

Assessing the Viability of Universal Basic Income in Bangladesh

Target Population, Fiscal Requirements, and Institutional Challenges

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Table of Contents

1. Setting the Scene- A New Social Vision

- 1.1 Universal Basic Income: Why?
- 1.2 Universal Basic Income: What Is It & What It Is Not...
- 1.3 Scope & Objectives of the Study
- 1.4 Methodology of the Study

2. Conceptualising UBI

- 2.1 Taxonomy of Basic Income
- 2.2 Global Experience with UBI

3. Launching UBI in Bangladesh

- 3.1 Delineating An Operational UBI Model
- 3.2 Determining the Scope of UBI
- 3.3 Delivering UBI in Bangladesh

4. Unveiling the Potential of UBI- Macroeconomic & Household Level Impact

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

1. Setting the Scene- A New Social Vision

1.1 Universal Basic Income: Why?

1

Strengthening Agency

A basic income can increase the bargaining power of workers by protecting them from having to accept precarious work conditions and unjust exploitation

2

Promoting Social equity

Targeted interventions may not address the multidimensional nature of the vulnerable population's needs without conditions nor ensures that support reaches all intended

3

Stimulating the Economy

Periodic cash transfers would not only provide a degree of income security to its recipients but would also create purchasing power for vulnerable households.

1.1 Universal Basic Income: Why?

4

Addressing the exclusion error

In a country that faces a data and information constraint, UBI can help close coverage gaps and enhance administrative efficacy

5

Streamlining government processes

A regular cash payment in lieu of a mix of various social protection schemes may allow the government to streamline and limit government processes and expenditures

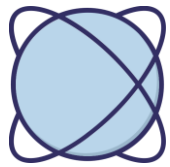
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Advancing a Universal Social Protection System

UBI could potentially replace fragmented welfare schemes and ensure that every citizen receives a foundational level of support, addressing social protection gaps

1.2 Universal Basic Income: What is it?

Theoretically, UBI has *six key characteristics*



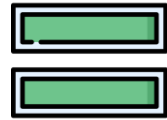
Universal

Everyone in a political community, irrespective of their income or wealth, is eligible



Unconditional

There are no behavioural conditions attached to receiving (e.g., willingness to work)



Uniform

A more implicitly implied and most disputed characteristic



Periodic

Regularised payment



Cash payment

The transfers made must be cash.



Individual-level

Each citizen is eligible to receive a cash payment, rather than the household.

1.2 Universal Basic Income: What it is not...

UBI is **not** synonymous with the minimum wage or the guaranteed minimum income argument!

- The purpose of UBI is to provide **a base level of income security** and a realisation of **human dignity**
- Minimum wage or living wage is **limited to waged employees** and is to **protect workers against unduly low pay**
does not cover self-employed workers
- Guaranteed minimum income is **a means-tested programme that targets the poor** and, as such, may not be *universal*

1.3 Scope & Objectives of the Study



This study explores the feasibility of implementing UBI in Bangladesh



As a **scoping study**, it lays the groundwork for assessing the viability and effectiveness of this programme, providing essential insights to optimise future efforts



As a **frontier study**, it sets a transformative precedent for addressing pressing challenges that may arise during the implementation of this ambitious programme

1.3 Scope & Objectives of the Study

Broadly, the study **examines the relevance and feasibility of implementing UBI** in Bangladesh.

In connection, the study explores **three key dimensions** —

- ***Delineating*** a Universal Basic Income (UBI) model for Bangladesh
- ***Determining*** the scope of Universal Basic Income (UBI) for Bangladesh
- ***Delivering*** Universal Basic Income (UBI) in Bangladesh

1.4 Methodology & Data

1. Reviewing existing global and regional literature to establish a benchmark of knowledge (in terms of both global practices and country experiences)

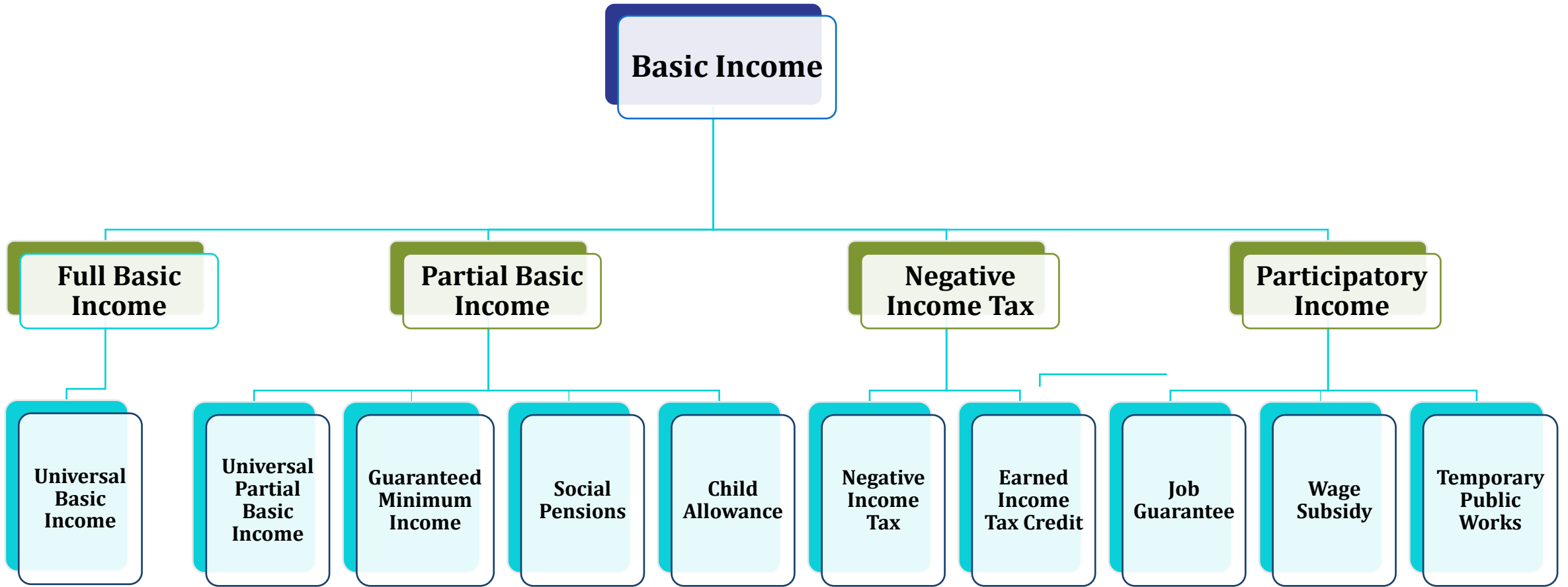
2. Development of a poverty scorecard through the analysis of global and regional scorecards, the selection of relevant key indicators and assignment of scores to each indicator, weighted according to their influence on poverty



3. Quantitative analysis
With data collected from the 2022 “Household and Expenditure Survey” (HIES) by the Bangladesh Bureau of Statistics (BBS)

2. Conceptualising UBI

2.1 Taxonomy of Basic Income



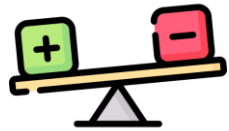
2.2 Global Experiences with UBI: A Summary

Extensively tested



The **Partial Basic Income** is a more fiscally viable approach offering modest, **often means-tested transfers to complement existing social protections**. It is the most extensively tested approach with **7 ongoing programmes (5 in developing countries)** and **3 already completed** (one in India)

The **Participatory Income** is a **conditional income tied to work or participation** in public programmes, with **two ongoing** (India & Kenya) and **two completed** (Argentina & Australia)



The **Negative Income Tax (NIT)** is a tax-based system providing subsidies to individuals below a minimum income level, gradually reduced as income rises. There is **one ongoing programme** in the US (1975-present) with **two completed in Germany and Canada**

Not tested at all

The **Full Basic Income** sets a **universal transfer set at or above the poverty line**, enough to live without any other earnings. However, it remains theoretical as there are **no real-world examples**



2.2 Global Experiences with UBI: A Summary



Targeting Strategies

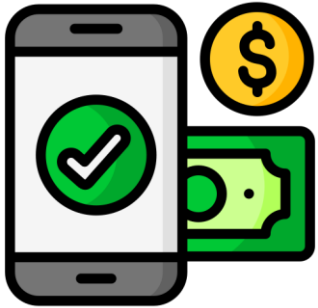
- **Income Threshold Targeting:** The most common approach, where basic income transfers are given to those earning below a specified amount
 - Examples: Negative income tax programs, Dibao, Bolsa Familia, and the Stockton Economic Empowerment Demonstration all use means testing to determine eligibility



Sources of Funding

- **Three Key Sources:** Government funding, resource revenues, and development partner contributions
 - **High-Income Countries:** Rely primarily on federal or local government funds
 - **Middle-Income Countries:** Blend government resources with international development partner (IDP) funding
 - **Resource Revenues:** Used in **both high- and low-income** countries to support programmes
 - **Low-Income Countries:** smaller-scale initiatives funded by crowdfunded NGOs

2.2 Global Experiences with UBI: A Summary



Delivery Strategies

- **Individual-Level Transfers:** Most programs target individuals, with local governments playing a vital implementation role
- **Uniform vs. Variable Transfers:**
 - Most **partial basic income and job guarantee programmes provide a flat amount** of transfer
 - **NIT and Guaranteed Minimum Income (GMI) schemes provide variable amounts** based on factors like income, family composition, and local poverty lines (e.g., Dibao, Bolsa Familia)
- **Transfer Amounts Relative to Poverty Lines**
 - **LMICs:** Most amounts of transfer are less than that of the international poverty line
- **Transfer Amounts Relative to GDP per Capita:** Most programmes offered transfers below 20% of GDP per capita
- **Replacing or Complementing SSNPs:** While basic income programs could replace social safety nets in theory, they typically complement them in practice

2.2 Global Experiences with UBI

Full Basic Income: A full basic income model advocates for **the level of transfer to be set at the level that would secure livelihoods without other income,** ideally set at the poverty line or higher.

There is no example of a full basic income programme

Pros	Cons
<ul style="list-style-type: none">● Circumvents exclusion and inclusion errors● Provides a social safety net for every person● Provides the minimum income that individuals would need to survive.● Reduces or eliminates the stigma associated with the programme for beneficiaries● Benefits wouldn't change with more income, so there is no disincentive to work	<ul style="list-style-type: none">● There are funding constraints as the program would be a demand driven program instead of supply lead.● Has not been implemented before to our knowledge● Flat UBI program may not be fit for all purposes, as it cannot be as redistributive as a progressive structure

2.2 Global Experiences with UBI

Partial Basic Income: A partial basic income model advocates for a **modest transfer to be set and would work alongside with most existing social protections**

Pros	Cons
<ul style="list-style-type: none">● Mostly implemented as means tested programs● More fiscally plausible with budget neutral options● Programs have generally resulted in decreasing poverty● Long term examples can be found in Alaska or Mongolia● System can be utilized in times of emergency shocks like COVID● Improves health and education outcomes	<ul style="list-style-type: none">● Possibility for exclusion/Inclusion errors● Financing has primarily been national resource taxes● There are costs of participation● Information to set up targeting criteria is needed● There could be method specific limitations based on model.● Data changes over time require strong administration● Possible manipulation by administrators

2.2 Global Experiences with UBI

Ongoing Programmes

1. **Permanent Fund Dividend, Alaska, United States (1976-present)**
 - An annual dividend paid to residents of Alaska from natural resource revenues.
2. **Dibao, China (1997-present)**
 - Dibao supplements the poor's income to a basic level.
3. **Bolsa Familia, Brazil (2003-present)**
 - A conditional cash transfer program that requires minimum school attendance and compulsory vaccinations for children to receive transfer.
4. **Child Money Programme, Mongolia (2005-present)**
 - A proxy means test cash transfer programme to Mongolian children.
5. **Renta Dignidad, Bolivia (2008-present)**
 - Non-contributory elderly social pension.
6. **Wealth Partaking Scheme, Macau, China (2008-present)**
 - An annual transfer for permanent residents of Macau to share the achievements of economic development
7. **Targeted Subsidy Reform, Iran (2010-present)**
 - Monthly cash transfer to offset rising costs of goods from eliminating subsidies.

