

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	People's Republic of Bangladesh	Project Title:	Strengthening Social Resilience Program, Subprogram 1
Lending/Financing Modality:	Policy-based lending	Department/ Division:	South Asia Department / Human and Social Development Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY
Poverty targeting general intervention
<p>A. Links to the National Poverty Reduction and Inclusive Growth Strategy, and Country Partnership Strategy</p> <p>The proposed program aims to support the Government of Bangladesh in strengthening the social resilience of the people in Bangladesh. Although many people have improved their living conditions from a chronic poor status, a substantial number remain in vulnerable conditions. Also, the gap between social needs and available social protection programs is significant since the current scope of social protection, focusing on the extreme poor, does not meet the diversified social needs of the people. In 2015, the government formulated the National Social Security Strategy (NSSS) to improve social protection's responsiveness to diversified social needs and improve inclusiveness and efficiency by streamlining and strengthening the system. The NSSS also highlights the cross-sector dimension of social protection, from the financial inclusion of disadvantaged people to access to health services for poor and vulnerable groups. Aligned with the NSSS, the sequenced policy packages of the proposed program and its two subprograms focus on three reform areas: (i) coverage and efficiency of social protection improved; (ii) financial inclusion of disadvantaged people, including poor and vulnerable women and men of socially excluded groups, improved; and (iii) response to life cycle social and health needs strengthened. The program is consistent with the country partnership strategy, 2016–2020 of the Asian Development Bank (ADB) for Bangladesh, which prioritizes investments in human capital through social programs and improved rural livelihoods;^a and with operational priorities of ADB's Strategy 2030 on (i) addressing remaining poverty and reducing inequalities; (ii) accelerating progress in gender equality; and (iii) strengthening governance and institutional capacity.</p>
<p>B. Results from the Poverty and Social Analysis during Program Preparation or Due Diligence</p> <p>1. Key poverty and social issues. Bangladesh has significantly reduced poverty incidence from 48.9% in 2000 to 20.5% in 2019. While this has lifted many people out of chronic poverty, a substantial number continue to sustain their lives by day work and remain highly vulnerable to shocks such as major illnesses and external events. Critical constraints in the social protection programs are (i) inadequate coverage and benefits, (ii) fragmentation with too many small programs, and (iii) narrow scope of social protection. The allocated budget for social protection has been relatively small, even though Bangladesh has more than 100 social protection programs. As a result, many programs have insufficient resources to cover all the eligible people. They are also managed by multiple ministries, causing duplications and inefficiencies. Overall, the social protection system is less impactful than it could be.</p> <p>2. Beneficiaries. The program will help improve the coverage and efficiency of social protection, which will positively impact the poor and vulnerable people, including elderly people and widows.</p> <p>3. Impact channels. The expected positive impact of the program will be achieved by (i) improving the efficiency, and inclusiveness of the social protection system; (ii) increasing the financial inclusion of poor and vulnerable women and men; and (iii) providing better access to urban health services. These interventions are expected to contribute to strengthening social resilience in the country.</p> <p>4. Other social and poverty issues. Unemployment, underemployment, early marriage, violence against women and children, the dowry system, child labor, and drug addiction are significant social and poverty issues in Bangladesh, which the coronavirus disease (COVID-19) pandemic exacerbated. The pandemic has had detrimental effects on the mental health of many, especially women and children. During the lockdown, higher rates of depression and suicide ideation were reported.^b Many migrant workers were sent back to Bangladesh and, without sufficient support, have been facing livelihood constraints. Moreover, many are still stuck in host countries and in constant uncertainty about their future. Thus, the COVID-19 pandemic intensifies numerous socioeconomic crises such as joblessness, consumption of reserve funds by family members, and a decline in the country's remittance inflow. In this situation, the most urgent and vital need is to give financial security and social safety to the workers abroad and to those who have returned to Bangladesh. Since the pandemic hit Bangladesh in 2020, the government has rolled out stimulus packages for socially vulnerable groups to help meet their financial and social needs. Other development partners are also working in tandem with the government to mitigate these issues.</p> <p>5. Design features. The program will help the government improve the inclusiveness and responsiveness of social development by (i) standardizing the budget administration system of social protection programs, including the collection of sex-disaggregated data; (ii) increasing the social protection coverage; (iii) establishing an integrated registry of social protection beneficiaries; (iv) facilitating the financial inclusion of poor and vulnerable women and men,</p>

including widows and elderly people; and (v) making the system responsive to people's diversified life cycle social and health needs, from better access to urban health care services to a national social insurance scheme.

