

An Analysis of the National Budget

Allocation for the Ultra Poor

*Prepared by
Centre for Policy Dialogue (CPD)*

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CENTRE FOR POLICY DIALOGUE (CPD)
B A N G L A D E S H

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Study Team

Fahmida Khatun

Towfiqul Islam Khan

Ashiqun Nabi

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Mr Kishore Kumer Basak
Research Associate, CPD

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Section I

Introduction

Context

- Bangladesh has been performing moderately well from the growth perspective in the recent past
 - ✓ GDP growth rate was on average 5.8% per year during 2000-2010.
- Bangladesh has been able to transform her economic growth to a modest reduction in the headcount poverty rate.
- Poverty reduction has been at the core of Bangladesh's development policy
 - ✓ *Poverty Reduction Strategy Paper (PRSP)*
 - ✓ *Sixth Five Year Plan (SFYP)* as well as the previous FYPs
 - ✓ *Outline Perspective Plan for 2010-2021*
- Bangladesh is also committed to attain the MDGs for poverty reduction.

Context

- Sustainable poverty reduction requires
 - ✓ broad-based, employment generating economic growth
 - ✓ development of human capital to empower the poor to participate in the growth process.
- Injection of resources in poverty reduction programmes may not always bring expected results unless policymaking and implementation processes are able to ensure empowerment of the poor.
- Success of poverty reduction strategies are often undermined by the fact that it is often difficult to mainstream the poorest section of the society in the economic development of a country due to their informal, insecure and unremunerative occupations, and lack of skills to make way out of poverty.
- Moreover, the planning and budgetary processes of the country are mostly top-down, centralised and bureaucratic in nature which in turn works in a resistive manner in empowerment of the poor



Context

- Effectively designed and implemented fiscal policy and/or government budget could play vital roles in poverty reduction.
- Instead pursuing specific goals to empower the poor, current policies focus predominantly on public expenditure programmes that earmark projects on poverty reduction.
 - ✓ As a result, the poor continues to be marginalised and excluded from the development process.
- Social safety net programmes (SSNPs) are one of the most important channels that address the poor.
 - ✓ Only a limited number of programmes and allocations in the national budget are targeted exclusively for the ultra poor who are the poorest sections of the society.
- Sustainable economic growth cannot be achieved if this group of poor people remains outside the growth curve.

Objectives

- To identify the budgetary and fiscal measures which can be redesigned in a way that can significantly reduce poverty and ensure economic and political empowerment of the poor, it is important to assess allocations and measures taken so far in the national budgets for the development of the ultra poor.
- In this backdrop the current study attempts to address the following issues:
 - ✓ Identify programmes and allocations in national budgets directly targeted for poverty reduction or the development of the poor.
 - ✓ Assess the design and implementation process of a few programmes which are directly related to support only the ultra poor.
 - ✓ Provide a set of proposals to increase the efficacy of fiscal measures and public service delivery to the ultra poor.

Methodology

- The analytical approach of the study is qualitative, which is based on both primary and secondary data.
- Primary information were collected through field level investigations.
 - ✓ 2 sample districts: *Kurigram* (poor, *monga*-prone and river erosion areas) and *Sirajganj* (poor, river erosion; better connected to capital)
 - ✓ A total of 6 *FGDs* with programme beneficiaries (randomly selected) and *a number of interviews* with relevant stakeholders were conducted.
 - ✓ Period: *December 2010*.
 - ✓ A semi structured questionnaire was used.
- The study also draws information and findings from various government documents and existing literatures on SSNPs in Bangladesh and across the world.



Methodology

Focus Group Discussions (FGD) with the Beneficiaries of EGHP

District	Upazilla	Union	No. of beneficiaries		
			Male	Female	Total
<i>Employment Generation Programme for the Poorest</i>					
Kurigram	Sadar	Jatrapur	8	6	14
Sirajganj	Sadar	Baghbati	26	12	38
<i>Primary School Stipend Programme</i>					
Kurigram	Sadar	Jatrapur	0	7	7
Sirajganj	Sadar	Baghbati	0	11	11
<i>Maternal Allowance for Poor Mothers</i>					
Kurigram	Sadar	Jatrapur	0	3	3
Sirajganj	Sadar	Baghbati	0	1	1
Total			34	40	74

Source: Authors' field investigation (2010).

- Interviews were conducted with relevant stakeholder groups:
 - ✓ Policymakers (officials in the line ministries and departments)
 - ✓ Implementation authorities (UNOs, UP Chairmen, Ward members, Upazilla Education Officer, members of Upazilla Maternity Allowance Committee)
 - ✓ Journalists (local journalists, members of local press clubs)
 - ✓ Local NGOs
 - ✓ Other members of the civil societies at local level





Section II

Dynamics of Poverty In Bangladesh

II. Dynamics of Poverty in Bangladesh

Conceptualisation of poverty

- Till date, conceptualisation of poverty in Bangladesh's policymaking is limited to income/consumption poverty where rise or fall of income/consumption above or below a pre-defined poverty line determines changes in poverty.
- Sen (2009) gave precedence to one's capability that people have of choosing and leading their lives.
- Sobhan (2010) argued for a redefined concept where poverty is seen as the economic and political disempowerment of the poor. He sees poverty as a result of structural injustice.
- Recognising the limitation of narrow definition of poverty, Multidimensional Poverty Index (MPI) is introduced in the Human Development Report 2010 of the UNDP.
- Fiscal policies in Bangladesh provides limited space to address the poorest section of the society.
- A number of non-government initiatives (e.g. BRAC, Grameen, Care and other NGOs) in Bangladesh, on the other hand, have already recognised this reality.



