



Enhancing the Participation of Community-based Organizations (CBOs) and Civil Society Organizations (CSOs) in Democratic Governance in Bangladesh



# Looking at Social Protection Budget for FY2021-22 through the Lens of Protecting the Vulnerables

*Were the Priorities Right?*

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- **Context**
- **Assessment Framework of Budget FY2022**
- *How Much Has the Social Protection Budget Actually Increased?*
- *Where Were the Trade-offs in the Social Protection Budget?*
- *What Does the Social Protection Budget Entail for Addressing COVID-19 Impact?*
- *Which Groups Received More Priority in the Social Protection Budget?*
- **Recommendations from the Perspective of Mid-Course Revision and Implementation**

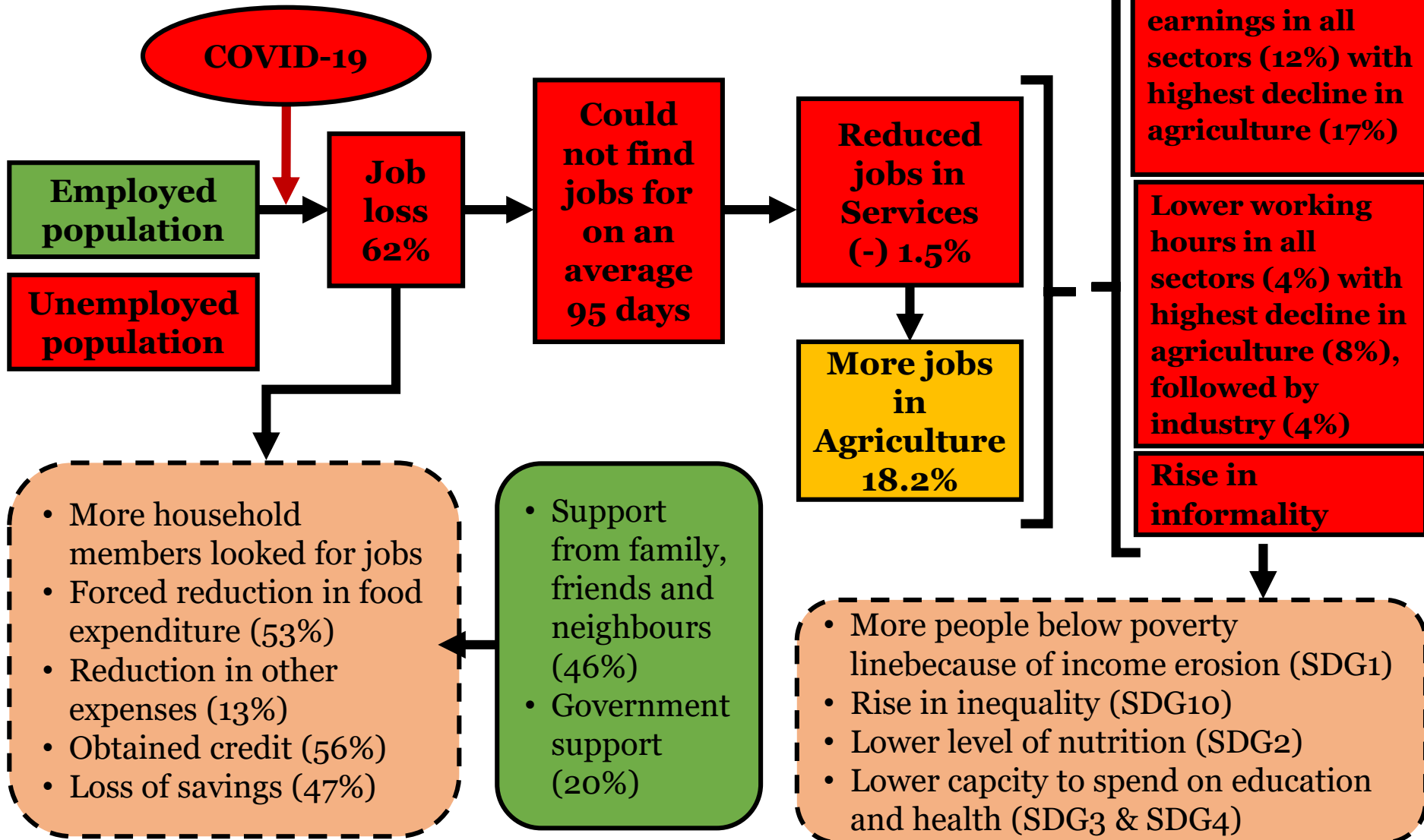
- ❑ The ongoing COVID-19 pandemic has confronted Bangladesh with multi-pronged crises – the adverse impacts of the pandemic experienced in the form of **health risks**, **humanitarian disasters** and **adverse economic implications** have both short-term impacts as also medium to long-term ramifications for lives and livelihoods and the nature and quality of the recovery process
- ❑ In this backdrop, two studies were conducted as part of a project titled “Enhancing the Participation of CBOs and CSOs in Democratic Governance in Bangladesh”, jointly implemented by the CPD and Oxfam in Bangladesh with support from the European Union

