

National Conference on Social Security Program Review

Consolidation of Social Allowance Program

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Finance Division
5 November, 2018



**Strengthening Public Financial Management
for Social Protection (SPFMSP) Project**



Presentation Outline

- ▶ Part-I: SP Program Delivery, Payment to Beneficiaries (G2P)
- ▶ Part II: Program Improvement -Management Information System (MIS)
- ▶ Part III: Diagnostic Studies and Reform Plans with aim to Consolidation
- ▶ Part IV: Capacity Development for Social Protection
- ▶ Conclusion

Achievements in Social Security

Poverty reduced to 21.8 percent in 2018 from 40 percent in 2005.

Hardcore poverty reduced to 11.3 percent from 25.1 percent in 2005

Total budget for social safety net is 64,177 crore taka in 2018-19
which is 13.8% of budget and 2.5% of GDP

Nationally 27.8 percent families and in rural areas 34.5 percent families
are covered under safety net programs

Allowance and Assistance programs: 15,000 crore taka,
Stipend/ scholarship program cost 3,500 crore taka,

Cash transfer amounts 44,000 crore taka which is 70% of SSN Budget

Major Social Allowance Programs

	Program	Beneficiary	Budget (crore taka)
1.	Old Age Allowance	40.00 lac	2400.00
2.	Widow & Destitute Women Allowance	14.00 lac	840.00
3.	Disability Allowance	10.00 lac	840.00
4.	Maternity Allowance	7.00 lac	693.00
5.	Lactating Mother's Allowance	2.50 lac	248.00
6.	Income Support Program for the Poorest		432.02
7.	Maternal, Neonatal, Child and Adolescent		987.60
	Special Program		
8.	Honorarium for Freedom Fighters	2.00 lac	3305.00
9.	Honorarium for Shahid Family and War Injured	.15 lac	295.07
10.	Pension for Govt. Employees, Family Pension	6.30 lac	22639.46
Other Cash Transfers	Primary Education Stipend Program	143 lac	1550.00
	Secondary Education Stipend	26 lac	800.00
	Higher Secondary Stipend	7.22 lac	160.00
	Disable stipend	.90 lac	80.37
Small Program	Transgender, Horizon-Bade, Tea garden workers, Cancer-kidney disease, SW Council		193.40

I. Strengthen Government to Person (G2P) Payment System that Promote Financial Inclusivity

National Social Security Strategy, 2015

- ▶ Across developing countries, growing experience of G2P used to promote financial inclusion, access to wide range of financial services
- ▶ FD will make comprehensive review of current payment mechanism as well as international experience
- ▶ A Plan will be developed by FD in collaboration with key delivery ministries to make G2P payment system so that it maximizes financial inclusion

G2P Payment

Financial Inclusion

Prevent Leakage

Avoid Duplication

Payment Survey: **Disadvantages of Old Payment Systems**

- ▶ Delay in Receiving Money
- ▶ **Inconvenient for Beneficiaries** - Time, Opportunity, Money
- ▶ Difficulties for old, disabled, sick, mothers with child, pregnant mothers,
- ▶ **Multiple Cash Transfer Schemes** (50+) using **Multiple Channels** (4) of Payment at **Varying Costs** (0 - 2.5%)
- ▶ **Government Money Withdrawn and lying Unutilized** in Banks.
Advance drawn were not returned timely
- ▶ **Weak Information Systems** with **Inadequate Monitoring and Accountability** Structures
- ▶ Vulnerable to **Duplication and Fraudulent Payments**
- ▶ Cost of government fund and risk in cash management

Developed G2P Payment System

- ▶ SPFMSP Project has designed, developed and successfully piloted an MIS Integrated G2P Payment System for transfer of allowances to beneficiaries. The new system provides:
 - ❖ Timely and regular hassle free delivery of allowances at the doorsteps of beneficiaries at zero cost to them
 - ❖ Provides choice for beneficiaries to select according to their convenience the mode of receiving the allowances - Bank, Mobile Financial Services(MFS), Post offices etc.
 - ❖ Prevents leakages in terms of double dipping, duplicates and eliminates ghost beneficiaries
 - ❖ Improved Cash Flow Management for the Government

Benefits Accruing

Beneficiary

Option to Choose
Mode, Location,
Quantum and Timing
of Payment

Ministries

Reduced Efforts and
Time,
NID Verification,
Avoidance of Double
Dipping and Ghost
Beneficiaries

Banks (PSPs)

G2P Payment in
Individual Account
Through BEFTN / PSPs

Finance Div.