Completed Programmes

1. **Madhya Pradesh Unconditional Cash Transfer Project, 22 Villages in Madhya Pradesh, India (2011-2013)**
 - Monthly BI paid to all individuals in 9 villages as a treatment groups.
2. **Basic Income Experiment, Finland (2017-2018)**
 - A basic income experiment undertaken by the Finnish government on long term unemployed residents.
3. **Stockton Economic Empowerment Demonstration, Stockton, United States (2019-2021)**
 - A partial basic income pilot program in Stockton, California

2.2 Global Experiences with UBI

Negative Income Tax: A negative income tax model is a **tax scheme that functions like an inverse progressive tax system** in which a **minimum income is set and individuals who fall below that line would receive a cash transfer** that would help subsidize the amount that they are short but would not take them to that given level.

Notable Examples:

1. Earned Income Tax Credit, United States

(1975-present)

- The EITC is a tax credit for working people with low to moderate incomes that increases workers' wages and offsets federal and income taxes

2. Targeted Negative Income Tax, Germany (1999-2002)

- Time restricted employee subsidy for means-tested welfare recipients.

3. Ontario Basic Income Pilot, Ontario, Canada

(2018-2019)

- Provided low-income households with monthly basic income payments up to 75% of the low-income Measure in Canada

Pros	Cons
<ul style="list-style-type: none">● Pure model encourages recipients to work by ensuring that their benefits are phased out gradually until their income● Progressive support levels ensure that a larger transfer goes to the poorest.● EITC is the largest anti-poverty program in the US	<ul style="list-style-type: none">● Program is constrained by targeted recipients paying/submitting tax forms annually● Program can be constrained by targeted recipients' knowledge of the program existing● There are funding constraints as the program is available to all who qualify for it

2.2 Global Experiences with UBI

Participatory Income: A basic income guarantee that is conditional on some participation by the recipient

Notable Examples:

- 1. Mahatma Gandhi National Rural Employment Guarantee Act, India (2005-present)**
 - Guaranteed at least 100 days of wage employment annually to every household willing to do unskilled, manual labour.
- 2. Kazi kwa Vijana, Kenya (2010-present)**
 - A youth employment scheme that provides both labor intensive work and private sector training through internships.
- 3. Plan Jefes y Jefas de Hogar Desocupados, Argentina (2002-2005)**
 - An emergency employment program for unemployed head of households.
- 4. JobKeeper Payment, Australia (2020-2022)**
 - A wage subsidy program to help businesses retain employees throughout the COVID-19 pandemic.

Pros	Cons
<ul style="list-style-type: none">● Provides cash for work● Programs primarily rely on self selection.● Job guarantee programs theoretically should put unemployment rate to 0 in which no one is unemployed or underemployed	<ul style="list-style-type: none">● Affordability● Could make receiving other social protection conditional upon accepting any job● Household impacts for care economy and education● Corruption and maladministration

2.2 Global Experiences with UBI

Targeting Strategies

Categories	Income Threshold	Age	Employment Status	Random Selection	Self-Selection	Household size & composition
Full Basic Income		Basic Income transfer amounts could vary benefit by age				
Partial Basic Income	Programmes generally require participants to earn below a certain income threshold to qualify (Madhya Pradesh Unconditional Cash Transfer, Bolsa Familia)	Different programs may target different ages such as children or seniors (Child Money Program, Renta Dignidad)		Most pilot programs randomly assign the benefit out of the target group (Stockton Economic Empowerment Demonstration, Finland Basic Income Pilot)		Size of benefit changes based on household makeup (Madhya Pradesh Unconditional Cash Transfer, Bolsa Familia)
Negative Income Tax	To receive NIT, claimants must be below a certain income		EITC is only available to employed individuals (EITC)		In order to claim the EITC, claimants must submit an additional form with their taxes (EITC)	The amount of benefit varies based on household size
Participatory Income		Can be targeted at a specific age groups like youth, young adults or adults only (Kazi Kwa Vijana)	Individuals must work in order to receive the payment		These programmes are not mandatory and participants must self select to be involved. (Madhya Pradesh Unconditional Cash Transfer Pilot)	

2.2 Global Experiences with UBI

Financing Strategies

Categories	Increasing Taxes	Reallocation of Public Expenditures	Sovereign Wealth Fund	Fiscal Reserves
Full Basic Income	Theorists of UBI often call for increasing taxes to fund UBI.	Some theorists plan to fund UBI through cutting social security programs that would become redundant with the introduction of UBI		
Partial Basic Income	Some programmes are funded through taxes on natural resources or automation (Renta Dignidad)	Basic income theorists plan to fund it through cutting similar programs that would be redundant.	Some transfers are financed through sovereign wealth funds (Mongolia Child Money Programme, Alaska Permanent Fund)	Some programmes are funded through fiscal reserves (Wealth Partaking Scheme- China)
Negative Income Tax	The NIT model is based on the theory that taxes on wealthier people would fund the transfers to those who qualify for it.			The EITC is funded through money marked for economic security spending in the U.S. federal budget (EITC)
Participatory Income		Participatory income is often funded through reallocation of expenditures both federally and locally. (Mahatma Gandhi National Rural Employment Guarantee)		

2.2 Global Experiences with UBI Delivery Strategies

Categories	Household or Individual Based	Role of Local Government	Uniform Transfers	Replacement of existing SSN
Full Basic Income	Theoretically, UBI should be delivered to every individual.		Theoretical UBI transfers are uniform with some change in size of transfer for children	UBI would replace existing social security that would become redundant.
Partial Basic Income	Most programs are delivered at the individual level (Child Money Programme, Renta Dignidad, Permanent Fund, Wealth Partaking Scheme)	Many basic income programmes are implemented by local government (Ontario Basic Income Pilot, Permanent Fund). National programmes that utilize local government do so for means testing or delivery of funds (Dibao, Madhya Pradesh Unconditional Cash Transfer)	Some programmes like the Wealth Partaking scheme or Child Money Programme have uniform transfers but others, like Dibao depend on demonstrated household need.	Some basic income programmes are implemented to be replacements of social safety nets like the Basic Income Experiment in Finland and the Spanish Minimum Subsistence Income, but others like Renta Dignidad are created to fill gaps in SSN coverage. (Bolsa Familia)
Negative Income Tax	NIT programs are delivered at the household level (Earned Income Tax Credit)	Has been implemented as a national tax credit but individual states have their own smaller EITC. (Earned Income Tax Credit)	NIT programs vary based on household income	Theoretically, NIT would replace other SSN but in practice NIT work in tandem with existing social protections.(Earned Income Tax Credit)
Participatory Income	Should be delivered to individuals that participate but household makeup has led to additional transfers (Bolsa Familia)	Participation of local government is instrumental in delivery of programme through work placement (Mahatma Gandhi National Rural Employment Guarantee Act, Kazi kwa Vijana)	Wages may differ based on program and method of participation. (Mahatma Gandhi National Rural Employment Guarantee Act, Kazi kwa Vijana)	Job guarantee is theorized to replace unemployment benefits but in practice they have not been implemented to replace existing SSN.

3. Launching UBI in Bangladesh

3.1. Delineating An Operational Model

The Bangladesh Context

According to the Household Income and Expenditure Survey (HIES), *poverty levels in Bangladesh have decreased, although inequality continues to rise*

Several independent studies indicate that the COVID-19 pushed significant number of households below the poverty line and created a new group of poor, *exposing the vulnerability of households - just one shock away from falling into poverty*

According to the Food Security Statistics 2023 by BBS, *21.92% of households experienced moderate or severe food insecurity* in Bangladesh

The Multidimensional Poverty Index 2023 indicates that *a notable portion of Bangladesh's population is at risk of multidimensional poverty* often worsened by conflicts, environmental issues, governance challenges, and economic uncertainties

3.1. Delineating An Operational Model

The Bangladesh Context

Although proliferated in number over the years, the *perennial issue of social protection programmes is inadequate coverage*

The *absence of inflation adjustment has made the social protection programmes less effective* in supporting vulnerable households

The *definition of social protection provided by the Ministry of Finance has always been dubious and under scrutiny*

Although formulated in 2015, *implementation of the National Social Security Strategy has made limited progress*

3.1. Delineating An Operational Model

The Constitutional and Policy Basis for UBI in Bangladesh

Globally, the voices advocating for fundamental rights—such as the right to food and universal entitlements are growing louder

As part of its development aspiration, Bangladesh aims to achieve universal health coverage, universal social protection, and a universal pension scheme

Commensurating with Universal Human Rights, advancing towards more comprehensive social protection in Bangladesh can be achieved by introducing ***Universal Basic Income***

3.1. Delineating An Operational Model

The Constitutional and Policy Basis for UBI in Bangladesh

The National Constitution of Bangladesh pledged the provision of basic necessities of life for all its citizens and the right to social security (Article 15)

National Social Security Strategy (NSSS) 2015 envisioned to provide a guaranteed minimum income (GMI) to all in Bangladesh who need the support

Guarantee of a minimum quality of life, based on both employment income for those who work and social protection benefits for those vulnerable populations who cannot, is embedded in Vision 2041

Given the socio-economic challenges in Bangladesh, UBI can potentially be a promising tool to reduce poverty, empower citizens, and streamline social protection, even within the constraints of the current fiscal framework

3.1. Delineating An Operational Model

Social Security Programmes in Bangladesh-Stylised Facts

Alarming Levels of Exclusion and Inclusion Error

- The data from HIES 2016 reveals that 32% of poor households benefited from some form of assistance, while 19.8% of non-poor households were included in SSNP programs

(Rahman, M., Khan, T. I., Kamal, M., & Alam, M., "Delivery of Efficient Social Protection- Recommendation In view of Implementing Five Programme in Bangladesh)

- Estimations using 2019 MICS data reveal that 49 to 66% of beneficiaries are not poor
- Inclusion errors were 51% for allowances, 54% for food support programs, and 62% for maternity allowances across rural and urban areas

(World Bank, "Bangladesh Social Protection Public Expenditure Review," 2021)

Faulty Beneficiary Selection Process

- The beneficiary selection process lacks objective metrics
- The loosely defined criteria are hard to verify
- This gives officials too much discretionary power leading to patronage and nepotism

3.1. Delineating An Operational Model

Social Security Programmes in Bangladesh-Stylised Facts

Underspending on Programmes for Children & Working Age

- Young, impoverished children making up one-eighth of the country's poor receive just 4.13% of total social protection benefits
- The working-age makes up 56% of the total population, but only 3.75% benefit from age-specific programs

(Ministry of Finance, "Social Security Budget Report 2024-25")

Rural Bias in SSNPs

- Almost half of the total expenditure is directed towards rural areas
- Programs aimed at shock mitigation, economic inclusion, and entrepreneurship/startup initiatives are predominantly rural-focused
- The exclusion error in urban areas is 87% much higher than that of the rural exclusion error of 67% attributing to higher SSP coverage for rural areas

(GED, "Midterm Implementation Review of the National Social Security Strategy", 2020)

3.1. Delineating An Operational Model

Social Security Programmes in Bangladesh-Stylised Facts

Equitable coverage for the poorest is not ensured

- Poverty prevalence across areas is not taken into account while distributing resources
- As a result, some districts are ‘undercovered’ while some are ‘overcovered’

(World Bank, "Bangladesh Social Protection Public Expenditure Review," 2021)

- During COVID-19, GR was distributed based on the district population and not the number of poor across districts

(Bhattacharya, D., & Khan, T. I., "COVID-19 and Bangladesh: Inclusion, disaggregation, and transition"2023)

3.1. Delineating An Operational Model

Social Security Programmes in Bangladesh-Stylised Facts

Benefits remain low and often stagnate

- Most benefits account for only 1 to 3% of total household income for the poor (Social Security Budget Report 2024-25)
- Exceptions include Test Relief (TR), Old Age Allowance (OAA), and Widow Allowance (WA), which represent 9, 7, and 7% of the poor's average income, respectively

(World Bank, "Adequacy of Coverage, Targeting and Benefits of Social Protection Programs")

