



Journey Towards an Equitable Society



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SOCIAL PROTECTION BUDGET IN FY 2025–26



Social Protection Budget Analysis

Prepared by

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About the Report

This document has been prepared by the Social Security Policy Support Programme (SSPS) to provide a detailed analysis of the FY 2025–26 Social Protection Budget of Bangladesh. The report seeks to deepen understanding of the fiscal dimensions of social protection by examining the scope, composition, and allocation patterns of current programmes, and by identifying policy directions, gaps, and opportunities for strengthening the system. It has compared a few budgetary trends and shifts, while comparing mostly with the FY 2024–25 proposed budget with the FY 2025–26 proposed budget.

Social protection has become an increasingly prominent element of national development planning in Bangladesh. In the face of persistent poverty, inequality, demographic transition, and climate vulnerability, social protection offers a critical pathway to promote human development, resilience, and inclusive economic growth. The government has consistently increased investment in this area over the past decade, and the FY 2025–26 budget reflects a continued commitment to these goals.

Social security in Bangladesh encompasses a wide range of initiatives—including social assistance, social insurance, labour market programmes, and care services—delivered through multiple ministries and agencies. These programmes target various population groups, including the elderly, persons with disabilities, children, low-income households, and those affected by economic or environmental shocks. The current approach is guided by the National Social Security Strategy (NSSS), which outlines a lifecycle-based model of protection and emphasizes improved delivery mechanisms and accountability systems.

This year’s national budget, amounting to BDT 7,90,000 crore, includes a total allocation of BDT 1,16,731 crore (approximately USD 9.57 billion) for social protection, representing 14.78% of the total budget and around 1.87% of GDP

[Conversion calculated at \$1 = BDT 122 (as per exchange rate on 9 July 2025). This continued prioritization signals the importance of social protection in achieving a wide range of development objectives, from poverty alleviation and food security to education, health, social inclusion, and gender equity.

The FY 2025–26 budget is also notable for several strategic and structural developments. These include the consolidation of social protection programmes—reduced from 140 in the previous fiscal year to 95 this year—to improve efficiency and coherence; the further digitization of delivery systems, such as expanded use of Government-to-Person (G2P) payments and the Dynamic Single Registry; and a continued shift toward cash-based assistance and graduation approaches that combine financial support with skills development and livelihood promotion.

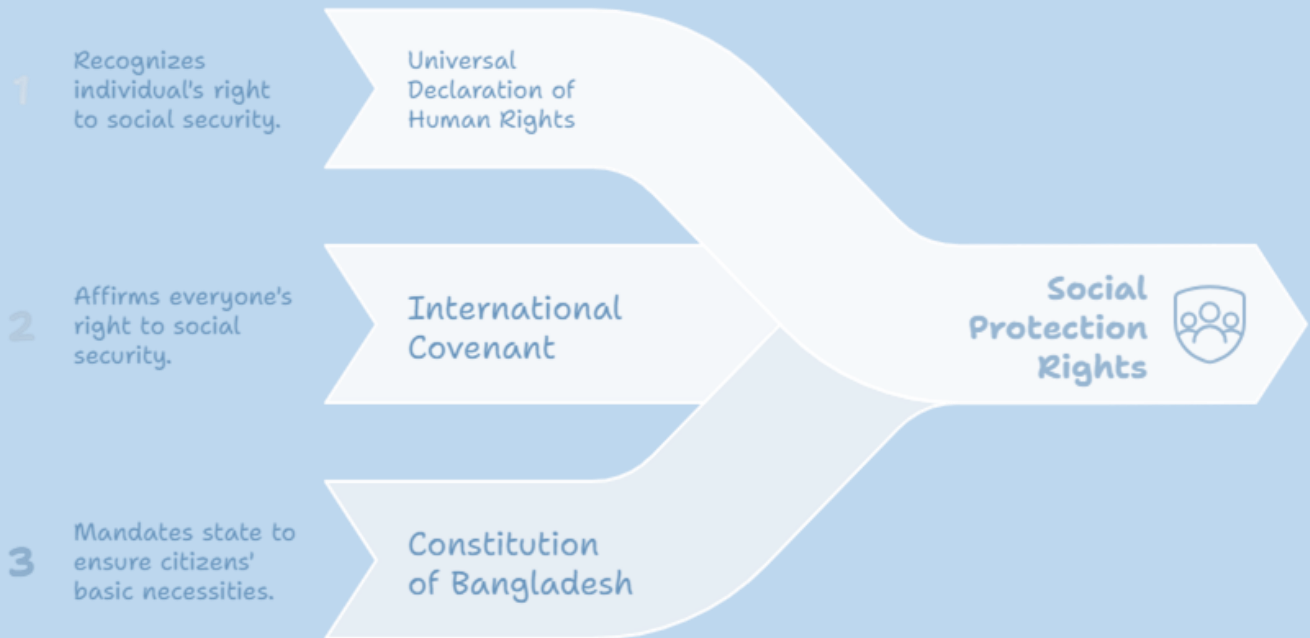
This report analyses these developments in detail. It explores how the current budget is aligned with the NSSS vision, assesses the functional and lifecycle distribution of resources, and examines the implications for key target groups. The analysis also considers the impact of inflationary pressures, urban-rural disparities, and inclusion errors that continue to affect programme effectiveness.

Through this document, the SSPS aims to contribute to a more transparent, evidence-based understanding of Bangladesh’s social protection financing landscape. The insights presented here are intended to inform future policy formulation, resource allocation, and programme design, while supporting national efforts to build a more inclusive, equitable, and resilient social security system.

Foundations for Social Protection



Global and National Social Protection Frameworks



Bangladesh's commitment to social protection is rooted in both international law and its own constitutional framework. Article 22 of the Universal Declaration of Human Rights affirms the right of every person to social security as essential to dignity and personal development. Similarly, Article 9 of the International Covenant on Economic, Social and Cultural Rights guarantees the right to social insurance. These global obligations align with Article 15(d) of the Constitution of Bangladesh, which mandates the state to ensure basic needs for its people and promote improved living standards through planned economic growth. Together, these frameworks emphasize that social protection is not charity—but a guaranteed right.