Money Withdrawn Only
When it is Required to
be Paid

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Piloting G2P Payment System(Maternity Allowance)



- ▶ 20+ Field Camps for beneficiaries were held for Creating Awareness, Financial and MFS Literacy, Enrolment and Account Opening (PSPs)
- ▶ 8811 beneficiaries
- ▶ 7 Upazilas, 1 Scheme (MA)
- ▶ 4 Banks, 3 MFS Providers
- ▶ Central Bank
- ▶ SPBMU, DWA, DDO, CAO, CGA, CDP, iBAS++, FD and MoWCA

Piloting G2P Payment System





G2P Payment Pilot and Implementation

Ministry	Scheme	No. of Beneficiary	Districts and Upazila	Mode of Payment
Ministry of Women and Children Affairs	Maternity Allowance	8811	7 upazilas of 6 districts	Bank(Sonali Bank Ltd.) or Mobile Financial Accounts(Bkash, Rocket, Sure Cash)
Ministry of Social Welfare	Old Age Allowance	75053	11 upazilas of 4 districts	Banks(Bank Asia, NRBC, Madhumoti Bank)
	Widow and Destitute Women Allowances	23695		
	Allowances for Insolvent Persons With Disability	16340		

সামাজিক নিরাপত্তা কর্মসূচির আওতায় দেয়
ভাতার অর্থ ইলেকট্রনিক উপায়ে বিতরণ (G2P) অনুষ্ঠান

