

A PPRC-UNDP Research Initiative

*Social Safety Nets  
in Bangladesh*

Volume 1

Review of Issues and  
Analytical Inventory

PPRC Logo  
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# *Social Safety Nets in Bangladesh*

## Volume 1

### Review of Issues and Analytical Inventory

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Views expressed in this paper are those of the authors and  
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## Foreword

Social Safety Nets (SSNs) and the wider topic of Social Protection have assumed a centrality within the development literature in recent years. Publicly-sponsored protection of the poor and vulnerable has emerged from the shadows to become a mainstream concern for policymakers. The contribution of SSNs is now viewed not merely in terms of their impact on challenged families, but their systemic benefits - in enabling higher levels of employment and entrepreneurship, sustaining household consumption and human capitals, securing pro-poor growth and promoting social inclusion and national cohesion. A body of experience, ranging across continents, has now been established to inform the building of functional social protection systems. Yet in spite of this new consensus much controversy remains. A crucial first step in the development of a well-fitted national approach is the balancing of experience elsewhere with the national context. The ambit of SSNs within LDCs is often wide and fragmented. These typically include welfare payments, work guarantee schemes and conditional cash transfers; and comprise both on and off-budget allocations and a plethora of programmes supported by donors. Gaining an understanding of the nature of provision and its functionality is another important first step in crafting a pro-developmental social protection system.

For these reasons, during 2010 UNDP initiated a high level research project targeted at providing the Government of the Bangladesh (GoB) with the tools to undertake reforms necessary to build new policy framework and portfolio of SSNs. This intervention was especially timely given the concurrent development of the GoB's Sixth Five Year Plan (SFYP). This project was undertaken on UNDP's behalf by the Power and Participation Research Centre (PPRC) and has three outputs. This volume represents the first two contributions: a review of the international policy experience, detailing the relevant global lessons to be applied; and second an analytical inventory of current provision, providing an authoritative account of the existing set of programmes. The third contribution (to be provided in a second volume) will report on an empirical evaluation of the major programmes currently in place.

I commend these research materials to policymakers in government, independent analysts and members of the donor community. I am certain these will prove valuable promoting an informed debate and will facilitate the development of policy and future reforms.

STEFAN PRIESNER  
Country Director, UNDP

## Preface

Social Safety Nets (SSNs) have emerged as an essential component in the fight against poverty. Initially focused only on protection goals, they are now increasingly combining promotional goals too. Over the years, Bangladesh has introduced a plethora of SSNs. However, such growth has often been ad hoc and lacking a systematic overview. The need for a comprehensive and strategic framework within which to consolidate SSNs has emerged as an increasing pre-occupation within the wider policy community. To address such a need, PPRC, with support from UNDP, has undertaken a comprehensive Study of SSNs in operation in Bangladesh. The Study has three components: i) a review of issues based on international and national experiences, ii) an analytical inventory of SSNs in Bangladesh, and iii) a field assessment of selected SSNs in operation.

This first Volume from the Study presents the findings from the review and inventory components. Liaquat Ali Choudhury, Senior Research Fellow and Khondaker Shakhawat Ali, Research Fellow of PPRC together with Hossain Zillur Rahman, Study Team Leader, prepared the present Volume. The ready assistance provided by officials in the Planning Commission and the Ministry of Finance in the preparation of the inventory is gratefully acknowledged.

In ensuring a quality study, PPRC Team has benefited immensely from the dialogue it has maintained with a wider community of engaged professionals. This has included Majeda Haq, Goran Jonsson, Richard Marshall of UNDP, Syed Hashemi and Imran Matin of BDI and BRAC University and Shaikh Shamsuddin Ahmed of World Bank. Support for the Study from Stefan Priesner, Country Director, UNDP is deeply appreciated. Finalization of the volume also benefited from a presentation made to the Local Consultative Group on Poverty under auspices of the General Economics Division of the Planning Commission. Discussions with Shamsul Alam, Member, GED in this regard is gratefully acknowledged.

It is our sincere hope that this Volume will stimulate the ongoing policy discourse towards transforming safety nets into an evermore effective tool against poverty

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## **Part A            Evolution of a Policy Focus**

### **1            Introduction**

Recent years have seen a perceptible increase in interest on social safety nets in developing countries. The emergence of such a policy focus has been underscored by the growing realization of the significance of risk and vulnerability in defining the poverty condition<sup>1</sup> and the concomitant need to protect the poor from such risks and vulnerability. During the 1980s, the spurt in interest in social safety nets stemmed from the debt crisis in Latin America and the need to undertake painful structural adjustment programme to cope with often debilitating macro-economic crisis. There was a general realization during this period that, though economic restructuring associated with adjustment could be perfectly consistent with policies to achieve sustainable long-term development, in the short run the poor can be at considerable risk during the process of restructuring. During the 1990s, the East Asian financial crisis provided another spurt to interest in safety net programs as a means of limiting the impact of such adverse macro-economic turns on the lives of the poor. Most recently, the global recession of 2007-08 has seen renewed concerns on risks faced by the poor and middle classes due to prolonged economic downturns.

Though many critics have questioned social safety-nets as something politically expedient, stigmatizing and highly inadequate to prime concerns of the poor, the necessity of such nets was never totally discarded. On the contrary, concerns on reducing vulnerability of the poor has risen near to the top of the development agenda. It is now also increasingly realized that even when macro-economic adjustment is not a primary issue, an inclusive development agenda requires special measures in favour of the poor as they may be bypassed by the growth process. They may not benefit from it at all due to their varied constraints and vulnerabilities<sup>2</sup>. The creation of cost effective and efficient social safety nets may be one of the many ways to help the poor so that they do not perpetually continue to suffer from grinding poverty. Revisiting the idea of social safety-net with a view to better appreciate how they respond to the specific needs of the poor while at the same time addressing the broad development objectives of developing countries is one of the main objectives of this Study.

### **2            Evolution of the Concept of Safety Nets**

It is interesting to note that there has been a significant evolution in the concept of social safety nets as they were planned and adapted to address the problems of the poor in the developing countries. Originally, a narrow concept of public social safety nets operated amounting to non-contributing state transfers in cash or kind. These were sometimes universal but more often targeted, to help the poor or those suffering from poverty to overcome their transient problems. The focus of the safety-nets so conceived was to prevent the unfortunate from falling into utter destitution or to lift those who fall to such a level up to a minimum acceptable standard of living; and in specific contexts to compensate those groups in the society who lost out from structural

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<sup>1</sup> Hossain Zillur Rahman, 1995, 'Crisis and Insecurity: the Other Face of Poverty' in Hossain Zillur Rahman & Mahabub Hossain (ed), *Rethinking Rural Poverty*, SAGE; *World Development Report 2000*, World Bank

<sup>2</sup> *The World Development Report 1990* of the World Bank draws attention to this particular justification for safety-nets in the developing countries.

adjustment. Safety nets are thus supposed to prevent people from falling below certain poverty level and cope with adverse income fluctuations for variety of reasons. They are also likened to safety ropes “which just like mountain climbers rope, tether the individual in order to minimize the distance fallen when misfortune strikes”<sup>3</sup>.

The more recent conceptualization of social safety-nets for the developing countries, however, argues for a broader scope. The notion of safety ladders is increasingly being used in the discourses on safety nets.<sup>4</sup> The rich and extensive analysis on the nature of the poverty in the developing countries and the vulnerabilities /risks faced by the poor in these countries have led to growing realization that various issues relating to the safety-nets and the broader issue of ‘social protection’ and ‘social risk management’ should be discussed with more emphasis on the important relationship, between risk management and the prospect of growth and poverty reduction.<sup>5</sup> The social protection interventions, including through social safety-nets have sustainable, development potential beyond transitory poverty alleviations and that they should therefore be recognized as effective tools which can help policy makers in their current pre-occupation with the reduction of chronic poverty. For analytical clarity and practical reasons it is also important to note that safety net programs can be provided by the public sector (state, donors, NGOs) or by private actors (individual or group charity, informal household arrangements etc).

### **3 Vulnerability, Risks and Coping**

The literature on social safety nets and the broader issue of social protection has a rich and abundant component devoted to the vulnerability and risk analysis. It has however, been noted that vulnerability of the people living on the edge itself is a complex concept which needs to be defined in relation to specific threats and may be analyzed through a wide set of related but not identical lenses<sup>6</sup>. It has also been noted that vulnerability may affect different people in different ways, times and magnitudes, a reality which should not always be approached only from a static perspective. On the contrary, there is a growing literature on the subject to suggest that vulnerability analysis should also approach the entire question of vulnerability from a dynamic perspective i.e. besides static depiction of vulnerability, such analysis should also consider how people move in and out of poverty and various types of insecurities. It has been noted that severe deprivation in developing countries is compounded by the uncertainties with respect to livelihood and fluctuation in the incidence of poverty provide an aggregate indicator of vulnerability, since they track the movement of households into, and out of poverty<sup>7</sup>. Vulnerability, it is further noted, takes different forms because it arises from different causes. Like poverty, it can be structural or transitory, reflecting risks from routine or predictable phenomena or unanticipated risks. Attempts have been made in the literature on vulnerability and risks to cluster risks and vulnerabilities faced by the vulnerable broadly into patterned (or idiosyncratic) risks as opposed to generalized

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<sup>3</sup> Jonathan Murdoch and Manohar Sharma : ‘Strengthening Public Safety Nets from the Bottom Up’, *Development Policy Review*, vol. 20, Number 5, November 2002, PP 569-588.

<sup>4</sup> Hossain Zillur Rahman (ed), 2006, *Safety Nets and Safety Ladders: Outcome of a Policy Workshop*, PPRC/GED, Planning Commission, Dhaka

<sup>5</sup> Stephen Devereux : ‘Can Social Safety Nets Reduce Chronic Poverty?’, *Development Policy Review*, Vo., 20, November, 2002, PP 657-675.

<sup>6</sup> Ugo Gentilini : ‘Mainstreaming Safety Nets in the Social Protection Agenda : A New Vision of the Same Old Perspective?’, *Journal of Agricultural and Development Economics*, vol. 2, no. 2, 2005, PP133-157.

<sup>7</sup> Naila Kabir: ‘Safety Nets and Opportunity Ladders: Addressing Vulnerability and Enhancing Productivity in South Asia’, *Development Policy Review*, Vol. 20, Number 5, November 2002, P-593.



(or covariant) shocks. The first type of risks affect individuals or households such as accidents, frictional unemployment, illness etc. while the covariant risks refer to shocks and vulnerabilities due to more generalized phenomena affecting people or households like floods, cyclone, price inflation etc. In the literature on the subject attention has been drawn on significance of single versus repeated shocks, persistent risks and anticipated versus unanticipated risks.

There is a sizeable body of literature analyzing the various coping mechanism that individuals, households and communities may have to deal with their various types of vulnerabilities<sup>8</sup>. It has thus been noted that even before a risk occurs, individuals or households may try to minimize the impact of risk by taking specific measures. They may thus opt for activities with lower means but also with lower variance. They may also avoid entering into new types of economic activities or exploring new opportunities. In the process “they are likely to become trapped in low paying activities that further reinforce their poverty”. The people at risk and facing consequences of formidable vulnerabilities may also have recourse to ex-post actions forced upon once there has been a negative income shock. It has been noted that in the absence of any insurance mechanism, individuals and households often try to absorb shocks through reduction in household expenditure. But nature and extent of such reductions may vary depending on the individual circumstances of the family or the households - the negative impact of shocks being greater when the extent of shock is great and persistent. When shocks are larger, not only are the immediate welfare losses associated with reduced consumption also larger, but there is also an increasing likelihood that households may have to take more drastic actions to maintain irreducible consumption at the expense of future income and consumption. Coping with the consequences of shocks in such cases may lead to, amongst others, pulling school age children out of school, reducing even canceling planned investment in productive ventures or maintenance of current business assets, increasing utilization of free-access community resources (such as forest products, fisheries), engaging in distress selling of productive assets such as land, which adversely affect future earning potential and aggravates the prospect of inter generational transmission of poverty. There may be other actions on the part of the vulnerable and the poor such as distressed induced migration and contracting of patron-client relations of grossly disadvantageous terms for the poor and the disadvantaged. The gender dimension of vulnerability too is significant with women in many countries suffering more in course of a crisis or having to sacrifice more in terms of reduced consumptions and other necessities than their male counterparts.

It has been suggested, and rightly so, that ‘understanding the role and implication of the different types of risks is a first step in designing more effective safety-nets (and safety ropes)’. In this context, one important observation is that ex-post coping mechanisms may carry greater benefits when individuals and households are related to one another. An individual or household at risk facing some idiosyncratic risk in such cases can fall back on assistance of an ex-post character from another individual or household within the framework of an informal arrangement for compensatory transfer or lending. Consumption and income smoothening effect in such cases becomes relatively easier. However, if the shocks and income fluctuations are of a co-variant or generalized nature all the individuals or households are more or less similarly affected. In such

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<sup>8</sup> Jonathan Murdoch and Manohar Sharma, *ibid*, PP 569-588.

cases, ex-post coping measures through compensatory transfers or lending between individuals households become more difficult, calling for action of a different nature.

Recent literature on risk and vulnerability also highlights some other important realities which are quite significant and are deserving of special attention. Thus elderly people tend to be much more vulnerable than younger populations in part due to the weakening of the non-formal intergenerational 'social security' systems in the face of increased migration and splitting of households. At the same time "socially excluded groups among the poor fare worst under systems of non-formal insurance, while poor households with extensive community networks may be able to cope quite well with moderate idiosyncratic shocks." The duration of crisis is also an important determinant of vulnerability: the longer the individuals and households have to face a crisis the more they are forced to resort to crisis coping strategies of an irreversible nature such as selling of consumer assets, temporary migration, selling of producers assets, permanent migration, begging, prostitution, resource to crime and degeneration of family units<sup>9</sup>.

While most vulnerability and risk analysis in the available literature focuses on national and sub-national processes that causes poverty and vulnerability and risks, recently 'the anti-poverty debate has also come to address aspects of contemporary globalization as it increases peoples vulnerability<sup>10</sup>. Globalization on its own is currently being looked at as increasing opportunities for, including the poor, in the developing countries. However, it has also been stressed in some contemporary literature that globalization may also 'exacerbate insecurity, in terms of both the increasing probability that economic shocks will be international rather than national in scale' and that the increased severity (breadth and depth) of these shocks may be quite serious." It has also been noted that globalization and increasingly liberalized international environment may restrict the ability of governments to mobilize many of the sources of revenue (for example trade-tariff etc.) conventionally used to fund social expenditure, threatening a fiscal squeeze which many developing countries with their narrow revenue base can ill afford. Greater international exposure also threatens national economies and the income /consumption of the vulnerable segments of the population to vagaries of supply, demand and risks of recession or exogenously triggered inflation.

#### **4 Why are Safety Nets Important?**

The large body of literature on the social safety nets highlights a large number of ways in which the safety nets can be helpful.<sup>11</sup> One of the foremost justifications is that "they play a well-recognized redistributive role which is supported strongly by moral philosophy, expressed in many different ways.' They are also supposed to help 'when families, specially poor families facing reduction in income and assets may resort to costly coping strategies that perpetuate poverty, such as selling their most productive assets". Safety nets, it is thus noted, may help affected individuals and households avoid making livelihood choices that reduce their earnings,

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<sup>9</sup> Naila Kabir, *ibid*, PP 593-595.

<sup>10</sup> Andy Norton, Tim Conway, Mick Foster : 'Social Protection : Defining the Field of Action and Policy,' *Development Policy Review*, Vol. 20, Number 5, November 2002, PP 547-549.

<sup>11</sup> Grosh Margaret, Carlo del Ninno, Emil Tesliuc and Azedine Oucrgi, 2008, *For Protection and Promotion- The Design and Implementation of Effective Safety Nets*, The World Bank.

more specifically they may avoid trying to manage risks by adopting ex-ante measures which may minimize the variance of their income but at the same time also lower their income. Opting for low risk plans, abstaining from productive investments on inputs have been cited as some such ex-ante risk coping behaviors. It has also been noted, in support of the social safety-nets, that they enable households to make better investments in their future. Safety-nets not only help households to take up investment opportunities that they would otherwise miss - both with regard to human capital of their children and the livelihoods of household earners, they 'can contribute to capital accumulation among the poor by preventing the negative outcomes of malnutrition and underinvestment in education and by enabling investment in productive assets'.

Recently, increasing attention has also focused on the possible contribution of well functioning safety-nets instruments in poverty reduction and promoting living standard of the poor in the long-run: "the potential of safety-net transfers to the poor to raise living standard is greater than it is (currently) recognized and this may happen through asset creation and significantly affecting the investment behavior of the poor". There are several ways in which such externalities may operate. For example, safety-net supported reduction in malnutrition and subsequent improvement in the average nutritional status and economic performance of the people may positively contribute to growth. Another way in which safety-nets may help in the building up of human capital is through such programme supporting investment in education i.e. school feeding etc. Asset creation possibility of safety-net supported public works programmes have also been the subject of much discussion during the recent years. Existence of social insurance schemes too can have a longer run-effect: "where social insurance systems do exist, this encourages moderate risk-taking behavior by smoothing income streams against risky entrepreneurial outcomes.' Transfer incomes guaranteed through safety-net programmes such as Employment Guarantee Schemes, can also generate a dynamic benefit when part of it 'diverted to non-consumption uses for example, if it is invested in agriculture or petty trading can lead to increased food production and income increases and a second round of multiplier effect will be achieved". In this way, "a livelihood protecting transfer can have a livelihood promoting outcome".

