

Chapter 13

Poverty Alleviation

Despite considerable thrust on poverty alleviation in all plan documents ever since the independence of Bangladesh, a significant number of populations still lives below the poverty line. Poverty can be divided into two categories- income poverty and human poverty. To understand the poverty situation, it is necessary to clarify the momentum of the both. In respect of income poverty 40 percent of the total population of this country lived in poverty situation in 2005 which has not been improved much as yet. According to the Human Development Report 2009 of UNDP, Bangladesh ranked 112th in respect of human poverty, whereas in South Asia countries like India, Pakistan, Bhutan and Maldives ranked 88th, 101th, 102th and 66th respectively.

It is a constitutional obligation of the Government to provide a reasonable living standard for the citizens by alleviating poverty. In its election manifesto, the present Government has, therefore laid special emphasis on poverty alleviation and pledged to eradicate poverty. It is to be noted that yearly average rate of poverty reduction increased from 0.50 to 1.50 while human poverty index went down to 32.0 from 41.6 due to adoption of different innovative programmes during 1996-2001, the present Government aims at reducing poverty rate from 25 to 15 within 2013 to 2021. Besides this, the Government has committed to build sustainable social safety net for the hard core poor to fulfill its commitment.

Addressing poverty remains a great challenge mainly due to resource constraints. Bangladesh has so far implemented five Five-Year Plans and one Two-Year Plan. The overarching goals of these plans were to reduce poverty by accelerating economic development process. As an outcome of these development activities, Bangladesh has made commendable progress in terms of reduction of income poverty as well as human poverty.

To alleviate income and human poverty globally, different initiatives have been taken among which Millennium Development Goals (MDGs) is one. Bangladesh has received universal appreciation for her success in reduction of human poverty in education, health and nutrition. Bangladesh has made substantial progress in reduction of poverty, expansion of universal primary education, eradication of gender disparity at both primary and secondary level of education, reduction of child mortality rate, supply of safe drinking water and containing the spread of communicable diseases like HIV/AIDS, malaria and tuberculosis related targets. Bangladesh is putting its best effort and on track to achieve other MDGs by 2015. Government has committed in its election manifesto to achieve fully the goals of MDGs at least by 2017.

To achieve these targets, Poverty Reduction Strategy Paper (PRSP) titled 'Unlocking the Potential: National Strategy for Accelerated Poverty Reduction' (for the period of FY2004-05 to 2006-07) was adopted and extended up to June/2008. As a sequel of the first PRSP, the second PRSP titled 'Moving Ahead: National Strategy for Accelerated Poverty Reduction' for the period FY2008-09 to 2010-11 (NSAPR-II) was approved. Moreover, preparation of Sixth Five Year Plan (SFYP) for 2011-2015 is in progress where poverty is an issue of importance.

Measurement of the Incidence of Poverty in Bangladesh

In Bangladesh Household Expenditure Survey (HES) was carried out first in FY 1973-74. In subsequent years, a number of HESs was undertaken. It should be noted that only expenditure information used to be collected in such surveys. HESs carried out up to FY 1991-92 were based on Food Energy Intake (FEI) and Direct Calorie Intake (DCI) methods in order to measure the incidence of income poverty. A person having daily calorie intake of less than 2122 kilo-calories is considered to be in absolute (HES) poverty and 1805 kilo-calories in hard-core poverty.

In the HES conducted in 1995-1996, the BBS for the first time adopted the Cost of Basic Needs (CBN) method. Similarly, in the Household Income and Expenditure Surveys (HIES) of 2000 and 2005, CBN method was used. With this method, non-food consumption is also considered for constructing poverty index. The major findings of the HIES 2005 of BBS have been presented in this chapter.

Trends of Poverty

Rate of income poverty (measured by CBN upper poverty line) declined from 58.8 percent to 48.9 percent during the period from 1991 to 2000 (Table 13.1). The compound poverty reduction rate per year is recorded at 1.8 percent. But the rate of reduction of poverty is higher in urban areas (yearly rate 2.2) during this period. On the other hand, during 2000 to 2005, income poverty also reduced from 48.9 to 40.0 and the compound reduction rate is 3.9. The reduction rate during this period is also higher for the urban areas (yearly 4.2%).