## ***COVID-19 and Employment Related Adjustments: Findings from Household Survey in Bangladesh***

### ***An Assessment of the Effectiveness of Delivering the Relief Supports to Cope with COVID-19 in Bangladesh***

- ❑ As part of these studies, a nationally representative household survey was conducted - **2600 households** across **16 districts** between **late January and early February 2021** - **before the second wave**
- ❑ ***The objective of the present analysis is to examine budget 2021-22 proposal through the lens of the findings of these studies***

## Impact of COVID-19 on Bangladesh through Employment Channels



## Key findings from the study on Relief Support Programmes

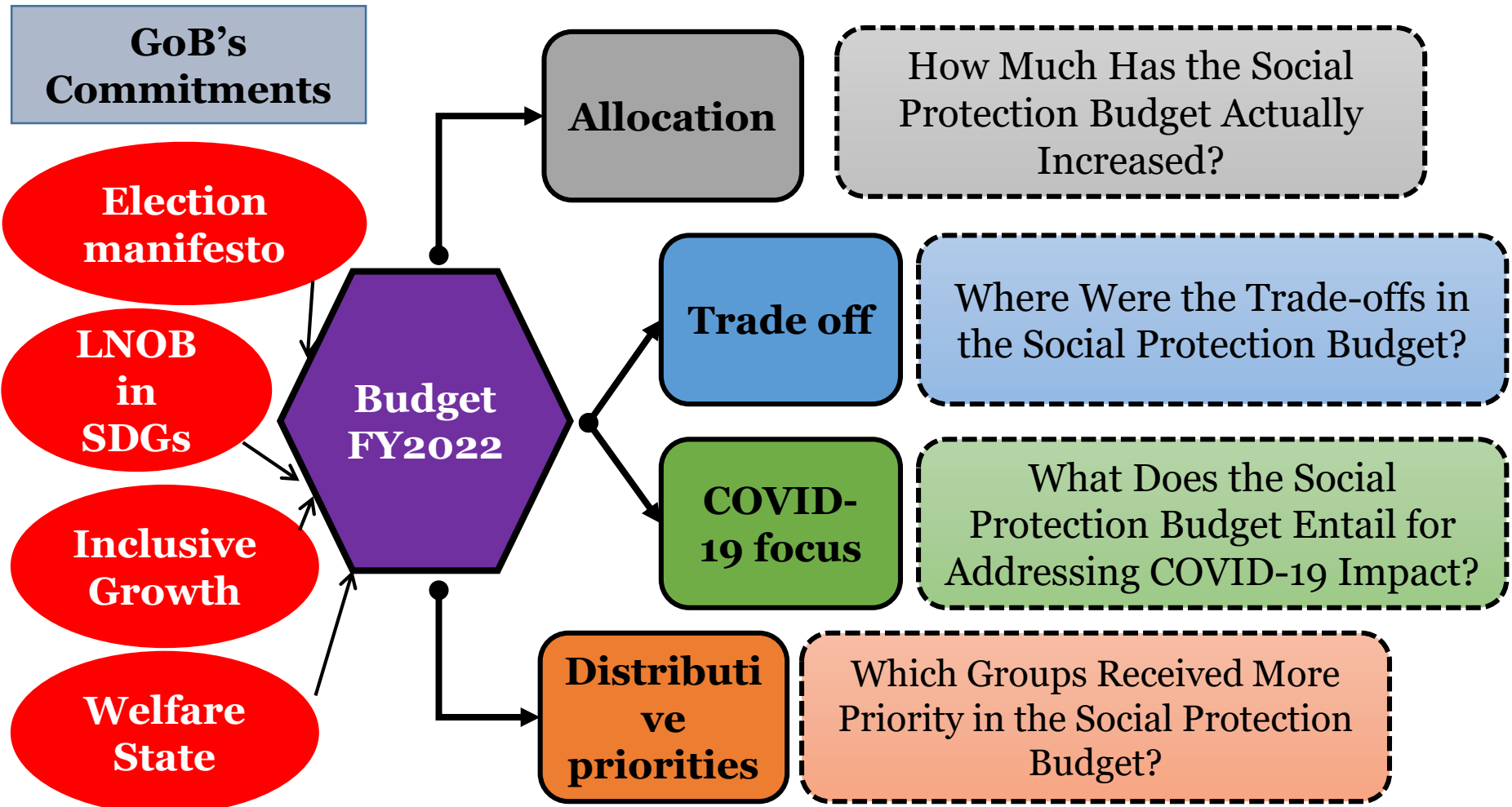
- ❑ Allocation was made based on **population size** rather than poverty rate scenario in the particular area
- ❑ Nationally, **only about a fourth** of the **poorest** quartile group had received assistance from GR (rice), GR (cash) Tk. 2500 cash support
  - **19.6%** of the **poorest rural** population; **43.3%** of the **poorest urban** population
- ❑ Presence of '**exclusion error**' is evident among the beneficiary selection process since a **large number** of workers in the **informal** sector and the '**new poor**' had remained **outside** the programmes
  - Among the **respondents whose income had reduced** because of the pandemic, **77.3% did not receive any of the three SSNPs**
- ❑ **Over 90%** of the **GR (rice)** and **GR (cash)** beneficiaries had to **bear travelling costs** to reach distant relief centres
  - Surprisingly, **also true for 17%** of the **2500 Tk support beneficiaries!**