Foundations of Bangladesh's Social Protection System



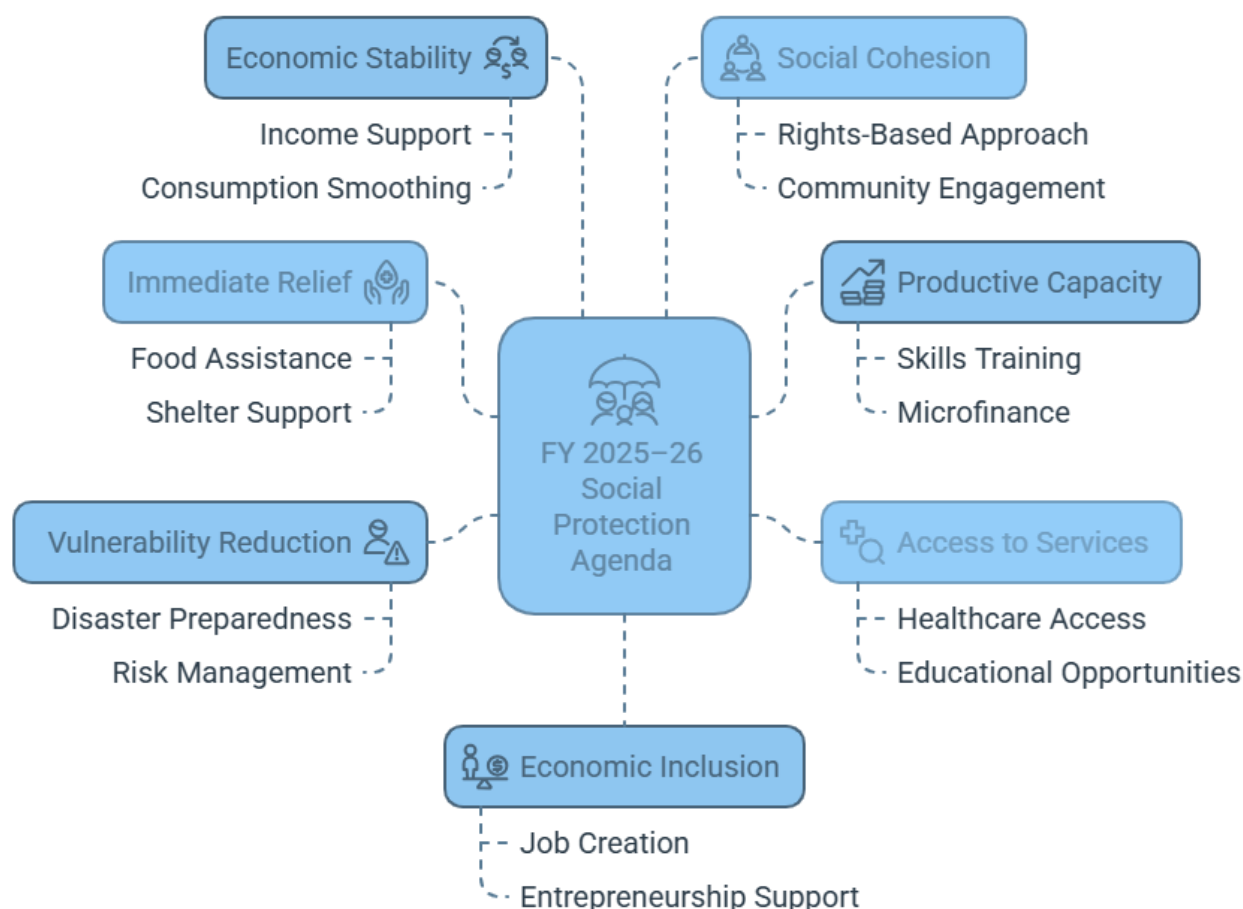


INCLUSIVE SPENDING

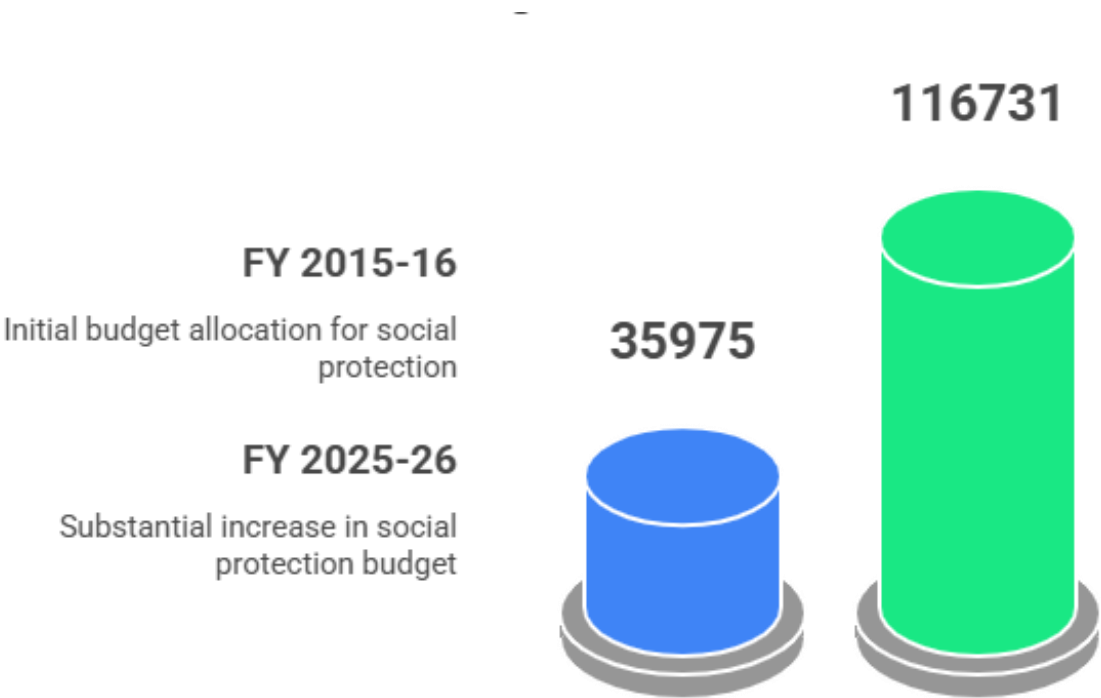


The Government of Bangladesh has proposed a national budget of BDT 7,90,000 crore (approximately USD 67.52 billion) for FY 2025–26, placing social protection at the heart of its development strategy. Framed as both a fundamental human right and a strategic tool to eradicate poverty, social protection has received growing attention over the last decade. The budget for social protection has increased significantly—from BDT 35,975 crore in FY 2015–16 to BDT 1,16,731 crore in FY 2025–26 (approximately USD 9.98 billion), representing a 3.27-fold increase. This now accounts for 14.78% of the national budget and about 1.87% of the country’s GDP. This sustained expansion reflects a deeper commitment to social equity, resilience, and inclusive development. The Social Security Budget Report for FY 2025–26, titled "Journey Towards an Equitable Society", highlights these priorities.

FY 2025–26 Social Protection Agenda



Growth of Social Protection Budget (In Crore)



Budget Increase

3.27-fold increase in budget



GDP Percentage

1.87% of the GDP

National Budget

14.78% of national budget

Consolidation of the Social Protection Programmes



In line with the National Social Security Strategy (NSSS), the government has streamlined its social protection system. The number of programmes has been reduced from 140 in FY 2024–25 to 95 in FY 2025–26, improving efficiency and reducing duplication. This consolidation prioritizes lifecycle-based programmes with strong safety net functions. The NSSS provides the overarching framework for these reforms. It emphasizes three strategic pillars: a lifecycle risk approach, digital government-to-person (G2P) delivery systems, and robust monitoring and evaluation. Special attention is given to women, persons with disabilities, and other marginalized populations, aligning programme goals with principles of inclusion and equity.

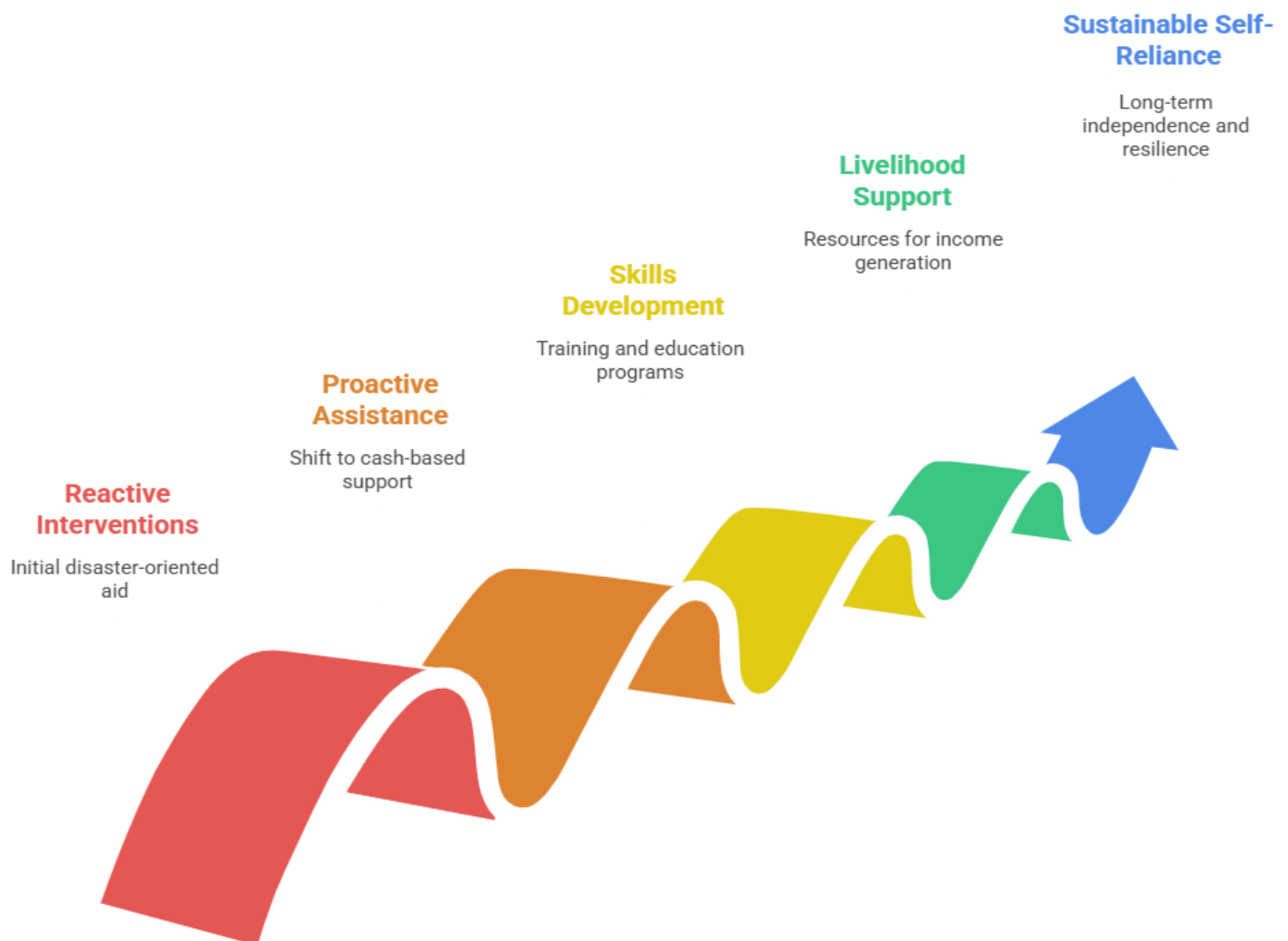


JOURNEY TOWARDS AN EQUITABLE SOCIETY

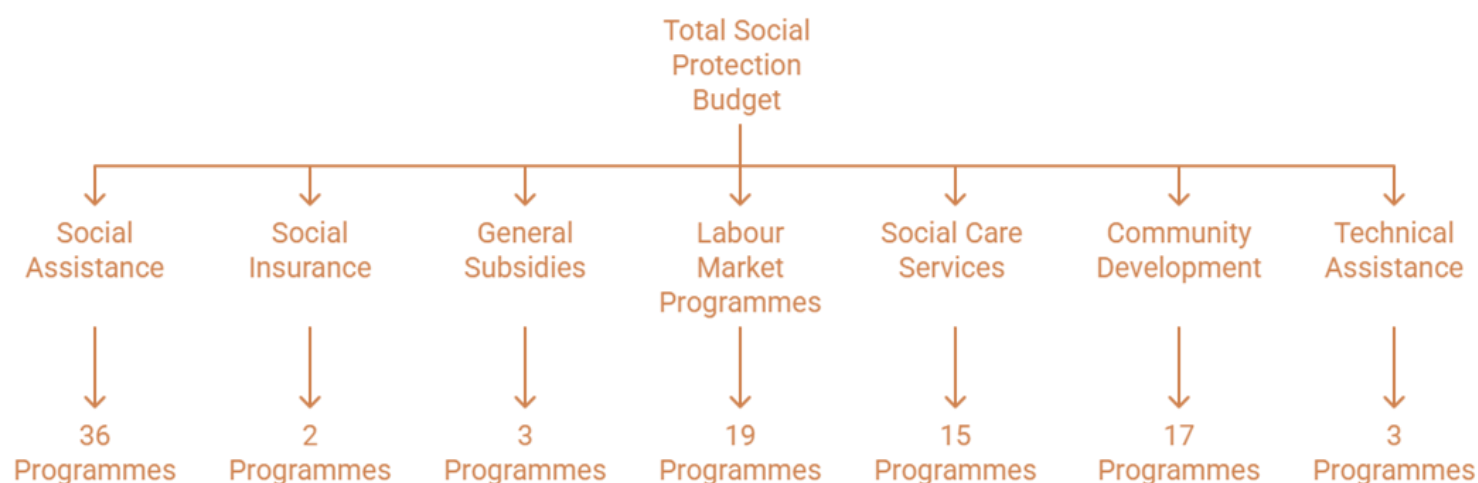
Shifts from Reactive Interventions to Sustainable Resilience

The FY 2025–26 social protection agenda pursues multiple, interlinked objectives. It aims to provide immediate relief to deprived populations while also enhancing their productive capacity. It focuses on improving access to education, health, and nutrition, reducing vulnerability to shocks, and ensuring smoother consumption patterns.

The broader vision is to foster income redistribution, encourage labour market participation, and build social cohesion under a rights-based social contract. There is a noticeable shift from reactive responses to disasters toward proactive, cash-based support systems that promote self-reliance through skills training and livelihood development.