No Exit Strategy

- Beneficiaries typically only exit programmes due to death or ageing out
- This results in stagnant beneficiary rosters

3.1. Delineating An Operational Model

Social Security Programmes in Bangladesh-Stylised Facts

Cumbersome Delivery Process

- **Beneficiaries of most programs frequently raised concerns about irregular and delayed benefit disbursements**
 - In some areas, respondents reported receiving quarterly instalments only after six months or longer

(“Survey on Social Safety Nets Programmes (SSNP) in Bangladesh conducted under Household Income & Expenditure Survey Project of Bangladesh Bureau of Statistics”)

- On average, it takes at least two months to transfer funds from the treasury to beneficiaries
- The delay can be attributed to manual processes, complex administrative steps, and limited local capacity

(World Bank, "Bangladesh Social Protection Public Expenditure Review," 2021)

3.1. Delineating An Operational Model

Social Security Programmes in Bangladesh-Stylised Facts

Cumbersome Delivery Process

- **High Travel and Visit Costs Can Reduce Net Benefits by 2-5%**

- Beneficiaries often incur high travel costs to visit upazila-level branches

(World Bank, "Bangladesh Social Protection Public Expenditure Review," 2021)

- In a sample of 12,144 people all over the country, approximately 61% of beneficiaries reported travelling less than one hour to access SSNP benefit delivery venues
- Among them, 42% experienced waiting times of one hour or less, while 37% reported waiting for 2-3 hours at the delivery points
- Around 12% faced travel expenses ranging from Tk.76 to Tk.100 for round trips to the designated delivery locations

("Survey on Social Safety Nets Programmes (SSNP) in Bangladesh conducted under Household Income & Expenditure Survey Project of Bangladesh Bureau of Statistics")

3.1. Delineating An Operational Model

Social Security Programmes in Bangladesh-Stylised Facts

Resource Constraints Affect Engagement with Beneficiaries

- The Ministry of Social Welfare (MoSW) spends 9% of its budget on management.
- The Ministry of Disaster Management and Relief (MoDMR) spends less than 2.5%
- The Ministry of Liberation War Affairs (MoLWA) allocates only 1%
- These low allocations make it challenging for program staff to provide comprehensive supervision of enrollment and payment processes

Monitoring Lapses Creates Fund Discrepancies

- Expenditure tracking revealed discrepancies between allotted and transferred amounts, causing variations in received benefits
- Delays in enrolling beneficiaries, despite treasury-approved funds, complicated accounting and reconciliation at the upazila level

(World Bank, "Bangladesh Social Protection Public Expenditure Review," 2021)

3.1. Delineating An Operational Model

Partial Basic Income- The Right Fit for Bangladesh

Why the Other Models Fall Short

A Full Basic Income

- No universal, unconditional basic income model can be found globally to replicate
- Significant financial resources required, which are currently unavailable
- If people receive unconditional money, they might work less or stop working, reducing the overall labor supply

Negative Income Tax

- Targeting is not feasible as 84.9% of the labour force works in the informal sector with unobservable earnings
- Beneficiaries must file taxes, but the intended population mostly earn below the taxable income

Participatory Income

- Jobs are offered based on demand for workers, with low wages to exclude the non-poor, distorting market wages
- The initiatives involve manual labour, limiting undertaking and participation by seasons, climate, and physical ability
- Beneficiaries face non-wage costs, reducing net benefits

3.1. *Delineating An Operational Model*

➤ **Why Will A Partial Basic Income be Ideal for Bangladesh At the Moment?**

A Solution to the Current Fiscal Limitations...

- High costs of full basic income are prohibitive; partial basic income offers a practical alternative
- It will enable starting with a substantial but below-subsistence cash transfer, increasing gradually as needs and financial capacity grow
- **Partial basic income can be more effective than current SSNPs in alleviating poverty**

3.2. Determining the scope for UBI

- To effectively implement a Universal Basic Income (UBI) model, it is crucial to establish a comprehensive understanding of household susceptibility to poverty
- As part of this process, a **Poverty Scorecard** has been developed to provide a reliable, cost-effective, and accessible tool for assessing poverty levels and identifying target groups
- Estimating the **cash transfer** amount each household will receive under the programme
- The **fiscal requirements** are assessed to estimate the total funding needed for implementing the programme across various intervention clusters, ensuring resource distribution aligns with the needs and characteristics of each cluster

Why Poverty Scorecard

Defining Poverty Scorecard

- A poverty scorecard is a practical tool designed to assess poverty levels within households, districts, or regions by providing an unbiased and cost-effective means of estimating poverty rates and monitoring changes over time
- It helps organisations identify and target specific groups for interventions, making it valuable for informed decision-making and resource allocation

Benefits of Poverty Scorecard

- Non-consumption and Non-income approach to assess household poverty rate
- Straightforward and easy to use which makes it accessible for local organisations without requiring specialised expertise
- A low-cost approach which is clear and easily understood, encouraging adoption among users

Limitations of Poverty Scorecard

- The effectiveness of the scorecard may vary based on the location or context in which it is applied
 - For instance, questions about asset ownership might yield different responses in rural versus urban areas
- The scorecard method assumes that the correlation between certain indicators and poverty are uniform across all households
 - However, those varies significantly based on cultural norms, geographic location, and other factors

3.2. Determining the scope for UBI

Methodology & Data for Poverty Scorecard

3.2. Determining the scope for UBI

Analysing global and regional scorecards to create a knowledge benchmark, drawing from both international standards and country-specific insights

From a review of **35 widely used indicators (from literature)**, **10 were chosen** for their significant correlation with poverty in both rural and urban regions of Bangladesh

The **“Household and Expenditure Survey” (HIES) 2022** by the Bangladesh Bureau of Statistics (BBS) is utilised for econometric analyses as data source

Scores are assigned based on literature and an assessment of each indicator's influence on poverty, with different indicators weighted accordingly

3.2. Determining the scope for UBI

Poverty Scorecard

A score of 0 indicates the highest likelihood of poverty, while a score of 100 indicates the lowest likelihood of poverty.

Indicator	Value	Points
1. Do all household members aged 6 to 12 currently attend a school or educational institution?	A. No	0
	B. No children in the household	5
	C. Yes	10
2. Is this a slum household?	A. Yes	0
	B. No	5
3. Does the household have a separate dining room?	A. No	0
	B. Yes	10
4. What is the construction material of main room of the household?	A. Hemp/Hay/Bamboo/Mud brick or others	0
	B. Tin (CI sheet)/Wood	4
	C. Brick/Cement	20
5. What is the household's primary source of energy for cooking?	A. Firewood and chips, or charcoal	0
	B. Biomass fuels	2
	C. Natural/LPG Gas/Gasoline/Diesel/Kerosene/Electricity/Others	15

3.2. Determining the scope for UBI

Poverty Scorecard

A score of 0 indicates the highest likelihood of poverty, while a score of 100 indicates the lowest likelihood of poverty.

Indicator	Value	Points
6. Does the household own any television?	A. No B. Yes	0 10
7. How many fans does the household own?	A. No fan B. One C. Two or more	0 2 15
8. Does the household receive any benefits from a social safety net programme?	A. Yes B. No	0 5
9. Has anyone in the household experienced a chronic illness in the past year?	A. Yes B. No	0 5
10. Does the household have any members with a disability?	A. Yes B. No	0 5

3.2. Determining the scope for UBI

Selection Criteria:

Threshold of the Poverty Scorecard is set to indicate households' susceptibility to poverty; households scoring below this threshold are more vulnerable to poverty, while those scoring above are not

- The threshold value is determined by analysing various values in both urban and rural areas, aligning them to represent households that fall below the upper poverty line as defined by the Household Income and Expenditure Survey (HIES) 2022

Urban Threshold = 48

An overlap of **36.44%** of urban households in the country that fall below the upper poverty line and also fall below the poverty scorecard threshold

Rural Threshold = 52

An overlap of **68.61%** of rural households in the country that fall below the upper poverty line and also fall below the poverty scorecard threshold

- Based on these thresholds, around 88% households have a per capita consumption expenditure below 8,000 taka, reflecting significant economic constraints and limited spending capacity
- **This implies that households in urban areas with a score below 48 and in rural areas with a score below 52 will be eligible to receive the allowance**

3.2. Determining the scope for UBI

Estimation of National Poverty Line: 3,847 taka

- Calculation of national poverty line:

$$\frac{\sum(\text{domain wise poverty line} * \text{weight})}{\sum \text{weight}}$$

- Adjusting for inflation:

$$3847 * \frac{\text{Current year CPI}}{\text{Reference year CPI}}$$

Allocation per household = 4,540 taka (monthly)

- 25% of the total household cost of basic needs expenditure is considered, based on an average household size of 4

Allocation per household = 54,480 taka (annually)

3.2. Determining the scope for UBI

Intervention areas:

Based on district characteristics, the intervention areas are clustered into **four groups**.

The targeting is done at the district level, as the HIES 2022 data is not representative at the upazila level

Cluster-1: National

- **Targeting 64 districts**, where **35.90%** of households fall below the poverty scorecard (PSC) threshold, with **10.34%** of households from urban areas (scoring below 48) and **48.02%** of households from rural areas (scoring below 52)



3.2. Determining the scope for UBI

Intervention areas:

Cluster-1: National

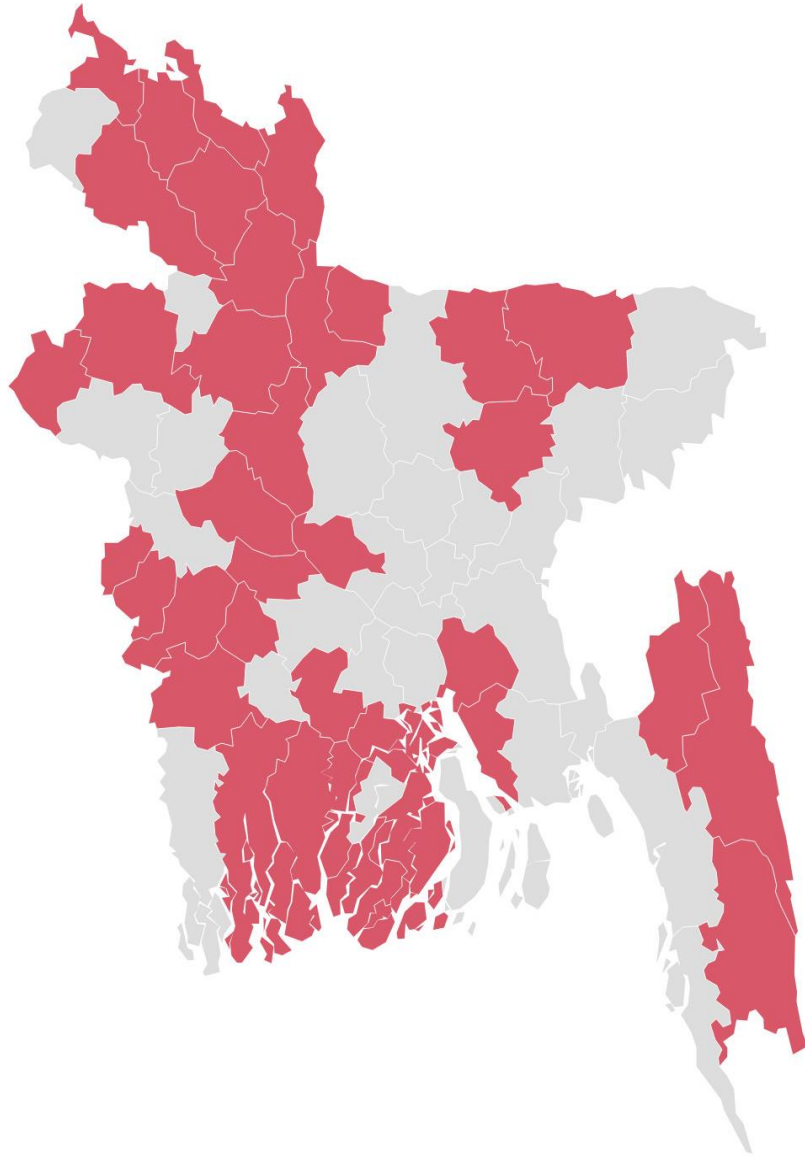
3.2. Determining the scope for UBI

Intervention areas:

Cluster-2: Poverty Prone Area

- **Targeting 36 poverty-prone districts**, each with a district-level poverty rate exceeding 24.3% (the national average upper headcount ratio (HCR) according to HIES 2016)
- The HCR from HIES 2016 is used in this context, as the data from HIES 2022 is not representative at the district level
- Nationwide, **22.66%** of households fall below the poverty scorecard (PSC) threshold, with **16.40%** of households from urban poverty-prone areas (scoring below 48) and **52.68%** of households from rural poverty-prone areas (scoring below 52)

3.2. Determining the scope for UBI



Intervention areas:

Cluster-2: Poverty Prone Area

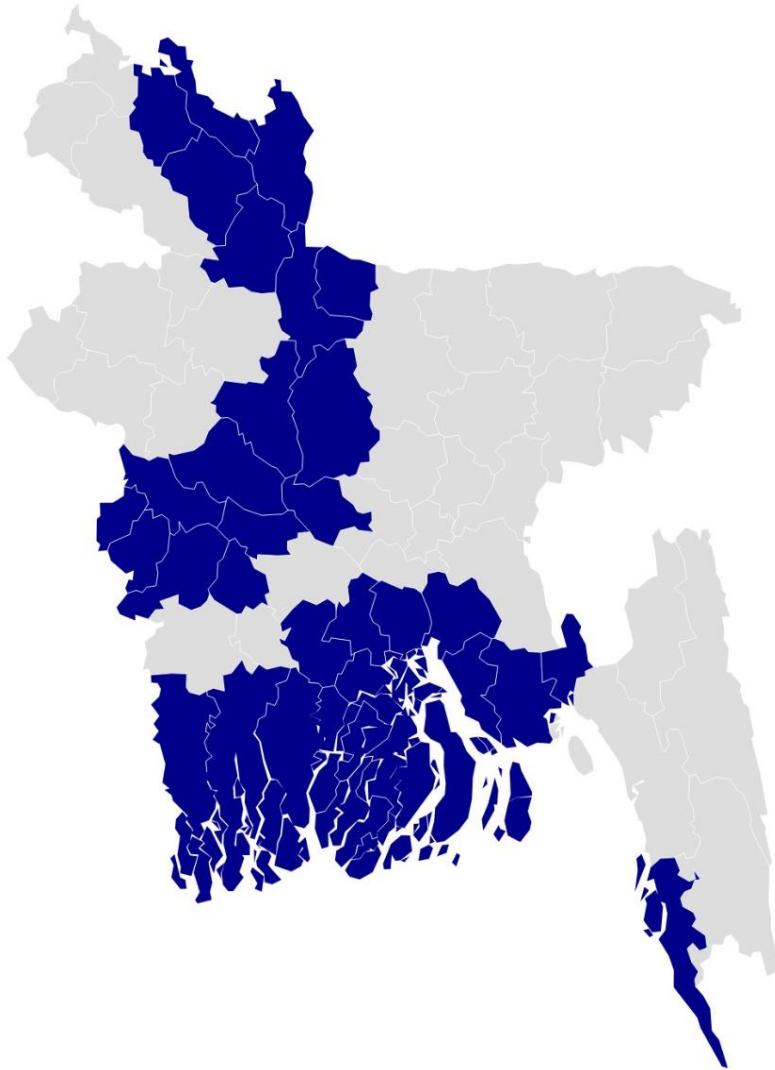
3.2. Determining the scope for UBI

Intervention areas:

Cluster-3: Climate Vulnerable Area

- **Targeting 34 climate-vulnerable districts** based on district averages from the Nationwide Climate Vulnerability Assessment in Bangladesh, 2023
- Due to data limitation, an average of the upazila-level climate vulnerability index values is used to determine the district-level index, which ranges from 0 to 1 (where 0 indicates no vulnerability and 1 indicates high vulnerability)
- **Limitation of the upazila average:** Outliers exist, with districts like Sunamganj and Netrakona having index values below 0.5. Similarly, Chattogram's average index value falls below 0.5 due to disparities within its upazilas—for instance, Banshkhali has a value of 0.67, but the district average is lowered by a significant difference of 0.38 with Khulshi, which has a value of 0.29. Similar outlier issues may be present in other districts as well
- **Districts with an index value of 0.5 or greater are considered climate-vulnerable**
- Nationwide, **17.93%** of households fall below the poverty scorecard (PSC) threshold, with **17.36%** of households from urban climate vulnerable areas (scoring below 48) and **51.91%** of households from rural climate vulnerable areas (scoring below 52)

3.2. Determining the scope for UBI



Intervention areas:

Cluster-3: Climate Vulnerable Area

3.2. Determining the scope for UBI

Intervention areas:

Cluster-4: Highly Poverty Prone Area

- **Targeting 11 highly poverty-prone districts**, each with a district-level poverty rate exceeding 40% (the national average upper headcount ratio (HCR) according to HIES 2016)
- These 11 districts include seven that are climate-vulnerable—Kurigram, Magura, Jamalpur, Gaibandha, Rangpur, Lalmonirhat, and Sherpur—along with Dinajpur, Bandarban, Kishorganj, and Khagrachhari
- Nationwide, **7.03%** of households fall below the poverty scorecard (PSC) threshold, with **19.67%** of households from urban highly poverty-prone areas (scoring below 48) and **60.67%** of households from rural poverty-prone areas (scoring below 52)



3.2. Determining the scope for UBI

Intervention areas:

Cluster-4: Highly Poverty Prone Area

Kurigram, Magura, Jamalpur, Gaibandha, Rangpur, Lalmonirhat, and Sherpur being climate vulnerable as well with a climate vulnerability index more than 0.5

3.2. Determining the scope for UBI

Savings from existing programmes

- The existing social safety net benefits received by households below the poverty scorecard threshold—excluding educational stipends, agricultural subsidies, and disaster support benefits—are extrapolated to a national estimate
- **Assumption:** All households below the threshold are currently receiving some form of social safety net benefit
- **Implication:** As eligible households are transitioned out of other programmes, the budget allocated to those households in these programmes will be saved

$$\mathbf{Saving} = \frac{\sum \mathbf{ssnp_value}}{\sum \mathbf{ssnp_hh}} * \sum \mathbf{hh}$$

$\sum \mathbf{ssnp_value}$ = Total value of SSNP received by HH below PSC threshold in HIES 2022

$\sum \mathbf{ssnp_hh}$ = Total household number below PSC thresh in HIES 2022

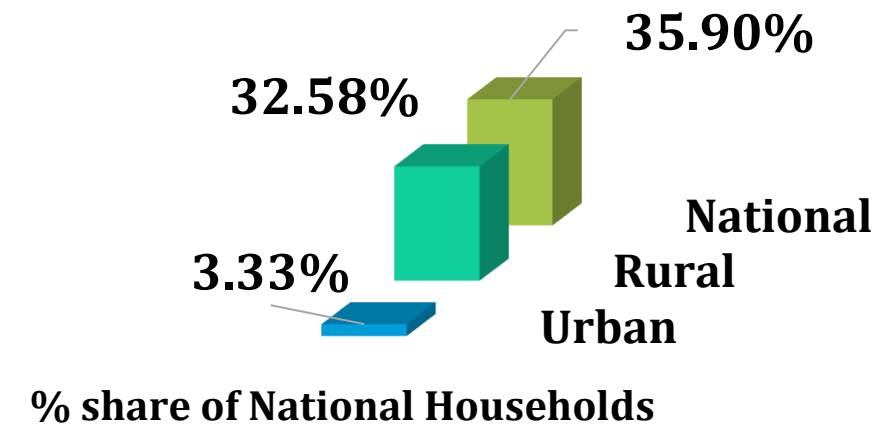
$\sum \mathbf{hh}$ = National Estimated HH below PSC threshold in intervention area

3.2. Determining the scope for UBI

Cluster-1: Fiscal Requirement to Implement Nationally

Area of Implementation	Target Household Number (in Lakh)	Target Household Number (in Million)	Total Budget for 1 year (in Crore BDT)	Savings form other programmes (in Crore BDT)	Net Budget Required (in Crore BDT)	Net Budget Required (in Billion USD)
Urban	13.64	1.36	7,430.67	523.40	6,907.28	0.58
Rural	133.61	13.36	72,788.93	4,303.23	68,485.70	5.71
National	147.25	14.72	80,219.60	4,826.63	75,392.98	6.28

- The fiscal requirement for implementing a partial basic income programme nationwide for **147.25 Lakh households** below the poverty scorecard threshold is estimated at **80,219.60 crore BDT**.
- However, savings from existing programmes currently benefiting these households are estimated at **4,826.63 crore BDT**. This reduces the **net fiscal requirement to 75,392.98 crore BDT (approximately 6.28 billion USD)**.

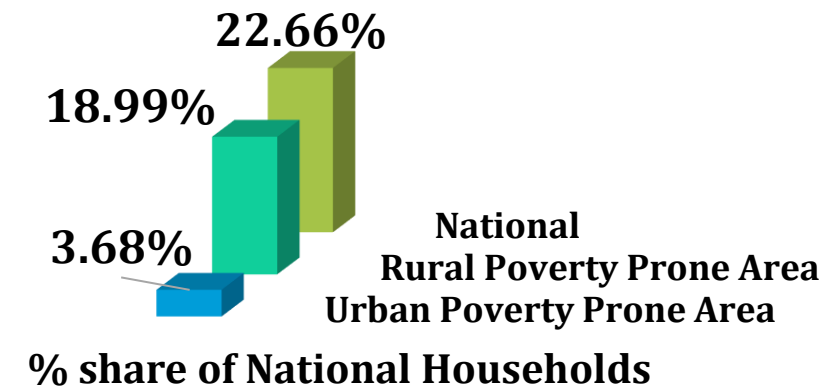


3.2. Determining the scope for UBI

Cluster-2: Fiscal Requirement to Implement in Poverty Prone 36 Districts

Area of Implementation	Target Household Number (in Lakh)	Target Household Number (in Million)	Total Budget for 1 year (in Crore BDT)	Saving form other programmes (in Crore BDT)	Net Budget Required (in Crore BDT)	Net Budget Required (in Billion USD)
Urban Poverty Prone Area	15.08	1.51	8,218.04	671.73	7,546.30	0.63
Rural Poverty Prone Area	77.86	7.79	42,420.16	2,863.74	39,556.42	3.30
National	92.95	9.29	50,638.20	3,535.47	47,102.72	3.93

- The fiscal requirement for implementing a partial basic income programme in poverty prone districts for **92.95 Lakh households** below the poverty scorecard threshold is estimated at **50,638.20 crore BDT**.
- However, savings from existing programmes currently benefiting these households are estimated at **3,535.47 crore BDT**. This reduces the **net fiscal requirement to 47,102.72 crore BDT (approximately 3.93 billion USD)**.