## Key findings from the study on Relief Support Programmes (contd.)

- ❑ **59.3%** beneficiaries of GR (rice), **57.7%** beneficiaries of GR (cash) and **48.9%** beneficiaries of cash support programme were **not aware of the eligibility criteria** for inclusion
- ❑ Only **1.6%** of beneficiaries were **aware of the hotline numbers**
- ❑ Although **majority of the beneficiaries** (81.2%) **did not face any delay** in receiving **cash transfer** under GR (cash) and cash support programmes, those who faced delay mainly **faced difficulties in opening a bank account**
- ❑ A **large part (72%)** of the beneficiaries' **information/NID/telephone numbers** was **verified by government officials** in the course of the support provisioning period
- ❑ **Majority** of the beneficiaries (**85.1%**) were **not aware** of any **grievance redress system** in connection with the three assistance programmes
  - Some (**13.4%**) **even insisted** that **no such system was available!**
- ❑ **Absence of a central database with spatially disaggregated data**, for distributing relief packages was greatly felt

❑ **Social Protection is seen as a critical policy tool in the context of National Budget FY2022!**

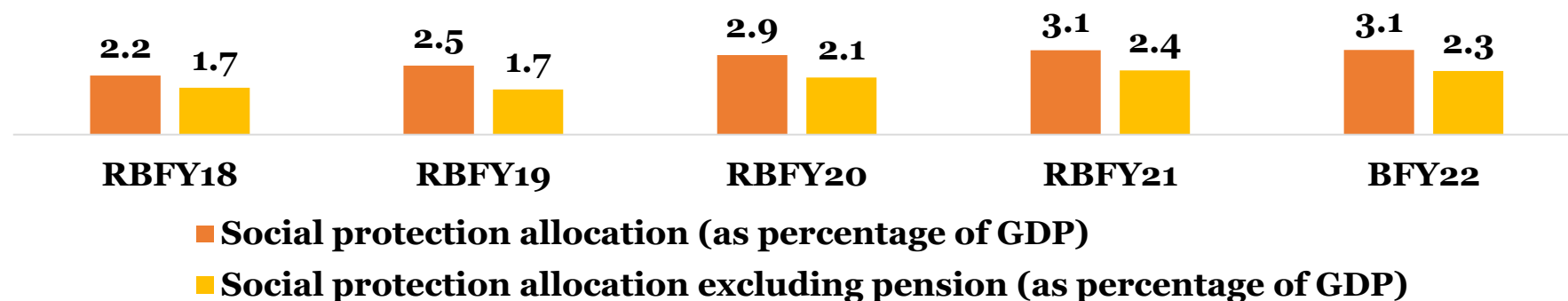
*Four lenses for assessment, four guiding questions...*