An important point to note, however, is that safety nets, while extremely useful, are never the only or wholly sufficient solution to poverty and risk. Rather, they are part of a country's development policy and should be viewed as such. It is certainly important that to ensure a proper role of safety-nets in the development and poverty-reduction process, there should be a conscious effort to calibrate the promotional role of safety nets with other instruments that a government uses to address poverty and risk. Recent literature points to the fact that such arrangements may help governments create environment supportive of beneficial reforms. In this specific context, it has been suggested that 'there will be less opposition to reform when there are mechanisms to compensate losers or to assist the poor who often become poorer during a downturn; less opposition to reforms allows for better macro-economic policy and growth.'" Safety-nets may also help to 'foster more inclusive growth' and may help create a 'virtuous circle' lending 'to more inclusive institutions and thus indirectly to better policy and higher growth."

While the benefits of safety nets have been amply discussed, contemporary literature also caution against a number of potential downsides. In particular, there may be circumstances where safety nets may adversely affect work incentives, reduce work efforts or crowd out private transfers. However, for such outcomes to emerge in poverty-stricken developing countries, the benefits of

safety nets have to be large. In most cases, safety nets complement rather than substitute earnings of able-bodied beneficiaries.

Contemporary literature in fact suggests several options to minimize labour disincentives. Three such options are a) to set benefit levels lower than what adult can earn by working; b) to keep benefit substantially lower than the minimum wage and c) to use benefit formula that reduces benefits on a 'sliding scale' of less than one currency unit of benefit reduction for each currency limit of increased earnings. The possibility of such negative impact may also be minimized by consciously limiting the programmes to the extent possible to those who traditionally are not expected to work, that is the very young, the very old, the disabled and so on. A slightly different option may be to direct 'benefits for able bodied beneficiaries on the basis of work test'.

One point which has been examined considerably in the literature has been whether or not transfers through public safety nets crowd out private transfers which form the part of informal safety-nets already in place in the society. It has, however, been noted that 'though undoubtedly helpful, informal insurance and intra-households transfers are not sufficient safety-nets' in developing countries. Many people are left out of such networks, and even for those who receive some assistance, it may not be enough to avoid poverty traps and intergenerational transmission of poverty. Furthermore the entire informal private support network may be adversely affected by widespread or large covariate shocks like flood, cyclones or drought when not too many may be in a position to support those who are in need of support. An additional point to bear in mind here is that 'private support can sometimes be part of a larger set of patron-client relationships that are not conducive to the clients' long-term income growth'.<sup>12</sup>

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<sup>12</sup> Most of this quotations in this sections are from Margaret Grosh et al, *ibid*.

## Part B Social Safety Nets: A Global Overview

### 5 Social Safety Nets in Developing Countries

#### 5.1 *An Evolving Portfolio*

Contemporary literature notes a wide spectrum of social safety nets in operation in developing countries. These vary in their objectives, design specifics, mode of operation and methods in transferring the intended relief or benefit to the target groups. The nature and scope of these instruments have also been changing over time. One observation notes that “the last 20 years have seen a marked move away from generalized, universal food subsidies towards more targeted programmes and from food towards the use of cash”<sup>13</sup>.

While food-based instruments are still used, there has been a resurgence of interest in public works programs earlier extensively used in South Asia only. Many developing countries have also made free access to education and provision of some form of health insurance an important priority. More recently, building on the experience of countries in South Asia and Latin America, conditional cash transfer (CCT) programs are being actively promoted. CCTs are instruments designed to provide income support to families while requiring them to make necessary investment in their children’s health and education.

While the literature often distinguishes between the protection and promotional roles of safety nets, in practice, many programs combine elements of both. Indeed, many safety net programs aim at multiple inter-related objectives and the protection and promotion goals are often blurred in practice. This of course does not detract from efforts to establish a broad typology of safety net programs.

#### 5.2 *Three Programme Clusters*

The literature suggests three clusters<sup>14</sup>.

- ***Transfer Programmes in cash and kind:*** These type of programmes aim at helping and protecting the poor by providing them with resources they need to maintain a minimum level of consumption. Some variants of these programmes ensure unconditional transfers to households in the form of cash or near cash. Other variants provide access to food by allocating rationed or subsidized food. They also include other food based programmes, supplements for mothers and children, school based feeding programmes and transfers. The governments may also give general subsidies for food, energy, housing and utilities.
  
- ***Workfare Programmes:*** The main objective of these types of programmes is to provide low-skill jobs for the poor on public works programmes for building, repairing and improvement of local infrastructure. These programmes provide low wage payments in

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<sup>13</sup> Grosch Margaret et al : For protection and Promotion-The Design and Implementation of Effective Safety Nets, The World Bank, 2008, P-254

<sup>14</sup> *ibid*, PP254-334.

cash and kind to members of poor households willing to work at that pay. Such programs can complement transfers and provide opportunities for graduation out of such programs.

- ***CCTs: Programmes to improve human capital and provide access to basic services for poor households:*** These are conditional transfers to encourage the use of education and health facilities so that they can play an important role in promoting investment in human capital.

**Box 1**  
**Classification of Social Safety Nets Programmes**

***Programs that provide unconditional transfer in cash and in kind***

- **Cash transfers, including near cash (vouchers, coupons, and the like).** Needs-based social assistance, noncontributory pensions and disability transfers, family allowances, food stamps.
- **In-kind food transfers.** Targeted food transfers and rations, other food-based programs, supplements for mothers and children, school-based feeding programs and transfers.
- **General subsidies.** Subsidies for food, energy, housing, and utilities.

***Workfare Programs***

- **Workfare or public works programmes.** Public works programs in which the poor work for food or cash.

***CCTs: Programs that protect and enhance human capital and access to basic services***

- **Conditional transfers.** Transfers in cash or in kind to poor households subject to compliance with specific conditions in relation to education and /or health.
- **Fee waivers for health and education.** Mechanisms to ensure access to essential public services, such as fee waivers for health care services, school vouchers, or scholarships.

Source : 'Grosch Margaret et al : For protection and Promotion-The Design and Implementation of Effective Safety Nets', The World Bank, 2008, P-255

### 5.3 *Strengths and Limitations*

Available literature brings out the relative strengths and limitations of the three program clusters noted above. Unconditional cash transfers, whether made as part of need based assistance programmes or in the form of family allowances, help the poor or those who face a probable risk of falling into poverty to overcome such an outcome. Such transfers, though limited by the availability of resources, are considered advantageous on several counts. i.e. their benefits can be differentiated by the level of need, household size or composition or need of specially vulnerable target groups such as the old, the disabled, women in distress etc. If predictable and efficient administrative infrastructure is created, administrative cost of running such programs may also diminish. They may not also lead to market distortion of prices as may be the case in programs of paying subsidies to affect food or commodity prices. However, efficient targeting of such programs can be quite information intensive and transfers made can be utilized for unintended household uses as the resources received are fungible. Program outcomes may also be adversely impacted by price increases of products purchased and consumed by beneficiaries. These limitations notwithstanding, at the policy making level strong advocacy is now being made in favour of cash transfers as opposed to other forms of food or commodity based transfers and

providing subsidies and other types of support measures which may have large budgetary implications and price distortion impacts adversely affecting production.

Food based safety net programs in the form of targeted food transfers and ration, supplementary feeding programmes, school feeding programs, food for work programmes (FFW), emergency food distribution, food stamps, vouchers and coupons have variously been used by most developing countries during recent years. Efficacy of such programs in developing countries has been the subject matter of extensive critical analysis. Critics of such programs have pointed out several limitations. For example, procurement, transport and storage of food for such programs may have a large element of administrative cost and possibility of wastage and corruption may not be ruled out. Feeding programs might also lead to disincentives at the household level to provide children with food at home. Such programs are also more often than not biased towards urban population with possibility of large errors of inclusion in cases of food rationing system. Food based programs have, however, never lost their appeal for their relevance in cases of emergencies and for other reasons. It has been noted that they can be self-targeted as long as commodities are limited to inferior foods. The gains for program beneficiaries can also be impervious to price inflation as in the case of cash transfers. In specific cases, they can lead to improved learning and health status of beneficiaries (in case of school feeding) and additional benefits when feeding programmes are linked to adequate care for children and prospective or lactating mothers.<sup>15, 16</sup>

Most developing countries also have in place general or specific subsidies for food, energy, agricultural inputs and other specific utilities. Subsidies have often been considered as politically more desirable to address public grievance on price rise and their burdensome implications for the people. From an operational point of view, they are found to be amenable to faster implementation than income/cash transfers with relatively lower errors of inclusion. However, as opposed to these advantages, subsidy based programs can involve high errors of inclusion and lots of people not worse off in the sense of deserving assistance may also benefit from such programs. The most important criticism of such programs, however, is that subsidies may distort production incentives and might be biased towards urban population if the subsidized food items and utilities are made available largely in the urban localities. They may also be quite expensive with large operation costs and budgetary burdens which are difficult to control. Indeed, the literature points out that general subsidies which have to come to be popularly accepted are difficult to remove.

With regard to workfare programs, these may provide important opportunities to the vulnerable segments of the population in a country to cope with shocks due to cyclical reasons or weather or

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<sup>15</sup> During the recent years intense discussions have been going on the relative merits of food based safety nets and those programs focusing on non-conditional or conditional cash transfers. For most recent strong defense of cash transfer programs please see John Hanlon, Armando Barrientos and David Hume's recent publication-'Just Give Money to the Poor-The Development Revolution from the Global South', Kumarian Press, 2010.

<sup>16</sup> For a more nuanced position on the debate on the food versus cash transfers-please see Ugo Gentilini's 'Cash transfer, vouchers and food transfers : an overview of key issues', GTZ Journal Rural 21, Vol.-42, 05/2008. Gentilini notes, 'the suitability of cash and food transfers can not be pre-determined since it hinges on dynamic and context specific factors. The fact that different varieties of these factors can co exist at the country level- e.g , in some areas within a country, markets may work well, while in others they may not-entails that cash vouchers and food transfers are not necessarily alternatives, but could rather be mutually reinforcing and complementary instruments'.

financial turbulence related shocks. Public works programs can be quite helpful by providing unskilled workers with temporary labour intensive jobs during difficult times. They can also contribute to the creation and maintenance of public goods in the form of infrastructure. Errors of inclusion in such programs are considered to be much less than in other programs as the relatively well to do people self-exclude themselves from such program which from their perspective offer lower and unattractive wages.

In almost all the countries where such programmes are in place, their contribution to consumption and income smoothening impact for the poor has been recognized as well as the possibility that such programmes may lead to second round of income generation. When infrastructures are developed, such as community roads, embankments, irrigation facilities, and reforestation and conservation, construction of public buildings, they can be particularly supportive of growth and development. However, notwithstanding their positive benefits for the extreme poor, infrastructure projects have often been considered as administratively demanding and subject to large leakage of resources if they are not well monitored and effectively administered with unbiased attention to the poor. Generation of low paying jobs requiring little or no skill and no provision for skill development may not also help the poor much to improve their productivity and prospect for their graduation out of chronic poverty. The overall public works programme may also suffer if additional provisions are not made for materials needed for these works besides wages for labour.

Fee waivers, exemptions and scholarships to provide poor people with resources to use or access public services such as education facilities or health facilities are specific ways in which many developing countries have tried to help the poor during the recent years. These programs are targeted to a pre-determined group of people who would otherwise not have access to certain services. Such programs have been considered as particularly helpful in such areas as encouraging enrolments in schools, attendance and impact of reducing drop-outs. Where specifically targeted to girl-child and mothers (in case of health facilities), they have also been found to have contributed to empowerment of the women and girl-child. However, as noted in the relevant literature, such programs can be quite demanding in terms of resource requirements given their size and intended coverage of targeted population. They are also complex to administer and their effectiveness often depend on the development and maintenance of health and education facilities which by themselves can be expensive in terms of resources required to provide and maintain them.

## **6 Issues in Design, Implementation and Impact**

### *6.1 Targeting*

A large part of the available literature on safety nets focus on the question of targeting. One of the avowed objectives of targeting in safety net programs is to concentrate resources mainly on the poor and the vulnerable so that they are the main beneficiaries of such programs. An equally important objective of targeting is to maximize the impact of the program with the least budgetary cost. Available literature describes a number of differing targeting methods for directing resources to the poor. Some of these methods demand assessment of eligibility of the targeted beneficiary group in accordance with a set of criteria. Others suggest targeting on the



basis of eligibility determined on the basis of clustering of intended beneficiaries by categories such as geographic consideration, or specific attention given to demographic factors such as age and gender etc. Different targeting methods described in the literature are summarized below in Box 2.

### **Box 2**

#### ***Criteria for Targeting used in Safety Net Programmes***

- ***Means test*** : This method is based on income. It seeks to collect near-complete information on households income and/or wealth and verifies the information collected against independent sources.
- ***Proxy means test*** : As part of this method, a score is arrived at for applicant households for targeting purposes on the basis of fairly easy to observe household characteristics such as the location and quality of household dwelling, ownership of durable goods and assets, demographic structure of the household, education level and occupation of the adult household members.
- ***Self-targeting*** : This method aims at inducing participation by only the poor in the program by setting the program benefit to a level attractive only to the poor. Nature and the extent of benefits from such programs automatically discourage the relatively well-off to self-exclude themselves from such programs. The low-wage public works programmes in developing countries are the best examples of programs using this targeting method.
- ***Community Based targeting***: Under this method a group of community members or leaders (whose principle functions in the community are not related to the transfer programmes) decides who in the community should benefit.
- ***Geographic targeting***: Under this method location determines the eligibility for benefits. More precisely vulnerable people in a certain location becomes eligible to programmes benefit or budget is allocated for poor, calamity hit or other areas identified for safety net coverage for special circumstances.
- ***Targeting following demographic specificity***: Under this method eligibility is based on age, genders or such other demographic specificity considered important from the perspective of their contribution to the vulnerability of the target population.

Targeting has both its advantages and costs. Which of the above methods will serve the purpose of a country or a program will depend on the relative benefits, costs of the utilization of these methods which may vary depending on country settings, institutional capacity to utilize the targeting methods effectively and the complex set of other social, political and economic determinants. The key objective in targeting is to minimize errors of exclusion and errors of inclusion. Yet, errors of exclusion may be quite high in case of budgetary constraints limiting the size of the program coverage. Both errors of exclusion and inclusion may also result from weak information bases, on the basis of which the targeting exercise is carried out and the intensely polarized political dynamics coming into play in determining the inclusion and exclusion of beneficiaries under the program coverage. Elite capture or capture by dominant political classes in many underdeveloped countries is not uncommon which may make effective targeting a major problematic reality.<sup>17</sup>

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<sup>17</sup> Jonathan Conning and Michael Kevane : 'Community Based Targeting Mechanisms for Social Safety-Nets', Draft for 'Conference on Social Protection for Chronic Poverty : Risks, Needs and Rights : Protecting What? How?' Chronic Poverty Research Centre, Manchester University, 2008, P-12.

It has been observed on the basis of findings in recent empirical analysis that proxy means testing, community based selection of individuals and demographic targeting of children showed good results on average, but with considerable variation from case to case. Demographic targeting of the elderly and self selection on the basis of consumption showed limited potential for good targeting. By contrast, available literature shows that means testing, geographic targeting, and self-selection based on work requirement were associated with an increased share of benefits going to the bottom two quintiles compared with targeting that used self-selection based on consumption. However, findings such as these should not lead to a blanket preference for one method over the other and an informed decision should be taken by individual countries on a careful examination of all the relevant factors and individual country circumstances and the specific nature of problems requiring focused attention. Indeed, the key to targeting success often lies in the quality of implementation. The available literature make it clear that targeting performance improve with the implementation capacity of governments and ‘the extent to which governments are held accountable for their actions’<sup>18</sup>.

## 6.2 *Financing Safety Nets*<sup>19</sup>

Financing safety nets in developing countries remains a major challenge. Most of these countries face formidable resource constraints and hence their ability to undertake safety net programs on a large scale is limited. Available data indicates that most developing countries spend in the range of 1 to 2 percent of their Gross Domestic Product (GDP) on safety nets. Specific aspects of safety net financing have been the subject of considerable scrutiny and analysis. The relative role that domestic resources and donor assistance may and should play in safety net financing has also been extensively discussed. Some of the general observations that have been made in this regard are quite important. For example, it has been noted that in the poorest countries, the sheer magnitude of spending that would ideally be required to provide an adequate safety net is quite daunting, given the number of vulnerable people who are in need of some form of assistance or the other. But the governments should not lose sight of the fact that they can increase the allocation of resources for safety net programs by reallocating available resources from some other less pressing uses. There are several ways how this can be achieved. In Sri Lanka, the food stamp programme was initiated during the 1980s. It ‘was not additional to existing policy, but a more cost efficient replacement of the general food price subsidies previously in place’. Similarly in Indonesia, a new cash transfer programme was used which did not pose a burden on the budget as it was a low cost substitute for more expensive subsidies for energy. It is also possible that government may redirect some of the resources from ineffective manufacturing subsidies for financing safety net programs. However, increase in expenditure on safety net programs may be justified only if ‘the safety-net programmes are good, the programmes are small, alternative use of funds are of low priority and the combined package of expenditure and financing is redistributive’.

