



Ministry of Finance

INTRODUCTION

Financial Institutions Division and Finance Division of Ministry of Finance are the key two divisions deal with financial and banking related law and policy. The Division deals with the law and policy issues related to the Banks, Non-Bank Financial Institutions, Capital Market, Insurance sector and Microcredit sector. The Division also co-ordinates activities for formulating policies on capital adequacies, as well as reviews of related policies and programmes. Bangladesh Insurance Academy (BIA) and Insurance Development and Regulatory Authority (IDRA), Microcredit Regulatory Authority (MRA), etc. also fall under the Division's jurisdiction. The Division has been assigned by the NSSS as the coordinator of the Social Insurance Thematic Cluster.

In terms of supporting implementation of social security programmes, the Finance Division is the most important body of the government, as it is responsible for allotment of budget and formulation of different fiscal policies.

OBJECTIVES

The NSSS strategic objective of the Division is to institutionalize a social insurance system for Bangladesh.

The NSSS objective for the Finance Division is to provide necessary budgetary allocation to social security programmes. Continuation of the government pension programme is another objective of the Division.

PROJECTS

Financial Institutions Division and Finance Division under the Ministry of Finance has implemented 11 Social Security Programmes over the period. In 2017-18, it is implementing 9 Programmes, the programmes are;

1. Pension for Retired Government Employees and their Families
2. Fund for Micro-Credit through PKSF
3. Social Development Foundation
4. Fund for Assistance to the Small Farmer and Poultry Farms
5. Swanirvar Training Programme
6. Block Allocation for Various Programme
7. Universal Pension Insurance Scheme
8. Skills for Employment Investment Programme
9. Strengthening Public Financial Management for Social Protection

GAPS

In Financial Institutions Division, the gaps are (1) Conduct study for selecting best option of NSIS, and (2) study on a feasible design of private pension needs to be conducted.

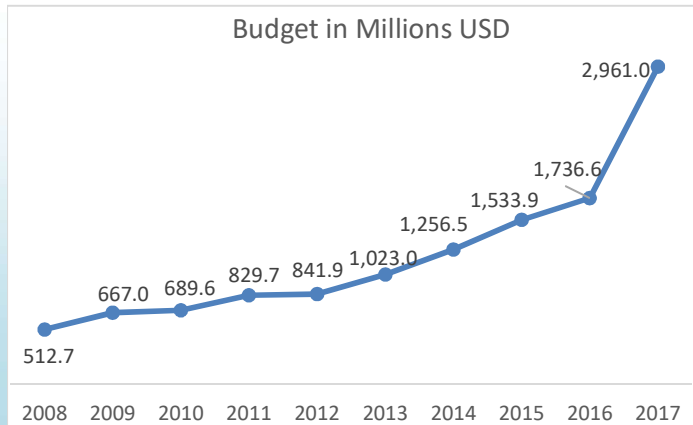
In Finance Division the gap is 'the monthly transfer of the pension should be digitized to reduce potential hazards of receiving cash'.

CHALLENGES

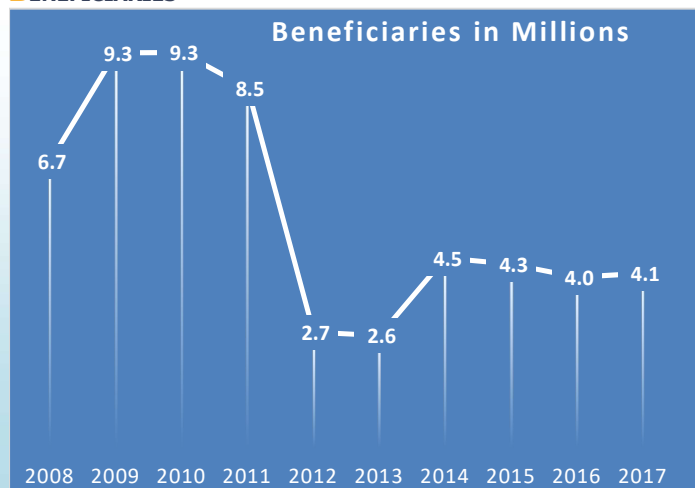
The NSSS entrusts upon the Financial Institutions Division the responsibility of introducing a suitable framework of social insurance. Though the concept of social insurance is very common in the social security of developed countries, it is almost new in the Bangladesh setting. People will invest for their own social security during their need. But for this a strong legal and institutional framework is required.

The NSSS provides for specific reforms in the social security sector, obligating simultaneous reform in policy of fiscal allocation. Though the NSSS does not put in pressure to the exchequer for extra allocation in real terms, it offers a task to maintain the level of 2% of GDP in social protection programme expenditure. Therefore, it will be a challenging task for Finance Division to ensure the present share of GDP for social protection by readjusting allocations among reformed programmes.

BUDGET



BENEFICIARIES



WEBSITE: <https://mof.gov.bd/en/>; <http://www.bfid.gov.bd/>

Prepared by Social Security Policy Support (SSPS) Programme, the Cabinet Division and the General Economics Division, with technical assistance from DFID/UNDP, supports the Government to roll out the National Social Security Strategy (NSSS). www.socialprotectionbd.org