Between 2000 and 2005 the depth (measured by poverty gap) and severity (measured by squared poverty gap) of poverty declined simultaneously both in urban and rural areas. It is also to be noted that during 1991 to 2000 reduction rate of income poverty was faster in rural areas than in urban areas.

Table 13.1 Present Trend of Income Poverty

	2005 (%)	2000 (%)	Annual Change (%) (2000-2005)	1991-92 (%)	Annual Change (%) (1991/92-2000)
Head Count Index					
National	40.0	48.9	-3.9	58.8	-1.8
Urban	28.4	35.2	-4.2	44.9	-2.2
Rural	43.8	52.3	-3.5	61.2	-1.6
Poverty Gap					
National	9.0	12.8	-6.80	17.2	-2.9
Urban	6.5	9.1	-6.51	12.0	-2.5
Rural	9.8	13.7	-6.48	18.1	-2.8
Squared Poverty Gap					
National	2.9	4.6	-8.81	6.8	-3.8
Urban	2.1	3.3	-8.64	4.4	-2.7
Rural	3.1	4.9	-8.75	7.2	-3.8

Source: BBS, HIES-2005.

The trends of poverty on the basis of Head Count Ratio and DCI method is presented in Table 13.2

Table 13.2: Trends of Poverty based on Head Count Ratio and DCI Method

Survey year	People below poverty line					
	National		Rural		Urban	
	People (in million)	People (%)	People (in million)	People (%)	People (in million)	People (%)
Poverty line 1: Absolute Poverty, Daily less than 2122 kilocalorie food intake						
2005	56.0	40.4	41.2	39.5	14.8	43.2
2000	55.8	44.3	42.6	42.3	13.2	52.5
1995-96	55.3	47.5	45.7	47.1	9.6	49.7
1991-92	51.6	47.5	44.8	47.6	6.8	46.7
Poverty line 2: Hardcore Poverty, Daily less than 1805 kilocalorie food intake						
2005	27.0	19.5	18.7	17.9	8.3	24.4
2000	24.9	20.0	18.8	18.7	6.0	25.0
1995-96	29.1	25.1	23.9	24.6	5.2	27.3
1991-92	30.4	28.0	26.6	28.3	3.8	26.3

Source: BBS, HIES-2005.

According to Head Count Ratio using DCI method, in 2005, the incidences of absolute poverty were 40.4, at the national level, whereas these were 39.5 and 43.2 in rural and urban areas respectively. Under this method, a reduction of absolute poverty is recorded at 4.1 percent from 2000 to 2005. People living below the poverty line in 2000 were 55.8 million, which increased to 56 million in 2005. Though the number of poor people increased by about 2 million during this period, it increased at a slower rate than that of the previous period.

According to Head Count Ratio, using DCI method, in 2005 the incidence of hardcore poverty were 19.5 percent, at the national level, whereas in the rural and urban areas this stood at 17.9 and 24.4 percent respectively. Under this method a reduction of hardcore poverty is recorded 0.5 percent at the national level, 0.8 percent in the rural area and 0.6 percent in the urban area. People

living below hardcore poverty line in 2000 were 20.0 percent, which decreased to 19.5 percent in 2005. Though the poor people belonging to absolute poverty and hard-core poverty increased during this period, it decreased as compared to 1991-92.

Head Count Ratio (HCR) on the basis of CBN method by Divisions

The Head Count Ratio of incidence of poverty in six administrative divisions in CBN method is presented below:

Table 13.3: Divisionwise Incidence of Poverty (HCR) by CBN Method (in percentage)

National/Division	2005			2000		
	Using the Lower Poverty Line					
	National	Rural	Urban	National	Rural	Urban
National	25.1	28.6	14.6	34.3	37.9	20.0
Barisal	35.6	37.2	26.4	34.7	35.9	21.7
Chittagong	16.1	18.7	8.1	27.5	30.1	17.1
Dhaka	19.9	26.1	9.6	34.5	43.6	15.8
Khulna	31.6	32.7	27.8	32.3	34.0	23.0
Rajshahi	34.5	35.6	28.4	42.7	43.9	34.5
Sylhet	20.8	22.3	11.0	26.7	26.1	35.2
Using the Upper Poverty Line						
National	40.0	43.8	28.4	48.9	52.3	35.2
Barisal	52.0	54.1	40.4	53.1	55.1	32.0
Chittagong	34.0	36.0	27.8	45.7	46.3	44.2
Dhaka	32.0	39.0	20.2	46.7	55.9	28.2
Khulna	45.7	46.5	43.2	45.1	46.4	38.5
Rajshahi	51.2	52.3	45.2	56.7	58.5	44.5
Sylhet	33.8	36.1	18.6	42.4	41.9	49.6

Source: BBS, HIES-2005.