Allocation by Programme Type and Function (Function (Category))



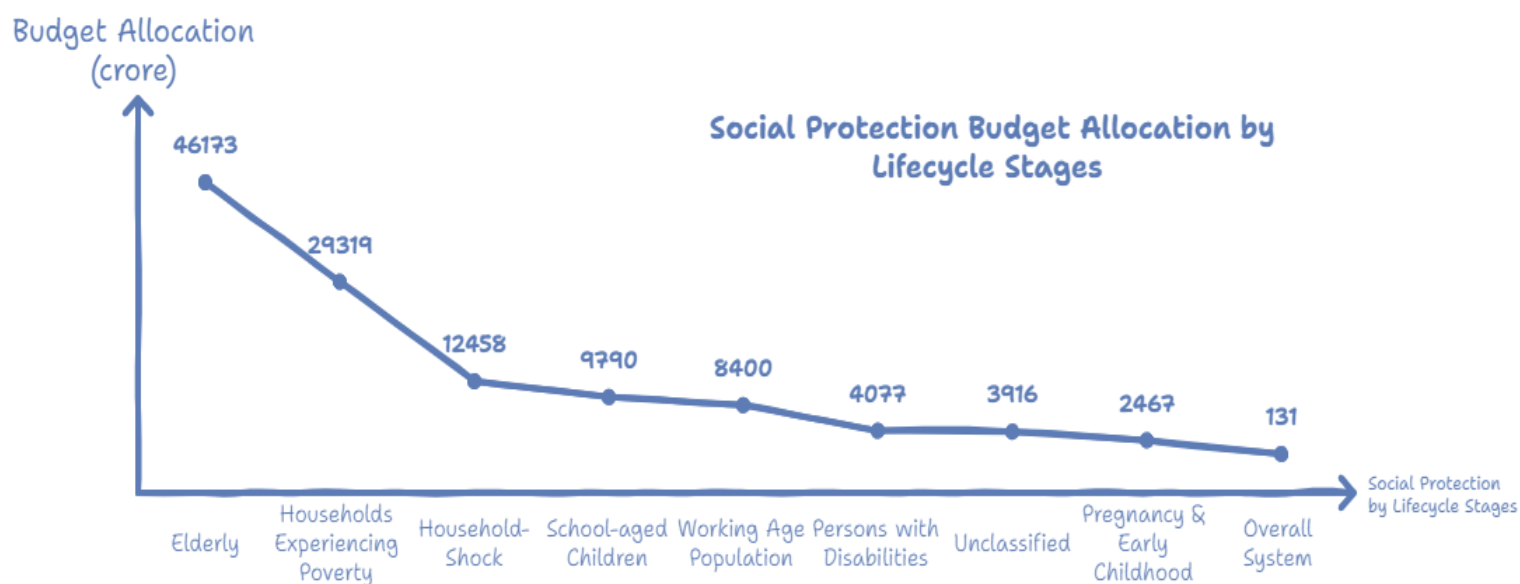
The total social protection budget of BDT 1,16,731 crore (USD 9.57 billion) has been allocated across seven major categories. Social assistance programmes receive the largest share, with 36 initiatives accounting for BDT 47,597 crore. These include direct income transfers and basic relief. Social insurance, mainly covering pensions for government retirees, receives BDT 35,434 crore through just two programmes—indicating their large fiscal footprint.

General subsidies such as food and fuel price supports are funded at BDT 24,965 crore, while labour market programmes aimed at skills and employment receive BDT 4,171 crore across 19 initiatives. Social care services, community development, and technical assistance are allocated BDT 2,327 crore, BDT 2,013 crore, and BDT 223 crore respectively. This functional breakdown reflects a strategic focus on basic income support, labour market inclusion, and system strengthening.

Life-Cycle Wise Allocations

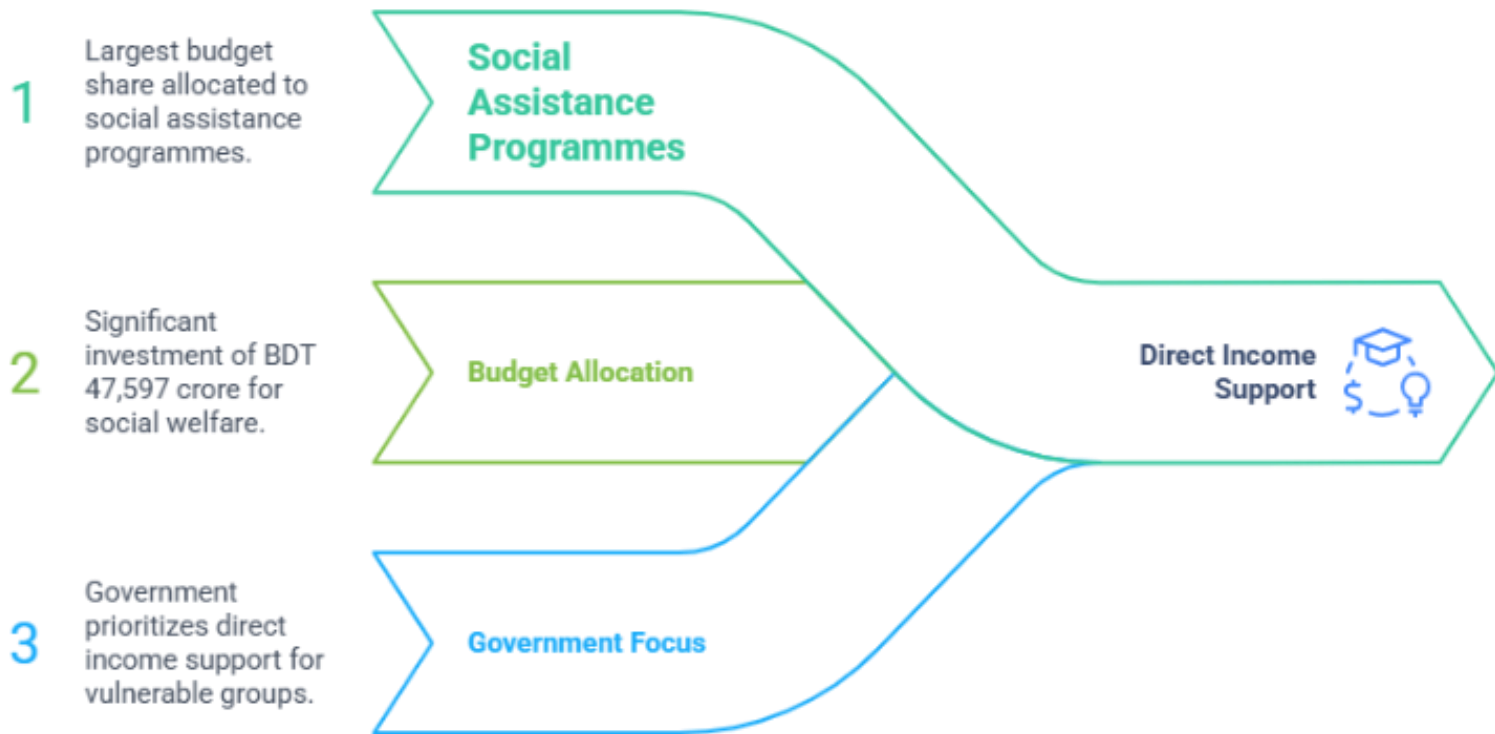
This budget reflects a clear lifecycle-based approach, with resources distributed across different stages of life and population groups. Elderly citizens receive the highest allocation—BDT 46,173 crore through seven programmes—highlighting a growing focus on old-age care. Households in poverty are supported by 19 programmes receiving BDT 29,319 crore, while those facing economic or environmental shocks receive BDT 12,458 crore across 14 programmes.

School-aged children benefit from nine programmes with BDT 9,790 crore, supporting their education and nutrition. The working-age population is supported with BDT 8,400 crore through 23 programmes promoting skills and job creation. Persons with disabilities receive BDT 4,077 crore via 10 tailored programmes. Pregnant women and young children are served through four programmes with BDT 2,467 crore, emphasizing early development. An additional BDT 3,916 crore supports cross-cutting initiatives, and a final BDT 131 crore is allocated to system-wide infrastructure.