Expenditure on safety-nets should also, to the extent possible, ensure complementarities with building physical and human capital. This may help the poor survive today and may reduce the

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<sup>18</sup> Grosch Margaret et al : ‘For protection and Promotion-The Design and Implementation of Effective Safety Nets’, The World Bank, 2008, P-104

<sup>19</sup> Quotes in this section are from Grosch Margaret et al: ‘For protection and Promotion - The Design and Implementation of Effective Safety Nets’, The World Bank, 2008, chapter 3, PP 45-82

causes of poverty in future. If the safety net programs are to be financed by raising taxes or through debt financing, two things need to be ensured first. With regards to taxes, 'governments must pay attention to the economic and political costs'. Secondly, in so far as debt financing is considered, it should be ensured that safety nets also benefit future generations in ways that will raise their productively, and consequently ensure future tax revenues.

Contemporary literature also highlights the importance of donor support for safety net programs of resource-poor developing countries. Such assistance are helpful in a real sense if their flow are stable and predictable and they are used within a comprehensive framework alongside recipient government's own policy priorities and programmes without encouraging duplication of efforts and missing out the synergies that can be derived from ensuring effective complementarities of efforts. It is also important that both government and donors should coordinate efforts to finance safety nets in a countercyclical manner when needed rather than succumb to the pressure during crisis to curtail the safety net programs. Pre-funding safety-nets by building up reserves during better times for future safety nets purposes could be one of the several ways by which governments can protect safety net programs from the depressive impacts of cyclical shocks. Countries like India, Bangladesh, and the Philippines are known to hold reserve funds for relief programmes. Significantly such pre-funding, though they may be useful during localized emergencies, may prove to be inadequate during large covariate shocks such as the devastating floods in Bangladesh in 1998 and 2004. During prolonged economic downward spiral of economic activities, government's ability to generate such funds may also be circumscribed by lower income & lower revenue that the government can mobilize. Attempts may therefore, be made preferably to ensure countercyclical finances 'through prudent low overall spending during stable times and increased spending or borrowing in times of need.'

The question of financing safety nets also has to factor in the difficult trade-offs between coverage and benefits. Benefits that are too small may have little impact though they may cover more people. Programs with higher benefits may call for lower coverage if the same budget is available. Enhancing coverage with greater benefit certainly call for more resources and hence additional fiscal burden. The literature notes that in general, programs with benefits that are too low are more frequent than programs with benefits that are too high.

### *6.3 Enhancing Impact*

Customizing safety net programs may improve the poverty impact per unit of transfer. Such customization may ensure that benefits may be differentiated and targeted by household - such as poverty level, size or composition or specific needs or behaviours. Customization itself may be very difficult in terms of their designing, administration and communication with the public and can only be attempted in high capacity settings. In the literature on the subject, it has also been noted that the benefits to beneficiaries may be improved if private costs to beneficiaries in obtaining such benefits could be minimized. It may also be necessary to periodically revise the benefits in monetary terms to protect beneficiary households from inflation. A desirable procedure in this regard may be to 'have a regular, perhaps annual, review of benefit levels as part of the budget cycle or even an automatic indexing of benefits. In either case, programme managers should consider not just how price levels have changed, but also how wages in low-skill occupations have changed'.

The analysis on desirable benefits from safety-net programmes has also led to considerable discussions during recent times on enhancing the ability of safety net programs to promote household independence. Three key approaches have been suggested to make safety net programs ‘more explicitly promotive and not exclusively protective’.

According to the first of these approaches, safety nets programs should be designed and the benefit formula in them should be adjusted in specific ways to encourage and smooth the exit from safety-net programme and most important of all to minimize any incentive for dependency. Secondly, transfer under safety-net programmes can impose conditions and transfer made under such programmes can be made conditional on behaviours that are expected to help households move towards independence. The CCT programmes now being implemented in many developing countries are best examples of transfers being made with requirements supportive of broad promotional objectives. Thirdly, attempts may be made to introduce non-conditional links to other services which may help the beneficiaries to move into independence. Potential in these areas may be considerable depending on how safety-net programmes and other issues of social protection are handled.

Box 3 below illustrates three examples of attempts being made to link social protection and growth in a larger sense:

<p style="text-align: center;"><b>Box 3</b></p> <p style="text-align: center;"><b>Experiences of linking social protection and growth</b></p> <p><b>Public works</b></p> <p><b>Indian National Rural Employment Guarantee Act (NREGA)</b></p> <p>With a 2006-2007 budget of some £ 1 billion, equivalent to 0.3% of GDP, allocated under the umbrella of the Indian National Rural Employment Guarantee Act (NREGA), this is probably the largest rights-based social protection initiative in the world. When fully fledged, it will cost around four times this amount and cover some 450,000 households. NREGA provides for up to 100 days of work to each household falling below the poverty line. NREGA has the potential to bridge social protection and growth, by creating or rehabilitating growth-related assets useful to the poor.</p> <p>However, early evidence suggests only limited awareness among the poor of their ‘right to work’ (especially in more remote tribal areas), and a focus on a standardized set of assets, with little consideration for local relevance. Two further difficulties from the growth perspective are that NREGA does not provide skills enhancement and does not, therefore, strengthen human capital. In addition, by taking (state-sponsored) work to the people, it may discourage them from moving to more economically dynamic areas. There is little evidence of new, more honest, practices among local bureaucrats to deliver NREGA, and allegations of demands for bribes in order to issue job cards are numerous.</p> <p><b>Sustainable Food and Livelihood Security</b></p> <p><b>Rural Employment Opportunities for Public Assets (REOPA), Bangladesh</b></p> <p>The Government of Bangladesh and UNDP with financial assistance from the European Union (EU) designed the Rural Employment Opportunities for Public Assets (REOPA). This program launched in 2007 has been developed mainly as a social protection programme based on the learning of the earlier Rural Maintenance Programme (RMP) and Sirajgonj Local Governance Development Project (SLGDP). The strategic thrust of this programme has, however, been for more comprehensive with two core objectives: i) to ensure sustainable improvements in the food security of project beneficiaries, and ii) to</p>
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improve social, economic and environmental conditions of rural communities through pro-poor asset creation. In pursuit of the first objective, REOPA provides for more regular incomes, increased savings through compulsory accumulation of part of the project-based wage income, and fuller engagement in income generating activities. Improvement is also sought in terms of human capital of beneficiaries through better nutrition, health, education, social recognition of voice etc. To advance the second objective, REOPA focuses on creating and improving public assets (such as village schools, latrines, dispensaries etc.) promoting economic growth (through construction of rural earthen roads, village market, irrigation system etc.) and enhancing environmental conditions (such as waste and sanitary management, cleaning and improvement of sewage systems, drainage system, tree plantation etc.). Improvement of such assets also generates counter-cyclical employment during agricultural lean seasons. REOPA also has the aim of facilitating provision of more basic services for beneficiaries (such as veterinary and agricultural services). The distinctive feature of REOPA is the effort to synthesize three core components: strengthening household incomes and assets, improving basic services, and capacity building of local government institutions.

The program is being implemented in 388 Unions of 41 upazila in six districts. A key program feature is that destitute women receive two year's of employment through the maintenance works on rural roads and at the end of this period receive 21,000 Taka as the compulsory savings they had accumulated during this period. Schemes within the basic service component include Agricultural Training, Livestock Training, Livestock Vaccination Services /Equipment, Sewing and Tailoring Training, Family Planning and Health Training, Fish Cultivation Training, Tree Plantation Training, Energy Efficient Cooking Stove Making Training, Improving Waste Management and Sanitation, Tubewells, Computer Training, Improved School Management Training, Weaving.

***Human capital development***  
**Oportunidades, Mexico**

Mexico's cash transfer programme, Oportunidades, provides income transfers to five million households, conditional on children's school attendance and families' regular visits to health care centres. Oportunidades has proved to be an effective social protection tool in terms of improving human capital capacities in poor households. It has done this through improved school enrolment rates at both primary and secondary levels, especially for girls, improved nutrition, and reduction in the incidence of illness among children under five. Whilst the programme focuses on breaking the intergenerational incidence of poverty, there is scope for improving its design to maximise synergies with productive activities at the household level, and to maximise the impact of transfers on local economic development (Handa and Davies 2006).

Source : ODI Briefing Paper 28, October 2007, *Linking social protection and the productive sectors*; REOPA Annual Progress report, 2009, UNDP

## Part C Social Safety Nets: A Bangladesh Overview

### 7 Poverty and Vulnerability in Bangladesh

A meaningful review of the role of social safety nets in Bangladesh - their evolution over time and current status – demands a proper appreciation of the poverty scenario in Bangladesh. It is well established that poverty remains the pre-eminent development challenge for the country and in particular for the millions who bear its everyday burdens. Recent authoritative works on poverty trends in Bangladesh underscore the fact that achievements of Bangladesh in reducing poverty and extreme poverty have not been insignificant. The percentage of population living in poverty (using consumption below upper poverty line as the benchmark) fell from 48.4% in the year 2000 to 40.0% in 2005. The percentage of extreme poor (consumption below the lower poverty line) fell from 34.3% in 2000 to 25.1% in 2005. The number of extreme poor fell by almost 4.3 million during this period<sup>20</sup>. This encouraging trend notwithstanding, it is however significant that around 56 million people in Bangladesh were still living in poverty in 2005 including 35 million who were in extreme poverty. The presence of such a large pool of poor is a cause for genuine concern. It has rightly been noted that transfer of resources to the poor in the country should be a major policy priority to ensure that ‘the poor are able to meet their basic needs, cope with the impact of economic shocks and invest in human development to be able to benefit from and participate in the growth process’<sup>21</sup>.

Social safety net programmes are important instruments that countries like Bangladesh may utilize to facilitate such transfers. By mitigating the shocks of various types, both of an idiosyncratic and covariate nature, well functioning safety nets can reduce the impact of such shocks in the short-run and ‘improve the long term growth prospects of the poor by reducing the compulsion among households to adopt coping strategies in the aftermath of a shock that leads to loss of human and physical capital and income generating capacity.’ What is very significant about the Bangladesh case is that given the massive nature of poverty in Bangladesh and low per capita income, corresponding size of vulnerable population in Bangladesh at the risk of falling into or deeper into poverty is very large. One recent study found more than half of surveyed households to have been affected by shocks in the period 1997 to 2000-7<sup>22</sup>. The most frequently reported shocks for all households have been of an idiosyncratic nature\_in the form of shocks relating to illness (expenses related to illness and /or forgone income), and, dowry and wedding related expenses. Illness shocks accounted for 22 percent of most commonly reported shocks with expenses related to illness perceived as more detrimental to household welfare than income losses.

Generalized community wide covariate shocks-due to floods (also cyclones and tidal upsurge) have also been identified as a major cause for vulnerability in Bangladesh. Such shocks often compel the vulnerable to cope with immediate needs, in the absence of any other viable

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<sup>20</sup> Ambar Narayan, Nobuo Yoshida and Hassan Zaman : ‘Trends and Patterns of Poverty in Bangladesh in Runt Years / in Breaking Down Poverty in Bangladesh, The University Press Limited, Dhaka, 2009, PP 1-40.

<sup>21</sup> Shaikh Shamsuddin Ahmed, Ambar Narayan and Hassan Zaman: Are the Poor Protected? Vulnerability and the Role of Safety Nets in the Breaking Down Poverty in Bangladesh, The University Press Dhaka, 2009 PP 263-265

<sup>22</sup> *ibid*, PP 269-70.

alternative, by selling household effects, productive assets, accumulating high interest loans and removing children from school all of which adversely affect their long-term economic potential.

The studies on vulnerabilities and risks in Bangladesh have also highlighted the importance of another form of shocks which occur with nearly predictable regularity, namely, seasonal poverty stemming from the seasonality in agriculture. Large areas in the north-west of Bangladesh are subjected with what is known as periodic *monga* - a near crisis form of deprivation for a large segment of the affected population during the lean agricultural season in October-November causing great hardship. The repeated visitation by *monga*, as it has been noted, has been the cause of chronic poverty in the affected areas. An estimated 5 million people live in the *monga* prone districts of Rangpur, Gaibandha, Kurigram, Lalmonirhat and Nilphamari where agriculture is the mainstay of local economies.

#### **Box 4**

##### **Bangladesh's vulnerability to natural disasters, seasonal shocks and climate change**

###### ***Vulnerability to natural disaster***

Eighty percent of Bangladesh consists of floodplains created by more than 300 rivers and channels, including three major rivers : the Ganges, the Brahmaputra and the Meghna. Regular annual flooding has traditionally been beneficial to agriculture; but severe floods occurring less frequently have had adverse impacts on residents and the economy. In the last two decades, major floods occurred in 1988, 1998, 2004 and most recently in 2007-affecting an estimated 11 million (2007) to 68 million (1998) people. The southern part of the country is also particularly vulnerable to cyclones-with a 710 km long coastal belt and an area of about 37,000 sq. km. Major cyclones have occurred in 1970, 1985, 1991 and 2007, affecting an estimated 1.8 million (1985) to 10 million (1991) people. More than 500,000 deaths were reported due to 1970 cyclone and its aftermath, while the 1991 cyclone caused 138,000 deaths.

###### ***Emerging Challenges of Climate Change***

Climate models indicate that, by 2050, Bangladesh will experience increasing temperatures and monsoon precipitation, intensified cyclones, more severe droughts, and river bank erosion. Additionally, a simultaneous rise in the sea level may alter the sediment balance and salinity in coastal areas. Potential effects of climate change of poverty are substantial, affecting natural resources and common property resources such as fisheries, mangroves and forests, which provide livelihood support for the poor. Furthermore, disasters such as catastrophic floods generate shocks to household savings and consumption and exacerbate food insecurity, water stress, and health problems. Flood-prone districts of Bangladesh, for example, have consistently greater poverty ratios, suggesting a geographic poverty trap.

###### ***2007: the year of natural disasters***

An unusually severe monsoon flooded Bangladesh along with neighboring countries in 2007. By end-July, the floods were affecting 39 of the country's 64 districts, including almost half of the total land area of the Dhaka and Sylhet divisions, and a quarter of Rajshahi division. Preliminary and incomplete figures indicate an estimated 11 million people affected, with damages to 1 million homes, 1.1 million hectares of crops, and more than 23,000 kilometers of roads. Just as Bangladesh was beginning to recover from the floods, a Category 4 tropical cyclone (Cyclone Sidr) struck its southern coastline on November 15, 2007. With a radius of 74 kilometers and wind speeds reaching 223 kilometers/hour, it killed nearly 4,000 people and affected the lives of about 8.7 million people in 30 out of the 64 districts in the country. While the country's cyclone-preparedness program, including advance warnings systems, awareness-building, and shelter availability prevented the death toll from reaching the levels seen during earlier cyclones, economic losses were extensive, including destruction or damage to standing rice crops, fisheries (particularly shrimp farms), forestry, livestock housing, rural roads, and embankments.

###### ***Severe seasonal deprivation (monga)***

The greater Rangpur districts in the northwestern region experience seasonal deprivation and a famine-

like situation, locally known as *monga*, with disturbing regularity. *Monga* occurs during mid-September to mid-November, corresponding to the post-planting and pre-harvesting of the major Amon rice crop. Households primarily reliant on agricultural wages find their pre-harvest purchasing power dropping drastically due to a rise in prices of food staples coupled with a fall in local labor demand and wages. Although other parts of rural Bangladesh also experience price increases and wage drops during the same season, their extent and acute consequences leading to hunger and famine appear quite unique to Rangpur. Roughly 7 percent of the total population of Bangladesh (about 9.6 million people) inhabits these district, about 5.3 million of them living below the poverty line. The suffering during *monga* thus is not limited to a small pocket of households. Furthermore, *monga*-like phenomena are observed in certain pockets in other parts of the country, as well, for example in *char* areas (reclaimed land from silted up rivers) in Bogra and Jamalpur districts.

Source : Breaking Down Poverty in Bangladesh (Pages 272-273)

Recent literature on vulnerability and risks in Bangladesh has also highlighted the hardship caused by other covariate shocks such as rapidly rising price inflation of essentials<sup>23</sup>. For example, during the period 2007-2008, retail price of rice in Bangladesh increased by around 38.8 per cent in rural areas and 36.8 percent in urban areas (which in its term was caused by supply shocks due to floods, cyclones and total disruption of the import of food grain from external sources due to upward price spiral internationally and export curbs imposed by major exporter of rice to Bangladesh namely India). This price hike has had a substantial welfare impact since rice accounts for a significant proportion of household expenditure, more so for poorer households. The net buyers of rice, who are in the majority both in rural and urban areas, had to bear the main brunt of this price hike.

It is worth noting that while the above taxonomy of vulnerability and risks largely reflects the ground reality in Bangladesh, there is also a distinctive transition with the change in the country's risk profiles. This is being driven by the changing structure of the country's economy with large segment of population moving from rural to urban centres in search of livelihood opportunities and newer risks from globalization and emerging formidable environmental challenges and concerns. Some of these risks may be of a transient or long-term character but they are important nonetheless. These new risks will certainly affect the need for safety net programs in Bangladesh in a more fundamental way than never before with growing demand from an ever increasing number of new entrants clamoring for safety net protections. Growing urbanization and alarming increase in the number of slum dwellers will also pose new challenges for designing safety nets needed for the poor of an entirely newly type.