প্রধান অতিথি: **শেখ হাসিনা** এম পি

মাননীয় প্রধানমন্ত্রী

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

তারিখ: ২ আষাঢ় ১৪২৫
১৭ জুলাই ২০১৮

স্থান: গণভবন
সময়: সকাল ১০:০০ টা



সমাজকল্যাণ মন্ত্রণালয়



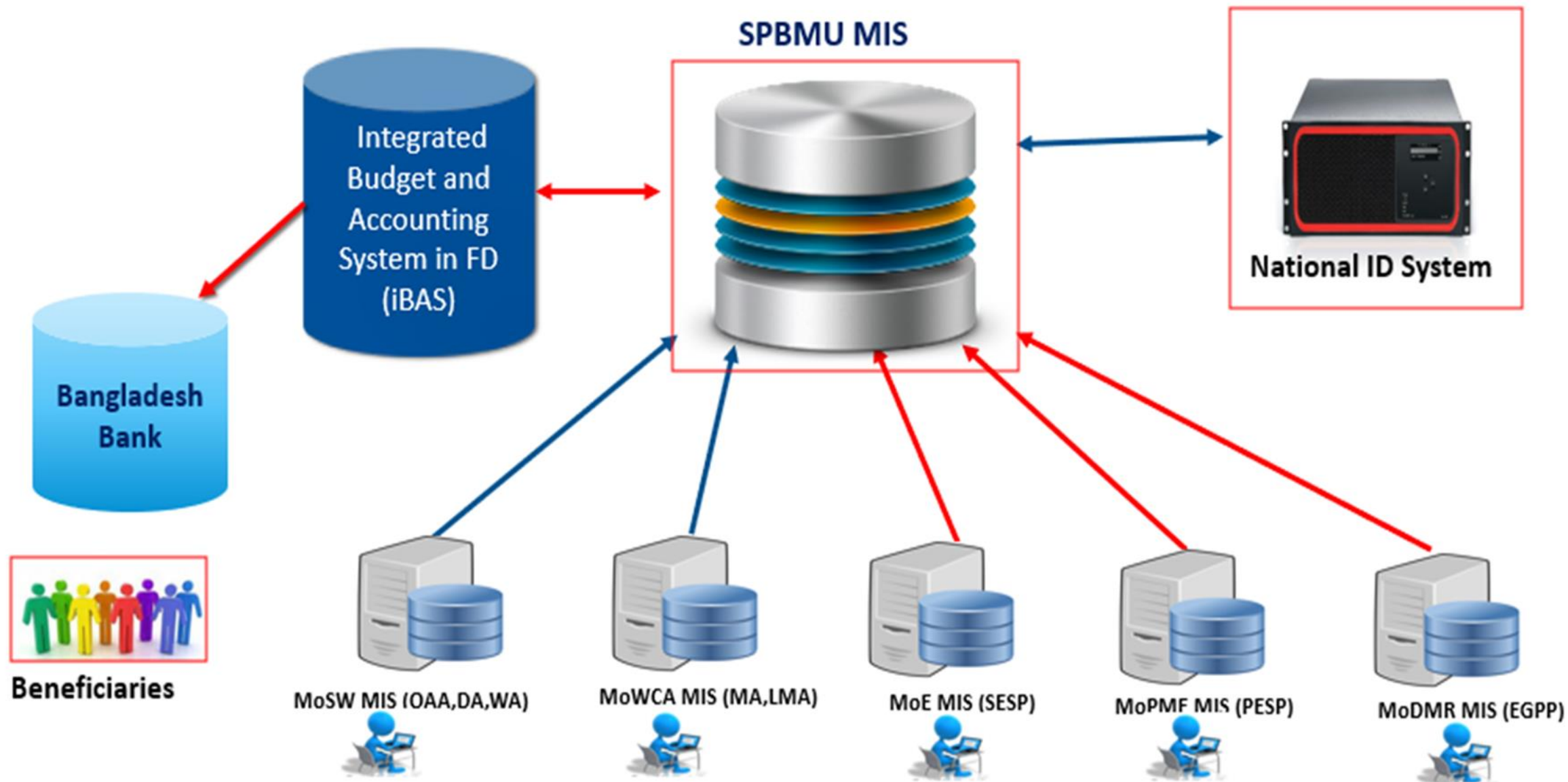
Work in Progress Under G2P System

- ❖ Transferring Allowances to All Beneficiaries of Maternity Allowance and Lactating Mothers Allowance throughout the Country under the New G2P System
- ❖ One Million Beneficiaries of Old Age Allowance, Husband Deserted Destitute Women and Widows Allowances, Allowances for Insolvent Persons With Disability belonging to 6 Districts under the New G2P System
- ❖ Secondary School Stipend Program(SESP), Higher Secondary School Stipend Program(HSSP) , Secondary Education Sector Investment Program(SESIP) under Ministry of Education
- ❖ Primary School Stipend Program(PESP) under Ministry of Primary and Mass Education
- ❖ Employment Generation Program for the Poorest(EGPP) under Ministry of Disaster Management and Relief
- ❖ Honorarium for Freedom Fighters under Ministry of Liberation War Affairs

II. Management Information System (MIS)

- ▶ A central MIS established at Finance Division (SPBMU MIS) that captures all the beneficiary data and information relating to payment of their allowances.
- ▶ **Features of the MIS:**
 - ❖ Built of an integrated Beneficiaries Database from LM-MISs for analysis on SP Payments
 - ❖ Validation of NIDs of beneficiaries - intra and inter ministerial SP schemes
 - ❖ Perform cross-cutting monitoring
 - ❖ Expenditure tracking on beneficiaries
 - ❖ Evaluation and Management of SP schemes
 - ❖ Compatible with iBAS++ for EFT generation and execution
 - ❖ The system is piloted in the FD and 2 other line ministries