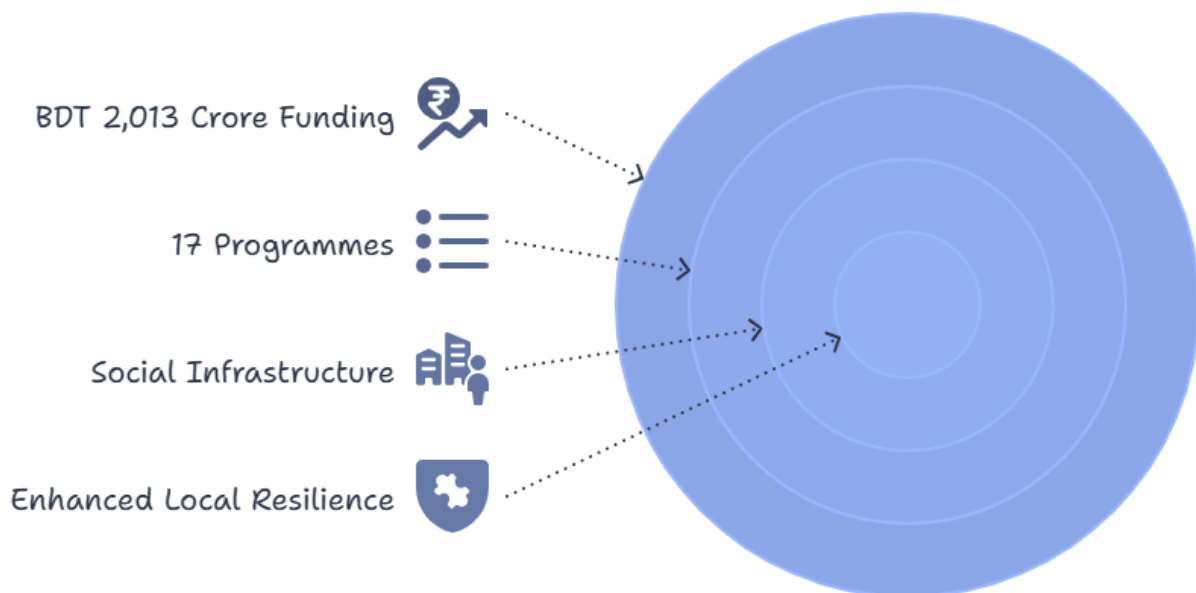


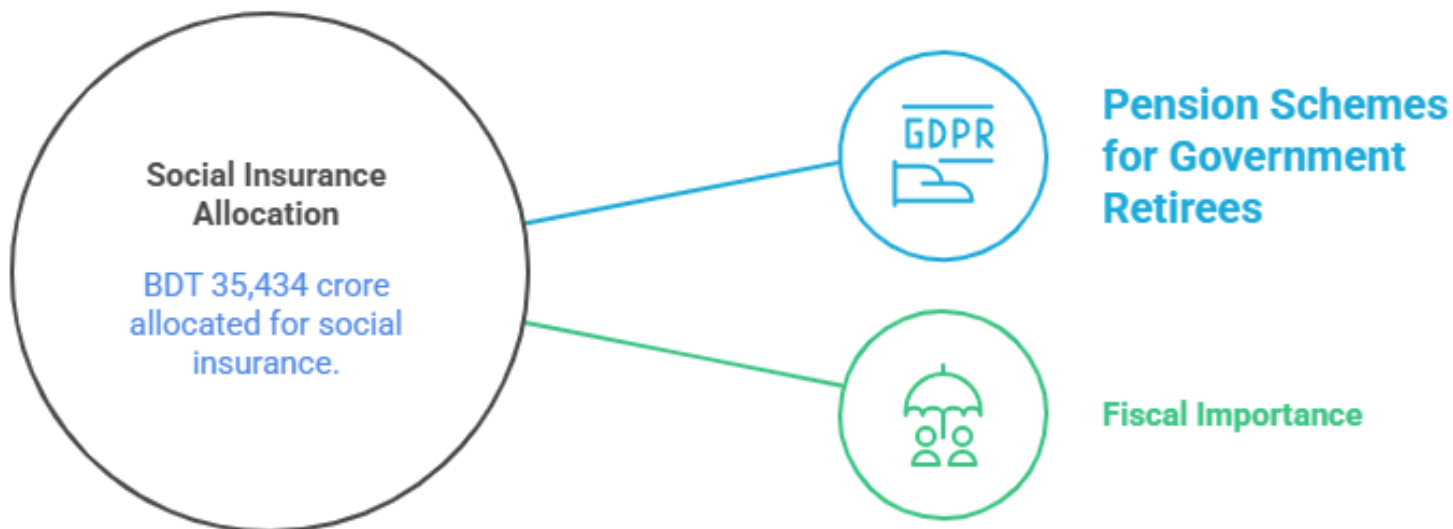
KEY HIGHLIGHTS



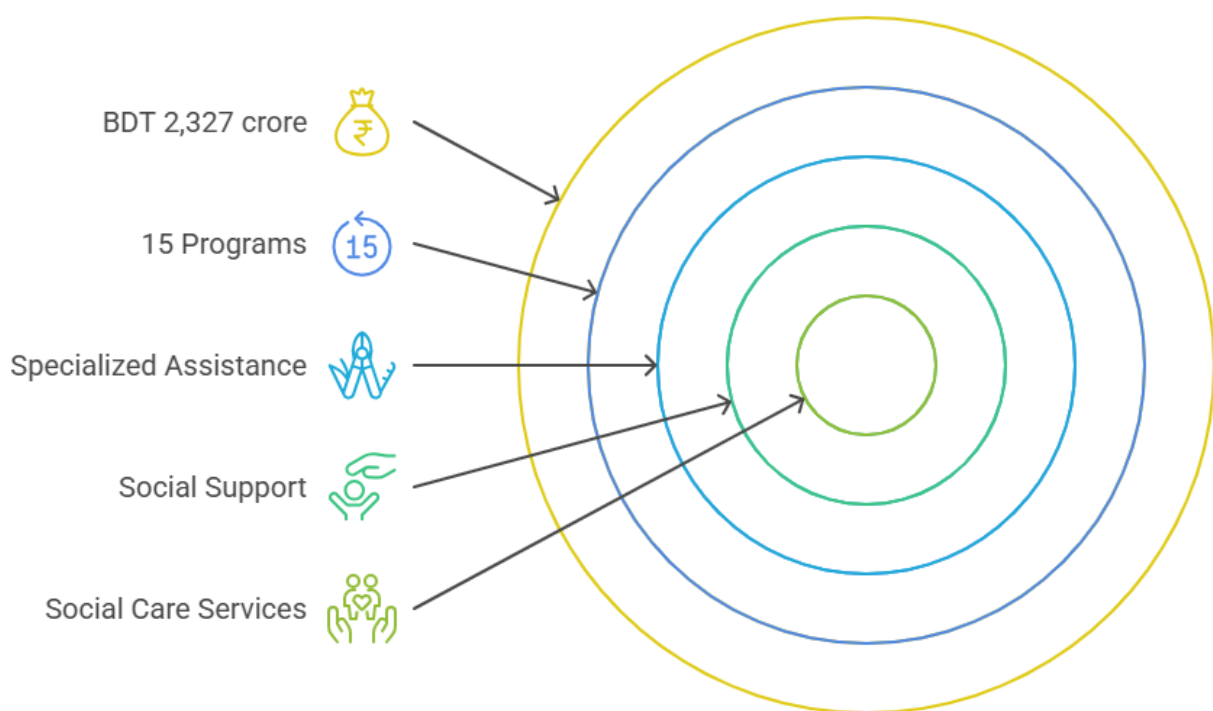


Allocation for Community Development Programmes

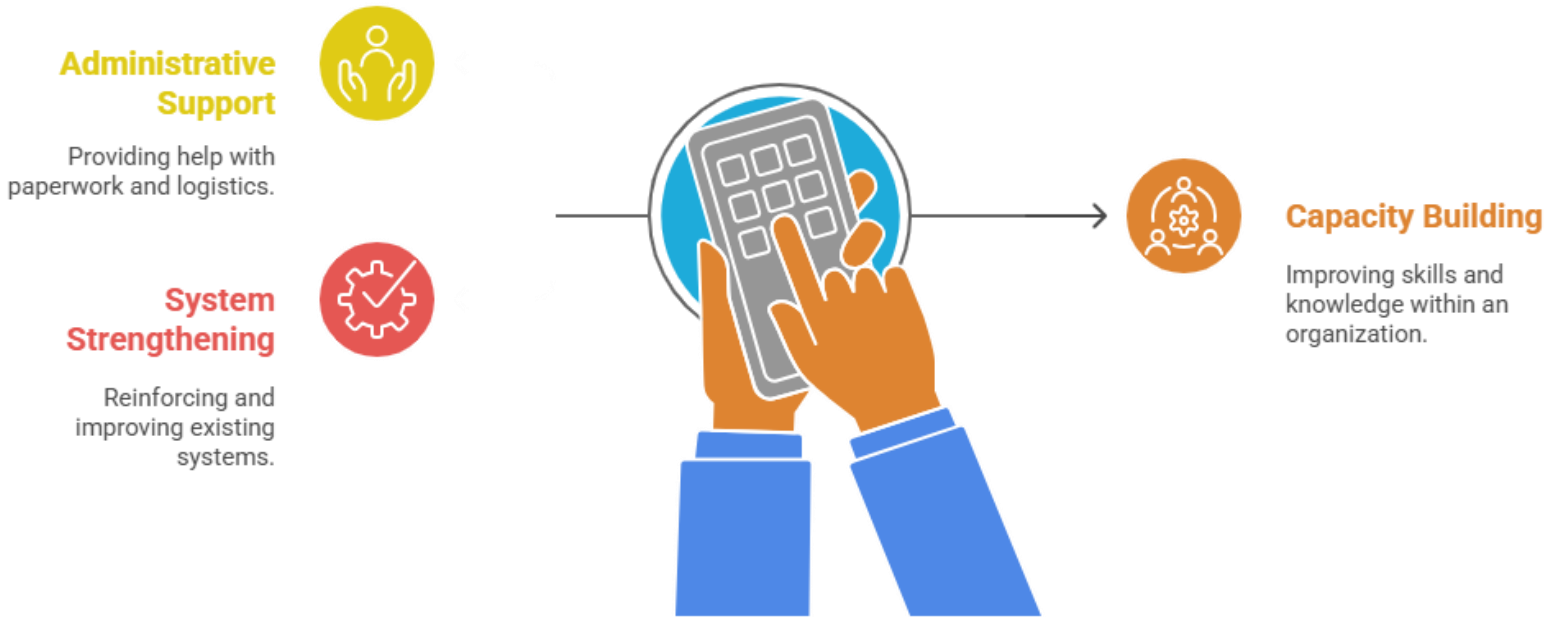




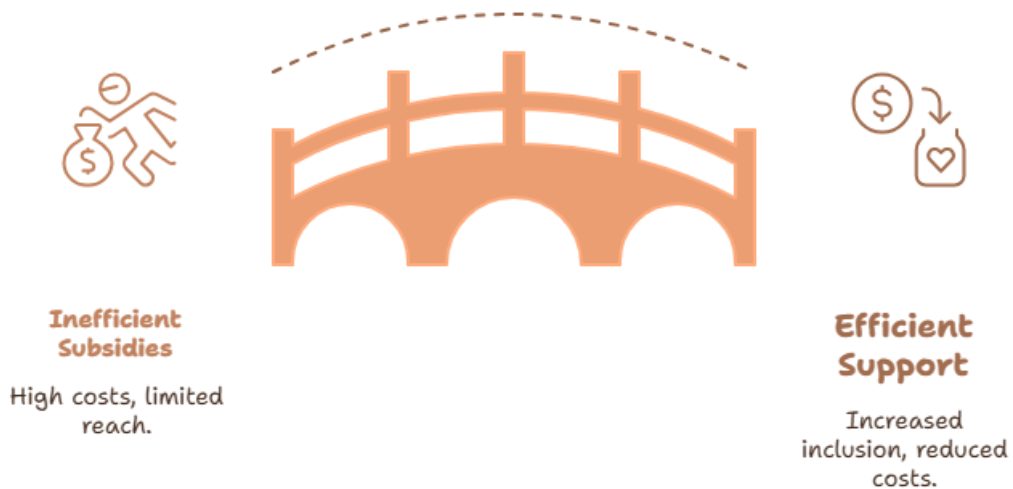
Social Care Services Allocation



Allocation for Technical Assistance Programmes is 223 Crore



Bangladesh transitions to efficient cash transfers, benefiting families.