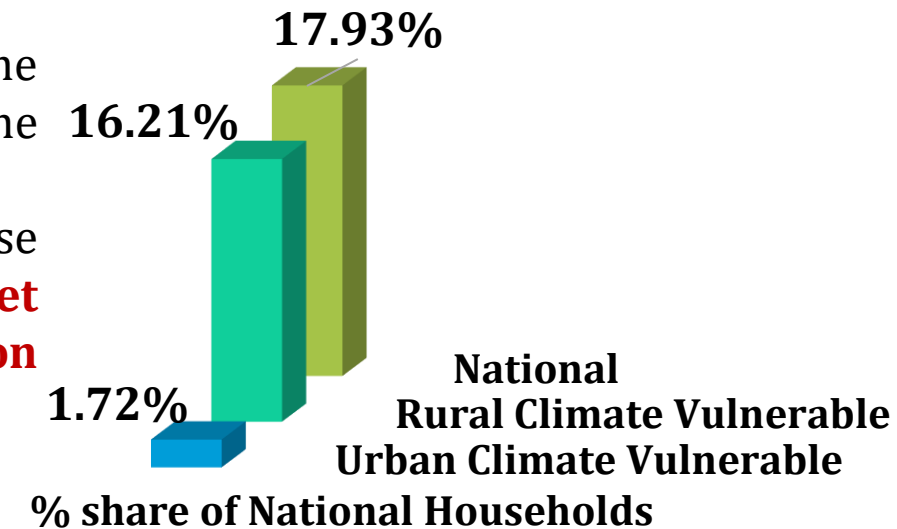


3.2. Determining the scope for UBI

Cluster-3: Fiscal Requirement to Implement in Climate Vulnerable 34 Districts

Area of Implementation	Target Household Number (in Lakh)	Target Household Number (in Million)	Total Budget for 1 year (in Crore BDT)	Saving form other programmes (in Crore BDT)	Net Budget Required (in Crore BDT)	Net Budget Required (in Billion USD)
Urban Climate Vulnerable Area	7.05	0.70	3,839.21	339.73	3,499.48	0.29
Rural Climate Vulnerable Area	66.48	6.65	36,217.76	2,174.95	34,042.81	2.84
National	73.53	7.35	40,056.98	2,514.69	37,542.29	3.13

- The fiscal requirement for implementing a partial basic income programme in climate vulnerable districts for **73.53 Lakh households** below the poverty scorecard threshold is estimated at **40,056.98 crore BDT**.
- However, savings from existing programmes currently benefiting these households are estimated at **2,514.69 crore BDT**. This reduces the **net fiscal requirement to 37,542.29 crore BDT (approximately 3.13 billion USD)**.

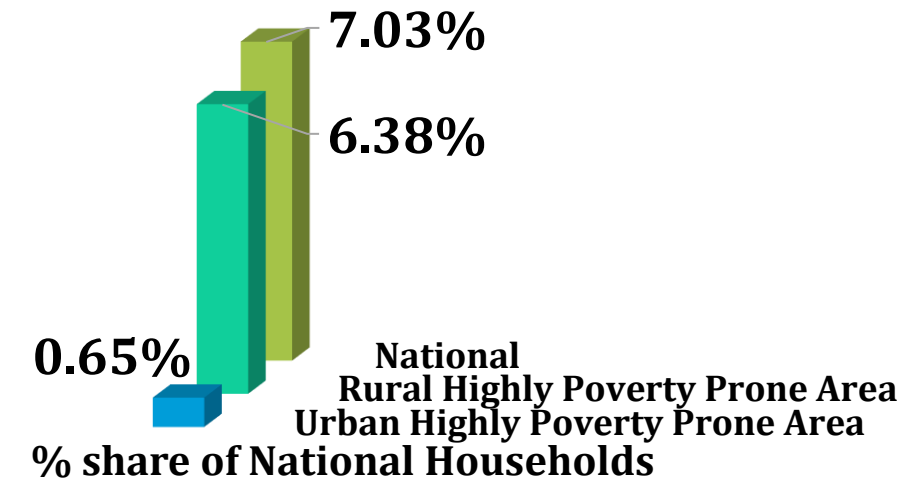


3.2. Determining the scope for UBI

Cluster-4: Fiscal Requirement to Implement in Highly Poverty Prone 11 Districts

Area of Implementation	Target Household Number (in Lakh)	Target Household Number (in Million)	Total Budget for 1 year (in Crore BDT)	Saving form other programmes (in Crore BDT)	Net Budget Required (in Crore BDT)	Net Budget Required (in Billion USD)
Urban Highly Poverty Prone Area	2.65	0.26	1,442.57	105.31	1,337.26	0.11
Rural Highly Poverty Prone Area	26.16	2.62	14,253.86	673.57	13,580.30	1.13
National	28.81	2.88	15,696.44	778.88	14,917.56	1.24

- The fiscal requirement for implementing a partial basic income programme in highly poverty prone districts for **28.81 Lakh households** below the poverty scorecard threshold is estimated at **15,696.44 crore BDT**.
- However, savings from existing programmes currently benefiting these households are estimated at **778.88 crore BDT**. This reduces the **net fiscal requirement to 14,917.56 crore BDT (approximately 1.24 billion USD)**.



3.2. Determining the scope for UBI

Fiscal Requirement as percentage of Key Fiscal Indicators

Fiscal Indicators (Fiscal Year 2024-25)	National (64 districts)	Poverty Prone Areas (36 districts)	Climate Vulnerable Areas (34 districts)	Highly Poverty Prone Areas (11 districts)
GDP	1.35%	0.84%	0.67%	0.27%
Total Budget	9.46%	5.91%	4.71%	1.87%
Tax Revenue	15.23%	9.52%	7.58%	3.01%
Total Expenditure	9.46%	5.91%	4.71%	1.87%
Social Protection (Total)	55.43%	34.63%	27.60%	10.97%
Social Protection (Acceptable and Quasi- acceptable)*	171.76%	107.31%	85.53%	33.98%

- Implementing the programme nationally for households below the PSC threshold would require an estimated **1.35% of GDP** for FY2025. Targeting poverty-prone areas would reduce the requirement to **0.84% of GDP**, while focusing on climate-vulnerable areas would need **0.67% of GDP**. Furthermore, targeting the 11 highly poverty-prone districts would lower the fiscal requirement to just **0.27% of GDP** for FY2025

**SSNPs were classified into three categories: acceptable (naturally included in social protection), quasi-acceptable (in the grey area, such as loans and training programmes), and non-acceptable (those that should be excluded from social protection) (Khan et.al., 2024)*

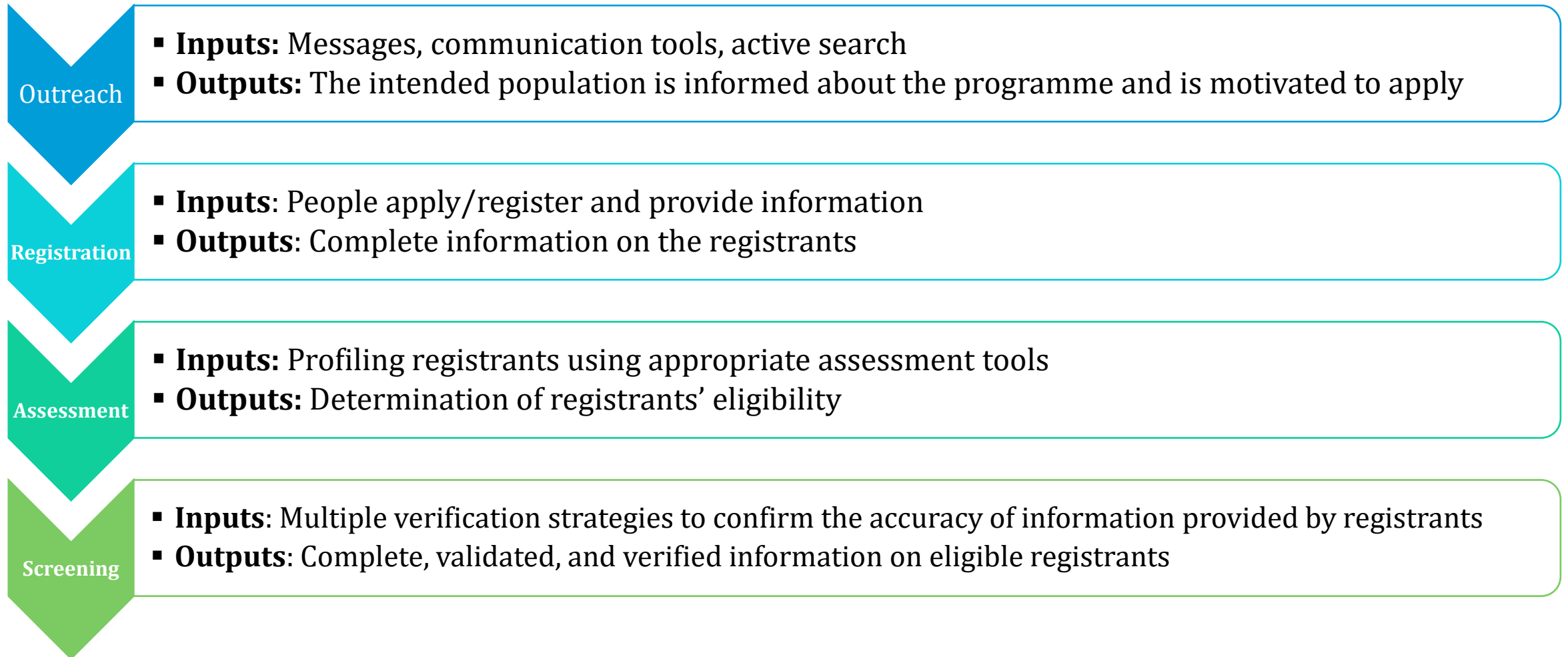
3.3. Delivering UBI in Bangladesh

Process Mapping for the Delivery Chain

- The World Bank has established a comprehensive framework for the delivery of social protection benefits (*Lindert, Karippacheril, Rodriguez Caillava, & Nishikawa Chavez, 2020*)
- In developing this framework, a wide range of social protection programs implemented in various contexts were reviewed to identify the key implementation phases
- We have adapted from the World Bank model, specifically tailored to the context of Bangladesh, detailing the processes within each phase of its framework considering-
 - The nature of institutional arrangements
 - The available technology
 - The existing information systems
- *The eight key steps have been outlined in the next three slides*

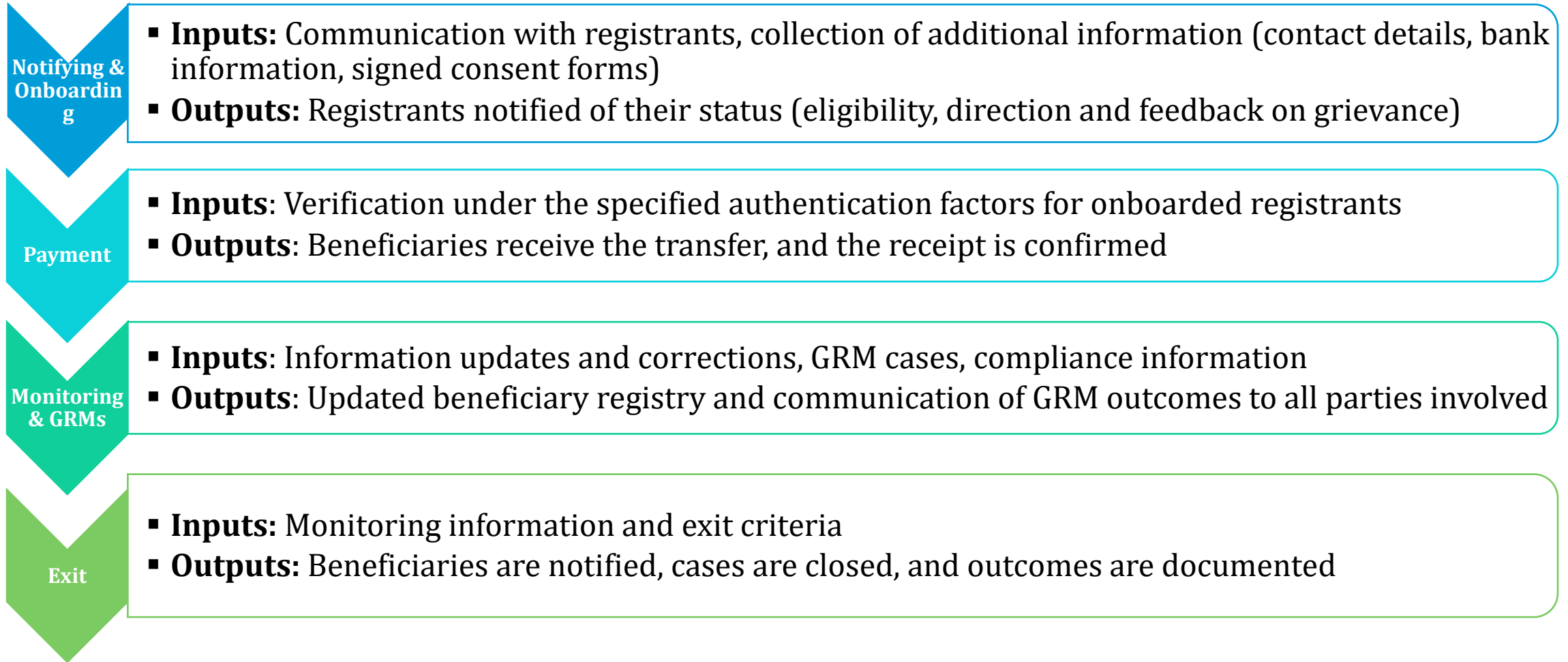
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Process Mapping for the Delivery Chain- Stages



3.3. Delivering UBI in Bangladesh

Process Mapping for the Delivery Chain- Stages



3.3. Delivering UBI in Bangladesh

Process Mapping for the Delivery Chain- Actors

Citizens

- Potential Beneficiaries

Local Committee

- Eight to ten-member committee
 - Two from local government representatives (one male and one female), two from opposition parties, two NGO representatives, two CSOs including school teachers, business leaders etc., two youth (non-political representatives)
 - 50% will be women/third gender and at least two from LNOB groups (i.e., Dalit, Adivasi, PWD, Hijra etc, as appropriate)

MFS Operators

- Mobile Financial Service operators responsible for cash transfer

3.3. Delivering UBI in Bangladesh

Process Mapping for the Delivery Chain- Actors

Integrated Management Information System

- A system that integrates an information system (for data collection, storage, and analysis) with an operations management system (for data cross-checking, monitoring, and grievance redress)

Central Committee

- A committee including representatives from the Ministry, the Local Committee, MFS+ operators, and IT experts
- The goal is to manage the programme's functionalities beyond traditional bureaucratic supervision centrally

3.3. Delivering UBI in Bangladesh

I. Outreach

➤ What will be the outreach strategies?

