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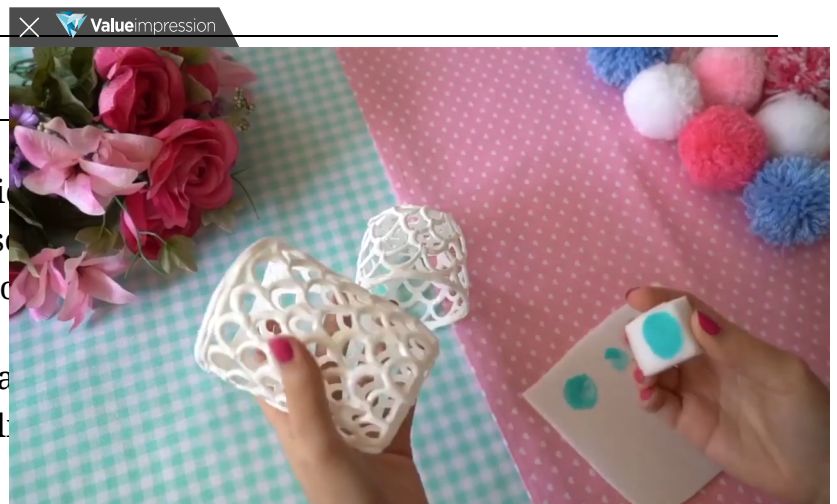
Digital payment solutions the way forward

Experts tell PRI-The Daily Star discussion on govt cash aid to poor; stress on authentic database of beneficiaries

Staff Correspondent

Experts and policymakers yesterday said that digital payment solutions were the way forward for poor and disadvantaged people under social security success through a robust use of technology.

Addressing an online discussion, they said that a robust database of the beneficiaries and their location and selection were required.



The experts recommended for a centralised government organisation to prepare and maintain such database and also stressed the need for better coordination among relevant ministries and government departments for the poverty alleviation.

Policy Research Institute of Bangladesh (PRI) and The Daily Star jointly organised the online discussion on "Future of G2P in Bangladesh: The Case of Social Protection System".

Addressing as keynote speaker, Azizul Alam, additional secretary of the finance division of the finance ministry, said the government in 2018 launched government-to-person (G2P) payment system with an aim to disburse cash support to the personal accounts of social protection programmes beneficiaries and without delay.

Although all major cash transfer programmes were brought under the G2P last year, it has not been possible yet to bring all beneficiaries of all programmes, especially those who are old beneficiaries, under such electronic payment system.

Some social protection programmes are old age allowance, grants for widows, allowances for financially insolvent disabled, maternity allowance, honorarium for freedom fighters, and stipend for primary and higher secondary students.

Azizul said in 2019-2020 fiscal year, they made over one crore electronic fund transfer (EFT) to individual accounts under different safety net programmes while the transferred money was more than Tk 3,000 crore.

The number of EFT could have been higher if all beneficiaries were brought under the electronic payment system, he added.

He also said of the 20 government announced stimulus packages worth Tk 1.11 trillion to fight the Covid-19 economic fallout, at least six are prioritising poor people's social protection.

Under one such programme, the government reached about 38 lakh of 50 lakh targeted beneficiaries with cash support of Tk 2,500 each per month to survive the Covid-19 fallout, he added.

Mohammad Ismail, additional secretary to the social welfare ministry, said for the 2020-2021 fiscal year, they have a budget of Tk 6,494 crore for social safety net programmes and the number of beneficiaries is about 91 lakhs.

The ministry does not have concrete data about all beneficiaries, which is huge in number, said the official.



Last year, the budget was Tk 5,746 crore and the number of beneficiaries was about 80.40 lakh.

He, however, said currently they have database of about 19.5 lakh beneficiaries who are disabled. They have been provided with "Shuborno" cards and are receiving a monthly allowance of Tk 750 each.

At present, majority of cash disbursement for the ministry's social protection programmes is "handled" by banks and yet to be integrated with the G2P payment system, said Ismail.

Fahmida Khatun, executive director of Centre for Policy Dialogue, said the necessity of mobile financial service (MFS) in social safety net programmes was required so that the programmes could be implemented efficiently and with transparency.

She said during the Covid-19 pandemic, a question arose whether those who are in real need have been included in the government's financial support schemes.

On the other hand, it was seen that those who were not in need had made the list, she said. So, the necessity of proper selection process and use of technology in such process is important, she added.

Ahsan H Mansur, executive director of PRI, said to reach out to people, the government needed to mining people's data as much as possible.

He said the finance ministry and cabinet division have been playing leadership roles in social protection programmes but a gradual shift for a centralised organisation was required, stressing that there are issues related to quality control and maintenance of data that requires a single authority.

"This process itself for a country of 165 or 170 million people is not an easy task...", he said. He stressed the need for taking support of the national identity card database to this end.

Khondoker Shakhawat Ali, emeritus fellow of Unnayan Shamannay, said the main aim of social safety net programmes is to improve quality of people's life.

He said failing to effectively launch technology in such programmes together with failure in bringing those under accountability, transparency, and governance will not help the money reach the actual beneficiaries.

As a result, at the end of the day, the money, which is taxpayer's money, will not be spent for poverty alleviation or the country's development, he added.



Debdulal Roy, executive director (programming) of Bangladesh Bank, said the central bank has been working to make sure that cash support through the electronic payment system reach the beneficiaries properly.

Abedur Rahman Sikder, deputy managing director of Dutch Bangla Bank Limited, said they are providing customers services which include opening mobile financial service accounts.

Kamal Quadir, chief executive officer of bKash; Shafayet Alam, executive director of Nagad; Shahadat Khan, founder and CEO of SureCash; Solaiman Shukhon, head of market development of Nagad; Bazlul Haque Khondker, director of PRI; and MA Razzaque, research director of PRI, also addressed the online discussion.

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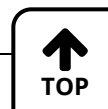
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