Two poverty lines have been used to measure poverty. One is upper poverty line and the other is lower poverty line. Using lower poverty line method at the national level, the rate of poverty is 25.1 percent while it is 40.0 percent using the upper poverty line. According to this method, poverty incidence in the urban area is lower than the rural area.

Poverty on the basis of Land Ownership

Estimates of incidence of poverty (CBN) by ownership of land using both lower and upper poverty lines have been presented in Table 13.4.

Table 13.4: Incidence of Poverty (CBN) by Ownership of Land -2005 (in percentage)

Size of Land Holding (Acres)	2005			2000		
	Using the Lower Poverty Line					
	National	Rural	Urban	National	Rural	Urban
All Size	25.1	28.6	14.6	34.3	37.9	20.0
Land less	25.2	49.3	17.8	30.4	53.1	20.5
<0.05	39.2	47.8	23.7	43.3	48.8	22.3
0.05-0.49	28.2	33.3	11.4	40.0	41.7	12.6
0.50-1.49	20.8	22.8	9.1	29.6	30.6	15.4
1.50-2.49	11.2	12.8	2.7	21.9	22.9	1.4
2.50-7.49	7.0	7.7	3.0	11.5	12.4	0.0
7.50+	1.7	2.0	0.0	4.0	4.1	0.0
Using the Upper Poverty Line						
All Size	40.0	43.8	28.4	48.9	52.3	35.2
Land less	46.3	66.6	40.1	46.6	69.7	36.6
<0.05	56.4	65.7	39.7	57.9	63.0	38.3
0.05-0.49	44.9	50.7	25.7	57.1	59.3	27.3
0.50-1.49	34.3	37.1	17.4	46.2	47.5	27.4
1.50-2.49	22.9	25.6	8.8	34.3	35.4	10.2
2.50-7.49	15.4	17.4	4.2	21.9	22.8	9.1
7.50+	3.1	3.6	0.0	9.5	9.7	0.0

Source: BBS, HIES-2005

In 2005, the estimates of incidence of poverty by ownership of land and using the upper poverty line, were found to be 46.3 percent for landless households, 56.4 percent for owners of less than 0.05 acre of land, 44.9 percent for owners of 0.05-0.49 acre of land, 22.9 percent for 1.5-2.49 acre of land, 15.4 percent for 2.50-7.49 acres of land and 3.1 percent for owners of 7.5 acres or more land. In 2005, the estimates of HCR by ownership of land using the lower poverty line were found to be 39.2 percent for land size less than 0.05 acre, 28.2 percent for 0.05 to 0.49 acre, 20.8 percent for 0.05-.49 acre, 11.2 percent for 1.5-2.49 acre, 7.0 percent for 2.50-7.49 acre and 1.7 percent for 7.5 acres or more land. So, it is not possible to improve the poverty situation of the country without improving the condition of the landless marginal farmers.

Household Income, Expenditure and Consumption

The difference between expenditure and consumption expenditure is that expenditure includes purchase of durable goods which is not included in consumption expenditure. Monthly household

nominal income, expenditure and consumption expenditure from the surveys (1991-92 to 2005) have been presented in Table 13.5.