## **8 Evolution of Safety Net Programmes in Bangladesh**

Historically, public safety net efforts in Bangladesh have clustered around the twin themes of food rations and post-disaster relief. The third cluster has been informal safety nets at family and community levels to address issues of demographic and social shocks. There has also been pension scheme for state employees. Over time, however, safety nets have transcended these historical moorings and have graduated to a mainstream social and developmental concern.

Three factors have driven this process of change: i) a political process whereby the welfare responsibilities of the state have come into sharper focus; ii) a social process of erosion of

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<sup>23</sup> *ibid*, P-266



informal safety nets due to the decay of the extended family system; and iii) a developmental realization that safety nets are crucial to a sustainable anti-poverty strategy. Consequent to these factors, Bangladesh has witnessed a proliferation of safety net programs over time.

The historical moorings of safety net concerns on food rations and post-disaster relief underwent its first major change in the wake of the famine of 1974. The concern to avoid such disastrous outcomes unleashed new programmatic initiatives by the state and within society at large. Food-for-Work (FFW) program, which till then had been a small component within the integrated rural development Comilla model, emerged as an independent and vastly scaled-up program focused on redressing seasonal poverty. At the societal level, the Grameen micro-credit model was born to provide new frontiers for sustainable livelihoods for poor households.

The next turning point came towards the end of 1980s. Urban and rural rationing were phased out as its efficacy as an anti-poverty program was increasingly questioned. Equally importantly, the consecutive floods of 1987-88, galvanised the concern to broaden the focus of FFW type programs to issues of sustainable infrastructure beyond the narrow goal of redressing seasonal poverty per se. Two noteworthy innovations which resulted were food-based programs utilizing women's employment towards goals of infrastructure maintenance and social forestry.

The 1990s saw several developments. Two wholly new safety net frontiers were opened. Conditional Cash Transfers (CCTs) focused on girl education were initiated in early 1990s thus adding a new goal of human development and social empowerment to traditional safety net concerns. Primary and Secondary stipends emerged as new flagship programs. The second frontier opened was an extension of allowances program in the late 1990s to cover clientele traditionally covered by family-based informal safety nets i.e. the elderly and destitute women such as widows and abandoned women.

The other big development in the 1990s was the institutionalization of post-disaster food security program. VGF cards came of age in the aftermath of the 1998 floods and have since become a mainstay of the safety net portfolio.

Current decade too has seen multi-dimensional evolution of the safety net portfolio. Four developments stand out. The first is a more explicit engagement with goals of sustainable graduation beyond the goals of safety net per se. Multi-component programs such as REOPA, TUP, VGD-UP, RERMP are attempts to address such goals.

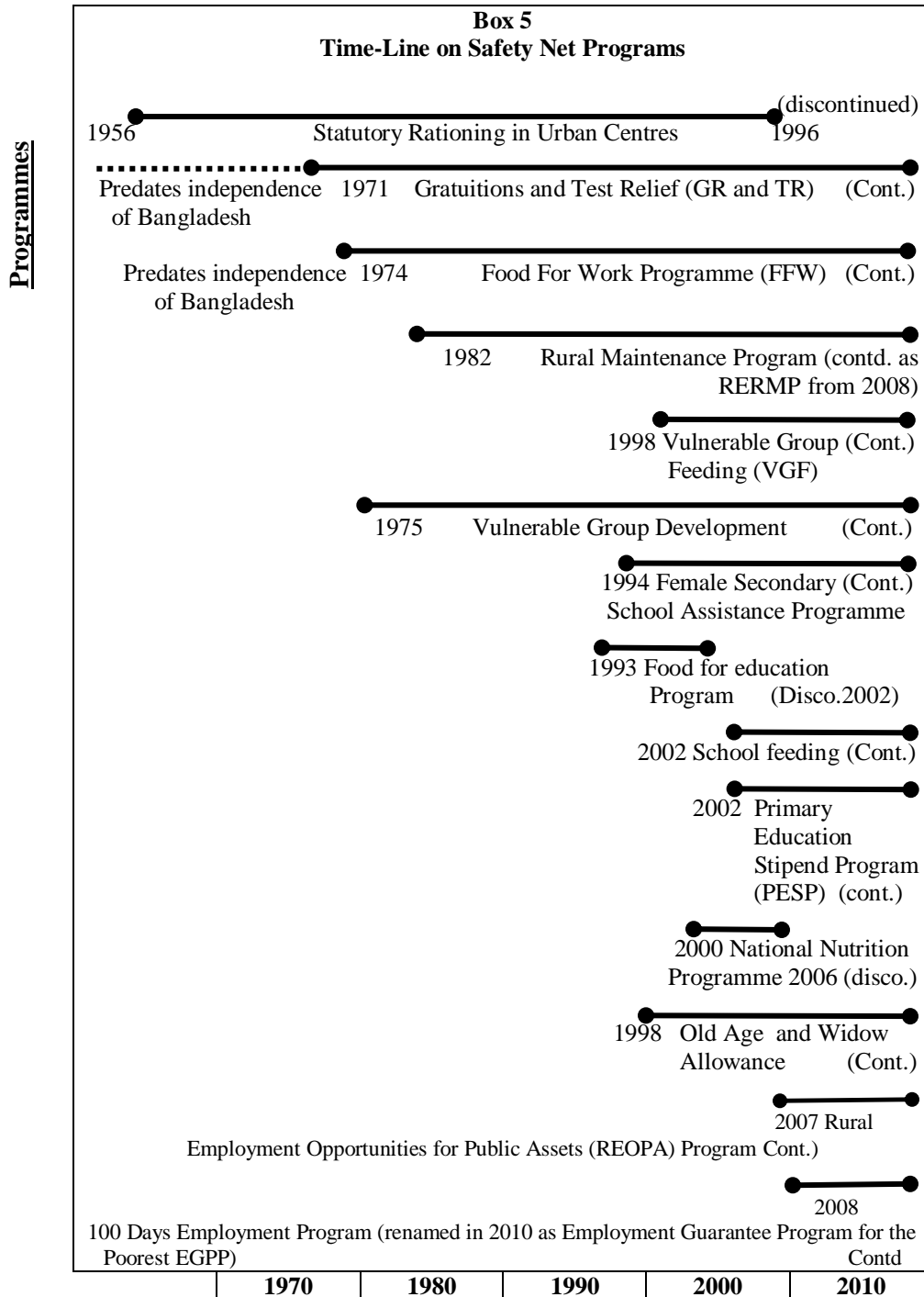
The second has been a sharper focus on geographical targeting i.e. poverty pockets such as monga in the north-west, haors in the north and more recently coastal belts.

The third is an emerging focus on employment. The 100 day employment program launched in 2008 provides the most noteworthy example of this focus but it is as yet early days to see how this focus will evolve.

The fourth development is an increasing policy realization for structuring safety nets within an integrated and comprehensive framework.

There has of course been less commendable developments too. Program proliferation has been fueled by competitive patronage politics as well as by a lack of coordination amongst development partners.

Box 5 describes a summary time-line on safety net programs in Bangladesh.



## 9 Salient Features of Safety Net Programs in Bangladesh

### 9.1 Trends in Financing and Nature of Coverage

Notwithstanding the wide range of safety net programs in operation in Bangladesh, Public spending on social safety nets was less than 1 percent of GDP till 1990s and increased only to 1.6 of GDP in the budget allocation for 2007-2008<sup>24</sup>. Safety net coverage still remains relatively low and as one study notes, only about 4 to 5 million people in Bangladesh get some type of assistance under the government sponsored safety net programs (excluding conditional cash transfers). The same Study notes that ‘even if the interventions were perfectly targeted, that would still mean that less than 10 percent of the poor receives benefits; due to the mis-targeting and leakages, only about 6-7 percent of the poor are actually covered’.<sup>25</sup> The fact that a small proportion of the poor are covered by safety net programs is also corroborated by other recent important surveys.

Rural/urban differences in safety net coverage are also remarkable with coverage being significantly higher in the rural than in the urban areas. Part of this is due to the fact that more of the Bangladesh poor live in the rural areas than in urban centres but more importantly, existing safety net programs have in-built rural focus such as disaster relief and income generation activities. However, with increasing urbanization, addressing the needs of the urban poor is likely to emerge as a major program challenge.

Recent years has also seen increasing attention given to the problem of seasonal vulnerability in specific geographic locations in Bangladesh especially in the ‘monga areas’ in the north-west of the country. There is an acute realization that location specific attention may also be needed in the other areas as well. For example, the coastal areas of southern Bangladesh is exposed to ever increasing challenges due to climate change with ensuing sea level rise, salinity intrusion combined with backwater effects, coastal erosion, increased frequency of cyclonic storms and storm surges. All of these add significantly to the livelihood and other vulnerabilities of the people in this region.

A close examination of the allocation of safety net expenditures by government indicates that though during recent years the government has increasingly been shifting resources from food based programmes towards cash transfer replacing the food for work (FFW), expenditure on food-based programmes still account for much higher government expenditure than that for cash transfers both for conditional and unconditional transfers. In 2007-08, Vulnerable Group Feeding (VGF) programme received the highest government safety net related allocations. Gratuitous Relief (GR) and Test Relief (TR) accounted for a major part of governments’ social safety net related expenditures as well. Primary Education Stipend Project (PESP) in Bangladesh also accounts for a large percentage of government expenditure. Expenditure on old age allowance, allowance for widows and honorarium for freedom fighters have also been increasing over time.

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<sup>24</sup> In his budget speech for FY 2010-2011, the Bangladesh Finance Minister announced an allocation of Taka 19,497 crores to social safety net and social empowerment programs, roughly 2.5% of the GDP. However, it may be noted that this figure includes pensions for retired government employees and their family members.

<sup>25</sup> *Social Safety Nets in Bangladesh. An Assessment*, Report No. 334 11-Bd, The World Bank, December 4, 2005, P. 18.

Interestingly, whereas funds allocated for Vulnerable Group Development (VGD) has generally increased between 2003-04 and 2007-08, the fund allocated for Food For Works Program during the same period did not experience any major increase except during the year 2004-05 within the same time band. Details in the following Table capture this interesting picture.

Table 1  
*Financial Allocation for Some Major Social Safety Net Programs  
(million Taka in real terms)*

<b>Programme</b>	<b>1999-00</b>	<b>2000-01</b>	<b>01-02</b>	<b>02-03</b>	<b>03-04</b>	<b>04-05</b>	<b>05-06</b>	<b>06-07</b>	<b>07-08</b>
Food for Work (FFW)	8060	8682	6728	4123	2047	4040	2197	2638	2609
Gratuitous Relief (GR) and Test Relief (TR)	2280	2315	2319	2201	1896	1623	2687	2602	3019
Vulnerable Group Development (VGD)	2720	1952	2367	1865	1751	1736	2447	2580	2859
Vulnerable Group Feeding (VGF)	2290	2914	1250	992	1490	811	1883	3040	5643
Allowance for Widows	250	254	239	370	777	964	1022	1102	1522
Honorarium for Freedom Fighters	150	147	275	263	155	175	318	424	503
Old age Allowance	490	490	477	686	1555	2109	2385	2712	3136
Primary Education Stipend Project (PESP)	0	1099	954	5485	3749	4219	3356	3305	3270

Source : Breaking Down Poverty in Bangladesh (Page 276)

Note: All of the above safety net programs are mostly focused on rural areas. Coverage of the urban population is yet to emerge as a major program focus. New programs such as UPPR (Urban Partnerships for Poverty Reduction) are not strictly a safety net program but bring the broad issue of urban poverty into greater focus.

## 9.2 *Benefit Packages of Safety Net Programs*

It has been noted that, not unlike in other developing countries, benefits from public safety net programs for individuals or households also remain inadequate. The allowances or the benefits the poor get from the major programmes are still small relative to their needs. For example, 'food benefit from VGF and the standard benefit from the cash programmes are just 21 or 31 percent of the lower poverty line respectively. Even in the VGD program in which wheat allocations are three times that of VGF program, the benefit package amounts to only 62 percent of the lower poverty line.'<sup>26</sup>

Benefit from safety net programs are paid at regular intervals and in case of food transfers (except in case of VGD), benefits are provided for a short period depending on seasonal or emergency needs. By contrast, all cash transfer programmes are carried out for longer periods. What is,

<sup>26</sup> Shaikh Shamsuddin Ahmed, Ambar Narayan and Hassan Zaman : Are the Poor Protected? Vulnerability and the Role of Safety Nets in the Breaking Down Poverty in Bangladesh edited by Ambar Narayan and Hasan Zaman, The University Press Limited, Dhaka, 2009 P-275.

however, interesting is that although most programs are based on some well defined criteria, ‘very few programmes have a strategy for graduating the beneficiaries no longer requiring the assistance out of the programme’<sup>27</sup>. VGD, stipend programmes, REOPA and previously RMP appear to be the very few exceptions in this regard.

### 9.3 Targeting

The Government financed public social safety-net programs in Bangladesh resort to different criteria for targeting benefits but as it has been noted they are not applied universally.<sup>28</sup> Programs such as VGD, VGF and Old Age Allowance target income poverty but use different criteria. In most cases guidelines for targeting are prepared by the responsible administrative ministry assigned to implement the program under its preview outlining the targeting criteria, the total number of beneficiaries (including upper limits on the number of male and female beneficiaries), and the amount and duration of transfer per beneficiary. The criteria used usually are income level, asset, household structures and demographic features. Based on such criteria, the local bodies (district or union parishads), in consultation with other local agencies and community, identify beneficiaries. In case of workfare programs such as Food for Work programs, self-targeting by beneficiaries is still the norm.

Recent studies on targeting criteria used in Bangladesh point to large errors of exclusion and inclusion so that in numerous cases many deserving poor do not have access to program benefits whereas non-poor also become beneficiaries through errors of inclusion.<sup>29</sup> The problem of elite capture of program benefits may be quite significant. The number of intermediaries in the transfer process only exacerbates this problem.<sup>30</sup>

### 9.4 Administration of Safety Net programs

During the recent years administration of the safety net programs in Bangladesh have come under serious scrutiny as effective administration of such programs are considered crucial for their success. In the relevant literature on the subject, several problems have been identified:

- i. problem arising out of existence of multiplicity of planning and executing agencies,
- ii. lack of coordination and presence of effective mechanism to ensure accountability,
- iii. the absence of a single policy-making authority for safety-net programmes,
- iv. presence of a large number of intermediaries involved in the delivery system of the programs which reduce efficiency and increases opportunity for leakages.

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<sup>27</sup> *ibid*, P-275

<sup>28</sup> For a comprehensive treatment of the subject, see World Bank Report No. 33411. *BD Social Safety Nets in Bangladesh-An Assessment*, dated December 4, 2005 may be seen. Chapter 5, p 17-21.

<sup>29</sup> Iffath A. Sharif, 2009, *Building a Targeting System for Bangladesh based on Proxy Means Testing*, World Bank Social Protection Discussion Paper, August, 2009. In this paper, the author concludes that exclusion (under-coverage) and inclusion (leakage) errors in some SSNPs are as high as 20 percent and 28 percent respectively.

<sup>30</sup> World Bank Report No. 33411 entitled *Social Safety Nets in Bangladesh An Assessment* December, 2005, Chapter 5, P-21

- v. The weakness of the local government institutions (UPs) primarily responsible for implementation of programs has also been identified as a major cause for concern.<sup>31</sup>

### 9.5 Issues of Leakage and Spatial Distribution

Recent studies on safety net programs have referred to the fact that while overall coverage of the programmes are progressive in nature with reference to income, a sizeable share of the benefits go to the non-poor implying that the errors of inclusion are quite high<sup>32</sup>. Another recent finding highlighted in relevant studies on the subject has been that coverage of safety net programs varies significantly by region and they do not correlate well with difference in level of poverty rates among different regions in the country<sup>33</sup>. For example, Sylhet, with a poverty rate significantly lower than national average, has the highest coverage of safety nets among all administrative regions. On the other hand Khulna, which has the second highest poverty rate in the country, has the lowest coverage of safety-nets. Table 2 provides the details.

Table 2  
*Regional Incidence of Poverty and Corresponding Safety Net Coverage*

Division	Poverty Headcount (%)		% of households who are beneficiaries (%)		
	2000	2005	2005 Total	2005 Rural	2005 Urban
Dhaka	46.7	32.0	14.3	20.0	4.9
Barisal	53.1	52.0	13.3	14.8	5.0
Chittagong	45.7	34.0	11.1	12.9	5.7
Khulna	45.1	45.7	9.6	11.0	4.2
Rajshahi	56.7	51.2	12.1	13.0	6.7
Sylhet	42.4	33.8	22.4	24.3	11.3
National	48.9	40.0	13.0	15.5	5.5

Source : Breaking Down Poverty in Bangladesh, edited by Ambar Narayan and Hasan Zaman, The University Press Limited, Dhaka, 2009 P-280.

<sup>31</sup> Shaikh Shamsuddin Ahmed, Ambar Narayan and Hassan Zaman : 'Are the Poor Protected? Vulnerability and the Role of Safety Nets' in the 'Breaking Down Poverty in Bangladesh' edited by Ambar Narayan and Hasan Zaman, The University Press Limited, Dhaka, 2009 PP-284-285.