# How Much Has the Social Protection Budget Actually Increased?

## Social Protection Budget as % of GDP



- ❑ Social protection budget as % of GDP is almost same in RBFY21 and BFY22
- ❑ **Social protection budget excluding pension for public servants as % of GDP has decreased 2.4% from RBFY21 to 2.3% in BFY22**
- ❑ CPD has recommended that **pension for retired public servants be reported outside social protection budget, particularly when there is no universal pension scheme in the country**
- ❑ **Recently, two other programmes, Savings certificate interest assistance and Agricultural subsidy, are reported as part of social protection, inflating allocation**
- ❑ **These three account for 38.6% of social protection budget for FY22!**
- ❑ **If we exclude these three programmes, social protection budget as % of GDP has actually declined from 2.1% from RBFY21 (Tk. 64,167 crore) to 1.9% in BFY22 (Tk. 66,045 crore)**

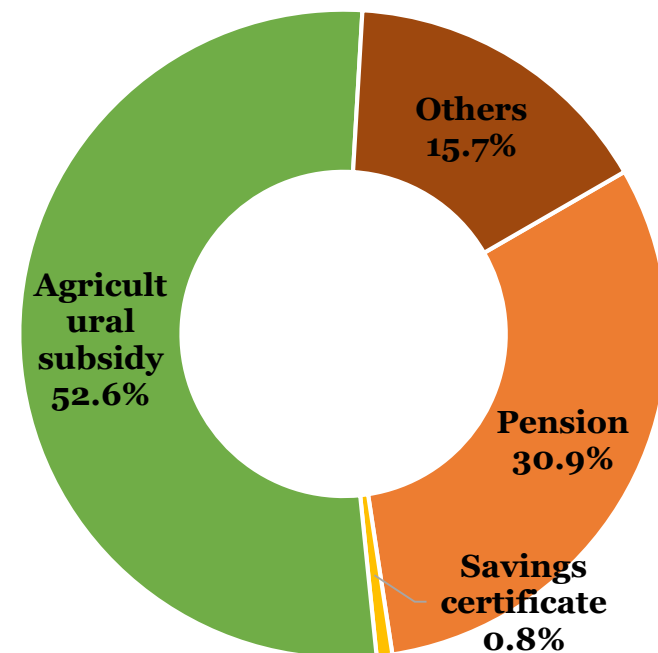
# How Much Has the Social Protection Budget Actually Increased?

❑ **Total allocation for social protection increased by 12.5% in BFY22 compared to the corresponding figure of RBFY21** Incremental share

❑ **Of the incremental allocation (Tk 11,931 crore), 84.3% belong to three SSNPs:**

- *Pension for retired government employees and their families (Tk. 3,690 crore)*
- *Savings certificate interest assistance (social security part) (Tk. 93 crore)*
- *Agricultural subsidy (Tk. 6,270 crore)*

❑ **Without the aforesaid three, allocation for social protection in BFY22 increased by only Tk. 1,878 crore – indicating a mere 2.9% growth in a pandemic year!**



# How Much Has the Social Protection Budget Actually Increased?

- ❑ **Tk. 12,300 crore** has been **earmarked** for **two programmes: *funds to combat the outbreak of the corona pandemic*** (Tk. 7,300 crore) , and ***funds to deal with economic and natural shocks*** (Tk. 5,000 crore) – these are major drivers of incremental social protection budget for FY22!
- ❑ **Beneficiary coverage** for these programmes is **‘in process’ (?)** and **will be determined** according to the **necessity** in FY22!
- ❑ **Execution of these two programmes will largely determine the effectiveness of social protection budget in view of COVID-19 pandemic.**
- ❑ ***No concrete action agenda is presented for these two programmes!***

# How Much Has the Social Protection Budget Actually Increased?

❑ It must also be mentioned that **transfer/allowance per beneficiary remains same** for a **long period** of time for many large programmes.

