Government of the People's Republic of Bangladesh
Bangladesh Planning Commission
General Economics Division

Subject: Minutes of the 6th Meeting of NSSS Monitoring and Evaluation Committee.

Date   :   20 May 2019
Time   :   11.00 AM – 1.00 PM
Venue   :   IMED meeting Room, Planning Commission, Sher-e-Bangla
                    Nagar, Dhaka
Chairperson   :   Md. Mafidul Islam, Chief, General Economics Division (GED), Bangladesh
                    Planning Commission
Participants   :   Appendix – A

The chairperson inaugurated the meeting with a note of heartiest welcome to the participants, followed by a round of self-introduction. The chair then thanked the members of the Monitoring and Evaluation (M&E) Committee for their contribution in overseeing the implementation progress of the National Social Security Strategy (NSSS).

2.   Being enquired by the Chair, the National Project Director of the SSPS Programme informed that the main agenda of the meeting was to share and discuss study findings of three studies as contracted out to the South Asian Network on Economic Modeling (SANEM). The studies were: a) Cost-Benefit Ratio Study on Effects of Social Protection Cash Transfer; b) Implication of Changing Demographics and Effects on Social Protection in Bangladesh; and c) Long-Term Effect of Livelihood Promotion Types of Social Security Programmes.

3.   The chair requested the representative of SANEM, to make brief presentations on the findings of the assigned studies. He also requested the members of the committee to actively take part in the discussion, ask relevant questions for clarification, and provide feedback on the study findings. Dr. Bazlul Haque Khondker, Chairman, SANEM presented the findings of the three studies.

PRESENTATIONS

Cost-Benefit Ratio Study on Effects of Social Protection Cash Transfer.

4.   **Synopsis of the Presentation**: The overall objective of the study is to examine the implications of Bangladesh's changing demographic pattern on the upcoming social protection programmes. It also intends to assess how the upcoming change in youth population base and shifting age composition affect the demand and supply sides of social protection. The study evolves upon the following research questions: how the changing demographics in Bangladesh has been affecting the Government's financial, operational, and programmatic responsibilities in relation to social security; what effect the changing demographics does have on the nature of upcoming social security programmes; and whether the current portfolio of programmes will meet the needs of the people.

2.   The presenter briefed on the study methodology which included desk review and key informant interviews with relevant officials from related ministries/institutions and development partners. The demographic projections of different data sets, including those of the HIES 2010 and 2016 was used for collecting demand side data. For assessing the status of the supply side, the research would resort to the data of social protection budget of Finance Division. Targeting methods adopted for beneficiary selection based mainly on the poverty profile. A mapping scheme linking the social protection schemes and six age-specific groups were used to estimate the supply side.

3.   For comparative assessment, two important comparison criteria were used; beneficiary coverage and resource allocation. In a study for the World Bank, Grosh et al (2008) had identified seven indicators/features as elements of a 'good social protection system'. This study followed these indicators (where feasible) for the comparative assessment. Also, the study team used simplified costing model using beneficiary coverage; monthly value of benefit and consumer price index.

4.   The presenter explained the evolution of rates of birth, death and natural increase, 1901-2011 in Bangladesh. The demographic transition model used to charaterised demographic transition in Bangladesh during the 11 decades (i.e. 1901 to 2011). It composed of **four stages** based on the birth and death rates as well as the underlying population growth rates. Based on these three features, Bangladesh's transition remain *incomplete* as the population growth rate remains higher than the 1 percent threshold until 2011.

5.   The study team also covered presented age composition of three broad categories (children, working age and old age). They found that the share of children rose to the peak of 48 % in 1974 before starting to decline. In 2011, children share has fallen to 34.7 %. Share of working age population had a bumpy ride – it increased till 1941, fell between 1941 to 1974 and then increased thereafter. Working age group's lowest point is at around 1974 with 46.3 %. The share increased to 59.1 % in 2011. The share of old age population has increased steadily over the transition period, rising from 4.4 percent in 1911 to 7.5 percent in 2011. The population pyramid also showed these changing dynamics between 0-14 years of age.

6.   Team leader presented the population projections by BBS and UNFPA and he mentioned that the most important element for any population projection is the assumption regarding the pattern of future age-specific fertility. In general, three variants are considered for these projections: Low, Medium & High. The study team used BBS one for their projection. UNFPA fertility assumptions are different than the BBS assumptions – resulting in variation in population sizes under the two projections. The presenter also showed projections of the number of children, school age children, youth, working age and old age. The projection findings showed that there will be more old age people in 2051 and the presenter mentioned it was a food for thought whether Bangladesh was ready for these changing population in future.