Measuring Poverty and Ultra Poverty

- In recent times most of the developing countries follow the Cost of Basic Needs (CBN) method that provides two poverty lines (upper and lower).
 - ✓ People below the lower poverty line are generally recognised as extreme poor.
 - ✓ According to CBN measure, poverty headcount ratio declined from 56.6 per cent in 1991-92 to 40.0% in 2005, while extreme poverty rate declined from 44.5% to 25.1% over the same period.
- Based on cut-offs in Kilo Calorie per capita per day, Direct Calorie Intake Method (DCI) provides three measures of poverty: absolute poverty (≤ 2122 Kc/capita/day), hardcore poverty (≤ 1805 Kc/capita/day) and ultra poverty (≤ 1600 Kc/capita/day).
 - ✓ In 2005, 19.5% and 7.8% of the total population belonged to the class of hardcore poor and ultra poor respectively who are unable to afford even an adequate diet a day.



II. Dynamics of Poverty in Bangladesh

Spatial Poverty

Rural vs Urban

- Poverty rate in rural areas is 43.8 per cent whereas 28.4 per cent urban residents remain under the upper poverty line.
- Incidence of extreme poverty is almost double in rural areas compared to urban areas.

East-West Divide

- Recent poverty statistics revealed clear indication of so-called “east-west” divide in poverty paradigm of Bangladesh.
- The eastern divisions (*Rajshahi, Khulna and Barisal*) are the highest poverty prone areas where the western divisions (*Dhaka, Chittagong and Sylhet*) have recorded faster poverty reduction

Poverty Pockets

- Extreme poverty pockets exist in different parts of Bangladesh
 - ✓ *Monga* prone area, *char* and *haor* area, hill tracks region

Chronic Poverty

- Chronic poverty is a situation whereby people who remain poor for much or all of their lives, many of them pass their poverty on to their children, and all too often die easily preventable pre-mature deaths (CPRC 2005).





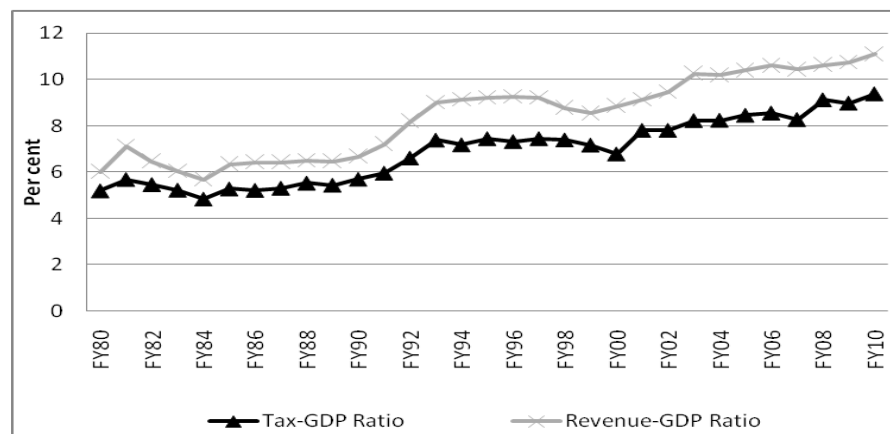
Section III

Budgetary Trends

Revenue Mobilisation

- Revenue-GDP ratio and tax-GDP ratio in Bangladesh are low compared to its regional neighbours.
- Revenue-GDP ratio and tax-GDP ratio increased from 5.2% and 6.0% in FY80 to 9.4% and 11.1% in FY10.
- During the last decade (between FY2000 and FY10) revenue and tax collection increased by 2 percentage points of GDP.
- As a result, dependency on foreign aid reduced. As percentage of GDP, foreign aid decreased from 5.6% in FY91 to 2.2% in FY10.