- The outreach efforts will explain the programme's objectives, eligibility criteria, registration procedures, delivery mechanisms, key institutional actors, points of contact, and channels for submitting grievances and appeals
- The concerned Ministry will initiate a visibility campaign to engage local actors for proactive support
- Notification will be sent to Union Parishad (UP) and school committees three months before the outreach efforts
- The NGO Affairs Bureau (NGOAB) will circulate information. Local NGOs and CSOs may extend the outreach effort through the social media campaign

Outreach Modalities

- Public announcements will be made locally through miking
- Uthan Baithak meetings will be organised with local actors and communities to disseminate information about the programme
- Advertisements in local newspaper will be used for information dissemination in remote areas
- A website and social media platforms containing detailed information about the programme will be developed as an effective means of publicity
- The messaging will include simple and clear calls to action

3.3. Delivering UBI in Bangladesh

II. Intake and Registration

➤ Who will apply from the household?

- The female who is the senior most in the household will be eligible to apply for the programme
- In the absence of an adult female in the household, the male household head can apply

➤ What will the intake and registration strategies be?

Hybrid Intake Strategy

- On-Demand Applications: Individuals can proactively apply for benefits
- Scheduled Registration: The government will conduct registration on a fixed schedule, subject to funding and capacity

Verifying Documents

- Applicants must submit a copy of the National Identity Card (NID) for all adult household members
 - NID will be used to prefill basic personal information (name, date of birth, place of birth, gender, marital status, address, occupation, education level)
 - NID of all adult household members will be screened to prevent multiple applications from the same household
- Applicants must submit proof of residency in the mentioned location for at least a year

3.3. Delivering UBI in Bangladesh

II. Intake and Registration

➤ What will the intake and registration strategies be?

- UDC entrepreneurs will assist applicants in filling out the online application
- All information will be recorded digitally in the Integrated Management Information System (IMIS)
- All applicant names will be available for viewing in the external dashboard of the IMIS

Application Form Requirements

- The application form must include a clear introduction and explanation of the programme's objectives
- It should not contain any open-ended questions
- The form must communicate that completing the registration does not guarantee eligibility for benefits or services
- It should also explain the aspects of information disclosure
- Additionally, the form should be user-friendly, easy to understand, and quick to complete

3.3. Delivering UBI in Bangladesh

III. Assessment of Needs

➤ What will be the assessment criteria?

- A double-axis approach to assess the needs of the applicants will be deployed

Socioeconomic Vulnerability - Poverty Scorecard

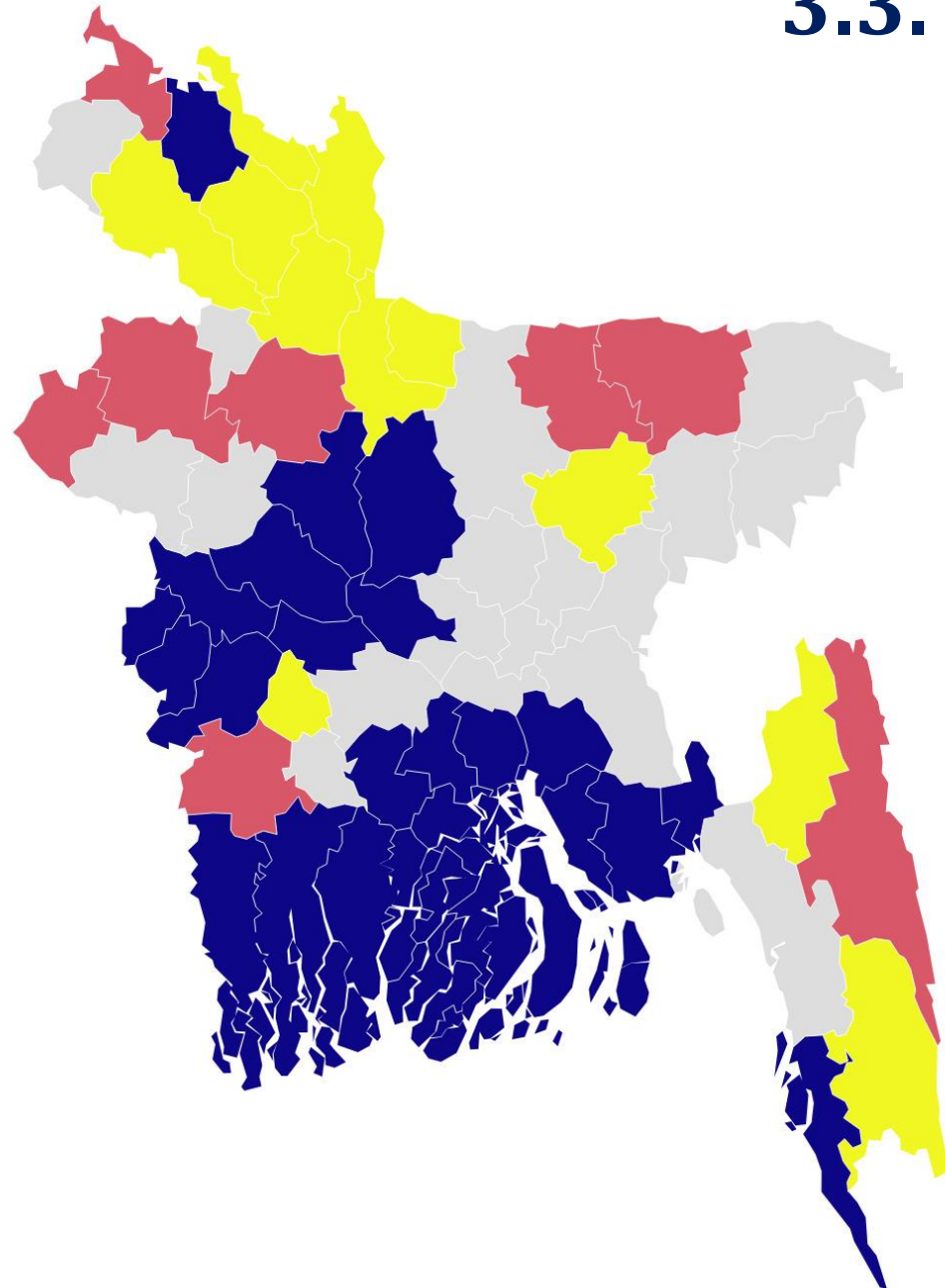
- Score of the poverty scorecard will be assessed for each applicant's household
- Applicants who meet a pre-determined poverty threshold based on rural and urban areas will be considered for the benefit

Selection of Intervention Approach - Resource Envelope

- Implementation clusters can be selected based on the available budget for the intervention
- If budget constraints prevent nationwide implementation during the initial phase, a pilot programme can be introduced, focusing on specific clusters prioritising district-level poverty prevalence and climate vulnerability
- Resource surpluses or deficits can be used to adjust the number of targeted beneficiary households accordingly

3.3. Delivering UBI in Bangladesh

III. Assessment of the Needs



Intervention areas

Cluster-4: Targeting Highly Poverty Prone 11 Districts

- Among them, 7 districts are climate vulnerable as well

3.3. Delivering UBI in Bangladesh

IV. Screening

➤ What will be the screening processes?

Three-Stage Validation

Household Visit

- Mobile teams will visit households to visually inspect housing and living conditions
- The visual condition of the housing and other relevant family circumstances will be documented and uploaded to the registry portal as evidence

Community-Based Screening

- A qualitative screening will be conducted to ensure that no more than 10% of households in the community disapprove of the list of eligible applicants
- If 10% or more of the community disapproves, the list will be revised

Disclosure and public hearing

- The list of selected applicants will be published at local government offices and on the programme's website along with local committee will organise public hearings
- The list will remain publicly available for three months, allowing for objections in cases of perceived discrimination

Finalisation

- Once the list is finalised and deemed fair, the cash transfer process will commence

3.3. Delivering UBI in Bangladesh

V. Notification and Onboarding

➤ When to notify the applicants/beneficiaries?

Enrollment Notification

- All individuals should be informed of their enrollment status, whether they are accepted, waitlisted, or ineligible via SMS and phone call
- Eligible applicants will be guided through the onboarding process to ensure they understand what benefits they will receive, when and how they will receive them, their rights and responsibilities, where to go, how to access the system, how to file a grievance, contact information, and any next steps
- For those deemed ineligible, the notification will explain the reasons for ineligibility and provide instructions for filing appeals or complaints

Exit Notification

- Beneficiaries will be informed when they are exiting the programme via SMS and phone call

Advance Notification of Noncompliance

- Beneficiaries will be notified in case of any observed instances of noncompliance, allowing them to address the issues via SMS and phone call

3.3. Delivering UBI in Bangladesh

V. Notification and Onboarding

➤ How to accomplish onboarding?

- Onboarding sessions can be carried out through in-person one-on-one meetings as well as group orientation sessions with eligible applicants
- During onboarding, additional information will be collected, including contact details, bank or e-wallet information, and signed consent forms
- Eligible beneficiaries will be clearly informed about the conditions they must meet to continue receiving benefits at this stage

3.3. Delivering UBI in Bangladesh

VI. Payment of Cash Benefit

➤ What will be the payment instrument?

- The transfer will be provided digitally to a mobile money account
- The beneficiaries can withdraw their benefits from a nearby agent point
- Reasons for choosing MFS:
 - A **G2P** direct transfer initiative can eliminate the intermediaries improving the data security, discretion and delay in payment transfer to beneficiary account and increasing financial inclusion
 - A mobile money account can be opened free of cost contrary to that of opening bank accounts
 - Has a convenient authentication system relative to the commercial banks' E-KYC system
 - Has adequate agent points at the district and sub-district level across the country
 - Has previous experience in social safety net payments and
 - Has technology readiness to deal with the unbanked and unserved people
- In case eligible applicants find it difficult to use MFS, other channels including banks and post offices can also be used to receive transfer

In 2016, the UNDP's pilot programme showed mobile money as the best method for social security cash transfers in Bangladesh, with higher satisfaction and lower costs and time compared to agent banking and postal cash cards

3.3. Delivering UBI in Bangladesh

VI. Payment of Cash Benefit

➤ How will the identity of the recipient be authenticated?