Table 13.5: Monthly Household Nominal Income, Expenditure and Consumption Expenditure by Residence

Year of Survey	Residence	Average Monthly (Taka)		
		Income	Expenditure	Consumption Expenditure
2005	National	7203	6134	5964
	Rural	6096	5319	5165
	Urban	10463	8533	8315
2000	National	5842	4886	4542
	Rural	4816	4257	3879
	Urban	9878	7360	7149
1995-96	National	4366	4096	4026
	Rural	3658	3473	3426
	Urban	7973	7274	7084
1991-92	National	3341	2944	2904
	Rural	3109	2721	2604
	Urban	4832	4377	4280

Source: BBS, HIES-2005

In the above table, household nominal income; expenditure and consumption expenditure have increased gradually over the years. The monthly household nominal income in 2005 was estimated at Tk.7203 at the national level, whereas it was estimated at Tk. 6096 in the rural area and Tk. 10463 in the urban area. Monthly household income was Tk. 5842 at the national level in 2000. It increased by 23.3 percent in 2005 over the year 2000 and by 115.59 percent over 1991-92 in nominal terms. The average monthly household expenditure was estimated at Tk. 6134 in 2005 at the national level, where as it was Tk. 5319 in the rural area and Tk. 8533 in the urban area. In 2000, it was Tk. 4886, Tk. 4257 and Tk. 7360 at the national, rural and urban levels respectively. The monthly average expenditure increased by 25.54 percent in 2005 over 2000 and increased by 108.36 percent over 1991-92.

On the other hand, the monthly average household consumption expenditure was estimated at Tk. 5964 in 2005 at the national level, while it was Tk. 5165 in the rural area and Tk. 8315 in the urban area. In 2000, it was Tk. 4542, Tk. 3879 and Tk. 7149 at the national, rural and urban levels respectively. The monthly average consumption expenditure increased by 31.3 percent over 2000 and by 105.37 percent over 1991-92.

Deciles Distribution of Income and Gini Coefficient

The percentage shares of income by deciles groups and Gini coefficient with rural and urban break-down for the surveys conducted during 2000 and 2005 are presented in Table 13.6.

Table 13.6: Percentage Distribution of Income Accruing to Households in Groups (Deciles) at national level and Gini Co-Efficient

Household Income Group	2005			2000		
	Total	Rural	Urban	Total	Rural	Urban
National	100.00	100.00	100.00	100.00	100.00	100.00
Lower 5%	0.77	0.88	0.67	0.93	1.07	0.79
Decile-1	2.00	2.25	1.80	2.41	2.80	2.02
Decile-2	3.26	3.63	3.02	3.76	4.31	3.07
Decile-3	4.10	4.54	3.87	4.57	5.25	3.84
Decile-4	5.00	5.42	4.61	5.22	5.95	4.68
Decile-5	5.96	6.43	5.66	6.10	6.84	5.60
Decile-6	7.17	7.63	6.78	7.09	7.88	6.74
Decile-7	8.73	9.27	8.53	8.45	9.09	8.24
Decile-8	11.06	11.49	10.18	10.39	10.97	10.46
Decile-9	15.07	15.43	14.48	14.00	14.09	14.04
Decile-10	37.64	33.92	41.08	38.01	32.81	41.32
Top 5%	26.93	23.03	30.37	28.34	23.52	31.32
Gini Co-Efficient	0.467	0.428	0.497	0.451	0.393	0.497

Source: BBS, HIES-2005

It is evident from Table 13.6 that income shares accruing to households belonging to Decile-1 to Decile-5 decreased at the national level in 2005 over the year 2000. On the other hand, income of the households belonging to Decile-6 to Decile-9 increased in 2005 over 2000. It may be noted here that though the percentage share of income of the lowest 5 percent households was about 1 percent (0.93%) in 2000, but it decreased to 0.77 percent in 2005. Income of the top 5 percent households were significantly declined at the national level (from 28.34% to 26.93 %). Above all, the higher Gini co-efficient in 2005 over the year 2000 indicates that social inequality has widened between the two periods.

Per Capita Expenditure on Consumer Goods and Services

According to Table 13.7, per capita expenditure on consumer goods and services at market prices increased to Tk. 31,900 in FY 2008-09 from Tk. 11,108 in FY 1995-96. In this case, the compound growth is 8.45 percent during 1995-2009. On the other hand, per capita expenditure on consumer goods and services (at 1995-96 prices) increased to Tk. 15,609 from Tk. 11,108 during FY1995-96 through FY 2008-09. Here the compound growth rate is 2.65 percent.

Table 13.7: Per capita Expenditure on Consumer Goods and Services (In Tk.)