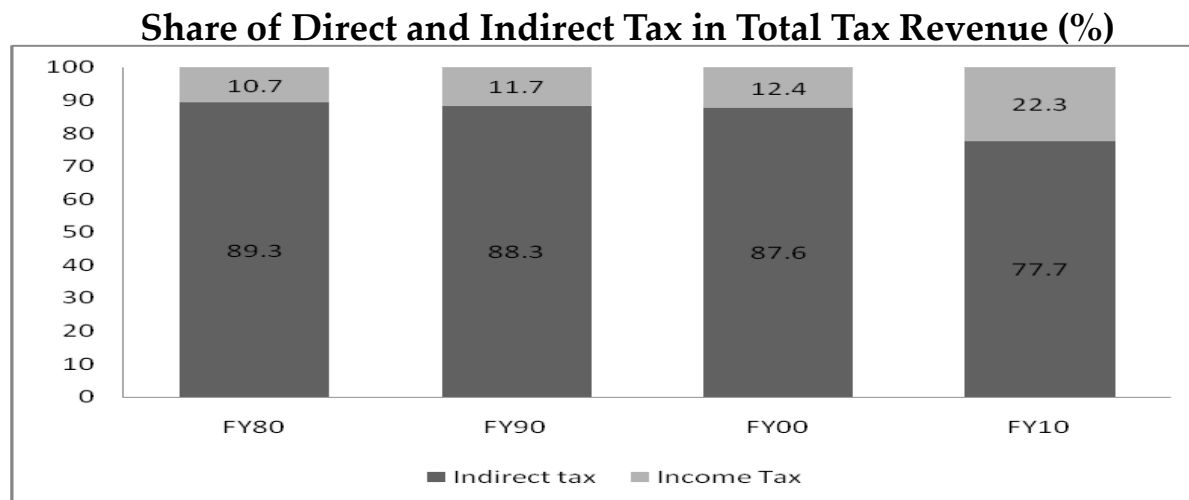
Revenue-GDP Ratio and Tax-GDP Ratio in Bangladesh (%)



Source: NBR Annual Report and Monthly Fiscal Report, Finance Division.



- At present, tax revenue provides the lion's share (84.3 %) of total revenue.
- NBR provides roughly 80 % of total revenue to government exchequer.
- Like many other least developed countries (LDCs), the share of indirect taxes in total tax is substantially higher.
- The share of indirect taxes decreased from 89.3 % in FY80 to 77.7 % in FY10.
- More importantly during last decade, balance in tax collection shifted in favour of direct tax by 10 percentage points.



Source: NBR Annual Report and Monthly Fiscal Report, Finance Division.

III. Budgetary Trends

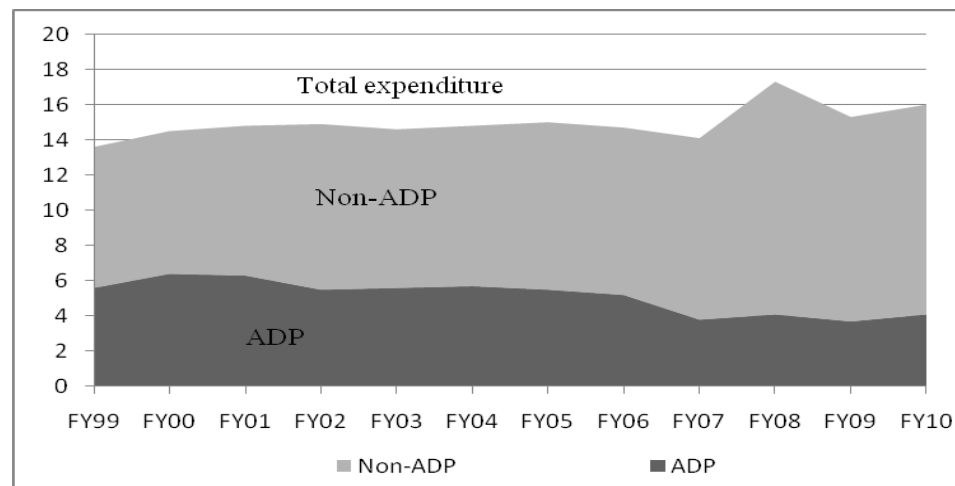
- It is important to continue this trend to establish a more equitable fiscal policy in Bangladesh.
- Direct taxes in general are subject to statutory incidence – taxpayers cannot shift their burden. The key is to impose indirect taxes on the items which are not included in the consumption basket of the poorest section of population.
- In general the personal income tax structure is progressive in nature. The current tax exemption slab of Tk. 1,80,000 ensures that the poorest income group does not have to pay any income tax.
- The income tax structure is criticised on the ground that marginal tax burden for the lower income group is higher than that of the upper income group (Rahman and Kabir 2010).



Public Expenditure

- Public expenditure can be represented as the measure of allocative priorities of the government. The size of the public expenditure can also be used as a proxy of a government's involvement in the economy.
- Public expenditure as a share of GDP remained roughly around 14% for the large part of the last decade.
- In the recent past, FY08 was marked by a sharp rise in public expenditure in the face of soaring global commodity prices.
- ADP as a share of GDP plunked gradually since FY01, declining from 6.3 % in FY01 to 4.1% in FY10.