<sup>32</sup> *ibid*, P-281

<sup>33</sup> *ibid*, P-282

## Part D Social Safety Nets in Bangladesh: An Analytical Inventory

### 10 Rationale for an Analytical Inventory

From its historical moorings in food rations and post-disaster relief, social safety nets in Bangladesh have graduated to a mainstream social and developmental concern. Over time, there has been a proliferation of safety net programs. Questions, however, abound. Are all critical risks and vulnerabilities being addressed? Are there significant gaps and duplication? Are sustainable results being promoted? Do safety nets in poverty-dominated countries like Bangladesh need to embrace goals of promotion alongside the goals of protection?

The importance of a more systematic and comprehensive framework for safety net programming is increasingly being stressed across the policy universe.<sup>34</sup> An important first step towards developing such a framework is the establishment of an analytical inventory of existing programmes. Establishing such an inventory is not, however, only a matter of providing a list. Programmes have to be meaningfully grouped. Programme information has to be adequate and presented in a user-friendly format. And the listing, of course, has to be comprehensive. A first attempt at such an inventory of was undertaken during the drafting of the first PRSP.<sup>35</sup> A relatively effective information format was developed. However, the list was neither comprehensive nor was the grouping analytically meaningful. There have been sporadic efforts since then to provide overviews but a meaningful and comprehensive inventory has remained a challenge.

### 11 Key Issues in Preparing an Inventory

#### 11.1 Towards an Analytical Typology

Preceding decades have seen several policy debates around safety nets. An early one was the food versus cash debate<sup>36</sup> which centred on the question of implementation efficacy of safety nets. A second one has been on conditional cash transfers (CCT)<sup>37</sup> which focused on innovative conditionalities attached to cash transfers to achieve multiple goals of improvements in beneficiary status. More recently, there has been a debate on extending the safety net focus towards goals of sustainable graduation out of poverty.<sup>38</sup> Many safety net programs aim at multiple inter-related objectives and the protection and promotion goals are often blurred in practice.

These debates clearly have a bearing on how safety nets are most meaningfully categorized. A recent global review suggests three clusters: i) transfer programs in cash or kind, ii) workfare programs, and, iii) CCTs.<sup>39</sup> The first PRSP earlier referred to<sup>40</sup> used an eclectic approach in

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<sup>34</sup> Rahman, Hossain Zillur (ed), 2006, *Safety Nets and Safety Ladders: Exploring a Comprehensive Approach to Social Protection in Bangladesh*, PPRC/GED, Planning Commission, Government of Bangladesh

<sup>35</sup> GOB, 2004, *Unlocking the Potential: National Strategy for Accelerated Poverty Reduction*, GED

<sup>36</sup> Ahmed, Akhter U. et al, , 2007, *Relative Efficacy of Food and Cash Transfers in Improving Food Security and Livelihoods of the Ultra-poor in Bangladesh*, International Food Policy Research Institute (IFPRI).

<sup>37</sup> Fiszbein, A. et al, 2009, *Conditional Cash Transfers*, World Bank Policy Research Report.

<sup>38</sup> Rahman, Hossain Zillur (ed), 2006, *ibid*; Grosh, M. et al, 2008, *For Protection and Promotion*, World Bank

<sup>39</sup> Grosh et al, *ibid*

categorizing programs. Government budget documents in recent years have begun to list programs under the twin categories of social protection and social empowerment but a variety of sectoral programs are also included in the list (see Annex 3). The budget listing also distinguishes between revenue sector (government-funded) and development sector (presence of donor funding) projects but the actual listing is complicated by the fact some of the listed revenue sector projects also have donor financing. A recent internal UNDP document uses the following typology: i) employment schemes, ii) income redistribution schemes, iii) subsidies, and, iv) schemes to promote human development. A distinction is also made between government and NGO programs. Here again, the distinction is complicated by the fact many of the government programs may be utilizing NGOs at the implementation level.

The above clearly shows the need for careful consideration in constructing a typology for an inventory exercise which makes the most sense. A useful starting point here is provided in the 2010 budget speech of the Finance Minister who suggests a fourfold typology for safety nets: i) allowances, ii) employment generation, ii) food security, and, iv) human development. Building on this, the current Inventory exercise also uses a fourfold typology but with an altered sequence to reflect a gradation from protection to promotional goals i.e. building graduation ladders within the program design so that it becomes one of a net-and-ladder strategy.

Thus, **Allowances** and **Food Security/Disaster Assistance** programs can be seen as addressing primarily protection goals. **Public Works/Employment Generation**, though originally built mainly on protection goals, are increasingly also embracing promotional goals. Finally, the new generation of safety net programs focused on **Human Development/Social Empowerment** are primarily focused on promotional goals.

To this four-fold typology, we have added a fifth category – programs with urban focus – to accommodate an emerging priority. Our suggested typology for organizing the inventory of safety net programs thus is the following:

**Figure 1**  
**Typology of Social Safety Net Programs**

A	Allowances to Vulnerable Groups/ Persons with Special Needs
B	Food Security and Disaster Assistance
C	Public Works/Employment Generation
D	Human Development and Social Empowerment
E	Urban Poverty

Typology developed by PPRC

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<sup>40</sup> GOB, 2004, *ibid*



## 11.2 *Distinction between Major and Minor Programs*

While there is a multiplicity of safety net programs in operation, bulk of the allocation is concentrated on a relatively small number. For an analytically meaningful typology, it is, therefore, important to distinguish between major and minor programs. We have used an annual program size of Taka 50 crores in year 2009-10 to distinguish between major programs (in excess of Taka 50 crores) and minor programs (less than 50 crores).

## 11.3 *Information Format*

A meaningful inventory is not merely a list but also a collation of a core set of program information. The information format developed for the inventory is organized in three clusters:

*Cluster 1*      **Program identity:** This includes i) type of program, and ii) name of program.

*Cluster 2*      **Program Size:** This includes allocations for the years 2008-09, 2009-10 and 2010-11

*Cluster 3*      **Program Details:** This includes i) source of funding, ii) implementing agency, iii) coverage, iv) duration, and, v) nature of benefit.

## 12 **Overview of Social Safety Nets Inventory**

### 12.1 *Current Portfolio: 2008-11*

Table 3 provides an overview of safety net programs during the preceding, current and next year. Key findings are:

- The bulk of safety net portfolio is defined by 28-30 major programmes which account for nearly 97 percent of total safety net allocation.
- Total allocation has increased from Tk. 9711.28 Crores in 2008-09 to Tk.11,469.56 Crores (USD 1.64 billion) in 2010-11.
- Number of Minor Programmes was 14 in 2008-09, 20 in 2009-10, and, 22 in 2010-11.
- From 2009-10, there has been a spurt in undefined block allocation in excess of defined programme allocation: Taka 1009 crores in 2009-10, and, Taka 1508.64 crores in 2010-11.
- There are a number of related programmes bearing on poverty reduction and social development which pose conceptual difficulties for inclusion in a safety net inventory. For example, there are many programmes in the Annual Development Program of the government which are shown under safety net but are in fact more of sectoral programmes. There are also other programmes such as the 2008 introduced Urban Partnerships for Poverty Reduction (UPPR) which have some components which could be considered as safety nets but which in the main is a broad-based sectoral anti-poverty programme. For purposes of this inventory, these programmes have not been included in

the inventory itself but has either been noted or listed in a separate section as related programmes.

Table 3  
An Overview of safety Net Programs: 2008-11

Type of Program		2008-09		2009-10		2010-11	
		No.	Allocation (Crore Taka)	No.	Allocation (Crore Taka)	No.	Allocation (Crore tk.)
<b>A. Allowances</b>	Major Programs	6	1,138.72	6	1,582.98	6	1,815.99
	Minor Programs	7	76.40	8	112.60	8	153.08
	<i>Total</i>	<i>13</i>	<i>1,215.12</i>	<i>14</i>	<i>1,695.58</i>	<i>14</i>	<i>1,969.07</i>
<b>B. Food Security &amp; Disaster Assistance</b>	Major Programs	10	4,593.48	11	4,496.84	11	5,020.88
	Minor Programs	4	144.42	4	134.42	4	93.30
	<i>Total</i>	<i>14</i>	<i>4,737.90</i>	<i>15</i>	<i>4,631.26</i>	<i>15</i>	<i>5,114.18</i>
<b>C. Public Works/Employment Generation</b>	Major Programs	5	2,417.62	6	2,438.24	6	2,282.42
	Minor Programs	1	9.86	2	12.00	4	30.51
	<i>Total</i>	<i>6</i>	<i>2,427.48</i>	<i>8</i>	<i>2,450.24</i>	<i>10</i>	<i>2,312.93</i>
<b>D. Human Development &amp; Social Empowerment</b>	Major Programs	6	1,255.68	6	1,566.81	6	1,880.00
	Minor Programs	1	4.00	4	26.03	4	48.25
	<i>Total</i>	<i>7</i>	<i>1,259.68</i>	<i>10</i>	<i>1,592.84</i>	<i>10</i>	<i>1,928.25</i>
<b>E. Urban Poverty</b>	Major Programs	1	46.50	1	52.00	1	45.50
	Minor Programs	1	25.00	2	26.75	2	99.43
	<i>Total</i>	<i>2</i>	<i>71.50</i>	<i>3</i>	<i>78.75</i>	<i>3</i>	<i>144.93</i>
<b>All (A+B+C+D+E)</b>	<b>Major Programs</b>	<b>28</b>	<b>9,452.00</b>	<b>30</b>	<b>10,136.87</b>	<b>30</b>	<b>11,044.79</b>
	<b>Minor Programs</b>	<b>14</b>	<b>259.68</b>	<b>20</b>	<b>308.80</b>	<b>22</b>	<b>424.57</b>
	<i>Total</i>	<i>42</i>	<i>9,711.68</i>	<i>50</i>	<i>10,445.67</i>	<i>52</i>	<i>11,469.56</i>
<b>F. Block Allocation</b>			6.00		1,009.00		1,508.64
<b>F. Pensions for Government Employees</b>			3,616.65		3,760.70		3,989.64
<b>All + Block Allocation + Pensions</b>			<b>13,334.33</b>		<b>15,125.37</b>		<b>16,967.84</b>

Note: Programs with allocation in excess of Taka 50 crore in 2009-10 are defined as major programs and those below 50 crores as minor programs.

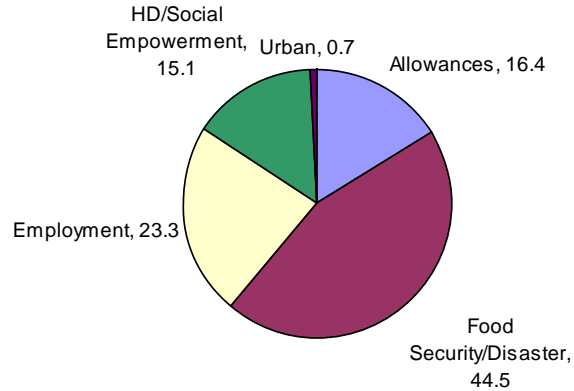
Source: Budget Documents, PPRC Compilations

## 12.2 Programme Components

Figure 2 describes the respective share of the five components in which safety net programs are grouped. Information for the current year 2009-10 is used. Highest allocation is for Food Security and Disaster Assistance programs (44.34%). Employment programs comes next with 23.45% of total allocation while allocations for Allowances and for Human Development and Social Empowerment programs are evenly matched at 16.23% and 15.25% respectively. Programs with urban focus are yet to emerge as a serious focus accounting for only 0.7% of the allocation.

**Figure 2**

**Year 2009-10**



### **12.3 Trends over Time**

Table 4 describes trends in inter-component allocation during the period 2008-11. The following facts emerge:

- i. Though it continues to receive the highest allocation, the relative share of the food security and disaster assistance component show a decline from 48.79 percent in 2008-09 to 44.59 percent in 2010-11. In absolute terms, however, allocations show an increase.
- ii. In the case of the Public works/Employment Generation component, however, there is a decline both in absolute terms (slight drop from Tk. 2427.48 crores to Tk. 2312.93 crores) as well as in the relative share (from 25.00 percent to 20.16 percent).
- iii. Both Allowance component and Human Development and Social Empowerment component show noticeable increase both in relative and absolute terms. Allowance allocations has risen from 12.51 percent in 2008-09 to 17.17 percent in 2010-11 while HD & Social Empowerment allocations rise from 12.97 percent to 16.81 percent over the corresponding period.
- iv. Urban allocations have risen marginally but remain miniscule.

Table 4  
*Inter-Component Allocation Trends*

Type of Program	2008-09		2009-10		2010-11	
	Cr. Tk	%	Cr. Tk.	%	Cr. Tk.	%
A. Allowances	1,215.12	12.51	1,695.58	16.23	1,969.07	17.17
B. Food Security and Disaster Assistance	4,737.90	48.79	4,631.26	44.34	5,114.18	44.59
C. Public Works/Employment Generation	2,427.48	25.00	2,450.24	23.45	2,312.93	20.16
D. Human Development and Social Empowerment	1,259.68	12.97	1,592.84	15.25	1,928.25	16.81
E. Urban Poverty	71.50	0.73	78.75	0.75	144.93	1.26
<b>All</b>	<b>9,711.68</b>	<b>100.00</b>	<b>10,445.67</b>	<b>100.00</b>	<b>11,469.56</b>	<b>100.00</b>

Source: Budget Documents, PPRC Compilations

#### 12.4 Major Programmes

Table 5 lists the major safety net programmes which account for nearly 97 percent of total safety net allocations. The following facts emerge:

- i. Of the 30 major programmes:

<i>Type</i>	<i>Number</i>
Allowances	6
Food Security and Disaster Assistance	11
Public Works/Employment	6
Human Development and Social Empowerment	6
Urban Poverty	1

- ii. The 10 top programmes, accounting for 80.5% of total SSNP allocations for 2010-11 include:

<i>Type</i>	<i>Number</i>	<i>Programmes</i>
Allowances	2	Old Age, Insolvent FFs
Food Security and Disaster Assistance	4	VGF, OMS, TR, VGD
Public Works/Employment	2	FFW, EGPP
Human Development and Social Empowerment	2	Primary Stipends, Secondary Stipends
Urban Poverty	0	-

- iii. 5 of the 30 major programmes are primarily NGO programmes drawing on donor resources. These include SOUHARDO, SHIREE, TUP, VGD-UP, CLP.
- iv. 7 of the 30 programmes are specifically female-focused programmes. These include Widow/Destitute Women Allowance programme, VGD, RERMP,

REOPA, Secondary Stipend programme, VGD-UP, Maternal Health Voucher schemes.

Table 5  
SSNPs: Major Programmes

Type of Programme	Sl. No.	Name of Program	Allocation (Crore Taka)		
			2008-09	2009-10	2010-11
<b>A.</b> <b>Allowances for Vulnerable Groups/ Persons with Special Needs</b>	1	Old Age Allowance	600.00	810.00	891.00
	2	Allowances for Widowed, Deserted and Destitute Women	270.00	331.20	331.2
	3	Honorarium for Insolvent Freedom Fighters	108.00	225.00	360.00
	4	Allowances for the Financially Insolvent Disabled	60.00	93.60	102.96
	5	Grants/Capitation Grants for Orphan Students in Government and Non-government Orphanages	55.00	62.02	67.72
	6	Honorarium for Injured Freedom Fighters	45.72	61.16	63.11
<b>B.</b> <b>Food Security and Disaster Assistance</b>	7	Vulnerable Group Feeding (VGF)	1487.53	1097.17	1535.92
	8	Open Market Sales (OMS)	600.47	1071.96	1190.96
	9	Test Relief (TR)	1020.48	897.85	953.88
	10	Vulnerable Group Development (VGD)	730.85	595.17	638.33
	11	Gratuitous Relief (GR)	188.34	165.22	223.41
	12	Food Assistance in CHT	220.71	177.45	190.95
	13	SOUHARDO	238.89	102.71	98.46
	14	Housing Support	21.37	111.00	5.52
	15	Economic Empowerment of the Poorest (SHIREE)	25.58	107.82	110.34
	16	Guchagram (Climate Victim Rehabilitation project)	59.26	85.49	62.08
<b>C.</b> <b>Public Works/Employment Generation</b>	17	Block Allocation for Disaster Management	0.00	85.00	100.00
	18	Food-for Work (FFW)	1033.93	927.66	993.76
	19	100 days Employment / Employment Generation for the Poorest (EGPP)	926.00	1076.11	1000.00
	20	Rural Employment and Rural Maintenance Program (RERMP)	192.00	185.00	140.00
	21	Skill Development Fund for Expatriate Returnees and new Entrants into Labour Market	0.00	70.00	70.00
	22	Rural Employment Opportunity for Public Asset (REOPA)	62.58	86.08	77.69
	23	Char Livelihood Program (CLP)	203.11	93.39	0.97
<b>D.</b> <b>Human Development and Social Empowerment</b>	24	Stipend for Primary Students	488.00	574.84	750.00
	25	Secondary Education Stipend Project	331.61	478.79	677.30
	26	Targeting the Ultra Poor (TUP)	260 (average)	260 (average)	260 (average)
	27	Stipend for Dropout Students	87.00	110.00	65.00
	28	Vulnerable Group Development for the Ultra Poor Women (VGD-UP)	38.07	80.78	61.30
<b>E.</b> <b>Urban Poverty</b>	29	Maternal Health Voucher Scheme	51.00	62.40	66.40
	30	Fundamental Education for Urban Working Children	46.50	52.00	45.50
<b>All (A+B+C+D+E)</b>			<b>9,474.60</b>	<b>10,170.47</b>	<b>11,164.53</b>

Source: Budget Documents, PPRC Compilations

Note: The Urban Partnerships for Poverty Reduction (UPPR) project implemented by UNDP/GOB with DFID support marks a major program thrust on the issue of urban poverty. Built on the UNDP-funded Local Partnerships for Urban

Poverty Alleviation Project (LPUPAP: 2000-2007), the 2008-2015 UPPR project is a multi-component project focused on physical infrastructure and services, socio-economic development, capacity building and policy advocacy with a total budget of USD 120 million. After review of its primary program orientation, we have decided not to include this project in the inventory of safety net projects. However, the option for including it for field assessment remains open.