For example:

- *Currently, an **old age allowance beneficiary** receives **Tk. 500/month**. This rate was fixed back in FY17. The rate was **Tk. 400/month in FY16**. The present entitlement is **Tk. 383 in FY16** terms if inflation is accounted for.*
- *A participant in the EGPP programme currently receives **Tk. 200/day**. This rate was fixed back in FY14 which was **Tk. 175/day in FY13**. The present entitlement is **Tk. 136 in FY14** terms if inflation is accounted for.*

❑ It becomes obvious that these **transfers** are **losing value** in real terms **due to inflation**

# Where Were the Trade-offs in the Social Protection Budget?

- ❑ **Allocation** has been **reduced** for **programmes protecting livelihoods**, such as work for money and skills and employment programme in Bangladesh
- ❑ **Allocations** for **3 education stipends** have been **reduced** in FY22
- ❑ **Allocations** have also been **reduced** for several programmes which address the **needs of marginalised, vulnerable, and left behind communities**

## Selected programmes for which allocations have decreased in BFY22 vis-à-vis RBFY21

Programme	RBFY21	BFY22	Growth (%)
Interest subsidy for small and medium enterprises (including cottage industries) due to Corona Pandemic	3,000.0	2,800.0	-6.7
Student stipend for Primary education level	3,712.0	1,900.0	-48.8
Stipends for secondary, higher secondary and madrasah education level students	2,831.8	1,841.1	-35.0
Work For Money (WFM)	2,276.5	1,500.0	-34.1
Rural Infrastructure Development (Non-ADP)	1,876.5	1,500.0	-20.1
Test Relief (TR) (Cash)	2,324.6	1,450.0	-37.6
Ashroyan-2 and 3 Project	1,479.9	645.0	-56.4
H-Clinical Contraceptive Services Delivery / Family Planning Field Services Delivery	734.3	601.4	-18.1
Income Support Program for the Poorest (Care+ Dream)	626.0	572.0	-8.6
Honorarium and Medical Allowances for Injured Freedom Fighter Heroes	450.1	446.7	-0.8

# Where Were the Trade-offs in the Social Protection Budget?

- ❑ If the programmes related to pension, savings certificate and agricultural subsidy are excluded, it becomes obvious that those related to **stipends, credit support and ongoing development projects** experienced **decreased allocation**
  - The massive decline in credit support programmes is due to omission of two stimulus packages in FY22: refinancing scheme for low income farmers/small traders and employment generation programme through four state owned entities

Programme type	Growth BFY22 over RBFY21	Share RBFY21	Share BFY22	Incremental share
Cash transfer (various allowances)	27.0	15.9	19.6	146.8
<b>Food security and employment generation programmes</b>	<b>1.6</b>	<b>23.1</b>	<b>22.8</b>	<b>12.6</b>
<b>Stipend programmes</b>	<b>-36.8</b>	<b>10.5</b>	<b>6.5</b>	<b>-132.5</b>
Cash /transfer of materials (special programmes)	6.5	7.8	8.0	17.3
<b>Credit support programmes</b>	<b>-87.3</b>	<b>14.5</b>	<b>1.8</b>	<b>-431.8</b>
Assistance for special communities	6.1	0.9	0.9	1.8
Various funds and programmes	603.9	2.9	19.5	589.5
<b>Ongoing development projects/ programmes</b>	<b>-16.8</b>	<b>19.4</b>	<b>15.7</b>	<b>-111.2</b>
New development projects/programmes	4.3	5.1	5.2	7.6
<b>Total</b>	<b>2.9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

# What Does the Social Protection Budget Entail for Addressing COVID-19 Impact?

- ❑ **Three types of SSNPs** were considered for this assessment: COVID-19 specific programmes, public works programmes and credit support programmes
  - **Construction** type programmes were **not considered**
- ❑ **Allocations for COVID-19 specific** programmes have **increased** between RBFY21 and BFY22
  - Largely dependent on ‘**funds to combat the outbreak of the corona pandemic**’ programme’ (Tk. 7,300 crore) – **is vaccination fund included here?**
- ❑ Allocations for both **public works** and **credit support** programmes have **decreased** – **not commensurate with the needs of pandemic times!**

Programme type	Share in total SSNP budget		Growth
	RBFY21	BFY22	BFY22 over RBFY21
COVID-19 specific (6)	4.9	10.6	142.9
COVID-19 specific without the ‘ <i>funds to combat the outbreak of the corona pandemic</i> ’ programme	4.1	3.8	4.7
Public works (11)	9.9	7.6	-12.9
Credit support (6)	9.7	1.1	-87.3