ADP and Non-ADP Expenditure as percentage of GDP

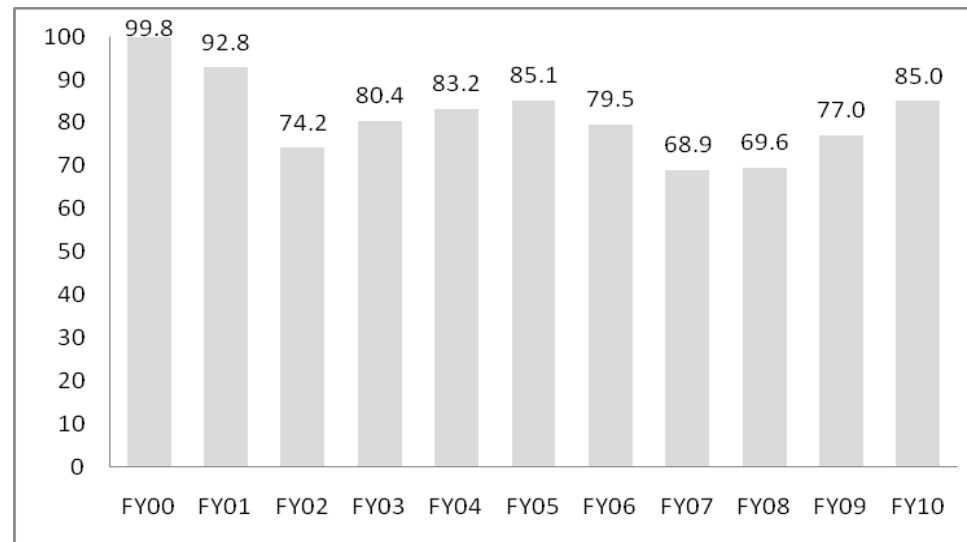


Source: MoF 2010.



- Slowing down of development expenditure is a reflection of the limitations of the development administration in realizing the planned development programme.
- Since FY2000, implementation bottleneck has been a major challenge for public investment.
- In FY07 ADP implementation rate reached at its historical lowest point when only 68.9 % of planned expenditure was realized.
- In FY10, ADP implementation rate improved to some extent.

Actual ADP as percentage of Original ADP



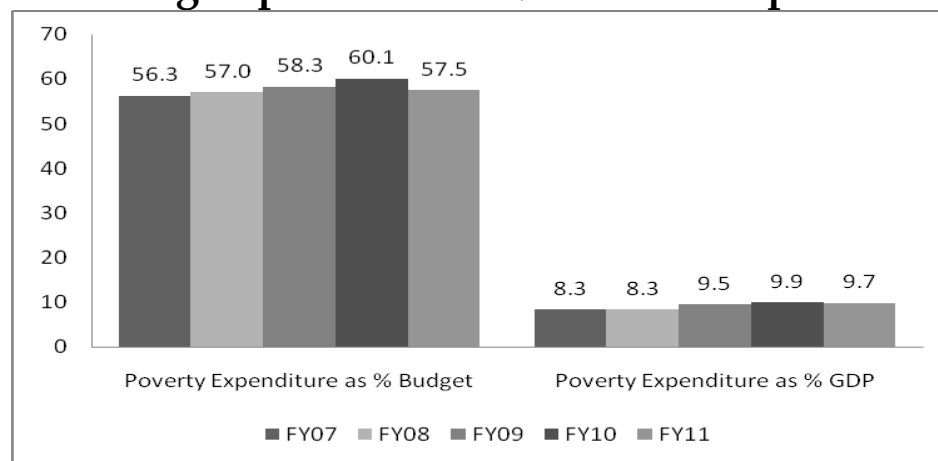
Source: MoF 2010.



Poverty Reducing Expenditure

- The Finance Division of the MoF prepares an estimate of poverty reducing expenditure in Bangladesh.
- The poverty reducing expenditure is defined as the *“spending that would benefit the poor, such as: direct services, and indirect services”*
 - ✓ The definition follows the framework of PRSP approach.
- These expenditures are not directly pro-poor rather pro-growth in nature. But these expenditures are expected to have a positive impact on poverty reduction indirectly.
- Following these definitions, poverty reducing expenditure as percentage of total expenditure and GDP remained more or less stagnant.

Poverty Reducing Expenditure as % of Total Expenditure and GDP



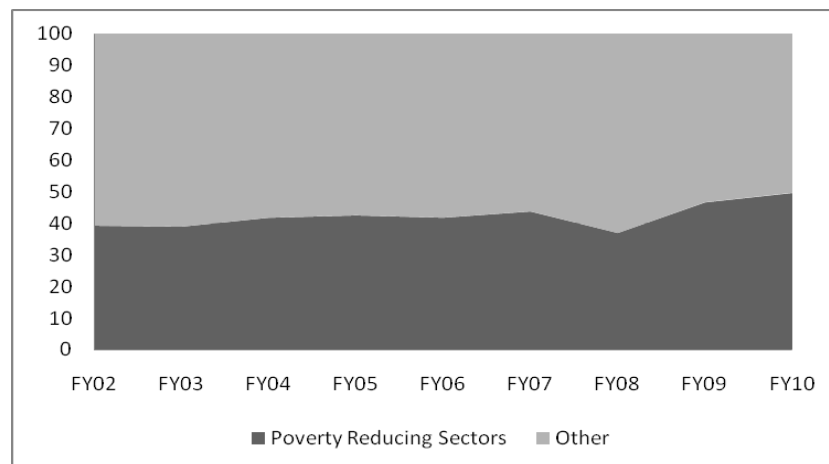
Source: MoF 2010.