## 12.5 Minor Programmes

Table 6 lists Minor Programmes (below Taka 50 crore ) in the safety net portfolio. There are a total of 24 Minor Programmes (2010-11). Of these, 8 are Allowances programmes, 4 each in the three components of Food Security/Disaster Assistance, Public Works/Employment Programmes and Human Development /Social Empowerment, and 2 in urban poverty component. This list does not include the two Grameen insurance schemes for its borrowers which have been included as potential innovations.

Table 6  
SSNPs: Minor Programs

Type of Programmes	Sl. No.	Name of Programme	Allocation (Crore Taka)		
			2008-09	2009-10	2010-11
<b>A.</b> <b>Allowances for Vulnerable Groups/ Persons with Special Needs</b>	1	General Relief	25.20	36.20	42.19
	2	Maternity allowance for Poor Lactating Mothers	22.59	33.60	43.20
	3	Non-Bangalee Rehabilitation	18.10	15.00	16.00
	4	Ration for Shaheed Family and Injured Freedom Fighters	-	13.40	33.58
	5	Stipend for Disabled Students	6.00	8.00	8.80
	6	Grants for Schools for the Disabled	1.80	3.60	5.81
	7	Fund for the Welfare of Acid Burnt and Disabled	2.00	2.00	2.00
	8	Allowances for Distressed Cultural Personalities/ Activists	0.71	0.80	1.50
<b>B.</b> <b>Food Security and Disaster Assistance</b>	9	Agriculture Rehabilitation	30.25	50.00	50.00
	10	Ashrayan (housing)	103.49	32.68	9.07
	11	Construction of Flood Shelter in Flood-prone and River-erosion Areas	7.00	27.51	6.23
	12	Disaster Risk Mitigation and Reduction	3.68	4.83	28.00
<b>C.</b> <b>Public Works/Employment Generation</b>	13	Jatka (fish) Protection and Alternative Employment for Fishermen	-	4.08	6.04
	14	Rehabilitation and Creation of Alternative Employment for Beggars	-	-	6.32
	15	Employment of Ultra-Poor in Northern region	9.86	7.92	7.15
	16	Poverty Eradication and Ensuring Livelihood for people in Economically Backward areas	-	-	11.00
<b>D.</b> <b>Human Development and Social Empowerment</b>	17	School Feeding Program	4.00	6.99	18.00
	18	Protection of Children at Risk	-	12.63	15.39
	19	Service and Assistance Centre for Disabled	-	5.41	9.45
	20	Child Development Centre	-	1.00	5.41
<b>E.</b> <b>Urban Poverty</b>	23	Allowances for Urban Low-income Lactating Mothers	25.00	25.00	30.00
	24	Urban Public Environment Health Development program	-	1.75	69.43

<b>All (A+B+C+D+E)</b>	<b>259.68</b>	<b>292.40</b>	<b>424.57</b>
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Source: Budget Documents, PPRC Compilations

Note: Some micro-insurance programs have emerged which may come to constitute a new safety net frontier. However, we have not added these to the inventory at this stage for further conceptual clarity on their safety net identity. Most of these programs have been launched by MFIs including Grameen, BRAC, Sajida Foundation and health-care NGOs such as GK, DSK.

## 12.6 Social Safety Nets: Detailed Inventory

Detailed inventory of safety net programmes differentiated between major programmes and minor programmes are separately attached as annexes. Annex 1 describes major programmes. It has five sections, one for each of the five components including a summary in Annex 1.5. Annex 2 describes minor programmes. It too is organized in five sections as in the case of major programmes.

## 12.7 Related Programmes

Government documents list a number of programs in their safety net portfolio whose inclusion poses conceptual problems. For example, micro-credit programs are included under social empowerment but it is arguable whether it makes sense to list these within the safety net portfolio. Government list also include a number of sectoral programs which pose even more of a conceptual problem in terms of inclusion within a safety net inventory. For analytical coherence, these programs have been omitted from the inventory itself but in the interest of transparency, some of them have been included separately as related programs in Annex 3. To facilitate comparison, however, we have also included the government list of safety net programs as featuring in the budget document as Annex 4.

PPRC also carried out a separate exercise looking at Annual Development Program (ADP) portfolio over a longer time period 1990-2009 to provide a larger picture on the issue of related programs. However, this list is not included here.

## 12.8 Summary Descriptions of Some Major Programmes

### **Type A Allowances and Unconditional Transfers**

#### *Unconditional Transfers to Vulnerable Women*

Three specially designed allowance programme is in operation targeting **vulnerable women**. The ‘allowances for the widowed, deserted, and destitute women’ distributes Tk. 250 per person per month among about 9,20,000 selected women residing in rural areas. The Government also spent Taka 225.00 crore as allowances for **widows, deserted and destitute women** in 2009-2010. The amount is expected to increase to Taka 360.00 crore in 2010-2011.

80,000 women are targeted under the *Fund for Rehabilitation of Acid Burnt Women and the Physically Handicapped who receives medical treatment support, training, and assistance to rehabilitate economically.*

*Maternal health voucher* scheme is a new addition to the list of SSNPs in Bangladesh. Under the scheme, pregnant mothers get 3 anti-natal care, cost associated with safe delivery, one post-natal care within 6 weeks of delivery, services for obstetric complications, Tk.500 as transport cost to the clinic, Tk. 500 for referral to district hospital, gift items to mother costing Tk. 500 and Tk. 2,000 as cash. Under the technical and financial support from DFID, World Bank, UNFPA and WHO the scheme is now supporting 100,000 mothers yearly.

#### *Allowance for Poor Elderly Individuals*

This program targets those who are at least 65 years of age, having less than income of Tk. 2000/year and have not worked in the formal sector. The selection ensures that the 50% of the beneficiaries are women. The Government spent an amount of Tk. 810 crore for such allowance in 2009-2010 and amount to be spent for the purpose in 2010-11 will be Taka 891.00 crores.

#### *Disability allowance*

Allowance of Tk. 250/month is distributed among *mentally or physically challenged/handicapped persons*. Currently 200,000 persons are covered under this scheme.

#### *Honorarium for Insolvent Freedom Fighters*

Under this scheme, 150,000 insolvent freedom get cash assistance. Under a separate scheme for injured/disabled freedom fighter, 8,000 freedom fighters get support for treatment and other services.

### **Type B: Food Security and Disaster Assistance**

#### ***Vulnerable Group Development (VGD)***

VGD Program was introduced in 1975 to help women affected during the liberation war of Bangladesh in 1971 with food aid from the World Food Programme (WFP). It has continued ever since and has also produced various off-shoot programs such as IGVGD.. The program aims at developing marketable skills and efficiency of women through training, help formation of capital through motivating savings and providing scope for availing micro credit. Another important goal of the programme is to build social awareness on disaster management and nutrition through training in groups. The beneficiaries get 30 Kilograms of wheat, about 150 hrs of training for a period of 24 months. The targeting criteria for the programme includes i) households with not more than. 15 acres of land; ii) monthly Household income less than Tk. 300; iii) dependent upon seasonal wage employment; iv) women of reproductive (18-49) age; v) day labour or temporary worker; and vi) lack access to productive assets.

#### ***Vulnerable Group Feeding (VGF)***

The program is aimed at extending assistance in the form of food and basic necessities to selected households in the months following a disaster when agricultural production has been severely disrupted. VGF began in the mid-1990s and has continued since then through supplementary food aid from the WFP. Under the programme, a person gets 10 Kgs of food grain per month for three months following the disaster. In FY 2009-10, 94.4 lac man-month of support was provided under the programme at the cost of taka 1097.17 crores. The planned coverage for 2010-11 is 122.22 lac person-months with a budgetary provision of taka 1535.92 crores.



### ***Test Relief***

Test Relief (TR), a food transfer program for those of working age to create employment for the poor in the rainy season to construct, develop and maintain rural infrastructure which has considerably lighter labour requirement compared to FFW. Under the program, a beneficiary gets 3.5 kg of food grain per day for a maximum of 30 days. Total budget allocation for test relief in 2009-2010 was Taka 897.85 crore and the amount has been increased to taka 953.88 crore for 2010-2011.

### ***Gratuitous Relief (GR)***

GR, as distinct from TR, provides emergency food and other necessities to the victims of natural calamities. The programme is short-term in nature and has a provision to transfer 10 KG of food grains per person per month. Additionally, under the programme cash can be distributed as well. An amount taka 165.22 crore was earmarked for gratuitous relief in the FY 2009-10 and for the FY 2010-11 the amount has been increased to Tk 223.41 crore.

## **Type C: Employment/Workfare**

### ***Food For Work (FFW)/Cash for work (CFW)***

These programs operate in the rural areas. 35.11 lac of man-months of work were generated under FFW in 2009-10 with an estimated expenditure of taka 927.66 crore and it is projected that in 2010-11, 38.10 lac man-month of jobs will be created under this programme with a total expenditure of taka 993.76 crore. No allocation has been made in the budget for 2008-09, 2009-10 and 2010-11 for cash for work program. These programs have two major objectives, namely. i) employment generation for the poor in the slack season, and ii) development and maintenance of rural infrastructures. Several Ministries/Agencies including MOFDM, MOWR, MOSW and LGEd run the various initiatives under the programme with resources provided by the GoB, ADB and the WFP. Both FFW and CFW are self-targeting with wage offered being lower than the market to discourage the non-poor to benefits from these programs.

### ***Employment Guarantee Programme (formerly 100 Days Programme)***

This program was introduced by the Caretaker Government in the 2008-09 with an initial allocation of Taka 926 crore and an aim of creating 30.86 lac man-month of work. The main objective of the Programme was to benefit 2,000,000 hard core poor each of whom received Tk. 100 wage for a 100-day cycle. In a way, this was built on the model of the e Cash for Work Program (CFW) with focus added to the objective to help the ultra-poor by utilizing the WFP generated poverty maps of the country. The new Government has retained the program in a modified form with provision for 60 days employment in the winter slack season and 40 days employment in the summer slack season. The program has been renamed Employment Guarantee Program for the Poorest (EGPP) and is being implemented with World Bank assistance. Total allocation for 2010-11 is projected as Taka 1000 crores. Daily wage rate has also been revised upwards to be Taka 120.

## **REOPA**

Rural Employment Opportunities for Public assets (REOPA) is a EU/UNDP supported 5 year project (2007-12) aimed at creating self-employment opportunities of the women, providing training covering various issues of life still management, and, creation and maintenance of public

assets. A key focus of the program is also to help develop the capacity of the women to run Income Generating Activities (IGAs) successfully. By the end of the project cycle, participants are supposed to have a certain amount of capital accumulated from savings from their daily wage to use for undertaking feasible IGAs. Financially supported by the EU, the capacity development interventions of the REOPA are being managed by UNDP, Bangladesh. Allocations for 2010-11 is Taka 77.69 crores to cover 388 UPs in 6 poverty-dominated districts.

#### **Type D: Human Development/Social Empowerment**

##### ***Primary Education Stipend Programme (PESP)***

PESP aims at multiple objectives: to increase enrolment, decrease dropouts, reduce child labour; and increase quality of education by providing an allowance to all primary school children who come from families i) headed by destitute woman, ii) headed by day-labourer; iii) of low income professionals (such as: fishing, pottery, blacksmithing, weaving, and cobbling); and iv) who owns less than 0.50 acres of land (marginal or share-cropper). This program is for rural schools under which a family with one student gets Tk. 100/month and a family with more than one student gets Tk. 125/month. In the FY 2009-10 52,00,000 primary students are covered under the programme, 40% of who come from ultra-poor families. Under the programme, cash is transferred to beneficiary guardians' bank accounts through commercial banking channels. This is a CCT program.

##### ***Female Secondary School Assistance Program***

An amount of Taka 574.84 was spent on the programme in 2009-10 and the projected expenditure for 2010-11 has been estimated at taka 750.00 crores. This CCT program aims to increase female secondary enrolment, promote female participation in the job market by promoting marketable skills among women and discourage early marriage. The program provides a monthly stipend to the guardian of the student. The stipend rules require every female student to score a minimum of 75 per cent class attendance and be unmarried until the SSC exams. The stipend starts when the girl enrolls in the sixth grade and continues till the end of 10<sup>th</sup> grade subject to the conditions stipulated for the programme. The rate of the stipend varies from Tk. 300/month to Tk. 720/month based on the class of study. It also covers for tuition cost, yearly book allowance and public examination fees. Currently 2,800,000 students are enrolled under the programme and the number is likely to increase to 36,00,000 in the year 2010-11.

#### **NGO Programs**

In comparison to government programs, number of NGO programs are more limited in member. However, NGOs also participate in the implementation of many government programs.

##### ***Vulnerable Group Development for the Ultra Poor (VGDUP)***

VGDUP is an EU funded program aimed at graduating destitute women and their dependents out of poverty. In 2008-09, assistance was provided to 40,000 destitute women in haor and monga areas.

##### ***CFPR-TUP***

BRAC's Challenging the Frontiers of Poverty Reduction: Targeting the Ultra Poor (CFPR-TUP) programme emphasizes economic development through assets transfer but also includes a monthly subsistence allowance designed to cover a portion of a household's basic needs; such as food and other essentials. The subsistence allowance varies according to each participant's case. It is implemented in munga-affected districts and has a time span of 2002-2011. Cumulative coverage since 2002 is 272,000 beneficiaries. Average annual allocation is Taka 260 crores.

#### *SOUHARDO*

Strengthening Household Abilities for Responding to Development Opportunities (SOUHARDO) is a USAID funded and CARE Bangladesh implemented program aimed at nutrition, food security and capacity building for poor households. Phase 1 of the program lasted from 2005-2010 and a new phase up to 2015 has begun. The program reaches average of 74,000 households per annum in food-insecure areas of chars, haors and coastal areas. During 2010-11, Taka 98.46 crores have been allocated for the program. NGOs and local government bodies also participate in the implementation of the program.

#### *Grameen Insurance programs*

Two newly introduced insurance products of Grameen Bank, the 'Loan insurance Fund' and the 'Grameen Life Insurance' is yet another category of social safety net protection from the NGO sector. Under the 'loan insurance fund' scheme, outstanding loan and interest of deceased borrowers are paid off from the fund. Borrower needs to deposit Tk. 30 per thousand for herself and Tk. 30 for the husband or Tk. 60/ month. At the death of the borrower or husband, entire outstanding amount of the loan is considered paid off. In addition, if the borrower withdraws her membership from the group she gets back the amount contributed in the fund.

#### **Type E Subsidies as Social Safety Net**

The Government of Bangladesh has also traditionally provided large subsidies to the agricultural sector which are not specifically targeted to the poor but the poor are also not excluded from the purview of these programs. In the last fiscal year, the Government thus gave subsidy to the tune of Taka 5,178 crores for agricultural inputs including diesel for irrigation. The Government has also announced the introduction of Cash Assistance Program for extending subsidy to farmers (Taka 800 for margined farmers and Tk. 1000 for big farmers). In 2009-2010, the government spent an amount of taka 1017.96 crore on the open market sale of food grains, mainly rice. The amount earmarked for OMS in the budget for 2010-11 is Taka 11100.00 crores.

### **13 Conclusions**

At 1.63 Billion USD annual outlay, social safety nets have emerged as an important component of the anti-poverty strategy. However, coverage remains a major challenge as do newer risks such as urban poverty. The current paper has sought to provide a meaningful inventory of these efforts. The three broad contribution of safety net programs have been to provide i) consumption smoothening of poor households in the face of risks and shocks, ii) supplement household

incomes, and iii) enhance human capital and access to basic services.<sup>41</sup> However, this paper will be followed by a comprehensive and in-depth of assessment of selected safety net programs which will allow us to review where gaps exist and elaborate on the strategic way forward.

The inventory exercise itself has already brought out a number of interesting conclusions:

- In quantitative terms, public sector safety nets account for the bulk of the coverage. However, NGOs and donor-supported programs have pioneered many path-breaking initiatives.
- The safety net portfolio shows that Bangladesh is addressing the broad range of vulnerabilities though coverage is far from adequate. An important issue here, however, is the trend in inter-component growth i.e. the balance in the growth of allowance, food security, workfare and graduation programs. There are also issues of coordination and synergies.
- While unconditional transfers, both in cash and kind, dominate safety net programmes, Bangladesh has also introduced a number of significant CCTs which have had considerable impact. A more recent effort has been to innovate programs which build in ladder (promotional) components in the programmes besides the traditional net (protection) components.
- Safety net programs are financed both from government's revenue and development budgets. Donor and NGO participation in some of Government sponsored programs is not uncommon both in terms of sharing of the expenditure related to the programs and their implementation. There are also examples whereby NGOs may be implementing safety net programs directly with donor financing. BRAC's TUP is an example in this regard.
- Not all of the programs listed in government budget documents can strictly be categorized as safety net programs as these lack distinctive safety net characteristics and are more in the nature of sectoral development programs.
- Bangladesh appears to have followed an experimental approach to building its safety net portfolio with significant trial and error in programmes driven by many actors rather than establishing a universal legal commitment first and developing programmes later.
- Bangladesh also appears to have had some success in implementing exit policy in case of programs which had outlived their usefulness. Notable example was the phasing out of the Rural Rationing program at the end of the 1980s. However, populist imperatives remain a challenge.

