

8 Activity Planning

Details of activities would be planned through mutual consultation and agreement. Wherever required, consultation with NFPCSP/FPMU will be carried out in the process of activity design and implementation to ensure complementarities, strengthen synergies and avoid duplication. Separate concept notes or terms of reference and detailed budgets will be developed for each activity, as required and agreed by MoFDM and WFP.

The MOU identifies the areas of engagement and some potential activities. However, it no way limits the activities to only those mentioned in the MOU. Additional, supplementary and complimentary activities may be considered, if these fall within the strategic framework of this MOU.

9 Time Frame

The MOU presents a strategic framework of cooperation between GOB/MoFDM and WFP for strengthening the national food security, policies and programmes and envisages a time frame starting from 2007 to 2010, coinciding with the closure of the next WFP country programme as well as the WFP- DFID PA, assuming that the project is funded for the next phase of April 2007-March 2010.