Note: Numbers in parenthesis indicate number of relevant programmes/projects

- ❑ As regards the **stimulus packages**, the budget documents do **not** provide a **consolidated and comprehensive update in a number of critical areas**
- ❑ There is **no mention of how much money** has been **set aside** for **implementing the packages** in FY22
- ❑ There is **no mention** as regards whether there will be **any changes in the implementation modality** in view of the experience of the past year
  - **Employment focus** of the packages is **inadequate in view of pandemic demands**



# Which Groups Have Received More Priority in the Social Protection Budget?

- ❑ The **SSNPs considered** under the different groups for this assessment **do overlap** i.e., one programme may have been considered under multiple groups
- ❑ **Infrastructure development** programmes were **not considered**
- ❑ **Other marginalized groups include smaller population groups such as persons with disability, bede, third gender, ethnic groups**

Groups	Share in total SSNP budget		Growth
	RBFY21	BFY22	BFY22 over RBFY21
<b>Children (14)</b>	<b>9.2</b>	<b>6.2</b>	<b>-24.1</b>
<b>Women (21)</b>	<b>6.8</b>	<b>7.2</b>	<b>18.1</b>
<b>Old age (1)</b>	<b>3.1</b>	<b>3.2</b>	<b>17.2</b>
<b>Climate vulnerable (12)</b>	<b>4.0</b>	<b>7.1</b>	<b>98.1</b>
<b>Climate vulnerable without the 'funds to deal with economic and natural shocks' programme</b>	<b>4.0</b>	<b>2.5</b>	<b>-31.0</b>
<b>Other marginalised groups (32)</b>	<b>7.2</b>	<b>6.3</b>	<b>-0.6</b>
<b>Health (8)</b>	<b>4.0</b>	<b>4.2</b>	<b>17.7</b>
<b>Education/Students (11)</b>	<b>7.9</b>	<b>4.7</b>	<b>-32.5</b>

Note: Numbers in parenthesis indicate number of relevant programmes/projects

# Which Groups Have Received More Priority in the Social Protection Budget?

- ❑ Expectedly, **allocations for health** related SSNPs have **increased**
- ❑ On a **positive** note, allocations for SSNPs benefitting **old age** people and **women** have **increased**
  - The increase in allocations for SSNPs pertaining to women have been driven by maternal health and nutrition related programmes
- ❑ SSNP allocations for **climate vulnerable** groups have **increased on the surface**
  - However, if the ‘**funds to deal with economic and natural shocks**’ programme is **excluded** (for which actual expenditure is uncertain), fund has actually decreased
- ❑ Allocations for SSNPs targeted towards **small marginalised groups** (e.g., disabled, indigenous, residents of remote areas) has **decreased**
- ❑ Regrettably, SSNP allocations for **children** and **education/students** have **decreased**
  - Particularly, **worrisome** in view of the COVID-induced education scenario

- ❑ There is a need for a **transparent and clear reporting of stimulus packages for FY22**
- ❑ The **stimulus packages will need to be redesigned** in view of the experience (lower access and availability as borne out by the survey) of the past year
- ❑ **Extended credit support at subsidised interest rates** required for farmers and low-income people as high cost borrowing will likely put many marginalised households into the debt trap
- ❑ More importance should be given to **extending support through NGOs and microfinance institutions**
- ❑ Need to **enhance coverage of credit guarantee scheme**

- ❑ **Households urgently need to withstand the immediate loss of income and reduced expenditure**
- ❑ **Cash transfer should be seen as an effective tool** for supporting the needy and triggering supply-side response in the economy
- ❑ **Higher consumption expenditure** will also help to **boost domestic demand and create opportunities for employment**
- ❑ **Two programmes: *funds to combat the outbreak of the corona pandemic* (Tk. 7,300 crore) , and *funds to deal with economic and natural shocks* (Tk. 5,000 crore), at the margin, will determine the effectiveness of social protection budget – details on these will be required at the earliest**
- ❑ **New poor/marginalised people should be prioritised** to this end
- ❑ There is an **urgent need to enhance cash transfers to the marginalised and affected households – initial budget allocation should not be a constraint**
  - **Higher coverage and budgetary allocation are required** for SSNPs in the form of cash transfer
  - **Investment in labour-intensive rural road and infrastructure** would be **beneficial** to stimulate the **rural economy**