SPBMU MIS LINKAGE TO LINE MINISTRIES



বাংলা

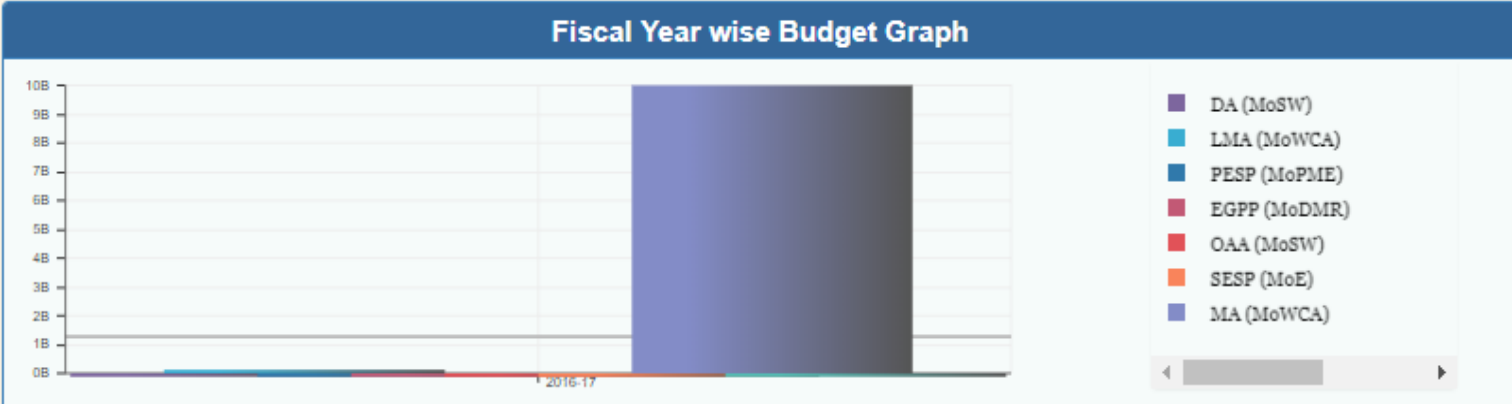
Dashboard

BENEFICIARY

PAYROLL

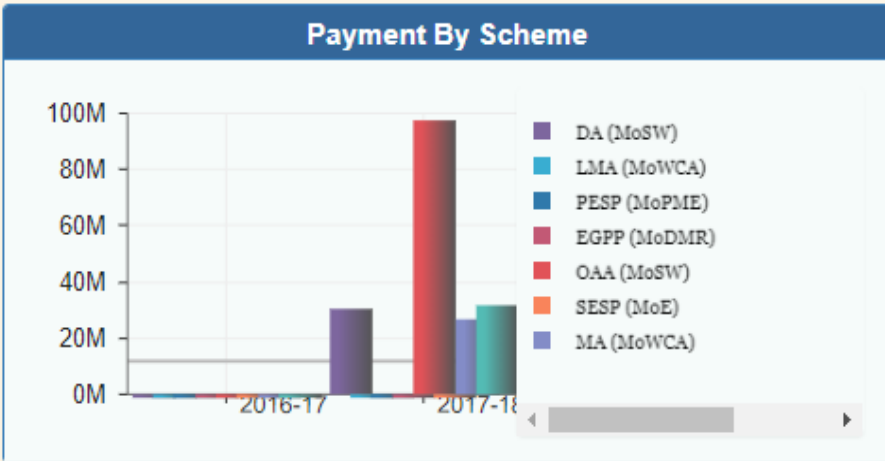
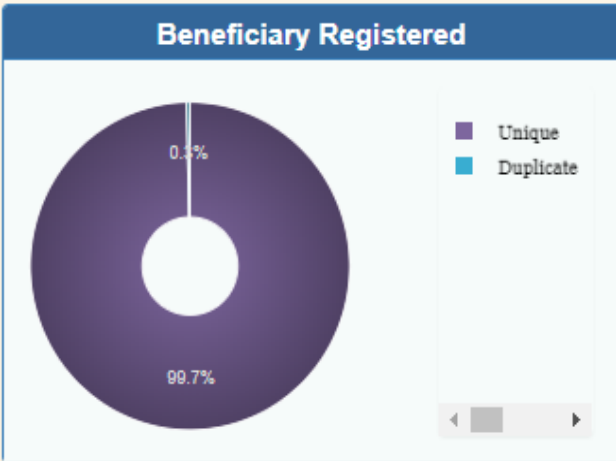
BUDGET