Authentication Factors

- **Something you know:**
 - Password or PIN for the mobile money account
- **Something you are:**
 - Biometrics (fingerprint, face) linked to the National Identification (NID)
- **Something you have:**
 - Unique mobile phone number registered with the beneficiary's NID

Linking NID to Mobile Money Accounts

- **National Identification (NID):**
 - Connects beneficiary ID information to their mobile money accounts
- **Mobile SIM :**
 - SIM number must be registered with the NID of the beneficiary
- *Options may be kept for beneficiaries to use post offices and bank accounts to receive payments*

3.3. Delivering UBI in Bangladesh

VI. Payment of Cash Benefit

➤ What will be the frequency of the payment and when will be paid?

- The payment will be provided once every month
- Payment will be made during the last 10 working days of each month depending on the mobile number of the designated recipient

Staggered payments calendar

- Not all beneficiaries will receive their payments on the same day each month
- Payment dates will be scheduled based on the last digit of each beneficiary's mobile SIM number
- Calendars will be posted well in advance and widely publicised
- This approach helps avoid excessive cash withdrawals on a single day, smoothing the influx of cash into the local economy
- It also enhances the safety of beneficiaries by keeping their payment dates confidential

3.3. Delivering UBI in Bangladesh

VI. Payment of Cash Benefit

Staggered payments calendar

Payment Dates Example

For example, in July:

- SIM ending in 1: Payment on July 22
- SIM ending in 2: Payment on July 23
- SIM ending in 3: Payment on July 24
- SIM ending in 4: Payment on July 25
- SIM ending in 5: Payment on July 26
- SIM ending in 6: Payment on July 27
- SIM ending in 7: Payment on July 28
- SIM ending in 8: Payment on July 29
- SIM ending in 9: Payment on July 30
- SIM ending in 0: Payment on July 31

3.3. Delivering UBI in Bangladesh

VI. Payment of Cash Benefit

➤ How will the payment reconciliation proceed?

- The reconciliation process allows the successful transfer of funds to beneficiaries
- It is necessary to ensure the amounts paid match the entitled amounts

Automated Confirmation System

- Beneficiaries may receive an automated call after withdrawing the cash, prompting them to press an OTP number (e.g., “Press 1 to confirm receipt”) for confirmation of the receipt of the benefit
- Once the beneficiary confirms receiving the payment datestamped details of cash withdrawal must be uploaded to the Financial Service Provider (FSP) database and the website of the programme

Regular Reconciliation and Follow-Up Calls

- The program may undertake monthly follow-up calls or visits to randomly verify with beneficiaries that they have received the full amount of funds without any deductions
- An independent audit agency will conduct periodic reviews of complaints and issues reported to maintain transparency and highlight recurring issues with particular mobile money operators

3.3. Delivering UBI in Bangladesh

VI. Payment of Cash Benefit

➤ *Who will pay the service charges for cash transfers and cash withdrawals?*

- The beneficiaries will not be burdened with the cashout fee
- An additional cash-out fee may be introduced to motivate the FSP to ensure beneficiaries withdraw their payments promptly or within a set timeframe (*this approach was used during the implementation of Bangladesh's Income Support Program for the Poorest (ISPP) with the Bangladesh Post*)
- The cost of cash out might also be shared between the responsible ministry and the FSP (*in 2021, for several SSN allowances, the government covered BDT 7 of each cashout charge with bKash bearing the remaining cost*)

A structured Service Level Agreement (SLA) between the government and the Payment Service Provider (FSP)

- The agreement should clearly outline the modalities, a standard service fee, types and number of payment points, timelines, and other provisions for payment delivery
- Contracts should detail data privacy, protection, and security measures, as well as the technical specifications of databases and information flows
- The responsible ministry should collaborate with the FSP to establish mechanisms for grievance redress and methods to inform and educate beneficiaries about reporting any issue

3.3. Delivering UBI in Bangladesh

VII. Monitoring and Grievance Redress

Grievance Redress System

- The GRS will include toll-free hotlines, SMS, online portals, mobile apps, and social media platforms for beneficiaries to report concerns or suspicious activities
- The district and upazila level administration offices' complaint boxes can also be used
- All grievance channels will be integrated with the Integrated Management Information System IMIS
- This means all grievance data, including those from manual and informal channels, will be stored in a centralised database for comprehensive tracking
- Union Digital Centers (UDCs) will facilitate electronic grievance filing, provide tracking numbers, and monitor progress
- Every complainant must receive a tracking number after submitting their report to confirm it is logged in the central system and to track it in the IMIS

3.3. Delivering UBI in Bangladesh

VII. Monitoring and Grievance Redress

Grievance Redress System

- Designated personnel will investigate complaints by verifying information with IMIS, the local committee, MFS operator, and other ministries
- Once resolved, the outcome will be communicated to the complainant and relevant stakeholders
- If unsatisfied, beneficiaries can appeal but the central ministry's decision will be final and binding after reviewing
- All steps will have set deadlines to ensure timely resolution of cases
- Technical professionals must be appointed for handling system maintenance

3.3. Delivering UBI in Bangladesh

VII. Monitoring and Grievance Redress

Integrated Management Information System (IMIS)

- The system will be vital for monitoring and grievance redress
- It will be centrally operational, requiring coordination and data input from local committees, MFS+ operators, and other ministries for record-keeping
- The internal dashboard will provide records of
- All registrants (basic information, details from the poverty scorecard and evidence documents from the screening stage
- Payment disbursement and receipt information, and payment reconciliation data
- Real-time tracking of grievance redress status, display assigned officer details
- Additionally, it will issue reminders as deadlines approach
- The external dashboard will provide public access to the
- List of registrants and eligible individuals
- Users can track case status with a unique tracking number and view aggregated data on grievances, including the number reported and resolved

3.3. Delivering UBI in Bangladesh

VII. Monitoring and Grievance Redress

When to File Grievance?

Anyone can file a grievance at any point in time. In fact, the GRS mechanism should be highly encouraged. A grievance can be filed when-

- Errors in benefit amount or missed notifications
- Issues with program exclusion before registration or inclusion errors
- Delayed or missing payments
- Need for data corrections or updates on beneficiary information (e.g., address, contact details, family changes)
- Concerns regarding nepotism, bribery, or manipulation
- Appeals related to conditionality compliance and associated consequences
- Complaints about the grievance redress mechanism
- Suggestions or general feedback

3.3. Delivering UBI in Bangladesh

VII. Monitoring and Grievance Redress

Monitoring Compliance with Conditionalities

➤ **What are the conditionalities?**

- Beneficiaries cannot be enrolled in other social safety net programs, except for school stipends, agriculture-related support, disaster relief, and one-time national support
- Children in beneficiary households must not be subjected to early marriage
- A household can receive UBI a maximum of two times
- Beneficiary households must report changes in relevant information (e.g., contact details, number of children, death of the registered beneficiary) and provide supporting documents

3.3. Delivering UBI in Bangladesh

VII. Monitoring and Grievance Redress

Monitoring Compliance with Conditionalities

- **No Enrollment in Other SSNPs**

- Beneficiary lists will be sent to relevant ministries
- Ministries will check their registries to ensure beneficiaries are not enrolled in other SSNPs

- **No Early Marriage**

- Beneficiaries must sign an anti-child early marriage agreement with penalties for false reporting
- Local Committee and local government entities will monitor early marriage
- A network of community informants (teachers, religious leaders, healthcare workers) will report cases
- Common people can also report through the Grievance Redress System (GRS)

3.3. Delivering UBI in Bangladesh

VII. Monitoring and Grievance Redress

Monitoring Compliance with Conditionalities

➤ **When will the monitoring be conducted?**

- First phase: Nine months after the initial payment
- Second phase: Eighteen months after the initial payment

➤ **What happens in case of non-compliance?**

- The beneficiary will be notified about the evidence of non-compliance and the possibility of his eligibility being revoked
- Households can appeal if they believe there was an error or non-compliance was justified
- If the appeal is successful, the non-compliance record is canceled, and benefits continue as normal
- If not, the household will no longer remain eligible for the benefit

3.3. Delivering UBI in Bangladesh

VIII. Exit

- All beneficiary households will exit the programme two years after receiving their first payment, upon completing a full cycle of the programme
- After that the household may reapply
- However, each household will be eligible to receive benefits a maximum of two times
- Non-compliance with conditionalities will trigger an abrupt exit from the programme
- Beneficiaries will be notified when exiting is being considered
- If a beneficiary believes that exit consideration due to noncompliance is unfair, they may file an appeal
- The responsible ministry will review appeals, and its decision will be final and binding
- The household can go back to enrolling in other programmes once it exits from UBI
- Once a beneficiary household exits from the programme case outcome will be recorded

3.3. Delivering UBI in Bangladesh

Programme Evaluation

- To evaluate the overall performance of the programme, key indicators such as *the percentage of enrolled individuals in the poorest quintiles, the time and costs incurred by applicants and beneficiaries, the time taken to complete various stages, and the percentage of beneficiaries effectively monitored* should be utilised, at different stages of implementation
- To evaluate the sustainability of the programme, funding sources, fiscal space, and the feasibility of scaling up should be thoroughly assessed
- To evaluate the impact on beneficiary households, their outcomes in areas such as income levels, health improvements, capacity development, and overall prosperity should be tracked

Delivery Chain Process Mapping

	Citizens	Local Committee	MFS Operator	Integrated Management Information System & Grievance Redress System	Central Committee
Outreach		2. Intitiate outreach			1. Engages local actors and develops website and social media platforms
Intake & Registration	3a. Fill out and submit the PSC and documents	3b. Assist in registration		4. Receives and manages data, verifies NID and proof of residence	
Assessment				5. Assess PSC and generates initial eligibility list based on the rural-urban threshold	13. Finalise eligibles
				12. Receives appeal and reviews data on concerned households and updates eligibility list	
Screening		6. Verifies eligibility list and uploads documented evidence to the IMIS		7. Receives and stores verifying evidence	
				8. Displays the eligibility list	
Notifications & Onboarding	10. Checks status and gets notified	15. Onboard the selected beneficiaries and collect additional information			9. Notifies initial eligibility decision
					14. Notifies final eligibility decision
					23. Notifies of the exit trigger
					26. Decide on the final exit decision or continuation of the benefit and notifies
Payment of Benefit	18. Claim and confirm receipt of benefit		17. Verifies MFS account and transfer fund		16. Reviews and sends the list of eligibles to MFS
Monitoring & Grievance Redress	11a. File appeal, track case status challenging eligibility status	11b. Facilitates electronic grievance filing	21b. Accounts for payment related grievance	21a. Checks with MFS to redress payment related grievance	19b. Makes monthly calls to confirm payment receipt
	20. File grievance, track case status if payment is missed or delayed	19a. Conduct random visits to confirm beneficiaries received full funds		22. Periodically cross-checks data to ensure compliance	
	24. File appeal, track case status challenging the exit decision			25. Reviews appeal against exit decision, records outcome after exit	

UBI Delivery Action Plan - A Calendar

Task name	Duration	Implementing actor	Task detail
Outreach	One month (January)	Central Committee	1. Sensitising and mobilising local committee, developing website and social media platforms
		Local Committee	2. Conducting outreach campaign
Intake and Registration	One month (February)	Local Committee	3. Conducting registration and uploading information to the IMIS
		IMIS	4. Receiving information and cross checking NID
Assessment of Need	15 days (1-15 March)	IMIS	5. Generating initial eligibility list from PSC
Screening	45 days (16 March – 30 April)	Local Committee	6. Verifying and documenting evidence on information given on PSC and residency for intial eligibles
		IMIS	7. Receiving and storing verifying evidence
			8. Disclosing the eligibility list available for scrutiny
Notification	7 days (1-7 May)	Central Committee	9. Sending notification to all applicants informing eligibility status and publishing the list
Grievance filing (eligibility)	3 Weeks By end of May	Applicants	10. Filing eligibility grievance
Grievance redress (eligibility)	15 days (By 15 June)	IMIS	11. Coordinating with other actors to re-review eligibility
		Central Committee	12. Finalising eligibility list
Notification & Onboarding	15 Days (By end of June)	Central Committee	13. Notification of final eligibility, paymet schedule and others
		Local Committee	14. Collecting bank information, communicating payment mechanism and conditionalities