KEY BUDGETARY SHIFTS



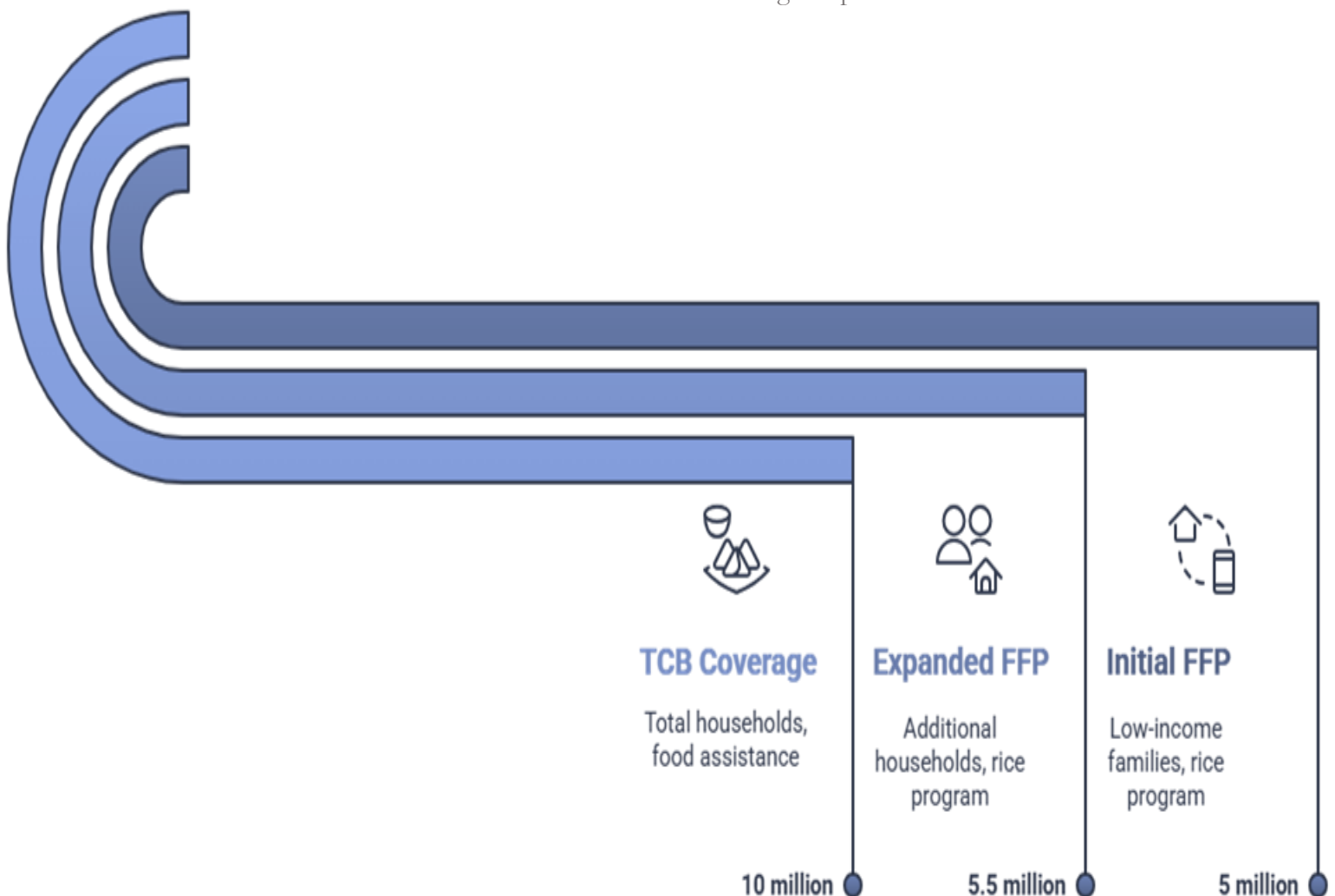
ENSURING FOOD SECURITY



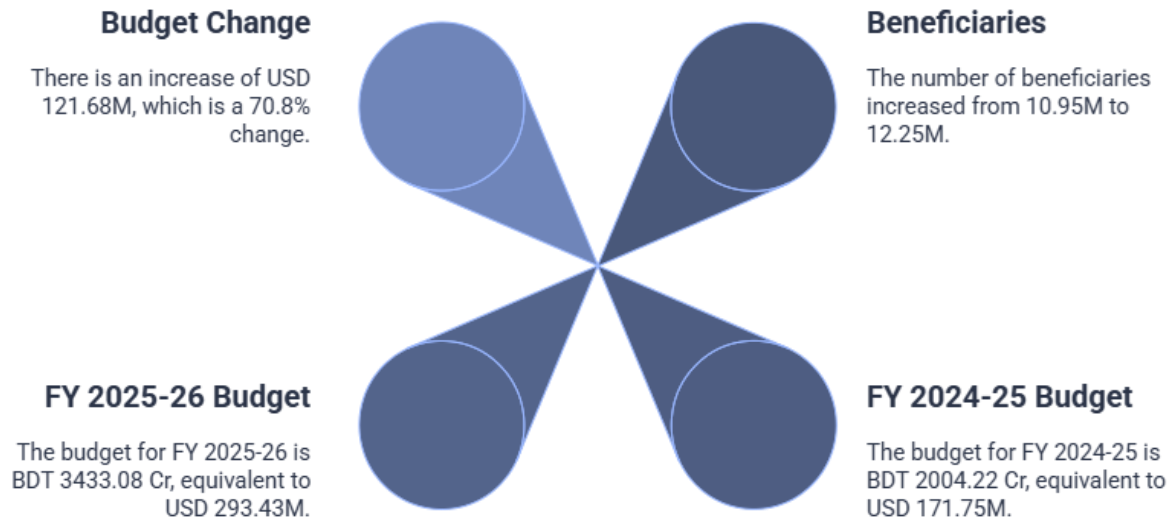
FY 2025-26
NATIONAL BUDGET

The FY 2025–26 budget brings several significant shifts. The transition from in-kind benefits to unconditional cash transfers continues, supported by the use of smart cards in Open Market Sales and the Fair Price Programme, which now reach 5.7 million families. Programmes for persons with disabilities have seen an expansion of over 128%, from 1.54 million beneficiaries in FY 2020–21 to 3.53 million in FY 2025–26.

Amid inflation, the government is scaling up food-related programmes like the Food-Friendly Programme, which supports 5 million families with subsidized rice. Plans are underway to extend this to 10 million households by increasing the duration and reach of the TCB and FFP schemes. Labour market investments are also growing, with initiatives like ProGRESS and EARN supporting youth and women’s entrepreneurship—raising their share of labour programme funding from 10.76% to 36.83%. Consolidation from 140 to 95 programmes enhances fiscal focus and directs resources to high-impact areas.



Open Market Sale



Food Friendly Programme Budget Allocation



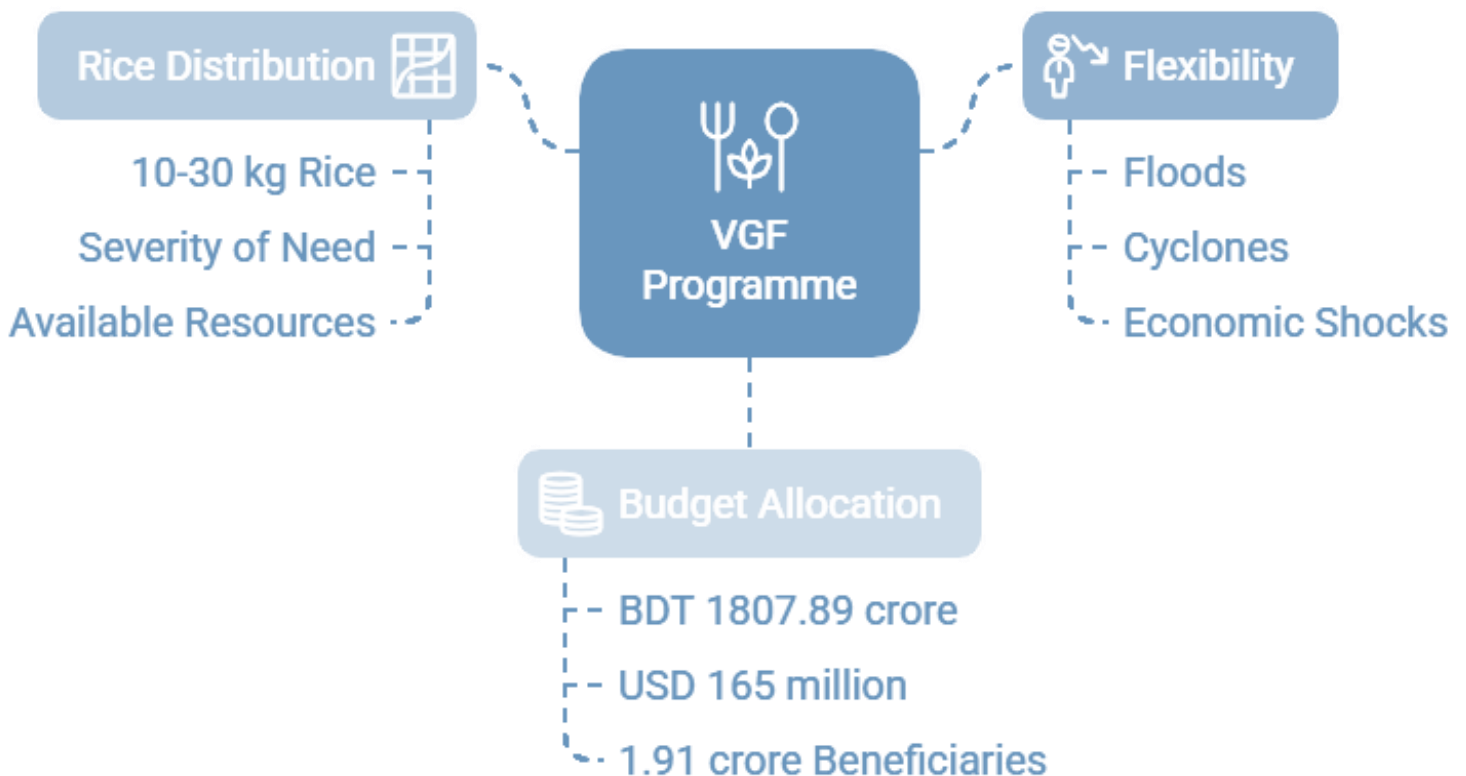
EMPOWERING LIVES THROUGH FOOD SUPPORT



Vulnerable Group Feeding (VGF) Programme

The Vulnerable Group Feeding (VGF) Programme stands as one of the longest-running food security initiatives in Bangladesh, operating since 1974. Over the past five decades, it has evolved into a crucial social safety net mechanism, offering vital food assistance to families most at risk, especially during and after natural disasters. Jointly implemented by the Ministry of Disaster Management and Relief and the Ministry of Fisheries and Livestock, with support from the World Food Programme (WFP), the VGF programme is designed to prevent hunger among the ultra-poor and disaster-affected populations.