7.   The study team explored the implications of changing population structures. Demographic dynamic impacts economy and society via the labour market. In Bangladesh, the working age population increased by around 2.1 million persons per year over the last decade (i.e. 2000 to 2010) - implying an average rate of growth of 2.5 % per year – significantly higher than population growth rate of 1.4 %. On the other hand, the rate of growth of economically active population was even higher at 3.3 % per year – mainly due to the rapid increase in the participation of female workforce. Internal migration between rural and urban and across regions would be affected in future. According census 2011, urban population comprised 28 %. The pace of urbanization will increase, and according to UN projections, all population increase is likely to be in urban areas from now on. Dhaka will continue to dominate Bangladesh's urban hierarchy and population could reach 27 million by 2030 an increase of 86 % over the population in 2010.

8.   The team leader presented that demographic targeting- by age or gender is a common form of targeting and has been adopted in different countries. The basic idea of demographic targeting is simply to select groups defined by easily observed characteristics such as the old, the young, or female-headed households to make them eligible for some sort of benefit. Beneficiary coverage may range from universal to categorical. Our life cycle-based approach in NSSS also approximately coincide with this concept.

9.   The study team also conducted Key Informants Interviews (KII) and they were asked questions on three issues,

        a.   Main considerations in designing SP schemes
        b.   Main impacts of changing population structure
        c.   Best Suited Approach for Beneficiary Selection

Findings showed that 36% of the responses consider that reducing poverty should be the main consideration in designing SP schemes, 34% of them consider main impact of changing population structure would be on labour market and productivity and 67% opinioned that means-tested (targeting programme) approach would be best suited approach for beneficiaries selection.

10.   Afterwards, the study team presented demand side population differences for age groups between 2010 and 2016. The presenter also compared age specific poverty and vulnerability between 2010 and 2016. He also presented coverage and required resources based on the demand. The findings shows that beneficiaries coverage decreased form 30.4% to 24.5% due to decreased rate of poverty between 2010 and 2016. Using actual transfer amount, it was shown that annual resource decreased from 5.52 million BDT (as percentage of GDP) to 2.06 million BDT (as percentage of GDP). The study also showed another scenario when same amount (300 BDT) would have transferred. The study team also presented demand side key observations on Changing population between 2010 and 2016 (mil persons), Decline in beneficiaries between 2010 and 2016 (Mil Persons) and Resource requirements (% of GDP).

11.   About supply side, the study has segregated the findings into two groups; age based and non-age based group for both 2010 and 2016. In 2010, major part of SP budget (i.e. 64% of total allocation) allocated for age-based schemes. Allocation for non-age scheme were 36%. In the case of school age scheme 6 % of allocation was spent for almost 14 % of the beneficiary – implying a very small amount transfer under the scheme. While in the case of old age 45 % of the allocation was used to cover 30 % of the total beneficiary. Whereas in 2016, major part of SP budget (i.e. 73% of total allocation) allocated for age-based schemes. Allocation for non-age scheme were 27%. In the case of school age scheme 8.4 % of allocation is spent for almost 29 % of the beneficiary – implying a very small amount transfer under the scheme. While in the case of old age 58 % of the allocation was used to cover 23 % of the total beneficiary. Also, Age-based schemes experienced a growth rate almost 84 %. The highest change can be seen in youth based programmes (500% increased).

12.   Afterwards, the presenter discussed on demand supply gaps. Estimated total beneficiaries for 2010 using age-specific populations and poverty rates was 45.4 million. Total number of beneficiaries covered in 2010 was 11.6 million implying a coverage gap of 33.8 million.

Coverage gap in 2010 as % of estimated total beneficiaries from demand side was 75 %. The highest coverage gap was found with Youth (i.e. 7.6 million) and followed by working age population (i.e. 6.3 million). Similar to the pattern observed in 2010, there is no coverage gap for old age group – there is a surplus for this group. The size of surplus increased from 0.5 million to 2.3 million.

13.   The programmes were evaluated based on World Bank criteria that the presenter mentioned at the methodology section. Findings suggested that demand for programmes for school age, children and youth should be reduced. SANEM suggested two packages for beneficiaries, transfer amount and long-term costs. Their analysis also showed that major cost will be for old age and working age programmes in 2050.

14.   This study recommended to embrace mixed approach for universal child allowance or multi-tiered benefit tested child grant. They presented cases from Argentina on mixed approach for universal child allowance. The study team recommended programmes for youth and working age such as insurance for working age. The team leader mentioned here that decreased in poverty rate not necessarily decreased social benefit. He suggested to inaugurate programmes for the elderly, contributory pension schemes need to be introduced to complement the social pension schemes. He mentioned about Kenya model as well regarding this. Lastly, he mentioned that there should be universal programme for person with disability. This benefit should start from the child age.

Inception report on the Midterm Review of the NSSS Implementation by Mr. Dr. M A Razzaqu, Research Director, and Policy Research Institute (PRI) Bangladesh.