Expenditure in Poverty Reducing Sectors

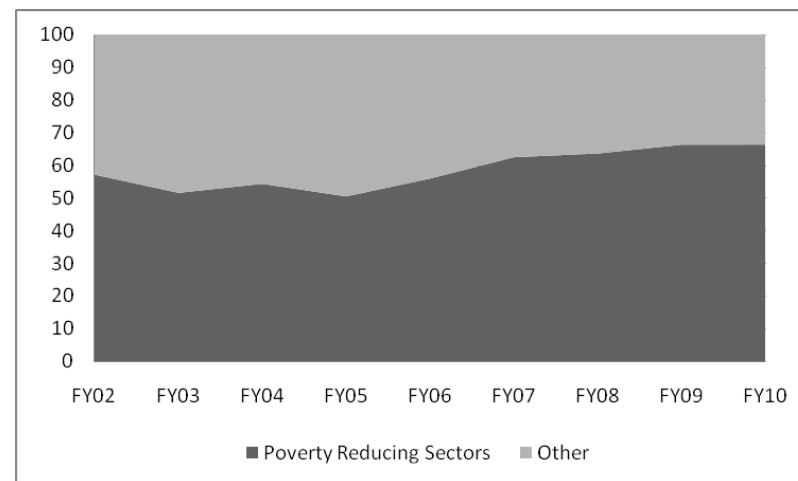
- Sectors which are beneficial to the ultra poor were identified through Social Accounting Matrix (SAM) analysis (CIRDAP 1997).
- The top five sectors among eleven include: *education, health, social services, food and agriculture.*
- Public expenditure on these 5 sectors experienced gradual rise in their share in total expenditure. The share of these sectors in total public expenditure increased from 39.4 % in FY02 to 49.7% in FY10.

Share of Poverty Reducing Sectors in Total Expenditure (%)



Source: MoF 2010.

Share of Poverty Reducing Sectors in Total Development Expenditure (%)



Source: MoF 2010.



- It is important to note that all expenditures in these sectors may not reach the poorest section of the society.
- Narayan and Zaman (2009) estimated that in Bangladesh only 34 % of the public expenditure in education sector benefited the poor
 - ✓ the extreme poor received only 8% public expenditures for curative health care while the richest 20% could access 49 %.
- Sobhan (2010), however, argued that a larger proportion of beneficiaries of these public services may be from the lower income groups if not the lowest.
 - ✓ higher administrative cost including leakages is a more substantive source of unequal distribution of public resources.
- Rahman and Kabir (2010) emphasised on ensuring that the poorest people receive their due shares in addition to allocating more resources to the priority sectors.

Social Safety Net Programmes (SSNPs)

- SSNPs can provide immediate relief during emergencies, by ensuring employment, education and nutritional intake for the poor
 - ✓ These SSNPs can play the leading role in addressing poverty and inequality in the long run.
- At present, 84 different SSNPs are in operation under four categories.

Major Safety Net Programmes in Bangladesh according to Categories

Categories	Programme Examples
Employment Generation	<ul style="list-style-type: none"> • Employment Generation for Hardcore Poor (EGHP) • National Service • Rural Employment and Rural Maintenance Programme • Food-for-Work (FFW) • Vulnerable Group Development (VGD) • Test Relief (TR)
Conditional Transfers	<ul style="list-style-type: none"> • Stipend for Primary Students • School Feeding Programme
Transfers	<ul style="list-style-type: none"> • Old Age Allowance • Honorarium for Insolvent Freedom Fighters • Allowances for the Financially Insolvent Disabled
Emergency Relief	<ul style="list-style-type: none"> • Vulnerable Group Feeding (VGF) • Open Market Sales (OMS)

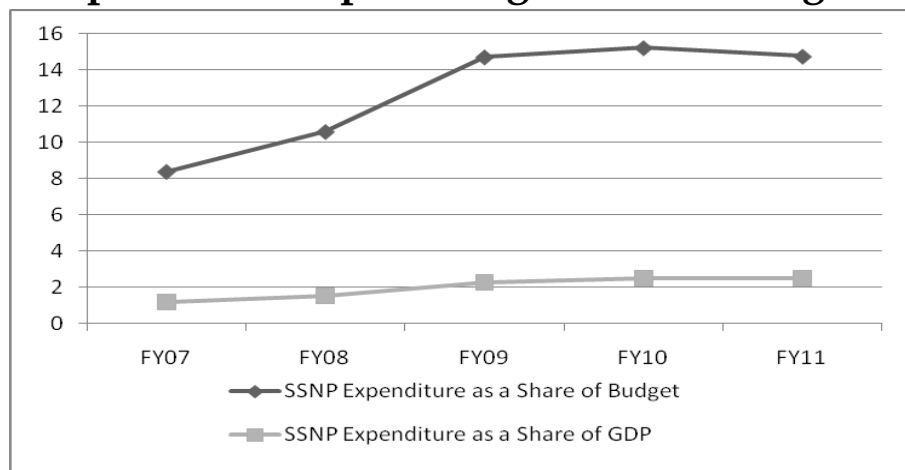
Source: Khatun, Khan and Nabi (2011).