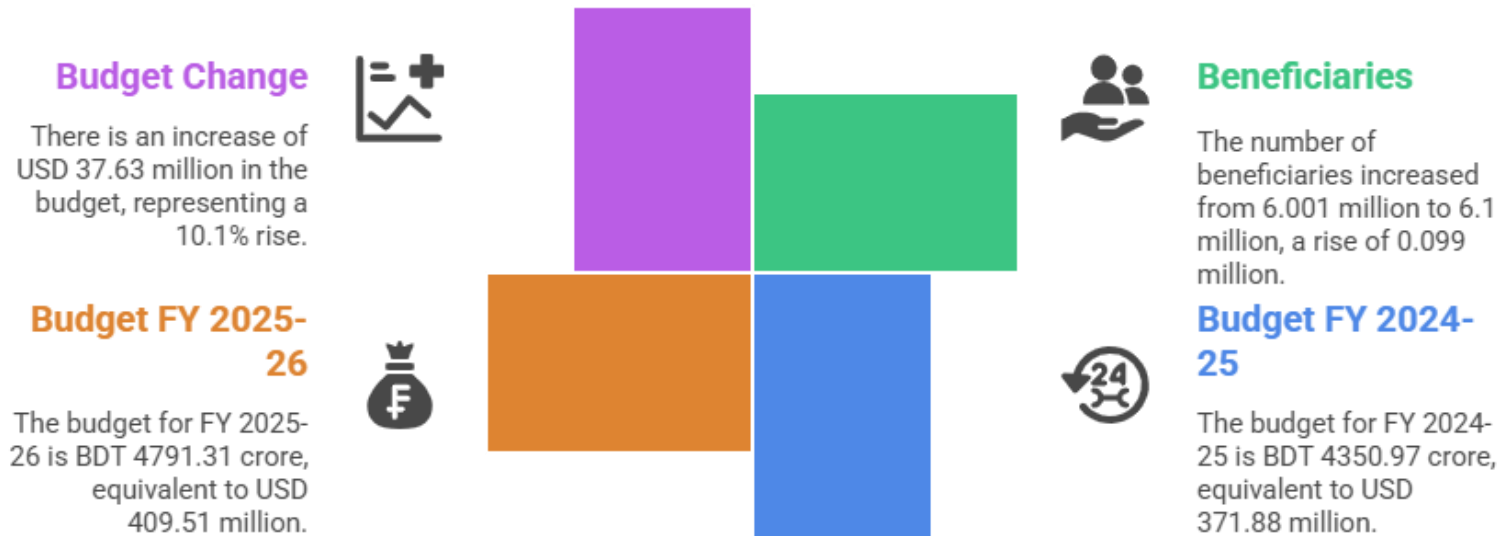
VGF Programme Overview



SOCIAL PROTECTION ACROSS THE LIFE CYCLE





Old Age Allowance Details



Since its formal launch in FY 1997–98, the Old Age Allowance has emerged as one of Bangladesh’s flagship social protection programmes targeting elderly citizens through unconditional cash transfers. Spearheaded by the Ministry of Social Welfare and implemented by the Department of Social Services, the programme is grounded in the life-cycle approach, aiming to enhance the livelihoods, dignity, and social recognition of the elderly—particularly those who are poor, landless, and vulnerable. The eligibility criteria specify a minimum age of 65 for men and 62 for women, with a yearly income threshold below BDT 10,000, prioritizing those with little or no land. Initially modest in scale, the programme has grown substantially over the years in both reach and budgetary allocation.

In FY 2025–26, the monthly allowance has increased from BDT 600 to BDT 650, with the number of beneficiaries rising from 60.01 lakh to 61 lakh. This expansion brings the total allocation to BDT 4,791.31 crore (approximately USD 437 million), reaffirming the government's commitment to elderly care. The disbursement is conducted through a G2P (Government to Person) digital payment system, with the transaction charges fully covered by the government. Administered under the Manual for Old Age Allowances 2013, this programme continues to play a pivotal role in reducing old-age poverty, fostering social inclusion, and reinforcing intergenerational solidarity within families and communities across Bangladesh.

Allowance for Widow and Deserted Women

| |  FY 2024-25 |  FY 2025-26 |
|----------------------|--|--|
| Beneficiaries | 2.775 million | 2.9 million |
| Budget | BDT 1844.32 crore | BDT 2277.83 crore |
| Budget (USD) | USD 157.60 million | USD 194.68 million |
| Budget Change | N/A | ▲ USD 37.08 million |

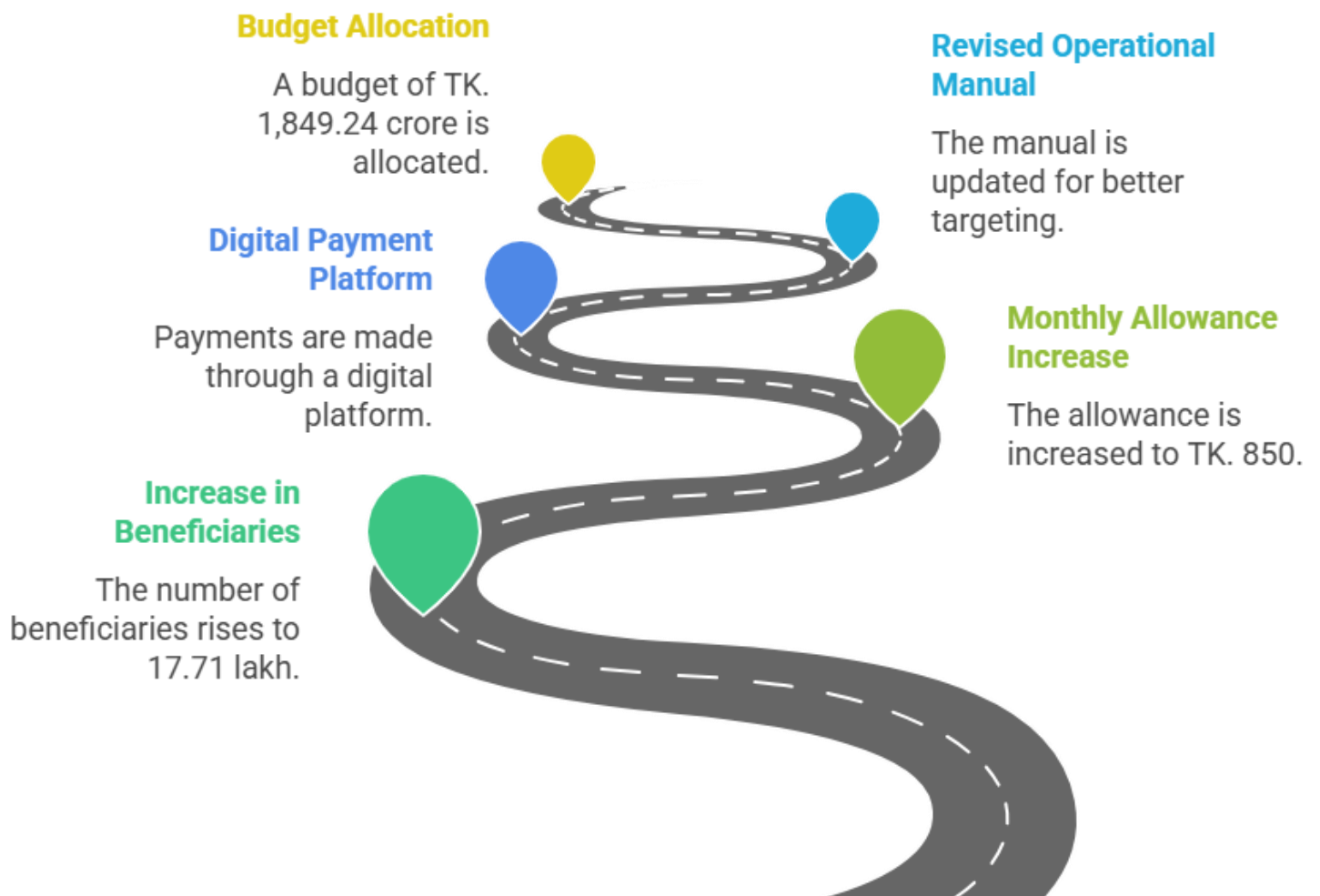
Launched in FY 1997–98, the Allowance for the Widow and Husband Deserted Destitute Women programme has evolved into a cornerstone of Bangladesh’s gender-responsive social protection system. Administered by the Department of Social Services under the Ministry of Social Welfare, the programme is designed as an unconditional cash transfer aimed at reducing the economic vulnerabilities of women who have lost their spouses or have been abandoned, especially those without assets, land, or stable sources of income. Initially focused on rural areas, the initiative now enjoys nationwide coverage, supported by a formal Implementation Manual (2013), recently revised for improved targeting and delivery. Women with an annual income below BDT 12,000 are eligible, with priority given to those who are landless, homeless, or otherwise destitute.

In FY 2025–26, the monthly allowance has increased from BDT 550 to BDT 650, benefiting 2.9 million women, up from 2.775 million the previous year. The total allocation for the programme stands at BDT 2,277.83 crore (approximately USD 208 million). Payments are made through the G2P (Government-to-Person) system to ensure transparency and ease, with the government covering the transaction costs. With updated guidelines and a focus on better targeting, this programme not only supports women financially—it offers hope, restores dignity, and acknowledges their struggles in the face of abandonment and poverty.

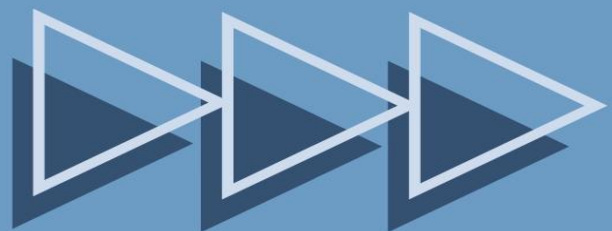
Enhancing Maternal Health Through Targeted Cash Transfers

The Mother and Child Benefit Programme (MCBP) represents a vital social protection initiative aimed at improving the health and well-being of disadvantaged mothers and their young children in Bangladesh.

In the fiscal year 2025-26, MCBP is set to expand its reach to 17.71 lakh beneficiaries, reflecting a steady increase from the previous year's 16.55 lakh. The monthly allowance has been raised from TK. 800 to TK. 850 to provide greater financial assistance to recipients, with payments made through a government-to-person (G2P) digital platform that covers transaction costs to ease access. The programme's operational manual was revised recently to improve targeting mechanisms and ensure efficient implementation. With a dedicated budget allocation of TK. 1,849.24 crore (approximately USD 171.2 million), MCBP underscores the government's ongoing commitment to supporting mothers and young children through targeted cash transfers that contribute to safer pregnancies, healthier infants, and overall social protection for some of the country's most vulnerable populations.



ALLOCATION FOR PERSONS WITH DISABILITIES

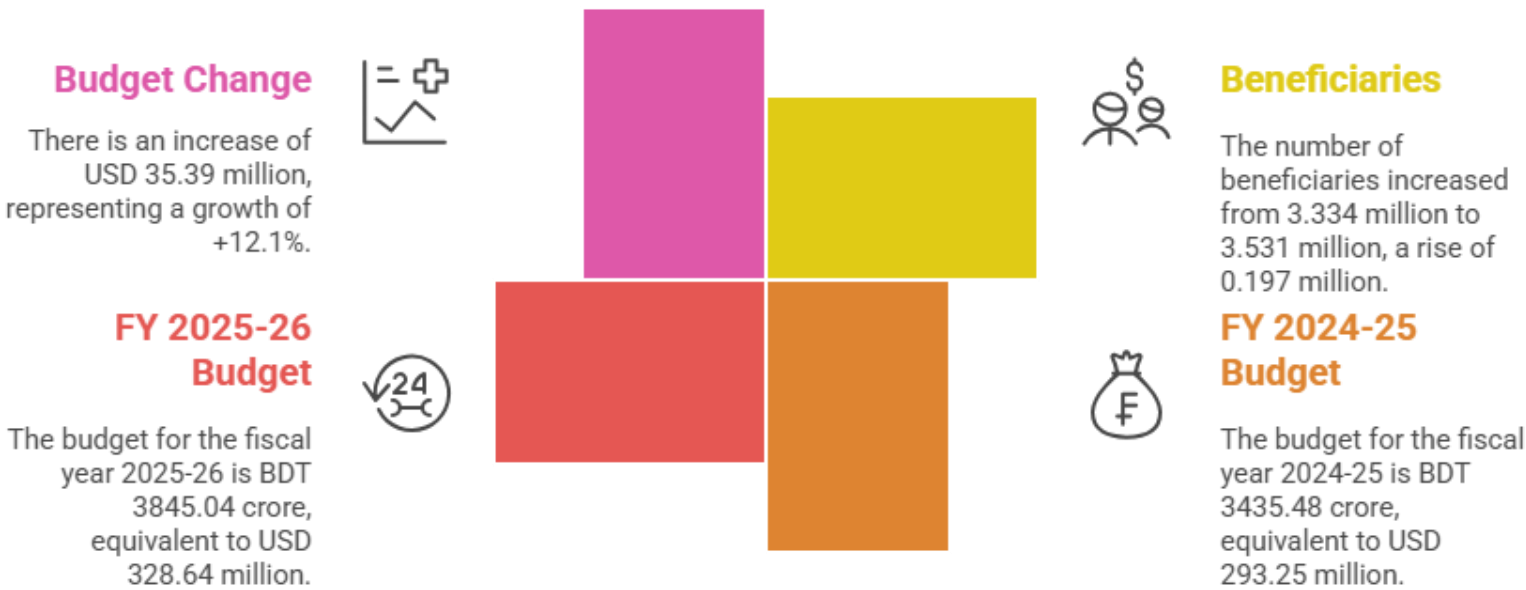


In the national budget for FY 2025–26, approximately BDT 4,113 crore has been allocated for persons with disabilities. This accounts for 3.52% of the total social security budget of BDT 116,731 crore, and 0.52% of the total national budget of BDT 790,000 crore. The allocation reflects a growing commitment to disability inclusion within the broader social protection landscape.