2.   **Synopsis of the Presentation**: The NSSS was approved in the middle of 2015 and on-going reforms have been taking place since. The NSSS is considered as the bible of the social protection of the country to reform the existing social safety nets and security programme with other mandates on social security. It's very important to evaluate the progress of the NSSS action plan on a qualitative and comprehensive manner to track the progress. The Social security programme portfolio has increased manifolds in terms of number of beneficiaries and amount of funds disbursed currently in 114 schemes implemented through by 30+ ministries and divisions which is costing 2% of GDP more than 13% of the government budget for addressing poverty and vulnerability. According to the ToR the objective of the midterm review is to assess reforms in different ministries and divisions, performance and achievements to date, review of gender perspective, assess reforms through the lens of those with disabilities, analysis institutional arrangements, small programme consolidation progress, progress of the action plan and review

of issues crucial to NSSS. The study is generally qualitative in nature. It will assess the progress achieved to date as against the NSSS intended timeline against the action plan intended activities, mapping NSSS reforms on to the action plan, programme specific ministry level updates, and some quantitative data work from programme level information and HIES 2016. The study will review the reports, the NSSS and its action plan, NSSS gender policy, NSSS Background papers, 7FYP and Mid-term Implementation Review of 7FYP; 6FYP and Final review of 6FYP, reports produced under other projects conducted by Ministry of Finance, GED, SPPS and other reports. It also has used Key data sources like HIES 2016, BIHS 2015, data, KIIs from the relevant stakeholders. The evaluation report will have seven as Chapter 1: Introduction, Chapter 2: Methodology, Chapter 3: An evolution of SSP and Bangladesh's NSSS, Chapter 4: NSSS reforms, performance and challenges, Chapter 5: Social Protection for people with disabilities, Chapter 6: NSSS Review from Gender perspective, Chapter 7: Institutional arrangements and M&E. As a summary of methodological approaches, the evaluation includes Analysis of NSSS target indicators and Action Plan, Information from KIIs, Use of concrete data as available, initial draft report, Final report towards the implementation Review of the NSSS action plan.

DISCUSSION

The Chair requested the participants for their comments and queries.

3.   Additional Secretary, Finance Division: The research methodology and impetus of the study is well designed, and it has covered all the vital sections in terms of the policy evaluation. Most importantly the study has reviewed all necessary documents and data sources for its analysis. The study has also emphasized on the diversifications and multi-dimensional aspects of data selection which is crucial for further decision making and policy recommendation on the NSSS action plan. The evaluation should have specific recommendations on the barriers of accessing social protection programmes for the poor and marginalized.

4.   Director General, IMED: IMED monitors all projects including the Social Security Policy Support (SSPS) Programme. IMED would require for the findings and results of the study thus the study should consider the detail address with contact numbers in KIIs and other data collection questionnaires from the respective ministries and divisions that will help to further monitor and recheck the data information of the studies.

5.   Member Senior Secretary, General Economics Division: According to the background research on the NSSS, 27% of the populations are getting social protection benefits. As implementation of the NSSS was started in June 2015, does it contribute to making difference of the number/rate of social protection beneficiary because of the NSS implementation?

6.   Director, Policy Research Institute (PRI): He responded to the Chair and Member (Senior Secretary), General Economics Division that the study has used the data and information of BIES-2015 and HIES -2016 survey so the study will show the number/rate of that time. More specifically, as there was no baseline survey, the study cannot show the changed rate of the social protection beneficiary cause by the NSSS implementation. He also added that the study mainly focused on the research question that was mentioned in the ToR which is to find out the impact of the NSSS on the social protection beneficiary.

7.   Social Protection Specialist (Deputy Secretary), SSPS programme: Added that the Study is showing that eligible population rate is 48% which is almost matched with data used in the NSSS. He said NSSS mentioned 46% according to the statistics of year of 2013/2014 and poverty rate was higher than before during drafting period of the NSSS. He said the NSSS also emphasized to consider the near poor as eligible. He also mentioned that total 25% of the total population is in the below near/vulnerability line that should be consider eligible for the social protection. Thus, the preliminary survey of PRI shows that the rate of eligible beneficiaries is even higher than the NSSS estimation around 4 years back. Therefore, he suggested that the data should be used carefully to avoid any unnecessary debate or controversy.

8.   Director General, IMED: He said the recently we have received the progress report of the SDG which should be considered in the document review for the study.

9.   Additional Secretary, (Reforms and Coordination) Cabinet Division: The NSSS is consider as the key resource and guideline for all social protection programmes. If we get strong recommendations from the study, it would be an asset for further review and reformations in for the NSSS as well as for the decision and policy making on social protection.

10.   **Member Senior Secretary, General Economics Division:** Ensuring the presence of senior researchers of SANEM, another round of meeting might be called to share the inception reports on the remaining researches to be conducted.

DECISION

11.   After elaborate discussion the following decisions were made:

    A. One more meeting will be held on the same agenda to share the research methodologies and inception reports on the studies of the SSPS programme. SANEM will share their inception reports and brief presentations on the research methodologies in next meeting with participation from the senior management and/or researches of the organization.

                                       (Md. Mafidul Islam)
                                                Chief
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Appendix "A"

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