UBI Delivery Action Plan - A Calendar

Task name	Duration	Implementing actor	Task detail
Payment of Benefit	15 days (16-31 July)	Central Committee	15. Sends the list of eligibility to payment service providers
		MFS+	16. Verifies payment account details and transfer fund
		Beneficiaries	17. Claim and confirm receipt of benefit
Grievance redress (payment)	15 days (1-15 August)	Local Committee, IMIS, MFS+	18. Address payment related grievance
Monitoring	Continuous	IMIS, Local Committee, Third party auditor	19. Overseeing conditionality compliance, payment reconciliation, and overall service delivery
Grievance redress (overall)	Within 15 days of submission	Local Committee, IMIS, MFS+	20. Redressing grievances related to eligibility, payment, and overall service delivery
Exit		Central Committee	21. Notifying beneficiaries if noncompliance is suspected
		IMIS, Local Committee	22. Reviewing appeal against exit decision
		Central Committee	23. Making the final exit decision
		IMIS	24. Recording outcome for beneficiaries after exit
Programme Evaluation	30 days	Central Committee, Local Committee, MFS+	25. Evaluating the overall performance of the programme implementation including the sustainability of the programme and impact on beneficiary households

4. Unveiling the Potential of UBI- Macroeconomic & Household Level Impact

4. Unveiling the Potential of UBI- Macroeconomic & Household Level Impact

1. Percentage Point Reduction in the CBN Poverty Rate

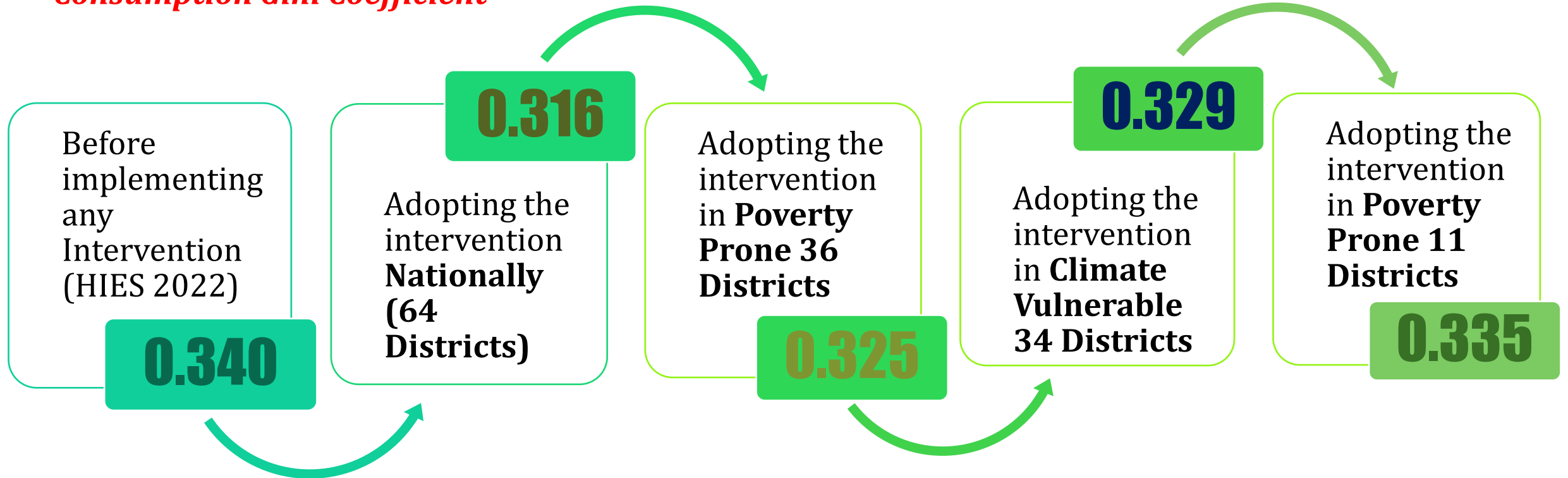
- To estimate the impact of the cash transfer programme, the **per capita cash transfer** amount is added to the per capita consumption expenditure of households below the PSC threshold. The updated figures are then assessed to analyse the **reduction in the CBN poverty headcount ratio**
- **Assumption:** The entire cash transfer provided through the partial basic income programme will be utilised for household consumption
- **Outcome:** The percentage point reduction in the CBN poverty rate

Intervention Area	Percentage Point(s) Reduction in CBN Poverty Rate		
	Urban	Rural	National
National	1.85%	8.14%	6.13%
Poverty Prone 36 Districts	0.90%	5.04%	3.72%
Climate Vulnerable 34 Districts	0.95%	4.07%	3.07%
Highly Poverty Prone 11 Districts	0.40%	1.95%	1.46%

4. Unveiling the Potential of UBI- Macroeconomic & Household Level Impact

2. Change in Consumption Inequality

Consumption Gini Coefficient



4. Unveiling the Potential of UBI- Macroeconomic & Household Level Impact

3. Impact of Unconditional Cash Transfers on Education



Benazir Income Support Programme (Pakistan): Two years after receiving BISP cash transfers, children were 69 percentage points more likely to enroll in school and 40 percentage points more likely to advance a grade. Boys' enrolment increased by 79 percentage points and girls by 64 percentage points. Dropout rates for boys dropped by 49 percentage points, while girls' dropout rates rose by 57 percentage points (Awaworyi Churchill et al., 2021)



Social Cash Transfer Program (Malawi): The programme led to a 5-percentage point increase in school enrolment, a \$3.53 rise in annual educational spending per child, and one fewer absence day per month compared to non-recipients. Among children aged 6–18, enrolment was 91% in intervention households compared to 83% in comparison households, with absences dropping from three days per month to one (Miller & Tsoka, 2012)

4. Unveiling the Potential of UBI- Macroeconomic & Household Level Impact

4. Impact of Unconditional Cash Transfers on Health



Social Protection Programme (Nigeria): Cash transfers enhanced nutrition, with beneficiaries three times more likely to report no hunger and a 20% increase in food diversity. Children under five were twice as likely to have three daily meals, while women beneficiaries achieved four times greater dietary diversity (Eluwa et al., 2023)



Forecast-based Financing (Bangladesh): Anticipatory cash distribution in Bogra during the 2017 floods improved food quality and regularity, reduced high-interest loans, and eased psychosocial stress. It likely prevented asset sales compared to other affected households (Gros et al., 2019)



Social Cash Transfer Pilot Programme (Ethiopia): The SCTPP enhanced food security, reducing the food gap by 0.50 months overall. Caloric availability rose by 94 kcal per adult in 2012 and 158 kcal in 2014, a 3.6% and 6.0% increase compared to non-beneficiaries. Diet quality improved by 13.4% in 2012 and 11.7% in 2014, as measured by the Dietary Diversity Index (Berhane et al., 2015)

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

- Our study embarked on an ambitious journey to address three pivotal dimensions-
 - **Developing a concept of UBI tailored to Bangladesh**
 - A concept of UBI is placed for consideration, advocating for a partial basic income model given to households
 - **Determining the scope of UBI for Bangladesh**
 - The scope, introducing a cutting-edge selection process that goes beyond income metrics to assess broader social factors has been proposed
 - **Delivering a feasible UBI model for implementation**
 - A model framework for delivering UBI is prepared which can also guide for future social protection reforms in Bangladesh

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

- The proposed model is not without its challenges, but addressing these is contingent on our commitment and strategic intent.
- The primary obstacles to implementing the program are outlined below, along with strategies to mitigate them
 - **Limited Fiscal Capacity**
 - *Implementing a UBI program requires substantial financial resources, which may strain Bangladesh's fiscal capacity*
 - *High costs and administrative expenses pose significant challenges*
 - ***The model recommends a gradual scaling-up approach that ensures resource allocation grows in tandem with the government's financial ability***
 - ***Furthermore, the donor community, international development partners, and other friends of Bangladesh can chip in to carry out the cost of the administrative support***
 - ***Innovative taxation may be considered to generate resources for this programme***

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

▪ ***Engaging Relevant Stakeholders***

- *Coordinating diverse stakeholders—beneficiaries, local committees, Mobile Financial Services (MFS) operators, the Integrated Management Information System, and relevant ministries and ensuring all are fulfilling their responsibilities with due diligence—can be complex*
- *Ensuring transparency and accountability demands eliminating personal biases and safeguarding against corruption*
- ***Key implementation tasks, such as needs assessments and beneficiary screening, will involve local CSOs and NGOs, while central offices of the involved CSOs may be accountable for maintaining transparency***
- ***To prevent undue political influence or biases, the implementation of poverty score card and strong GRS will need to be ensured***

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

➤ **Technological Issues**

- *Technological barriers include challenges with mobile network coverage in remote areas affecting outreach, uptake and payment collection in hard-to-reach areas*
- *Digital record-keeping can be challenging when internet connection is not stabilized which is the case in many remote areas*
- ***To address these issues, investment in digital infrastructure is essential, including enhancing mobile network systems in underserved regions***
- ***Capacity-building programs should train local administrators and stakeholders in digital payment systems and record-keeping processes to ensure the robustness of the system***
- ***Special emphasis should be given in monitoring those of the intended population with access barriers***

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

➤ **Moral Hazard**

- *Concerns exist that UBI may distort the labour market and reduce female workforce participation*
- *To mitigate these concerns, the program will be time-bound, allowing households to receive benefits only twice*
- *This limited duration aims to reduce dependency while providing transitional support*
- *Available literature suggests this concern may not be empirically of high importance*

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

➤ **Political Buy-In**

- *The political economy of implementing UBI necessitates a thorough look on who stands to gain and who might lose*
- *Hence securing political support for UBI is crucial yet difficult*
- *Political leaders may raise concerns about fund distribution across their respective districts*
- *Additionally, local leaders may attempt to exercise discretionary power*
- *Private sector resistance may arise if higher corporate taxes are needed to fund the programme*
- ***Clear guidelines should limit discretionary power, ensuring equitable distribution through a transparent, centralised system***
- ***The economic benefits of transferring to the poor, for example, as they tend to spend on domestically manufactured goods the local economy stimulates- should be highlighted***

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

➤ **Is It Possible to Materialise the Vision of UBI?**

- **Technically?** Definitely possible! The infrastructure for implementing UBI exists and is achievable with existing resources
- **Technologically?** Possible! Advancements in digital payment systems and data management make UBI delivery feasible
- **Institutionally?** That remains a question. Breaking through the existing institutional inertia will demand unwavering goodwill and commitment from all stakeholders involved

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

SSNP Challenge	How UBI Addresses the Challenge
Alarming Levels of Inclusion and Exclusion Error	An alternative approach to targeting, a publicly available beneficiary roster in UBI will enhance transparency, reducing discretionary influence and potential corruption
Rural Bias in SSNPs	UBI will use an on-demand registration model, allowing both urban and rural households to apply online or at nearby UDCs
Inequitable Coverage for the Poorest	UBI will prioritise areas with high poverty rates and geographic vulnerability, ensuring more equitable resource distribution
Low and Stagnant Benefit Levels	UBI will provide a transfer amount equivalent to 25% of household income, significantly boosting support for poor households

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

SSNP Challenge	How UBI Addresses the Challenge
Faulty Beneficiary Selection Process	UBI will use a non-consumption and non-income assessment approach, reducing subjective selection biases
Underspending on Programmes for Children & Working Age	UBI will consider entire household needs, ensuring no demographic group is overlooked
Monitoring Lapses and Fund Discrepancies	UBI will incorporate a robust monitoring and grievance redress mechanism and clearly define local responsibilities
Delay in Transfer	UBI will streamline processes, reduce the number of actors involved, and establish defined roles to minimise transfer delays

5. Towards Operationalising UBI in Bangladesh- Outlook and Challenges

SSNP Challenge	How UBI Addresses the Challenge
High Travel and Visit Costs	UBI will utilise Mobile Financial Services (MFS) for payments, and all information (eligibility, grievance feedback) can be accessed digitally
No Exit Strategy	UBI introduces a defined exit strategy, ensuring benefits are time-bound and recipients comply with specific conditions

Thank You



To know more about CPD scan here