Fiscal year	Per capita Expenditure on Consumer Goods and Services at Market Prices*	Per capita Real Expenditure on Consumer Goods and Services
1995-96	11108	11108
1996-97	11781	11332
1997-98	12529	11091
1998-99	13516	11176
1999-00	14353	11546
2000-01	15126	11937
2001-02	15952	12246
2002-03	17129	12598
2003-04	18456	12824
2004-05	20145	13147
2005-06	22241	13629
2006-07	24908	14336
2007-08	28521	14932
2008-09	31900	15609
Compound growth rate (1996-09)	8.45	2.65

Note: * Calculated from private consumption data under GDP new series.

Source: 'National Accounts Statistics' of BBS, (Various issues) and calculated by Finance Division.

Recent Effect of Inflation

Inflation has negative effect on the poor segment of population in Bangladesh during FY2005-2008. According to a report of the World Bank, the poverty line has upward trend during April/2007-March/2008 because of 40 percent increase of price cost. As a result, the rate of poverty reduction has not been reached the estimated rate (about 5%) during 2005-2008; instead it decreased by only 2 percent. The global financial recession might have negative effect on poverty reduction.

Social Safety-Net Programmes to tackle the aftermath of global financial recession

In the period following global financial recession, , the Government has increased the allocation for social safety-net (food) programmes to Tk. 4,569 crore from Tk. 4,195 crore as an immediate action under the revenue incentive package in FY 2008-09. Moreover, following steps have been adopted as policy support under proposed medium and long –term programmes (2009-10):

- VGF allocation would be increased from 2.25 lakh metric tonnes to 5.55 lakh metric tonnes and TR allocation from 2.00 lakh metric tonne to 3.66 lakh metric tonnes.
- To achieve the targeted goal of poverty alleviation declared in the election manifesto and to reinforce the programme of 100 days' employment generation, so that aggregate demand does not fall due to economic recession.
- Budget support from the World Bank and the Asian Development Bank will be sought in order to reinforce fiscal program of the Government.
- Bangladesh will also look for the fund created by the World Bank, IMF and Asian Development Bank to support the economy.
 - Special initiatives will be undertaken to increase the flow of micro-credit and investment fund to Poverty Reduction Foundation, Palli Karma Shahayok Foundation (PKSF), Municipal Development Fund (MDF), Social Development Foundation (SDF), Bangladesh NGO Foundation (BNF), and Infrastructure Development Co. Ltd. (IDCOL).
 - Rate and coverage of allowances for the poor elderly citizens, destitute women, insolvent freedom fighters, physically handicapped, orphan- will be increased and widened.
 - There will be an attempt to expedite the flow of existing micro-credit fund of Rural Development Board, Directorate of Youth Development, Directorate of Social Well fair, Directorate of Women Affairs, Directorate of Fisheries, and Directorate of Livestock and BSCIC.

Selected Programmes for Poverty Alleviation

To attain the Millennium Development Goals declared by UN as well as to achieve the annual target specified in the Poverty Reduction Strategy Paper (PRSP), about 58 percent of budget resources were allocated for poverty reduction activities in FY2008-09. Government and Non-government Organisations (NGOs) offer different programmes to provide employment opportunities and income generating activities for the poor. These programmes contributed to enhancing entitlement of the poor and at the same time empowered them to ameliorate their condition by raising awareness. Besides, social safety net programmes like food for works programme, VGD programme, construction and maintenance of rural infrastructure generate employment opportunities for the rural poor. On the other hand, education expansion programmes like food for education, special stipend and financial assistance, free primary education are directly contributing to human development efforts. Young entrepreneurs would be encouraged in future by increasing the number of beneficiaries of various allowances and providing necessary capital to *Karmashangsthan* Bank.

Social Safety-Net Programmes

Mainstreaming all the disadvantaged people including women and children in the development process is the fundamental challenge for socio-infrastructure development. As many as 66 programmes were implemented in the social security and social empowerment sector in FY 2008-09 under different Ministries/Divisions. The programmes were: cash transfer (special and different other allowance) programme, food security programme, and micro-credit programme. Under these programmes, the Government allocated Tk. 12,198.48 crore in the revised budget of FY 2008-09, which was 12.96 percent of the total budget outlay and 1.98 percent of GDP.