REPORT



Payment Summary

EGPP (MoDMR)	Tk.0.00
LMA (MoWCA)	Tk.0.00
OAA (MoSW)	Tk.97,471,500.00
WDD (MoSW)	Tk.31,615,500.00
DA (MoSW)	Tk.30,292,500.00
MA (MoWCA)	Tk.26,433,000.00
SESP (MoE)	Tk.0.00
PESP (MoPME)	Tk.0.00



Beneficiary Summary

OAA (MoSW)	2,219,518
MA (MoWCA)	8,811
WDD (MoSW)	789,703
DA (MoSW)	395,232
SESP (MoE)	1,134,615
PESP (MoPME)	13,891
EGPP (MoDMR)	16,697

Verification Status

Double Dipping Pending	1134428
Valid Beneficiary	3432911
Duplicate Beneficiary	11596
NID Verification Pending	4533498
NID Valid	37001
NID Invalid	8436

- ▶ Linkage has already been established between two schemes of Ministry of Women and Children Affairs, three schemes of Ministry of Social Welfare and one scheme of Ministry of Education with the MIS of SPBMU.
- ▶ A Social Protection Budget Management Unit (SPBMU) established and made operational at FD
- ▶ Capacity built and more than one thousand officials trained on designing SP policy and strategy, programme implementation, MIS and G2P Payment Systems.

Impact of MIS

- SPMBU MIS has in built features such as **Double Registration Checks that prevents Double Dipping of allowances and flags Duplicate Beneficiaries.**
- **Elimination of Ghost Beneficiaries since NID verification** is performed for each data point that help in reducing targeting errors.
- Help **reduce fiduciary risks** and errors before payments by backend checks and validation of beneficiaries data
- **Reduction of Targeting Errors, Increase Efficiency and Ownership of the Electronic data** by the Directorate
- **Primary Checks on Inclusion Errors** for Age Based Schemes such as Old Age Allowance, Maternity Allowance etc. due to capturing Date of Birth using NIDs
- MIS for MA and LMA of MoWCA developed by SPFMSP and that of DSS has already helped ensuring **enrolment of eligible beneficiaries and have identified ineligible beneficiaries.**
- **Repository of NIDs** of Beneficiary Created for First Time
- Future application of SPBMU MIS for **Single Registry and CRVS**