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<sup>41</sup> Grosh Margaret, Carlo del Ninno, Emil Tesliuc and Azedine Oucrgi : For Protection and Promotion- The Design and Implementation of Effective Safety Nets, The World Bank,

## **Part E            Preliminary Lessons**

### **14        Preliminary Lessons**

The current Paper is the first Volume from the UNDP-supported PPRC Research Project on social safety nets. The focus of this Volume has been on a review of issues and an analytical inventory. The second Volume will focus on a comprehensive assessment of selected safety net programmes. Pending this Assessment and Strategy Volume, some preliminary insights may be drawn on the way forward:

#### *Need for a Comprehensive and Strategic Framework*

While safety net objectives have broadened beyond relief and emergency assistance and a robust programme portfolio is in place, duplication, ad hoc approaches, thin dispersal of resources, and, an absence of comprehensive and strategic framework represent major challenge to scaling up the role safety net as a core anti-poverty strategy.

#### *Up-front Focus on Results*

While substantial resources continue to be allocated to safety net programmes, significant concerns remain as to the robustness of programme outcomes. An up-front focus on results is critical to invest programmes with the required sense of urgency. It is also important to be clear as to the types of results one expects from specific types of programs. Programs have not often given the required attention to developing an appropriate results framework and cost-effective monitoring mechanisms.

#### *Combining Protection and Promotion Goals*

Building sustainable graduation ladders out of poverty is a key goal for safety net strategies of countries with limited resources and large poverty-stricken population. Many innovations have appeared in this area including CCTs, asset creation, transformation of local economic environments etc. It is critical to build on such innovations and pursue effective scaling up strategy for programmes with proven results. However, not every programme can have promotional elements such as old age support.

#### *Innovations in Programme Design*

A key challenge for effective safety net programmes is design innovations based on ground realities. Compulsory savings component in REOPA program which bequeaths a relatively sizable capital (Taka 21,000) for the beneficiary to start a post-project livelihood journey is a case in point. CCTs are themselves a major category of innovations over unconditional transfers. This is also one area where workfare programmes can come to grief if adequate and viable new work activities are not innovated.

#### *Targeting Errors and Program Capture*

Targeting errors of exclusion and inclusion are often a consequence of administrative failure but in many cases may also be a consequence of systematic programme capture by groups enjoying social and political power. A moot point here is whether such problems are generic or have greater presence in certain types of programmes, for example as in workfare. Greater transparency and strengthening voices of the poor within the programme process are possible steps to address such problems. A key problem here is that such phenomena are rarely captured in data as a culture of silence often prevails.

#### *Sustainability of Safety Net Programmes and Exit Policy*

It appears that like in any other developing countries financing safety-net programmes in Bangladesh will remain a major challenge for Bangladesh. For the safety net portfolio to be sustainable and effective, an exit policy and the timing of such exits are crucial considerations. When food security programmes like VGF as response to natural disasters are continued for too long a period, this begins to have negative repercussions on local labour markets. However, the issue here is not one of quick and easy answers but rather that of strategic monitoring and careful consideration.

#### *Urban Poverty: An Emerging Challenge*

Social Safety Nets in Bangladesh has really come of age with reference to the rural population. While the reality of urban poverty is increasingly acknowledged, there is a tendency to address this through the prism of rural poverty and thus ignore the specificities of the urban poverty experience. Issues of housing, transportation, labour market access are far more significant in the lives of the urban poor and have to be factored in the design of responsive safety net programs.

#### *More Effective use of Safety Nets to address issues of Regional Disparity*

Though poverty maps are increasingly being used in determining safety net allocations, outcome assessments show that effective redressal of regional disparities remain a major concern. An operationally significant issue of concern is the level of disaggregation by which poverty maps are constructed. For example, PPRC research has shown that 30 percent of villages in the four monga-prone districts of greater Rangpur face severe vulnerability.<sup>42</sup> Yet, current approach is to treat the district as the relevant unit for determining allocations.

#### *Need for Effective and Up-to-date Beneficiary and Programme Data-base*

Recent government pronouncements have increasingly underscored the importance of comprehensive and up-to-date data-bases on beneficiaries and program implementation. This is an important recognition and substantive and concrete efforts in this direction is necessary to address the goals planning, coverage, implementation and monitoring.

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<sup>42</sup> Hossain Zillur Rahman, 2007, Mora Kartik to Bhora Kartik: Scaling Up Comprehensive Monga Mitigation, PPRC Policy Paper, Dhaka

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**Inventory of Safety Net Programs**                      **Major Programs**  
(over 50 Crore Taka in 2009-10)

Type of Program	Sl. No.	Program Name	Allocation (Crore Taka)			Program Description				
			2008-09	2009-10	2010-11	Source of Fund	Implementor	Coverage	Duration	Nature of Benefit*
<b>A.</b> <b>Allowances for Vulnerable Groups/ Persons with Special Needs</b>	1	Old Age Allowance	600.00	810.00	891.00	GOB	MOSW	2 million in 2008-09	Ongoing	Tk. 250 per month
	2	Allowances for Widowed, Deserted and Destitute Women	270.00	331.20	331.2	GOB	MOWCA	0.9 million in 2008-09;	Ongoing	Tk. 250 per month
	3	Honorarium for Insolvent Freedom Fighters	108.00	225.00	360.00	GOB	MOLWA	0.1 million in 2008-09	Ongoing	Tk. 900 per month
	4	Allowances for the Financially Insolvent Disabled	60.00	93.60	102.96	GOB	MOSW	0.2 million in 2008-09	Ongoing	Tk. 250 per month
	5	Grants/Capitation Grants for Orphan Students in Government and Non-government Orphanages	55.00	62.02	67.72	GOB	MOSW	61,000 in 2008-09	Ongoing	Tk. 1500 in govt orphanages; Tk. 700 in non-government orphanages
	6	Honorarium for Injured Freedom Fighters	45.72	61.16	63.11	GOB	MOLWA	8,000 in 2008-09	Ongoing	Variable as per injury
<b>Sub-total A</b>			<b>1,138.72</b>	<b>1,582.92</b>	<b>1,815.99</b>					

\* In the budget for financial year 2010-11, allowances for item 3 has been increased to Taka 2,000 per month. It was also announced that other allowances will be increased by 10%.

## Major Programs

Type of Program	Sl. No.	Program Name	Allocation (Crore Taka)			Program Description				
			2008-09	2009-10	2010-11	Source of Fund	Implementor	Coverage	Duration	Nature of Benefit
<b>B. Food Security and Disaster Assistance</b>	8	Vulnerable Group Feeding (VGF)	1487.53	1097.17	1535.92	GOB/DP	MOFDM/ Local Governments	Program addresses problems of seasonal poverty and post-disaster needs. Coverage can vary from year to year. In 2008-09, 7.5 million were served	Ongoing	10 kg of rice per month for 3 months
	9	Open Market Sales (OMS)	600.47	1071.96	1190.96	GOB	MOFDM	Variable; mainly in urban centres	Ongoing	Subsidized rice; maximum 5 kg per person per day
	10	Test Relief (TR)	1020.48	897.85	953.88	GOB	MOFDM	5 million in 2008-09	Ongoing program of 30 days per annum	3.5 kg rice per day
	11	Vulnerable Group Development (VGD)	730.85	595.17	638.33	GOB/DP	MOWCA	0.75 million	Ongoing Project implemented in 30 month cycles with WFP support	30 kg of wheat per month
	12	Gratuitous Relief (GR)	188.34	165.22	223.41	GOB/DP	MOFDM	6.4 million in	Ongoing	10 kg per

								2008-09		person given once
	13	Food Assistance in Chittagong Hill Tracts area	220.71	177.45	190.95	GOB	Ministry of CHT Affairs	7.5 million in 2008-09	Ongoing	3.5 kg rice per person for 30 days
	14	SOUHARDO	238.89	102.71	98.46	DP (USAID)/GOB	CARE/NGOs/LGIs	average of 74,000 households per annum in food-insecure areas of chars, haors and coastal areas	USAID Title II supported Project started in 2005; 2 <sup>nd</sup> phase started from July 2010 to last up to June 2015	Multi-component program focused on nutrition, food security and capacity building
	15	Housing Support	21.37	111.00	5.52	GOB	MOFDM			
	16	Economic Empowerment of the Poorest (SHIREE)	25.58	107.82	110.34	DP (DFID)	International Consultant Company/NGOs	Focus on extreme poor and marginalized groups in poverty pockets, backward areas. Overall aim translates into covering 25,000 households per annum	2008 to 2015	Multi-component program focused on livelihoods and services. Two funds are operated: Scale fund and Innovation fund
	17	Guchagram (Climate Victim Rehabilitation project)	59.26	85.49	62.08	DP/GOB	Ministry of Land	10650 landless families to be rehabilitated by 2012		homestead plot distributed to landless households
	18	Block Allocation for Disaster Management	0.00	85.00	100.00	GOB	MOFDM			
<b>Sub-total B</b>			<b>4,593.48</b>	<b>4,496.84</b>	<b>5,020.88</b>					

## Major Programs

Type of Program	Sl. No.	Program Name	Allocation (Crore Taka)			Program Description				
			2008-09	2009-10	2010-11	Source of Fund	Implementor	Coverage	Duration	Nature of Benefit
C. Employment Generation	19	Food-for Work (FFW)	1033.93	927.66	993.76	GOB/DP	LGED/BWDB	1 million beneficiaries per annum	Ongoing	As per work
	20	100 days Employment / Employment Generation for the Poorest (EGPP)	926.00	1076.11	1000.00	GOB/DP	MOFDM	2 million beneficiaries	Initiated in 2008-09; EGPP new project formulation from 2010-11 with World Bank financing	Employment guarantee scheme: 60 days in October-December lean period and 40 days in March-May lean period; Wage rate of Taka 100 per day
	21	Rural Employment and Rural Maintenance Program (RERMP)	192.00	185.00	140.00	GOB	LGED	5 million in 2008-09		Built on the experiences of RMP
	22	Skill Development Fund for Expatriate Returnees and new Entrants into Labour Market	0.00	70.00	70.00	DP(ADB)/GOB	n.a.	n.a.	Initiated in 2009 as part of a larger ADB counter-cyclical support program	n.a.
	23	Rural Employment Opportunity for Public Asset (REOPA)	62.58	86.08	77.69	DP (EU/UNDP)/GOB	UNDP/LGD/Local Governments	388 Unions in the six districts of Barguna,	5 year project 2007-2012 built on the	Multi-component project focused on

								Feni, Habiganj, Narsingdi, Satkhira and Sirajganj. Direct beneficiaries are 24,000 destitute women	experiences of RMP and Sirajganj Local Governance Project	infrastructure maintenance, income diversification and capacity building of LGIs. Beneficiary destitute women receive an accumulated savings of Taka 21,000 at the end of the 2 year road maintenance employment contract.
	24	Char Livelihood Program (CLP)	203.11	93.39	0.97	DP (DFID)/GOB	International Consultant Company/Local Governments/NGOs	Chars (river islands) in the riverine areas of north-west Bangladesh	Current phase ends in 2010.	Multi-component project including cash-for-work component
<b>Sub-total C</b>			<b>2417.62</b>	<b>2438.24</b>	<b>2282.42</b>					

## Major Programs

Type of Program	Sl. No.	Program Name	Allocation (Crore Taka)			Program Description				
			2008-09	2009-10	2010-11	Source of Fund	Implementor	Coverage	Duration	Nature of Benefit
<b>D.</b> <b>Human Development and Social Empowerment</b>	25	Stipend for Primary Students	488.00	574.84	750.00	DP (Donor consortium)/GOB	MOPME	5.8 million rural poor students	Ongoing	Tk. 100 per month.
	26	Secondary Education Stipend Project	331.61	478.79	677.30	DP/GOB	MOE	2.8 million students. This program was initiated in early 1990s and was and is targeted to girl students. Recently, a comparable program for boy students has been initiated.	Ongoing	Tk. 300 to Tk. 720 per month paid on condition of meeting defined behavioral goals. This is an example of CCT program
	27	Targeting the Ultra Poor (TUP)	260 (average)	260 (average)	260 (average)	DPs	BRAC	Cumulative coverage since 2002 is 272,000	2002-2011	Three components: asset transfer, training, health-care provision
	28	Stipend for Dropout Students	87.00	110.00	65.00	DP/GOB	MOPME	0.5 million		Tk. 50 to Tk 60 per month.
	29	Vulnerable Group Development for the Ultra Poor Women (VGD-UP)	38.07	80.78	61.30	DP (EU)/GOB	DWA, MOWCA/NGOs	8 districts in munga areas in the north. 80,000 extreme poor women	This originated in IFADEP-1 project	Multi-component program focused on training,

									(1996-2001) and subsequent FSVGD project (2001-2006). Current project named VGD-UP will cover 2007-2011.	monthly subsistence allowance and asset transfer.
	30	Maternal Health Voucher Scheme	51.00	62.40	66.40	DP (World Bank & WHO)/GOB	MOHFP	0.1 million Conditionalities include first-time pregnancy and use of contraceptives in case of second pregnancy. Beneficiary will be identified by union-based committee headed by UP chairman.	Initiated in 2007	Package includes ante-natal care, safe delivery and post-natal care at designated providers. Money value includes: i. Tk. 750 for specific maternal health-care. ii. Tk. 100 for transport cost. iii. Up to Tk. 2000 in case of complication.
<b>Sub-total D</b>			<b>1,255.68</b>	<b>1,566.81</b>	<b>1,880.00</b>					

## Annex 1.5

## Major Programs

Type of Program	Sl. No.	Program Name	Allocation (Crore Taka)			Program Description				
			2008-09	2009-10	2010-11	Source of Fund	Implementor	Coverage	Duration	Nature of Benefit
<b>E. Programs with Urban Focus</b>	31	Fundamental Education for Urban Working Children	46.50	52.00	45.50	DP/GOB	UNICEF	Planned coverage for current 7 year phase is 166,150 working children in 6,646 learning centres in the 6 divisional towns	1 <sup>st</sup> phase 1997 to 2004. Current phase from 2004 to 2011	2 year basic education course equivalent to grade three of primary education. A sub-set of those graduating are offered skill training
<b>Sub-total E</b>			<b>46.5</b>	<b>52.00</b>	<b>45.50</b>					
<b>Grand Total (A+B+C+D+E)</b>			<b>9,452.00</b>	<b>10,136.87</b>	<b>11,044.79</b>					



**Inventory of Safety Net Programs**                      **Minor Programs**  
(below 50 Crore Taka in 2009-10)

Type of Program	Sl. No.	Program Name	Allocation (Crore Taka)			Program Description				
			2008-09	2009-10	2010-11	Source of Fund	Implementor	Coverage	Duration	Nature of Benefit
<b>A.</b> <b>Allowances for Vulnerable Groups/ Persons with Special Needs</b>	1	General Relief	25.20	36.20	42.19	GOB	MOFDM			
	2	Maternity allowance for Poor Lactating Mothers	22.59	33.60	43.20	GOB	MOWCA	60,000 in 2008-09	n.a.	n.a.
	3	Non-Bangalee Rehabilitation	18.10	15.00	16.00	GOB	MOFDM	0.11 million	ongoing	Support to water and electricity bills for residents in Bihari camps
	4	Ration for Shaheed Family and Injured Freedom Fighters	-	13.40	33.58	GOB				
	5	Stipend for Disabled Students	6.00	8.00	8.80	GOB	MOSW	12,000 in 2008-09		Tk. 300 at primary level to Tk. 1000 at higher studies level per month
	6	Grants for Schools for the Disabled	1.80	3.60	5.81	GOB	MOSW			Allowances for teachers
	7	Fund for the Welfare of Acid Burnt and Disabled	2.00	2.00	2.00	GOB	MOSW			Fund of Tk 60.50 crore
	8	Allowances for Distressed Cultural Personalities/ Activists	0.71	0.80	1.50	GOB	MOCA	1,000		
<b>Sub-total A</b>			<b>76.40</b>	<b>112.60</b>	<b>153.08</b>					

## Minor Programs

Type of Program	Sl. No.	Program Name	Allocation (Crore Taka)			Program Description				
			2008-09	2009-10	2010-11	Source of Fund	Implementor	Coverage	Duration	Nature of Benefit
<b>B.</b> <b>Food Security &amp; Disaster Assistance</b>	9	Agriculture Rehabilitation	30.25	50.00	50.00	GOB	MOA	n.a	n.a.	n.a.
	10	Ashrayan (housing)	103.49	32.68	9.07	DP/GOB		n.a	n.a.	n.a.
	11	Construction of Flood Shelter in Flood-prone and River-erosion Areas	7.00	27.51	6.23	GOB/DP		n.a	n.a.	n.a.
	12	Disaster Risk Mitigation and Reduction	3.68	4.83	28.00	DP/GOB	MOFDM	n.a.	n.a.	n.a.
<b>Sub-total B</b>			<b>144.42</b>	<b>115.02</b>	<b>93.30</b>					