Allocation for SSNPs

- Sobhan (2010) reported that expenditure on account of SSNPs remained stable around 4 % of total budget until recent rise.
- The World Bank (2006) estimated that during FY97 to FY05 periods, on an average, the government expenditure on SSNPs was to the tune of 0.8 % of the GDP and 5.7 % of the total public expenditure.
- Budgetary allocations for SSNPs as a share of total budget increased from 8.4% in FY07 to 14.8% in FY11.
- As a share of GDP, allocation for SSNPs also doubled in last five years, reaching 2.5% in FY11 compared to FY07.

SSNP Expenditure as percentage of Total Budget and GDP



Source: MoF 2010.



III. Budgetary Trends

- The draft Sixth Five Year Plan (SFYP) document has proposed to increase public expenditures for SSNPs to 3% of GDP in FY15 (GED 2010).
- Even with the recent rise, Bangladesh spends far less on SSNPs compared to other regions.
- The World Bank (2006) showed that on an average South Asian economies spent 4% of GDP in SSNPs whereas the expenditure of East Asia and Pacific was about 8% of GDP.
- European economies spend about 20% of their GDP on social protection.
- Based on Social Protection Index (SPI), Weber (2006) argued that Bangladesh lagged behind other regional countries in terms of social protection performance.

Coverage and Regional Disparities

- A meager proportion of extreme poor are covered by the SSNPs in Bangladesh. In 2005, only 13.1% of total households were covered under the SSNPs.
- Due to the different nature of programmes, it is difficult to estimate the coverage of SSNPs in Bangladesh in terms of number of persons or on the basis of person-month criteria.
- Coverage of SSNPs at aggregate level, though low, is increasing with rising allocations and introduction of new programmes.

Regional Poverty and Beneficiaries of SSNPs

Division	% of recipient Household	% of extreme poor
National	13.1	25.1
Barisal	13.3	35.6
Rajshahi	12.4	34.5
Khulna	9.5	31.6
Sylhet	22.4	20.8
Dhaka	14.3	19.9
Chittagong	11.1	16.1

Source: BBS 2007.





Section IV

Field Observations

IV(i). Evaluation of Employment Generation for the Poorest (EGPP)

- EGPP (FY11) is a continuation of 100-DEGP (FY09) and EGHP (FY10)
 - ✓ EGPP has major differences with 100-DEGP and EGHP in terms of implementation design and mode of finance.

Assessment of Design and Planning of EGPP

Goals of the EGPP

- The key objective of the EGHP is to enhance the income of the poorest section of the society through short-term employment generation, and to develop and maintain small scale rural infrastructure and local public assets.
- FGDs revealed that with a guaranteed source of income during the lean period, the poorest households have been able to better cope with social and economic vulnerability.
- On the other hand, through the programme, small scale social infrastructures such as small roads, embankments, ponds and school grounds, have been developed and/or repaired.



Groundwork and Guideline

- Designing and planning, supported by a comprehensive guideline framework, and appropriate and timely groundwork is extremely crucial.
- Drawing lessons from the experience of implementing almost similar programmes (100-DEGP and EGHP) during the last couple of years have enhanced the delivery capability of the implementation agencies both at the top and grassroots levels.
- The current round of EGPP has been comprehensively designed and documented in '*Implementation Guideline*' and '*Social Management Framework for the Employment Generation Programme for the Poorest*' by the Ministry of Food and Disaster Management (MoFDM) along with its development partner World Bank.
- Time between official instruction to commence preparation and field implementation of the programme is often inadequate for the implementation agencies (*Upazilla* committee).
- Interviews with officials involved in delivery mechanism at the grassroots levels suggested that even a one month preparation time is insufficient to target and select beneficiaries, and design and approve projects.



Target Area

- EGPP has been using a latest poverty map (published in 2009) to ensure that the allocated resource reaches the poorest parts of the country, especially the *char, haor-baor*, coastal areas and other areas which are extremely vulnerable due to *monga*, river erosion and natural disaster .

Geographical targeting and distribution of resources in EGPP

Poverty rate (in %)	No. of Upazilla	Allocation (as % of total budget of EGPP)
35 and above	133	50
21-34	201	40
Less than 20	146	10

Source: MoFDM 2010.

Target Beneficiaries

- The programme targets the poorest section of the rural areas who are landless, asset-less, unemployed and unskilled.
- To maximize coverage impact of the programme, one person per household who are excluded from all other SSNPs are selected.



- There are in-built mechanisms to ensure exclusion of non-target groups.
- Along with specific selection criteria, the daily wage (Tk. 150 per day) has been set below the average market wage.
- It is expected that in areas with higher number of potential beneficiaries, the selection process would be more equitable, participatory and transparent. Field investigation revealed targeting of beneficiaries was satisfactory; however, inclusion of non-target group was evident at minimal level.
- The programme has a provision for gender targeting where the guideline instructs that 33 per cent of the employed labour need to be female.
 - ✓ However, in practice, the number of female workers were found much lesser in number.