Notably, there are at least seven programmes directly dedicated to persons with disabilities—ranging from allowances, educational stipends, rehabilitation services, to institutional support. In addition, several other cross-cutting programmes indirectly benefit persons with disabilities by addressing issues such as poverty, health, and economic inclusion.

These include the Disability Allowance and Education Stipend Programme, Service and Support Centre for Persons with Disabilities, Trust for the Protection of the Persons with Neuro-Developmental Disabilities, Physically Challenged Welfare Trust, National Foundation for the Development of Persons with Disabilities, Cochlear Implant Activity, and the Combined Training and Rehabilitation Centre for Children.

Disability Allowance and Education Stipend Programme



Trust for the Protection of the Persons with Neuro-Developmental Disabilities

Allocated Budget: BDT 39.51 crore (USD 3.38 million)

This specialized trust caters to individuals with autism, cerebral palsy, and other neuro-developmental disorders. It ensures life-cycle support and contributes to long-term care and social integration.

Physically Challenged Welfare Trust

Allocated Budget: BDT 22.00 crore (USD 1.88 million)

This trust provides critical services and financial aid to persons with physical disabilities. It supports assistive devices, training, and rehabilitation to promote self-reliance and participation in social life.

Combined Training and Rehabilitation Centre for Children

Allocated Budget: BDT 36.60 crore (USD 3.13 million)

This integrated facility offers therapy, education, and vocational training for children with disabilities. It lays the foundation for early intervention and lifelong skills development in a nurturing environment.

National Foundation for the Development of Persons with Disabilities

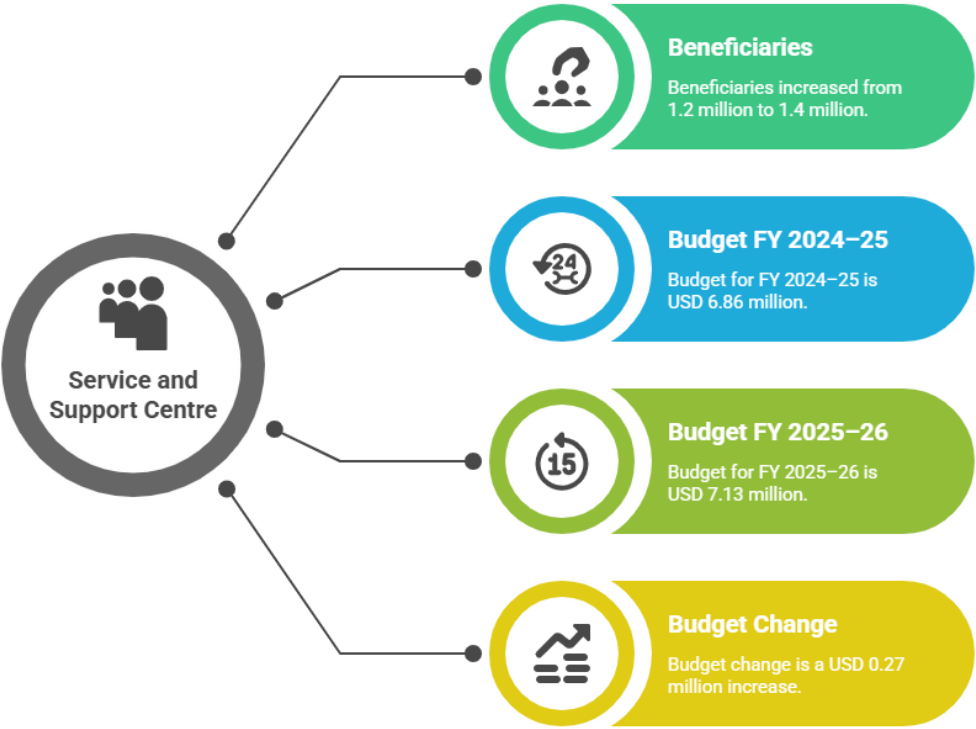
Allocated Budget: BDT 47.19 crore (USD 4.03 million)

As a key institutional actor, this foundation supports disability-inclusive initiatives across sectors. It also serves as a knowledge and funding platform to strengthen capacity for inclusive planning and programming.

Cochlear Implant Activity

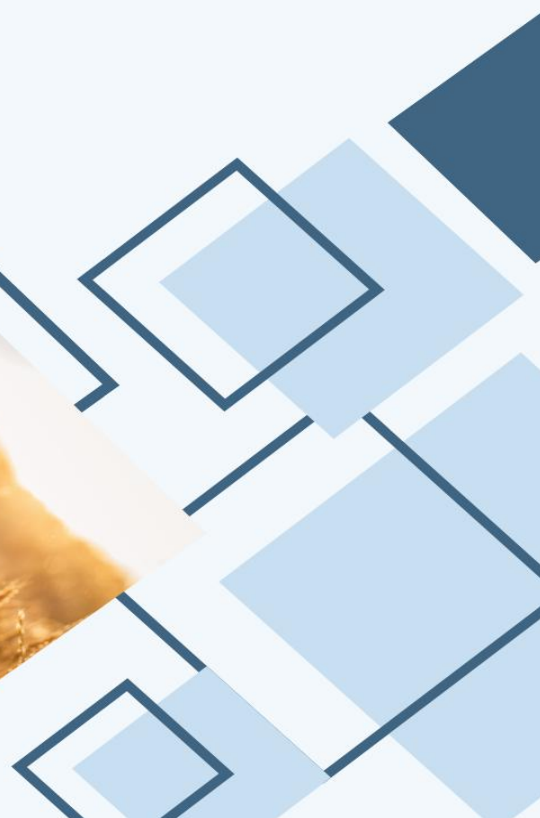
Allocated Budget: BDT 40.00 crore ≈ USD 3.42 million

A transformative health intervention, this program enables children and adults with hearing loss to access cochlear implant surgeries. It promotes language development and facilitates integration into mainstream education and employment.