Single Registry Management Information System

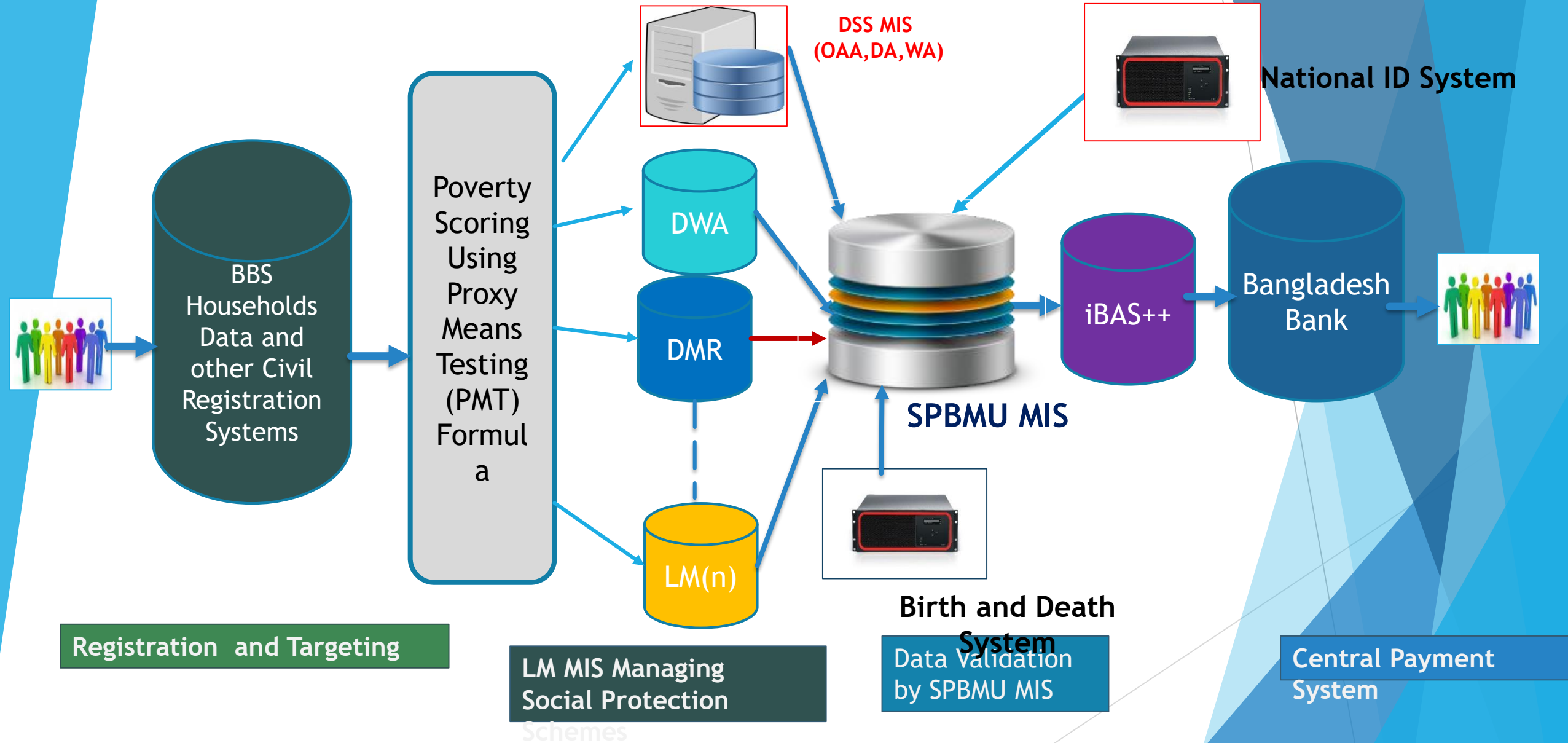
a network of independent but interlinked scheme-specific MISs including Household Database and National ID

- ▶ A national Single Registry based on building scheme-specific MISs that
- ▶ communicate with each other and
- ▶ deliver comprehensive information across government

FEATURES

- Use of similar software for the MIS database across all schemes
- Investment in high quality software
- Use of telecommunication networks for the transmission of data
- Data entry to take place at local level and MIS to be accessed at all levels of government, according to agreed protocol
- Professionally competent staff to manage the MISs
- Highest level of security to ensure that personal data on citizen is protected

PROPOSED INTEGRATED TARGETING, MIS AND G2P PAYMENT SYSTEM



III. Research and Diagnostic Studies, Reform Plans

- SPFMSP has conducted diagnostic studies on following selected SP schemes of different ministries-
 - Demand Side Financing – Maternity Health Voucher Scheme (DSF-MHVS) of MoHFW
 - Maternity Allowance Programme (MA) of MoWCA
 - Lactating Mother Allowance (LMA) of MoWCA
 - Vulnerable Group Development (VGD) of MoWCA
 - Vulnerable Group Feeding (VGF) of MoDMR
 - Old Age Allowance Programme (OAA) of MoSW
 - Widow and Destitute Woman Allowance (WDWA) of MoSW
 - Primary Education Stipend Programme (PESP) of MoPME
- Findings and recommendations of the studies have received wide acceptance from the relevant line ministries, FD, development partners and other stakeholders.

Costed Reform Plans: Consolidation

- In addition to one reform plan developed by the Project for Payment System, another 3 costed reform plans for improvement of 6 SP programmes of MoWCA and MoSW have been developed.
- The reform plans have been discussed, disseminated to the officials of the relevant line ministries, FD, developing partners and stake holders.
- FD, the relevant LMs and other key actors have agreed to implement the proposed reform plans.
- MoWCA and MoSW have already may gear up implementing the reform plans.