Target Time-frame

- The programme aims to provide employment to the poorest in two certain period of time in a year matching with agricultural lean periods.
 - ✓ first phase → September to November
 - ✓ second phase → March to April
 - ✓ total of 100 days of employment (60 days in phase 1 and 40 in phase 2)
- This time-frame does not exactly match the crop cycle for all the regions.
- As a matter fact, the targeted time-frame was found to be quite suitable for *monga* prone northern areas, but not suitable for other regions
 - ✓ The first phase (September to November) overlaps with the rainy season making earth-works difficult to perform in the flood-prone areas.
 - ✓ On the other hand, second phase (March to April) coincides with the crop growing period in certain areas. Then it becomes quite difficult to collect soil for construction.
- There is a provision for adjustment period based on local situation and demand. However, no such cases were found during field visits despite the fact that in some cases due to late start, harvesting season arrived before the completion of the projects making it difficult to retain labourers as the market wage is higher during harvesting.

Implementation Process

Beneficiary Selection

- According to the selection criteria, one must be within the age limit of 18-60 years, lacking assets (landless or devoid of any other assets e.g. pond, livestock, etc.) and be excluded from of any other SSNP.
- Union Committee prepares a preliminary list of beneficiaries which is then finalised and approved by the *Upazilla* committee.
- It is evident from the field investigation that the selection procedure is still mostly top-down in nature.

Project Selection

- Projects involve earthworks: construction and reconstruction of roads and dams, ground filling of various public properties or organisations, and canal/pond excavation or re-excavation.
- Institutional setting for project selection process is similar to beneficiary selection process.
- 3 to 5 projects are undertaken in each union based on the number of labourers – the size of each projects ranged between Tk. 2.5 lacs to Tk. 3.0 lacs employing 35 to 60 labourers.

Wage and Payment

- Wage rate for EGPP has been increased to Tk. 150 per day which was Tk. 100 and Tk. 120 per day for 100-DEGP and EGHP, respectively.
 - ✓ Globally, wage for similar programmes are set at a rate usually less than market wage which actually acts as a filter to exclude non-target group.
- In order to make the payment system more transparent and accountable, Khatun, Rahman and Nabi (2009) and Khatun, Khan and Nabi (2011) suggested for payment through bank accounts.
- From the current year EGPP has initiated to disburse the payment through bank accounts.
- Every enlisted worker is provided with a bank account at a selected local bank against their 'job card'.
 - ✓ Reduced scope for leakage and master roll manipulation
- From the perspective of banks, it is too difficult to manage such a huge workload with existing manpower.
- On the other hand, implementation authorities have complained that with assurance of getting wage from the bank, efficiency of labour output has decreased.

Non-wage and Administrative Costs

- CPD has long been calling for allocating dedicated resources earmarked for non-wage and administrative costs CPD (2009, 2010).
- Absence of non-wage costs, associated with purchase of construction materials and hardware, render the constructed infrastructure unsustainable and often fragile.
- EGPP has made provision to allocate 10% of the total budget of the programme earmarked for non-wage cost while the rest 90 % will be used for wage payment of the workers.
 - ✓ Number of beneficiary cut down to manage the cost.

IV (ii). Evaluation of Stipend Project for Primary Schools Students

- The PESP II, spanning over FY09 to FY13, aims to increase the enrolment rate, attendance rate of all primary level school age children of poor families and reduce the drop-out rate.
- A total allocation of Tk. 4035 crore has been earmarked. Till November 2010, Tk. 1267 crore (31.4% of the total allocation) has been disbursed.

Targeting and coverage of PESP II

- The programme targets all the government primary schools, registered private primary schools, community primary schools, government approved *madrastas* and primary level of secondary schools of the country.
 - ✓ institutions under municipalities and city corporations are excluded.
- Field investigation revealed that 60-90% students at the primary levels are covered under the programme.
- Students are enlisted in class one and receive stipend for the next five years.
 - ✓ To continue eligibility of receiving stipend, a student has to get at least 33% marks in all subjects and has to attend at least 85% classes.

Monthly stipend and payment mode

- One student receives Tk. 100 per month. If there are two students from the same family, the amount is Tk. 125.
- Payment disbursed through bank account.
- Payment is disbursed on a three months cycle
 - ✓ Date of payment is notified by the associated bank via school.

Implementation procedure

- The School Management Committee (SMC) is the grassroots level implementation agency.
- The SMC prepares a preliminary list of eligible students. The *Assistant Upazilla Education Officer* evaluates and the *Upazilla Education Officer* approves the list .
- The District Primary Education Officer ensures the proper distribution of stipend and implementation of the programme while the Stipend Monitoring Officer is responsible to oversee and monitor the implementation process in the field.
- There is serious lack of awareness among parents.
 - ✓ Selection criteria, duration of funding, criteria for continuation of eligibility and similar provisions are seemed to be confusing to many parents.



IV (iii). Evaluation of the Maternity Allowance for the Poor Mothers

- The goal of the programme is to assist the poor mothers during their pregnancy and to care the new born child.
- The programme aims provide assistance to the poor mothers in cash so that they can get proper maternal healthcare during their pregnancy, and ensure adequate nourishment and medical assistance to the new born child.

Selection Criteria

- A pregnant mother aged 20 years or above will be eligible for the allowance for her first or second time pregnancy.
- The household of the beneficiary should have monthly income less than Tk. 1500, be landless, and/or headed by a woman.
- A latest poverty map and HIES has been employed to ensure that the poorest regions receive the highest coverage.
- Field investigation revealed that the selection of beneficiaries is conducted only once in a fiscal year. As a result, only those mothers are selected who are pregnant during the selection process.
- Very low coverage in some areas has made it difficult to select a few from a large number of potential beneficiaries.