# Recommendations from the Perspective of Mid-Course Revision and Implementation

## Assessment of three relief support programmes from CPD-Oxfam Study

Pillars	Performance indicators			
<b>Pillar I: Coverage strategy and promotion</b>	1. Consistency between coverage strategy and number and type of beneficiaries (rural/urban, male/female, etc.)			
	2. Adequacy of activities and mechanisms for information dissemination (awareness campaigns, mass media, community meetings, etc.)			
<b>Pillar II: Application, selection, and enrollment</b>	1. Adequacy of targeting			
	2. Effectiveness of beneficiary selection or targeting			
	3. Degree of transparency of eligibility criteria (e.g., Percentage of the target population who correctly identify the eligibility criteria for receiving relief supports)			
<b>Pillar III: Transfer/Receipt of Benefits</b>	1. Proportion of total transfers that are lost due to error or leakages			
	2. Average transaction cost for receiving the benefits			
	3. Average time taken to receive the benefits			
	4. Adequacy of benefits			
<b>Pillar IV: Information Management</b>	1. Extent of use of MIS for transferring benefits and/updating changes in beneficiary information (e.g., household composition (newborns or deaths) or address changes)			
	2. Percentage of beneficiaries using the designated hotline numbers			
<b>Pillar V: Control Mechanisms</b>	1. Degree of systematic use of control mechanisms (household information verification, database cross-checks, telephone hotlines, etc.)			
	2. Adequacy of monitoring and supervision (local dealers, payment agencies)			
	3. Grievance redressal system			
<b>Very Unsatisfactory</b>	<b>Unsatisfactory</b>	<b>Neutral</b>	<b>Satisfactory</b>	<b>Very Satisfactory</b>

- Allocation and distribution of resources in FY2022 Budget have not been commensurate with demands of COVID times
- Budget FY2022 should have been informed by following concerns and lessons arising from the COVID pandemic

## ***Allocation matters***

- Fiscal constraints should not be any reason for inadequate relief when emergency support for the poor and ‘new poor’ means the difference between destitution and falling into debt trap on the one hand, and, hope and ability to stand up on the other

## ***Spatial dimensions matter***

- Factors specific to local area should be taken into cognisance

## ***Consideration of new dimensions of vulnerability matters***

- Higher unemployment, income erosion, switching to new jobs with lower pay and new dimensions of vulnerability such as emergence of ‘new poor’ during COVID type emergencies, should guide both targeting and allocation

## ***Access to information matters***

- Major improvements are necessary in case of promoting the ‘hotline’ numbers

## ***Transparency matters***

- Making the beneficiary list public, both locally and nationally, and ensuring transparency as regards eligibility criteria, with the help of digital platforms, must be the norm

## ***Costs involved in accessing services matter***

- Transportation costs and additional costs associated with receiving benefits should be taken care of so that it does not create an additional burden for low-income marginalised groups at a time when they are deprived of cash income

## ***Timing matters***

- Adequate preparations should be there to avoid delays in delivering transfers/benefits

## ***Innovation matters***

- Innovative practices should be encouraged and incentivised, and these should be scaled up through cross-learning exercises involving delivery agencies

## ***Redress of grievance matters***

- There should be a transparent and accountable grievance redress system with designated and mandated responsibilities vested with individual officials. There should be a repository of concerned documents to access and verify the actions taken.

## ***Whole of society approach matters***

- Policymakers need to appreciate that taking full advantages of the support of non-state actors in times of emergencies could only be to the benefit of the government.

## ***Zero tolerance matters***

- It will be important to pursue the zero-tolerance policy in all earnest and with the backing of necessary enforcement





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# Recommendations from the Perspective of Mid-Course Revision and Implementation

## ***Reliable data matters***

- ❑ Absence of an up-to-date database proved to be the government's Achilles heels during the pandemic
- ❑ In spite of the best of efforts, ensuring proper targeting in the absence of a reliable database of eligible beneficiaries, reflecting real-time situation on the ground, proved to be extremely difficult
- ❑ In its absence, in many instances, the old and outdated database had to be made use of by the concerned officials
- ❑ Development of a reliable database, maintained centrally but with local disaggregation and being updated on a regular basis, should be given the highest priority by policymakers

***One hopes that policymakers will undertake mid-course revisions in resource allocation in the context of FY2022 Budget in view of the above, particularly by taking cognisance of the ongoing second wave of the pandemic***



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# Thank You