C. Poverty Impact Analysis for Policy-Based Lending

1. **Impact channels of the policy reform(s).** The program will help remove key constraints in the social protection system of Bangladesh, such as limited social protection coverage and fragmentation with too many programs. It will have direct positive impacts on poor and vulnerable people by increasing the coverage of social protection and indirect positive impacts by improving the efficiency in using social protection resources. The direct impacts are expected to be attained in the short term (1–3 years) and sustained. The indirect impacts are expected to be attained in the medium term (4–10 years).

2. **Impacts of policy reform(s) on vulnerable groups.** The program will positively impact vulnerable groups through improved coverage and efficiency of social protection. Poor and vulnerable women and men in urban areas will be better covered by social protection schemes and will have greater access to health care services.

3. **Systemic changes expected from policy reform(s).** The program will increase social protection coverage; improve and expand access to financial services for poor and vulnerable women and men; and improve access to health services for urban residents regardless of gender and age, based on their differential needs.

II. PARTICIPATION AND EMPOWERING THE POOR

1. **Participatory approaches and project activities.** Consultations with selected civil society organizations (CSOs) that work with vulnerable groups such as elderly people, differently abled people, transgender people, and small ethnic minorities helped identify the needs of the poor and vulnerable groups. During the consultations, the government agencies identified the government's actions required to respond to these needs. Also, based on the consultations with targeted beneficiaries, the policy-based lending includes policy actions that aim to mitigate the adverse impact of the COVID-19 pandemic.

2. **Civil society organizations.** The opportunity for direct CSO participation in program implementation is limited.

3. The following forms of CSO participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):

(L) Information gathering and sharing (NA) Consultation (NA) Collaboration (NA) Partnership

4. Participation plan. Yes. No. Given the scope of the program, no participation plan was developed.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: effective gender mainstreaming

A. Key issues. Social protection is critical to reducing poverty and vulnerability. Since women form half of the population and lag behind men on many counts, both poverty reduction and economic growth demand women's participation in social protection as beneficiaries and resources. Moreover, other socially vulnerable groups are often excluded from social protection interventions. Examples are (i) transgender communities, who are often not only left out from social protection coverage but also not included in various employment-generating schemes, including entrepreneurship opportunities; (ii) small ethnic minorities living in remote and hard-to-reach areas, who are not included in social protection interventions because of targeting errors; and (iii) elderly or differently abled people, who often fall through the cracks because of targeting problems and fragmented social protection programs. While sex-disaggregated data on risk and vulnerability often is not available, it was observed that a significant proportion of the insecure, poor, and vulnerable are women. Moreover, prevailing gender gaps and systematic segregation alienate women from the financial and banking systems. Women and other vulnerable groups face some typical constraints in complying with the basic requirements of accessing financial support, such as completing bank forms and not having birth certificates, or lacking mobile phones through which banks issue account numbers. As a result of the pandemic and restricted mobility, women in urban areas experience increased violence, additional stress, anxiety, and fear. In addition, women are disproportionately affected by mental health issues.