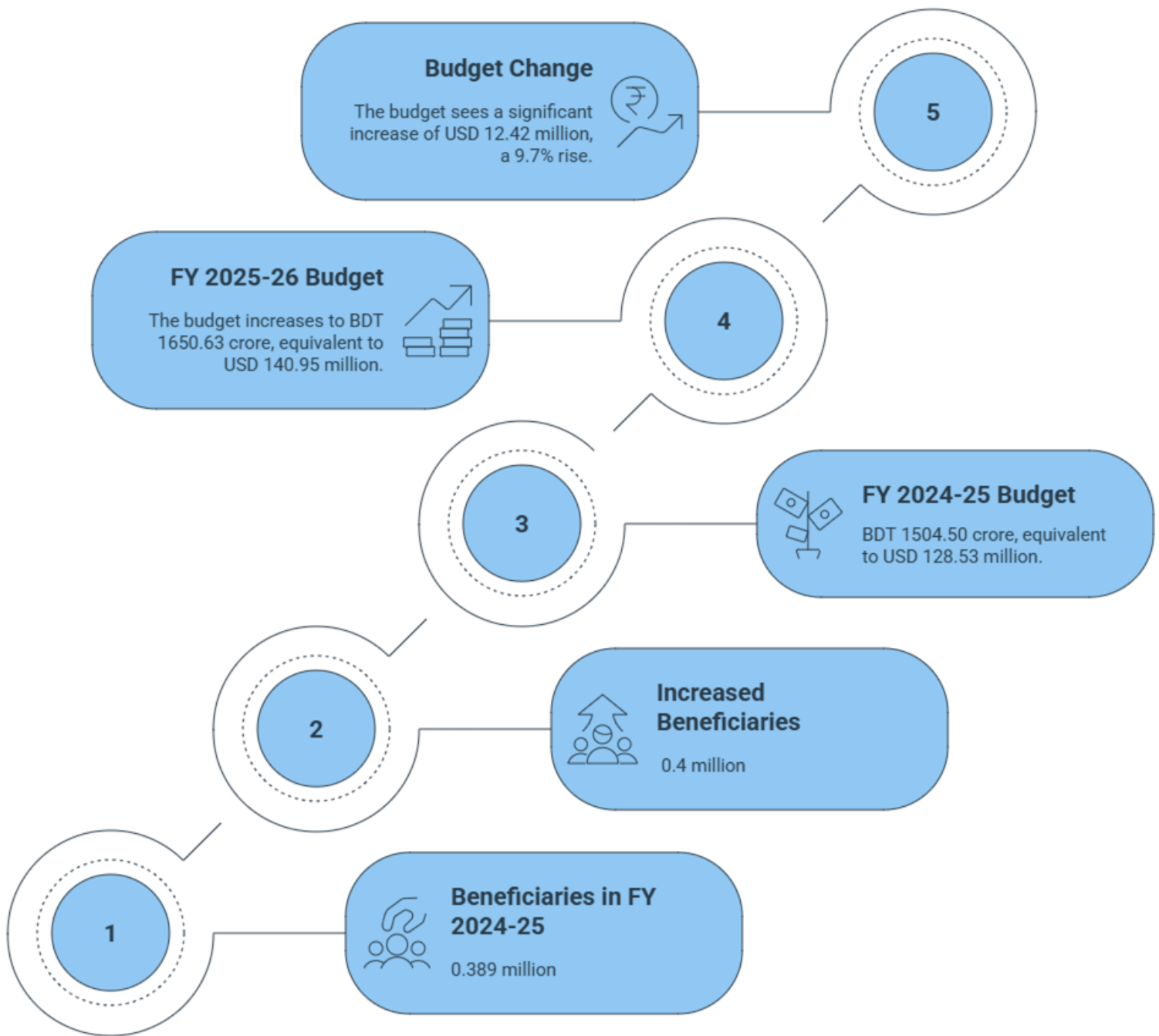


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ECONOMIC INCLUSION THROUGH WORKFARE AND SKILLS



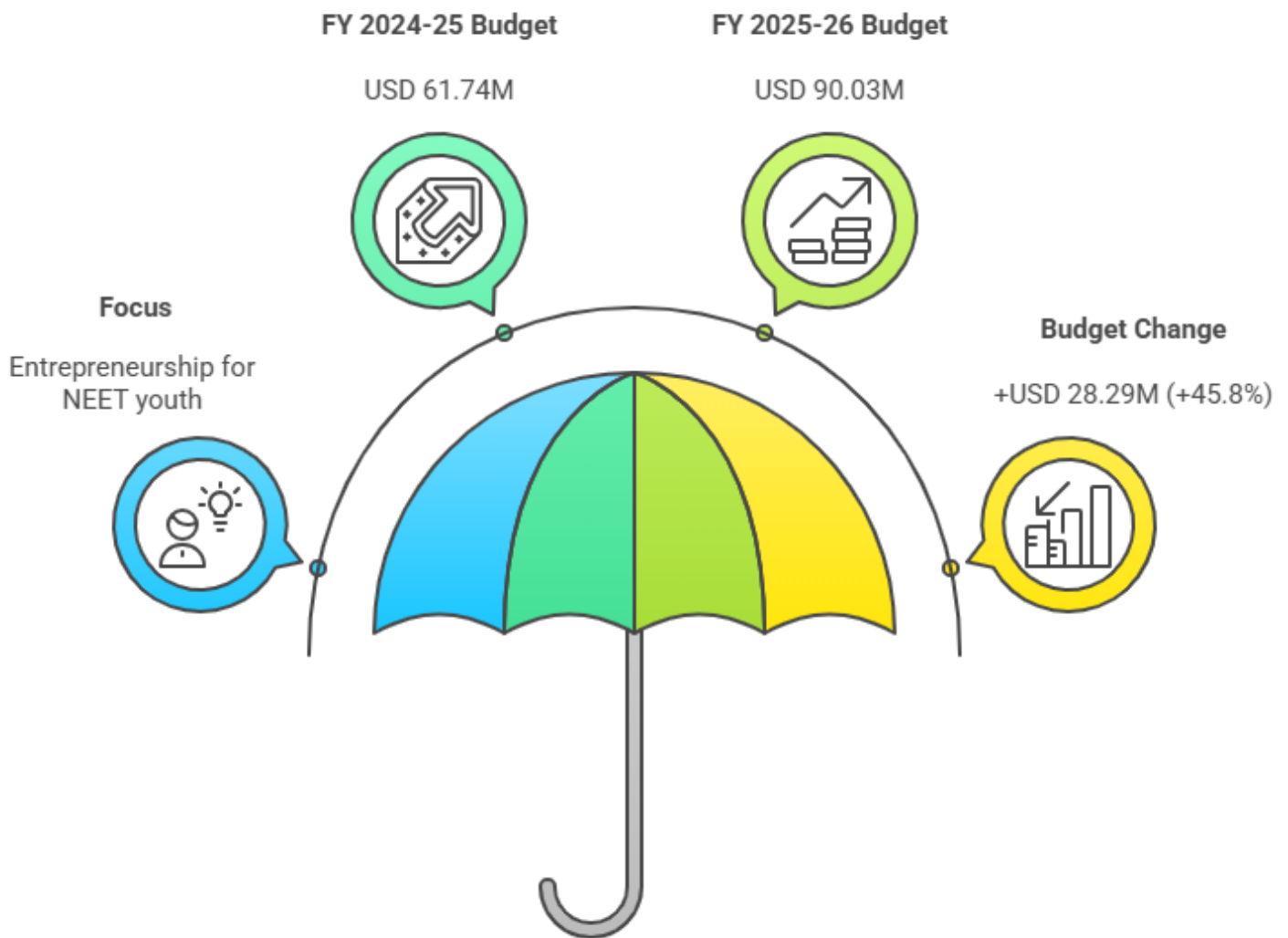
The Employment Generation Programme for the Poorest (EGPP)



Economic Acceleration and Resilience for NEET (EARN)

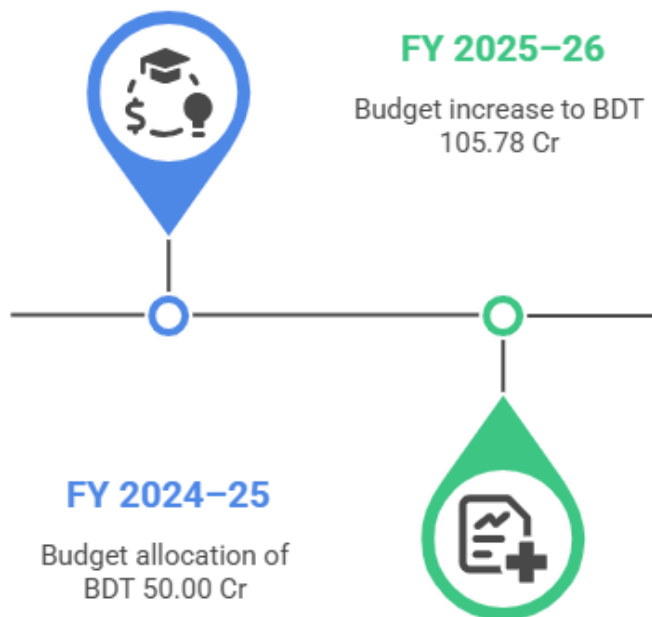
The Economic Acceleration and Resilience for NEET (EARN) programme is a transformative initiative targeting youth who are Not in Education, Employment, or Training (NEET); one of the most vulnerable and economically excluded segments of Bangladesh's population. Operated as a Labour Market Programme under the Ministry's broader social protection framework, EARN focuses on entrepreneurship support and skill development to create meaningful pathways to economic independence.

This programme aims to enhance self-reliance and resilience among NEET youth by equipping them with market-relevant skills, business incubation support, and linkages to finance and mentorship. The programme is strategically aligned with national priorities to reduce youth unemployment and promote inclusive economic growth.



Employment Generation through Freelancing Training for Educated Youth

The Employment Generation through Freelancing Training programme is a targeted initiative designed to equip educated, job-seeking youth across 48 districts of Bangladesh with market-driven digital skills and freelancing expertise. As part of the government's broader entrepreneurship support under the Labour Market Programme, this initiative focuses on enhancing youth employability in the global gig economy. Through structured training modules, mentorship, and post-training support, the programme enables participants to explore income-generating opportunities beyond traditional employment models, promoting self-employment and digital entrepreneurship.



FY
2025-26



SPENDING FOR ADAPTIVE SOCIAL PROTECTION

FROM RELIEF TO RESILIENCE

Strengthening Climate Resilience and Disaster Response through Social Protection

In the FY 2025–26 national budget, Bangladesh has allocated a total of BDT 12,625.58 crore (approximately USD 1.16 billion) towards climate resilience and disaster response initiatives under the social protection umbrella. This accounts for 10.82% of the total social protection allocation (BDT 1,16,731 crore / USD 9.98 billion) and around 1.60% of the total national budget (BDT 7,90,000 crore / USD 67.58 billion). This substantial allocation signals Bangladesh's growing focus on adaptive social protection, especially in light of increasing climate vulnerabilities and disaster risks. The largest allocation goes to the Fund for Mitigating Impacts of Economic and Natural Disasters, with a budget of BDT 8,000 crore (USD 684 million), serving as a financial buffer for households affected by floods, storms, and other climate-induced shocks. Other significant allocations include Relief Operation-General (BDT 2,333.84 crore / USD 199.66 million), Flood Reconstruction Emergency Assistance Project (BDT 134.21 crore / USD 11.47 million), and Construction of Flood Shelters (BDT 200 crore / USD 17.1 million).

A number of additional targeted programmes also reflect this adaptive focus. The Enhancing Adaptive Capacities of Coastal Communities project has received BDT 32.56 crore (USD 2.79 million) to support households in salinity-prone areas, especially women. The Climate Resilient Sustainable WASH Project is allocated BDT 79.21 crore (USD 6.78 million), while the Chattogram Hill Tracts Resilient WASH Project has received BDT 65.04 crore (USD 5.56 million). The Climate Refugee Rehabilitation Project is funded with BDT 44.47 crore (USD 3.80 million), offering housing and livelihoods support for climate-displaced families. Moreover, the Fund for Disaster-Affected Marginal Farmers and Poultry Owners (BDT 50 crore / USD 4.28 million), and the Earthquake Risk Management Fund (BDT 100 crore / USD 8.55 million) broaden the scope of support beyond floods and cyclones. Altogether, this layered investment in relief, rehabilitation, and resilience represents a pivotal stride toward a climate-responsive social protection system, tailored to the lived realities of Bangladesh's most vulnerable communities.



Flood Reconstruction Budget



1

FY 2024-25

BDT 70.91 Cr, equivalent to
USD 6.06M.

2

FY 2025-26

BDT 134.21 Cr,
equivalent to USD
11.47M.

3

Change

Increase of USD 5.41M,
which is +89%.

Challenges and Inequities in Social Protection

Despite notable progress in expanding social protection, the national budget document highlights several persistent challenges and inequities. One key concern is the issue of inclusion errors, with approximately 22% of social benefits accruing to the wealthiest 20%, indicating significant leakage and inefficiency in targeting. Moreover, urban-rural disparities remain pronounced; although the urban poverty rate stands at 14.7%, the urban poor continue to receive comparatively less coverage than their rural counterparts, emphasizing the need for more tailored and inclusive urban programme design. Additionally, while there is some policy focus on climate-vulnerable coastal districts, broader geographic targeting limitations continue to hinder equitable distribution. Addressing these systemic issues will require more accurate targeting mechanisms, enhanced urban programming, and robust, integrated data systems to ensure that social protection reaches those who need it most.

Conclusion

The FY 2025–26 social protection budget evidences Bangladesh’s robust commitment to a lifecycle-based, inclusive social security system grounded in human rights and poverty eradication goals. The consolidation of programmes, increased fiscal allocations, and digital innovation collectively aim to improve the effectiveness and efficiency of social protection delivery.

Future challenges include optimizing targeting to minimize leakages, expanding urban social protection coverage, and ensuring fiscal sustainability, particularly in social insurance schemes amid an aging population. Continuous adaptation and rigorous monitoring will be essential to realizing the vision of an equitable society where all citizens can enjoy social security and dignity.