## Minor Programs

Type of Program	Sl. No.	Program Name	Allocation (Crore Taka)			Program Description				
			2008-09	2009-10	2010-11	Source of Fund	Implementor	Coverage	Duration	Nature of Benefit
C. Employment Generation	13	Jatka (fishlings) Protection and Alternative Employment for Fishermen	-	4.08	6.04	GOB	MOFL	n.a.	n.a.	n.a.
	14	Rehabilitation and Creation of Alternative Employment for Beggars	-	-	6.32	GOB	n.a.	n.a.	n.a.	n.a.
	15	Employment of Ultra- Poor in Northern region	9.86	7.92	7.15	GOB	MOFDM	n.a.	n.a.	n.a.
	16	Poverty Eradication and Ensuring Livelihood for people in Economically Backward areas	-	-	11.00	GOB	n.a.	n.a.	n.a.	n.a.
<b>Sub-total C</b>			<b>9.86</b>	<b>12.00</b>	<b>30.51</b>					

## Minor Programs

Type of Program	Sl. No.	Program Name	Allocation (Crore Taka)			Program Description				
			2008-09	2009-10	2010-11	Source of Fund	Implementor	Coverage	Duration	Nature of Benefit
<b>D. Human Development and Social Empowerment</b>	17	School Feeding Program	4.00	6.99	18.00	DP (WFP)/GOB	MOPME	n.a.	n.a.	75 grams of enriched biscuits per student
	18	Protection of Children at Risk	-	12.63	15.39	DP/GOB	MOWCA	n.a.	n.a.	n.a.
	19	Service and Assistance Centre for Disabled	-	5.41	9.45	GOB	MOSW	n.a.	n.a.	n.a.
	20	Child Development Centre	-	1.00	5.41	GOB	MOWCA	n.a.	n.a.	n.a.
<b>Sub-total D</b>			<b>4.00</b>	<b>26.03</b>	<b>48.25</b>					

## Minor Programs

Type of Program	Sl. No.	Program Name	Allocation (Crore Taka)			Program Description				
			2008-09	2009-10	2010-11	Source of Fund	Implementor	Coverage	Duration	Nature of Benefit
<b>E. Programs with Urban Focus</b>	23	Allowances for Urban Low-income Lactating Mothers	25.00	25.00	30.00	GOB	n.a.	n.a.		
	24	Urban Public Environment Health Development program	-	1.75	69.43	GOB/DP	n.a.			
<b>Sub-total E</b>			<b>25.00</b>	<b>26.75</b>	<b>99.43</b>					
<b>Grand Total (A+B+C+D+E)</b>			<b>259.68</b>	<b>292.40</b>	<b>424.57</b>					
<b>F. Insurance</b>	Grameen Life Insurance		n.a.	n.a.	n.a.	Grameen Bank	Grameen Bank	n.a.	n.a.	n.a.
	Grameen Loan Insurance Fund		n.a.	n.a.	n.a.					

### Related Programs focused on Poverty Reduction and Social Empowerment

Type of program	Sl. No	Name of Program	Allocations (crore taka)			Source of Fund
			2008-09	2009-10	2010-11	
<b>A. Micro-Credit Programs</b>	1	Fund for Micro-Credit through PKSF	185.00	195.00	150.00	World Bank/DFID finance
	2	Social Development Foundation	92.70	200.00	200.00	World Bank Finance
	3	Support to Small Entrepreneurship (PKSF)	-	100.00	-	
	3	NGO Foundation	20.00	-	6.50	GOB
	4	Micro-Credit for Women Self- Employment	3.00	-	3.00	GOB
<b>Sub-total A</b>			<b>300.7</b>	<b>395.00</b>	<b>359.50</b>	
<b>B. Nutrition, Health-care, Education and Employment</b>	5	National Nutrition Program	128.00	191.00	225.00	DP/GOB
	6	Micro-nutrient Supplementation	n.a.	21.50	24.00	DP/GOB
	7	Revitalization of Community Health Clinics	n.a.	50.00	330.00	DP/GOB
	8	National Sanitation Project	n.a.	4.00	20.00	DP/GOB
	9	Pre-School Education for Development of Children	23.02	20.75	15.80	DP/GOB
	10	Post-Literacy Education Project for Human Resource Development	n.a.	70.42	55.00	DP/GOB
	11	National Service	0.00	36.39	190.00	GOB
<b>Sub-total B</b>			<b>151.02</b>	<b>394.06</b>	<b>859.80</b>	
<b>Grand Total A+B</b>			<b>451.72</b>	<b>789.06</b>	<b>1,219.30</b>	

### Budget Document: Social Safety Net Programmes

#### Budget Allocation for the Year 2009-2010 (Revised) & Budget Estimate for 2010-11

##### (A.1) Cash Transfer (Allowances) programmes & Other Activities

##### (A.1.1) Social Protection

SI	Programmes	Coverage (in Lac)		Budget (Taka in Lac)	
		Revised (2009-10)	Budget (2010-11)	Revised (2009-10)	Budget (2010-11)
1	Old Age Allowance	22.50	24.75	810.00	891.00
2	Allowances for the Widow, Deserted and Destitute women	9.20	9.20	331.20	331.20
3	Allowances for the Financially Insolvent Disabled	2.60	2.86	93.60	102.96
4	Maternity Allowance Programme for the Poor Lactating Mothers	0.80	0.88	33.60	43.20
5	Honorarium for Insolvent Freedom Fighters	1.25	1.50	225.00	360.00
6	Honorarium & Medical Allowances for Injured Freedom Fighters	0.08	0.08	61.16	63.11
7	Grants for Residents in Government Orphanages and other institutions	0.16	0.16	21.70	25.72
8	Capitation Grants for Orphan Students in Non-gov. Orphanages	0.45	0.48	40.32	42.00
9	General Relief Activities	5.00	5.00	36.20	42.19
10	Block Allocation for Disaster Management	-	-	85.00	100.00
11	Non-Bengali Rehabilitation	1.10	1.10	15.00	16.00
12	Allowances for Distressed Cultural Personalities/ Activities	0.01	0.01	0.80	1.50
13	Pension for Retired Government Employees and their families	3.25	3.25	3760.70	3989.64
14	Ration for Shaheed Family and Injured Freedom Fighters	0.25	0.25	13.40	33.58
<b>Subtotal: Lac-Man &amp;Taka (A.1.1)</b>		<b>46.65</b>	<b>49.52</b>	<b>5527.68</b>	<b>6042.10</b>
<b>(A.1.2) Social Empowerment</b>					
1	Stipend for Disabled Students	0.16	0.19	8.00	8.80
2	Grants for the Schools for the Disabled	0.12	0.12	3.60	5.81
<b>Subtotal: Lac-Man &amp; Taka (A.1.2)=</b>		<b>0.28</b>	<b>0.31</b>	<b>11.60</b>	<b>14.61</b>
<b>Total: A.1 (A.1.1 +A.1.2) =</b>		<b>46.93</b>	<b>49.83</b>	<b>5539.28</b>	<b>6056.71</b>
<b>(A.2) Cash Transfer (Special) Programme</b>					
<b>(A.2.1) Social Empowerment</b>					
1	Housing Support	2.35	1.00	111.00	5.52
2	Agriculture Rehabilitation	27.50	25.00	50.00	50.00
<b>Subtotal: Lac- Man &amp; Taka (A.2.1) =</b>		<b>29.85</b>	<b>26.00</b>	<b>161.00</b>	<b>55.52</b>
<b>Total: A (Taka)=</b>				<b>5700.28</b>	<b>6112.23</b>

	Programmes	Coverage (in Lac)		Budget (Taka in Lac)	
		Revised (2009-10)	Budget (2010-11)	Revised (2009-10)	Budget (2010-11)
<b>(B) Food Security Programmes: Social Protection (upto 24-03-2010)</b>					
1	Open Market sales ( OMS)	150.50 Lac-Man	138.00 Lac-Man	1071.96 6.00	1190.00 5.50
2	Vulnerable Group Development (VGD)	88.33 Man-Month	88.33 Man-Month	595.17 2.65	638.33 2.65
3	Vulnerable Group Feeding (VGF)	94.44 Lac-Man	122.22 Lac-Man	1097.17 4.25	1535.92 5.50
4	Test Relief (TR) Food	38.10 Man Month	39.05 Man Month	897.85 4.00	953.88 4.10
5	Gratuitous Relief (GR)-Food	64.00 Man Month	80.00 Man Month	165.22 0.64	223.41 0.80
6	Food Assistance in CTG-Hill Tracts Area	7.14 Man Month	7.14 Man Month	177.45 0.75	190.95 0.75
7	Food For Work (FFW)	35.71 Man Month	38.10 Man Month	927.66 3.75	993.76 4.00
<b>Total (B Lac-Man) =</b>		<b>308.44</b>	<b>340.22</b>	<b>2334.35</b>	<b>2949.33</b>
<b>Total ( B Man- Month) =</b>		<b>169.28</b>	<b>172.62</b>	<b>2598.13</b>	<b>2776.92</b>
<b>Total: B (Taka) =</b>				<b>4932.48</b>	<b>5726.25</b>
<b>(C.1) Micro-Credit Programmes: Social Empowerment</b>					
1	Micro-credit for women Self-employment			0.00	3.00
2	Fund for Micro-Credit through PKSF	63.00	63.00	195.00	150.00
3	Social Development Foundation			200.00	200.00
4	NGO Foundation			0.00	6.50
<b>Subtotal: Lac-Man &amp; Taka (C.1) =</b>		<b>63.00</b>	<b>63.00</b>	<b>395.00</b>	<b>356.50</b>
<b>(C.2) Miscellaneous Funds: Social Empowerment</b>					
1	Fund for the welfare of Acid Burnt and Disables	0.80	0.80	2.00	2.00
2	Fund for Assistance to the Small Farmer and poultry farms	1.00	1.00	100.00	100.00
3	Swanirvar Training programme	0.10	0.10	1.25	1.25
4	Shamaj Kallayan Parishad	0.14	0.14	8.94	9.26
<b>Subtotal: Lac-Man &amp; Taka (C.2) =</b>		<b>2.04</b>	<b>2.04</b>	<b>112.19</b>	<b>112.51</b>
<b>(C.3) Miscellaneous Funds: Social Protection</b>					
	Fund for Climate Change	17.00	17.00	700.00	700.00
	Allowances for Urban Low-income Lactating Mothers	0.40	0.48	25.00	30.00
	Block Allocation for various Programme	25.00	37.00	1009.00	1508.64
	Employment Generation Programme for the Ultra Poor	45.00	42.00	1076.11	1000.00
	National Service	1.92	9.48	36.39	190.00
	Special Prog. for Irrigation and Water Logging	1.95	4.16	56.24	120.00
	Skill Development Fund for Expatriate Returnees and New Entrants to Labour market	0.50	0.50	70.00	70.00
	Child Development Center	0.01	0.02	1.00	5.41
	Service and Assistance Center for Disabled	0.42	0.42	5.41	9.45
	Ghare Fera Programme (Returning Home)			5.00	0.00
<b>Subtotal: Man-Month &amp; Taka (C.3)</b>		<b>92.20</b>	<b>111.06</b>	<b>2984.15</b>	<b>3633.50</b>



	Programmes	Coverage (in Lac)		Budget (Taka in Lac)	
		Revised (2009-10)	Budget (2010-11)	Revised (2009-10)	Budget (2010-11)
<b>(C.4) New Fund: Social Protection</b>					
1	Rehabilitation and Creation of Alternative Employment for People Engaged in Begging Profession				6.32
<b>Subtotal: Man-Month &amp; Taka (C.4)=</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.32</b>
<b>Total: C ( Taka)=</b>				<b>3491.34</b>	<b>4111.83</b>
<b>Total: Protection- Lac-man (A.1.1+B)=</b>		<b>355.09</b>	<b>389.74</b>	<b>7862.03</b>	<b>8991.43</b>
<b>Total : Protection-Man-Month (B+C3+C4)=</b>		<b>261.48</b>	<b>283.68</b>	<b>5582.28</b>	<b>64.16.74</b>
<b>Total : Empowerment : Lac-man (A.1.2+A.2.1+C1+C2) =</b>		<b>95.17</b>	<b>91.35</b>	<b>679.79</b>	<b>542.14</b>
<b>Grand Total (A+B+C)=</b>				<b>14124.10</b>	<b>15950.31</b>
<b>Total Non-development Budget=</b>				<b>78,138.00</b>	<b>87,284.00</b>
<b>Percentage to Non-development Budget =</b>				<b>18.08%</b>	<b>18.27%</b>

Sl	Programmes	Coverage (in Lac)		Budget (Taka in Lac)	
		Revised (2009-10)	Budget (2010-11)	Revised (2009-10)	Budget (2010-11)
<b>(D) Development Sector Programmes: Social Empowerment</b>					
D.1	<b>Running Development Programmes</b>				
1	Stipend for Primary Students	52.00	78.00	574.84	750.00
2	School Feeding Programme	1.22	3.15	6.99	18.00
3	Stipend for Dropout Students	6.00	3.50	110.00	65.00
4	Char Livelihood	2.50	0.03	93.39	0.97
5	“ Ashrayan” ( Housing)	0.01	0.01	32.68	9.07
6	Stipend and Access Increase for Secondary and Higher Secondary Level Students ( including Secondary Education Stipend Project)	25.00	36.00	478.79	677.30
7	Maternal Health Voucher Scheme	1.69	1.80	62.40	66.40
8	National Nutrition Programme	1.94	2.28	191.00	225.00
9	Protection of Children at Risk	0.10	0.13	12.63	15.39
10	Economic Empowerment of the Poor	39.00	40.07	107.82	110.34
11	Fundamental Education for Urban Working Children	1.38	1.20	52.00	45.00
12	Employment for Ultra-Poor in Northern Region	0.15	0.13	7.92	7.15
13	Participatory Rural Development ( 2 <sup>nd</sup> phase)	2.62	1.29	16.80	8.26
14	Rural Employment Opportunity for Public Asset	0.27	0.25	86.08	77.69
15	“Gucchagram” (Climate victims rehabilitation project)	0.46	0.38	85.49	62.08
16	Rural Employment and Rural Maintenance Programme	0.57	0.46	185.00	140.00
17	Preliminary Education for Development of Children	2.18	1.66	20.75	15.80
18	Vulnerable group Development for Ultra-poor (Women)	0.65	0.49	80.78	61.30
19	Reconstruction of Houses of SIDR affected landless people	0.30	0.00	65.90	0.00
20	Construction of Flood- Shelter in Flood Prone and River-Erosion Areas	0.29	0.07	27.51	6.23
21	Disaster Risk Mitigation and Reduction	0.60	3.47	4.83	28.00
<b>Subtotal: Lac-Man &amp; Taka (D.1)</b>		<b>79.71</b>	<b>89.72</b>	<b>1611.77</b>	<b>2388.98</b>
D.2	<b>New Development Programmes</b>				
1	Poverty Eradication and Ensuring Livelihood for the People Living in Economically Backward Areas.	0.00	0.07	0.00	11.00
2	Poverty Eradication through Social A forestation.	0.00	0.32	0.00	9.42
3	Improvement and Quality Seed Production of Rice, Wheat and Maize.				109.73

4	Promotion of Legal and Social Empowerment	0.00			21.14
	<b>Subtotal: Lac-Man &amp; Taka (D.2)=</b>	<b>0.00</b>	<b>0.39</b>	<b>0.00</b>	<b>151.29</b>
	<b>Total: Lac-Man &amp; Taka (D)=</b>	<b>140.96</b>	<b>185.75</b>	<b>2581.71</b>	<b>3546.68</b>
	<b>Total: ( Social Protection-Taka)=</b>			<b>13444.31</b>	<b>15408.17</b>
	<b>Social Protection (% to Budget)=</b>			<b>12.16</b>	<b>11.66</b>
	<b>Social Protection ( to GDP)=</b>			<b>1.95</b>	<b>1.97</b>
	<b>Total: ( Social Empowerment-Taka)=</b>			<b>3261.50</b>	<b>4088.82</b>
	<b>Social Empowerment (% to Budget)=</b>			<b>2.95</b>	<b>3.09</b>
	<b>Social Empowerment (% to GDP)=</b>			<b>0.47</b>	<b>0.52</b>
	<b>G. Total: Beneficiary (Lac-Man)=</b>	<b>591.22</b>	<b>666.84</b>		
	<b>G. Total: (Man-Month) =</b>	<b>261.48</b>	<b>283.68</b>		
	<b>G. Total: (Annual Lac-Man)=</b>	<b>21.79</b>	<b>23.64</b>		
	<b>G. Total: Taka ( Social Protection &amp; Empowerment) =</b>			<b>16705.81</b>	<b>19496.99</b>
	<b>Total Budget =</b>			<b>110,523</b>	<b>132,170</b>
	<b>Percentage to Budget =</b>			<b>15.12%</b>	<b>14.75%</b>
	<b>GDP =</b>			<b>691,087</b>	<b>780,290</b>
	<b>Percentage to GDP =</b>			<b>2.42%</b>	<b>2.50%</b>

Source: Ministry of Finance