Classification of Key Social Safety-Net Programmes in Bangladesh

- *Cash transfer programmes(Different allowances);*
- *Cash transfer programmes(Special allowances);*
- *Food security programme;*
- *Micro-credit programmes for self-employment*
- *Fund for Poverty alleviation.*

Cash Transfer Programmes

- Old-Age Allowance Programme;
- Allowances Programme for Widowed, Deserted and Destitute Women;
- Honorarium Programme for Insolvent Freedom Fighters;
- Training and Self-Employment Programme for Insolvent Freedom Fighters and their dependants;
- Fund for Rehabilitation of the Acid-Burnt and the Physically Handicapped;
- Allowance for the Fully Retarded;
- Allowance for Poor Lactating Mothers
- Food for Works Programme.

Old-Age Allowance Programme

Under the Ministry of Social Welfare, the budget allocation for this programme was Tk. 600.00 crore in FY 2008-09. Monthly old age allowance has been increased to Tk. 250 from Tk. 220 and the number of beneficiaries increased to 20 lakh from 17 lakh during this period.

Allowance Programme for Widowed, Deserted and Destitute Women

Under this programme, monthly allowance for the Widowed, Deserted and Destitute Women was revised to Tk. 250 from Tk. 220 and the beneficiary coverage stood at 9 lakh in FY 2008-09. In FY 2008-09, the budget allocation for this programme was Tk. 270.00 crore and Tk. 269.02 crore has been distributed among 7.8 lakh recipients up to June 2009.

Fund for Rehabilitation of the Acid-Burnt Women and the Physically Handicapped

For rehabilitation of acid-burnt women, the Ministry of Social Welfare has introduced this fund under which each victim receives Tk. 10,000. In FY 2008-09, the Government allocated Tk. 2.00 crore for this fund which has been disbursed.

Allowance for the Fully Retarded

The Ministry of Social Welfare is implementing this programme. To provide subsistence to fully retarded persons, the allowance has been enhanced from Tk. 220 to Tk. 250 in FY 2008-09. Total number of beneficiaries stood at 200,000 and Tk. 60.00 crore has been allocated for this programme, while Tk. 22.38 crore has been distributed during this period. Besides this, stipend programme for disabled students has been introduced since FY 2007-08 under which Tk. 6.00 crore has been allocated in FY 2008-09 and the total number of beneficiaries stands at 13,041.

Honorarium Programme for Insolvent Freedom Fighters

In FY 2008-09, about one lakh insolvent freedom fighters were provided with a monthly grant @ Tk. 900. The budget allocation for this programme was Tk. 180.00 crore in FY 2008-09.

Training and Self-Employment Programme for Insolvent Freedom Fighters and Their Dependants

To provide employment opportunities and to enhance the standard of living of freedom fighters, the Ministry of Liberation War Affairs has initiated micro-credit programme at the field level executed by BRDB. Tk. 25.00 crore has been allocated to BRDB up to FY 2006-07. As many as 2, 93, 10 insolvent freedom fighters and their dependants from 64 districts have been included in the training and self-employment programmes under Youth Development Training Centres. The purpose of this training programme is to provide skill development training on different trades either individually or in groups (target group) to make them capable of being self-employed.

Allowance for Poor Lactating Mothers

According to poverty map of the country, an amount of Tk.21.20 crore has been allocated among 60,000 poor and pregnant women in FY 2008-09.

Progress of different programmes under Food Assistance Programme

Food for Works Programme: Under the Ministry of Food and Disaster Management, the allocation of food grain for this programme was 3.60 metric tonnes in FY 2008-09, and up to June 2009, 36315 projects are being implemented at a cost equivalent to 2.96 lakh metric tonnes of food grains during this period.

Vulnerable Group Feeding (VGF) Programme: The Ministry of Food and Disaster Management has distributed 5.25 lakh metric tonnes food grain among 72, 90,262 beneficiaries in

FY 2008-09. Due to global financial recession, the Government has increased allocation against this programme.

Vulnerable Group Development (VGD) Programme: The Ministry of Women and Children Affairs is implementing this programme. There was an allocation of 2.61 lakh metric tonnes of food grains under this programme and 2.6 lakh metric tonnes food grains was distributed in FY 2008-09,

Test Relief (TR) Programme: The Ministry of Food and Disaster Management allocated 2.69 lakh metric tonnes food grains in FY 2008-09. 2, 26,995 projects were being implemented at a cost equivalent to 3.61 lakh metric tonnes of food grains during this period. This programme has created job opportunities for 4.49 lakh labourers. TR allocation has also been increased recently for the impact of global financial recession.