B. Key actions. The program will help the government improve the inclusiveness and responsiveness of social development by (i) harmonizing the currently fragmented system of programs and standardizing the management of social protection with a system that is capable of providing sex-disaggregated data; (ii) standardizing the administration of social protection budgets with a management information system; (iii) approving full coverage of eligible elderly people in 150 *upazilas* (administrative units at subdistrict level) under the old age allowance program; and (iv) approving full coverage of eligible women in 150 *upazilas* under the allowance program for widow, deserted, and destitute women. Bangladesh Bank has simplified the documentation requirements for opening personal retail accounts to improve financial services for people, including poor and vulnerable women and men. Moreover, the government approved the National Urban Health Strategy to strengthen the health services for urban residents, including women's and men's different needs. These gender targets are set in the design and monitoring framework and will be monitored and tracked under attached technical assistance (TA), and adequately reported on in regular program progress reports.

Gender action plan Other actions or measures No action or measure

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. **Key impacts.** The program will support policy actions related to improving inclusiveness and responsiveness in social development in Bangladesh. It will not support interventions that will result in physical or economic displacement

because of involuntary land acquisition and involuntary land use. As such, involuntary resettlement safeguards are not triggered.	
2. Strategy to address the impacts. N/A	
3. Plan or other Actions.	
<input type="checkbox"/> Resettlement plan	<input type="checkbox"/> Combined resettlement and indigenous peoples plan
<input type="checkbox"/> Resettlement framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Social impact matrix
<input checked="" type="checkbox"/> No action	
B. Indigenous Peoples	Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
1. Key impacts. The program will support policy actions related to improving inclusiveness and responsiveness in social development in Bangladesh. Since the program is national in scope, indigenous peoples groups are not targeted, but indigenous individuals may participate and/or indirectly benefit. The program will not affect the dignity, human rights, livelihood systems, or culture of indigenous peoples or affect the land or resources they own, use, occupy, or claim as their ancestral domain.	
Is broad community support triggered? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
2. Strategy to address the impacts. N/A	
3. Plan or other actions.	
<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan
<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
<input type="checkbox"/> Social impact matrix	
<input checked="" type="checkbox"/> No action	
V. ADDRESSING OTHER SOCIAL RISKS	
A. Risks in the Labor Market	
1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).	
<input checked="" type="checkbox"/> (L) unemployment <input checked="" type="checkbox"/> (L) underemployment <input checked="" type="checkbox"/> (L) retrenchment <input checked="" type="checkbox"/> (L) core labor standards	
2. Labor market impact. N/A	
B. Affordability	
To ensure the affordability for social protection beneficiaries to access an electronic payment scheme, the government supports the user charge of mobile financial services for the social protection beneficiaries to receive the relevant social protection benefits through the government-to-person electronic payment scheme.	
C. Communicable Diseases and Other Social Risks	
1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):	
<input type="checkbox"/> (NA) Communicable diseases	<input type="checkbox"/> (NA) Human trafficking
<input type="checkbox"/> (NA) Others (please specify) _____	
2. Risks to people in project area. N/A	
VI. MONITORING AND EVALUATION	
1. Targets and indicators. Under the attached TA, the progress of reform will be monitored. The scope of monitoring will include (i) the collection of sex-disaggregated data in the social protection management system; (ii) achievement of full coverage by the old age allowance program in 150 <i>upazilas</i> ; and (iii) achievement of full coverage by the allowance program for widow, deserted, and destitute women in 150 <i>upazilas</i> .	
2. Required human resources. Under the attached TA, provisions were made to recruit a pool of international and national consultants for the implementation and monitoring of the interventions.	
3. Information in the project administration manual. N/A	
4. Monitoring tools. The TA consultants will help the government set up a monitoring framework and carry out monitoring. ADB will conduct policy dialogue with the government to review the progress in achieving the outcomes.	

ADB = Asian Development Bank, COVID-19 = coronavirus disease, CSO = civil society organization, NA = not applicable, NSS = National Social Security Strategy, TA = technical assistance.

^a ADB. 2016. *Country Partnership Strategy, Bangladesh, 2016–2020*. Manila. The country partnership strategy, 2021–2025 is under preparation.

^b M. Mamum et al. 2020. *The COVID-19 Pandemic and Serious Psychological Consequences in Bangladesh: A Population-Based Nationwide Study*. National Library of Medicine.

Source: Asian Development Bank.