Way Forward-

- FD and LMs to follow up implementation of the reform plan

Consolidation: Convergence to Child Benefit Program

Merger of Maternity Allowance and Lactating Mother's Allowance

Both program have same objectives: Total 9.5 Lac Beneficiaries, Annual budget 941 crore taka, Three year entitlement (1000 days), Monthly Benefit 850 Taka

Reform Plan : Merger of MA & LMA, Improved program Design, Implementation, Payment, HR, Fund, Payment, MIS etc.

Eligible beneficiaries : Coverage near to all the poor mothers (8-16 lac; 1st-2nd pregnancy)

Beneficiary Selection: Twice or more in a year

Eligibility Criteria: Income criteria update and PMT or NHD Database

Payment to Beneficiaries: Monthly payment, Amount (850 tk.) near to cost of estimated Calorie intake (2318 K Cal)

MIS for Improved efficiency and effectiveness

Complementary training, awareness and primary health services need reform.

FWAs, FWVs, other union and upazila officers may be engaged for selection, training on maternal & child health

Consolidation: Convergence to Child Benefit Program (contd.) Coordination b/w unified MALMA and Maternity Health Voucher Scheme (MHVS), Income Support Program for the Poor (ISPP)

Maternity Health Voucher Scheme (MHVS), Health Services Division

- ▶ Vouchers to obtain three ANC visits/ appointment, safe delivery and PNC
- ▶ Travel costs (up to 5 trips) and cash incentive for safe delivery either in facility or home
- ▶ Coverage- 53 upazilas

Diagnostic Study recommendations:

- ▶ Timeliness of payment through mobile accounts
- ▶ Communications, awareness
- ▶ Geographical targeting -selecting poorest upazila and then coverage of first and second pregnancies
- ▶ Can be scaled up in other upazilas
- ▶ Cost will be reduced and impact will be significant if coordinated with MALMA

Income Support Program for the Poor (ISPP), Local Government Division

Similar to MA, LMA, monthly cash transfer, complementary health care services

Budget: 432 crore taka, Coverage : selected upazilas based on poverty, vulnerability

Targeting: Based on poverty score of National Household Database

Program lessons incorporate in unified MALMA (new Child Benefit) Program of NSSS

Consolidation Issue: Old Age and Widow Allowance

- ▶ OAA: Total beneficiary 40 lac, (male 65+, female 62+) Budget 2400 crore,
- ▶ Widow Allowance Beneficiary 14 lac Budget 840 crore Benefit amount same for both the program

Diagnostic Study and Reform Plan

- ▶ 81% of OAA and 78% of WA beneficiaries fall in upper poverty line which means poverty targeting approach working to some extent
- ▶ Age ascertain in OAA - mistargeting by age problematic, but includes needy household
- ▶ No. of people 65+ years will be double in 20 years, 17 million in 2035 from present 8 million
- ▶ Poverty and vulnerability of old people high. At present, 50% covered by tax funded OAA. Yearly expansion of coverage is approaching to the deserving poor,

Consolidation Issue: Old Age and Widow Allowance (contd.)

- ▶ Widow & Destitute Women Allowance: 22% of beneficiary households do not contain a widow and **36% beneficiary ineligible either on the widowhood or income criteria or both**. Perception of life long benefit is major obstacle in selection
- ▶ Lack of certification, deregistration, remarriage
- ▶ Women aged 62+ may be transferred to Old age program. Uniform treatment for old women
- ▶ Women below 62 years may be enrolled in the NSSS proposed new Vulnerable Women's Benefit (VWB) program. They actually fall in working age cycle.
- ▶ This portion should be implemented in coordination with VGD and many other skill development schemes