Implementation and monitoring process

- The Union Committee, through a survey, collect information on age, marital status, number of children, household income and possession of assets, and prepare a list of potential beneficiaries.
- The *Upazilla Family Planning Office* or the *Upazilla Health Officer* issues a certificate confirming pregnancy.
- Potential beneficiaries then apply to the Upazilla Committee for final selection and monitor implementation of the programme.
- The National Steering Committee, if required, can select specific NGOs to assist the implementation process in certain areas.
 - ✓ NGO involvement was not found during the field investigation.
 - ✓ In Kurigram, CARE has similar programme providing a monthly food package for the poor pregnant mothers.

Amount of Allowance

- Tk. 300 per month for a span of two years.
- The grand total of the allowance for a beneficiary (Tk. 300 X 24 months) is delivered in a single installment.
- However, the delivery process is found to be quite delayed.
 - ✓ It was frequently found that beneficiaries have received the allowance after the birth of the child.





Section V

Concluding Remarks and Recommendations

V. Concluding Remarks and Recommendations

- The 'Ultra Poor' are not a distinct group in the government's policy documents. The closest nomenclature could be the 'extreme poor' or 'lower level poverty'.
- The SFYP uses 'extreme poor' and absolute poor to differentiate between various levels of poverty.
- It is difficult to come up with a number to indicate how much resource is exactly allocated for the extreme poor.
- SSNPs have been a major source of support for the poor and the extreme poor.
- The services under SSNPs can be improved and strengthened through a number of measures.



V. Concluding Remarks and Recommendations

Recommendations for Effective Delivery of SSNPs

Programme Design and Implementation

- Targeting is a key factor determining the efficiency of any SSNP.
 - ✓ Target group needs to be clearly defined
 - ✓ Coverage needs to be designed carefully with latest poverty maps/ HIES
- Proper groundwork with adequate time allocated for preparation is crucial.
- Rather than being supply driven, it is now time for the SSNPs to transform into more demand-driven in nature.
 - ✓ Design and implementation process should be participatory
 - ✓ Voices of the beneficiaries/ target group needs to be heard by the policymakers
- Local NGOs often develop local resource maps and poverty maps with grassroots level information.
 - ✓ Synchronisation with these NGOs, and involving them in design, implementation and monitoring process would be beneficial.
- Implementation process should have in-built monitoring system to resist leakage and loopholes.

V. Concluding Remarks and Recommendations

Participation of the Poorest in Decision Making

- Involvement of all relevant stakeholders, including the ultra poor, is extremely vital for transparency and accountability of the National Budget.
- The government has begun a process of pre-budget consultation with business community, CSOs and NGOs, and academics and experts.
 - ✓ However, voice of the absentee – the poor are still to be heard by the policymakers. While the budget is known to be the most crucial instrument for pro-poor economic growth, it is of utmost importance that the poor, especially the ultra poor, participate in the preparatory process of the national budget.
- Involvement of political parties in the budget preparation process is also important to make the process more participatory, which is currently not in practice.
- Several local NGOs have attempted to simulate a budget making process involving the wider community at the local levels. Such endeavours can be mainstreamed.

V. Concluding Remarks and Recommendations

Public-Private Partnership (PPP) for SSNPs

- Use of PPP in implementing SSNPs is not new in Bangladesh.
 - ✓ Vulnerable Group Development (VGD), one of the most prominent SSNPs in Bangladesh has been implemented by private organisations like RDRS and BRAC.
- Many NGOs have identified that the poorest group of the society are less benefited from government's interventions (eg, SSNPs).
 - ✓ In view of this several NGOs have started special programmes specifically targeted for the ultra poor.
 - ✓ For example BRAC's 'Challenging the Frontiers of Poverty Reduction: Targeting the Ultra Poor' programme is one of such programmes which is under operation since 2002 covering 100,000 households from 15 districts in phase 1 (2002-2006) and 860,300 households from 41 districts in phase 2 (2006 and onwards).
- The government can build partnership with NGOs to implement these type of programmes on PPP basis, where funding, design, implementation, monitoring and evaluation can be performed jointly by the government and the NGOs.

V. Concluding Remarks and Recommendations

- A centralised database of SSNPs and their beneficiaries has become essential to reduce overlapping of coverage and maximize utilization of resources.
- SSNPs are only for the rural poor. However, given the increase in urban poverty, programmes should be broadened to include urban extreme poor.
- Access to SSNPs should be highlighted as the 'right' of the poor rather than 'relief'.
 - ✓ An essence of 'relief' still prevails over EGPP; however, the philosophy should be 'enhance income and social development through employment generation'.
- SSNPs should be part of the mainstream development plans. Emphasis should then be given to increase the implementation of the Annual Development Plan (ADP). Higher implementation of ADP will mean more employment for the poor.
- Finally, to make growth sustainable, resource allocation for social protection is essential. On the other hand, a sustainable growth can increase the coverage of social protection.



Thank You