Impact of Diagnostic Studies

- **Enhanced the 'Evidence Base'** for making allocation decisions for Social Protection schemes
- **Future Budgets and Planning** may be drawn up based on the evidence created by the **Operational and Financial Analysis** of the Diagnostic Studies
- LMS have already started implementing a recommendations of the diagnostic studies.
 - **MoHFW** have used the recommendations of the diagnostic study on DSF-MHVS programme in **developing their 5-year operational plan.**
 - **MoPME** has used the recommendation of the diagnostic study for **transferring the PESP database** from vendor to project and **hosting it at BCC**. It is also in the process of **linking the PESP database to that of SPBMU and use it for G2P**
 - **MoE** has **developed the MIS, hosted it at the BCC** and transferred the SESP database from the vendor to their directorate on the basis of the recommendation of the diagnostic study
 - **MoWCA** has initiated the **process of merging MA and LMA Schemes** in line with the recommendation of the diagnostic study. MoWCA has also Initiated **Improved Maternity and lactating Mother Allowance (IMLMA) with WFP** on the basis of Diagnostic Study by SPFMSP
 - **MoSW** initiated the process of **strengthening their monitoring and reorganising their administrative setup** in line with the recommendation of the diagnostic study on OAA HDDWWA.

IV. Capacity Building

I. Capacity is build and officials are trained on designing social protection policy and strategy, programme implementation and benefit delivery systems and advises the GoB on a sustainable programme of capacity building and training

II. National Courses

- 7 national courses have been conducted on Social Protection Public Financial Management (SP-PFM).
- 301 GoB officials of FD, relevant LMs, departments/directorates were trained against a target of 280.

II. Global Courses

- 34 GoB officials sent to 4 courses on social protection

III. Study Tours

- Three study tours to India, Kenya and Indonesia were organized for 26 officials of FD and 6 LMs.

Institutionalization

- To institutionalise, 4 institutions agreed to include the training courses on SP-PFM as part of their regular training programme
 - Institute of Public Finance (IPF),
 - National Academy for Primary Education (NAPE),
 - National Academy for Education Management (NAEM), and
 - National Academy for Social Services (NASS)
- To facilitate institutionalisation, existing trainers and other officials of those institutes are being trained and customised course content and layout developed by the Project are being delivered to them.
 - 73 officials belonging to 2 training institutes (NAPE & NAEM) have already been trained
 - Training for other institutes (IPF, NASS and DWA training centre) is being organised

Way Forward

- FD and LMs / Directorates to follow up and further consolidate the process of institutionalisation

V. Conclusion

-Way forward for an inclusive social security system for all deserving citizen

- ▶ Graduation from LDC Status and Free From Poverty
- ▶ Social Allowance for life cycle programs- coverage of Child benefit for young children, tax-financed old age allowance, disability allowance and disability stipends, School Stipend are near to all prospective targets or beneficiaries
- ▶ Reforms in program design, update eligibility criteria
- ▶ Selection process improvement, removal of inclusion error, use of IT and NID verification, proxy mean testing, poverty score and National Household Database
- ▶ Use of complementarity with two or more programs to attain multiple objectives
- ▶ Establish Management Information System (MIS) and use in program implementation
- ▶ Sub allocation to the geographic area- Zila or Upazila taking in to consideration of poverty situation (considerable variation in poverty rate among districts, HIES, 2016)
- ▶ Building capacity, adequate human resources, Expand TO&E for core program, IT staff.
- ▶ Supervision and Monitoring & Evaluation

Thank You

আমি এখন খুবই খুশি,
টাকা তুলতে এতো দূরে
ব্যাংকে যেতে হবে না,
লাইনেও দাঁড়াতে হবে না।
ফাতেমা আক্তার
ভৈরব, কিশোরগঞ্জ

মোবাইলে টাকা পাওয়া
এখন অনেক সহজ
এবং নিরাপদ।
মিনা বিশ্বাস
টুকিপাড়া, গোপালগঞ্জ

মোবাইলে টাকা পাওয়া
যে কতো সহজ,
তা আমি এখন বুঝছি।
কোহিনুর আক্তার
সোনারশাঁও, নারায়ণগঞ্জ

আমি এখন নিশ্চিত,
টাকা তুলতে বাচ্চাকে রেখে
আর ব্যাংকে যেতে হবে না।
আশরাফি আক্তার
শ্রীনগর, মুন্সিগঞ্জ