GR Programme: Under the Ministry of Food and Disaster Management, 48,761 metric tonnes of food grains and Tk. 2.28 crore were distributed in FY 2008-09 through this programme. Besides this, Tk 21.08 crore has been distributed among destitute for house building.

Special Poverty Alleviation Programmes

Along with different sectoral programmes, the present Government in fulfillment of its commitment has started implementing different innovative projects such as *Asrayon*, *Grihayon*, *Adorsha Gram* and *Gharey Fera*.

Programmes under Poultry and Livestock Sector to Alleviate Poverty

Artificial insemination is an important and successful programme in livestock sector. In FY 2008-09, about 20.00 lakh (2 million) cattle have been artificially inseminated through 2069 artificial insemination centres of the country. Besides, small farmers and peasants are given advice and training on poultry and livestock rearing.

Programmes under Fishery Sector to Alleviate Poverty

As a part of its poverty reduction programmes, the Government has introduced different programmes in the area of production of fish spawn and fries, training for human development, fish management, establishment of safe sanctuaries for fish, implementation of fish preservation law, Jatka protection and fish research. 2.71 metric tonnes of carp spawn and 0.41 fries were produced in FY2008-09.

Fund for Housing the Homeless

As of June 2009, Tk.115.66 crore has already been released against an allocation of Tk. 204.26 crore for rural housing programme and 46,567 houses have already been constructed where the number of beneficiaries stands at 2.30 lakh. In addition, Tk. 10.84 crore has been released as grant. It is worth mentioning that 404 NGOs are implementing the programme and covered 400

upazilas of 64 districts of the country. So far, Tk. 79.12 crore has been recovered against the total recoverable amount of Tk. 86.85 crore with recovery rate of 91.10 percent.

Programmes of the *Karmasangsthan* Bank for generating employment for the unemployed youth

Karmasangsthan Bank has undertaken special credit programmes to utilise the unemployed especially the educated unemployed youth of the country in different production-oriented and income-generating activities. In FY2008-09, 7 new branches were opened raising the number of branches to 110. *Karmasangsthan* Bank distributed Tk. 482.36 crore among 1, 43,943 borrowers up to June 2009. Tk. 391.59 crore was recovered against cumulative recoverable loans of Tk. 435.15 crore, indicating a recovery rate of 90 percent.

Some special credit programmes of *Karmasangsthan* Bank are given below:

- **Micro-Credit Support for Employment of Voluntarily Retired/Retrenched Labour/ Employees of Mills and Industries**

Under an agreement between the Ministry of Labour and Employment and *Karmasangsthan* Bank, *Karmasangsthan* Bank is implementing the programme for alleviation of poverty of voluntarily retired/retrenched industrial workers by creating employment opportunities and retraining activities. Under this programme, Tk. 69.45 crore has been disbursed among 12,777 borrowers and Tk 42.13 crore recovered against recoverable amount of Tk. 56.11 crore showing recovery rate of 75 percent in FY 2008-09.

- **Assistance for Agro-based Industries**

Under an agreement between the Ministry of Finance and *Karmasangsthan* Bank, *Karmasangsthan* Bank is implementing this programme. As of June 2009, an amount of Tk. 39.99 crore has been distributed among 1622 borrowers against an allocation of Tk 50.00 crore. Tk. 20.24 crore has been recovered against recoverable amount of Tk. 22.24 crore with the recovery rate of 91 percent. Both funds are used as revolving fund as per the agreement.

***Abashan* (Poverty Alleviation and Rehabilitation) Project**

Abashan project is being implemented at a cost of Tk. 716.00 crore as a follow-on project of the *Ashrayon* project which began in 1997. Till 30 June 2009, 54,400 families have been rehabilitated at a cost of Tk. 566.81 crore. The main objective of the programme is to provide land, accommodation, training, credit, education, health service, family planning, pure drinking water, electricity, improved transportation system and tree plantation facility and to create income generating activities for alleviating poverty of 65,000 landless, homeless and destitute families at a cost of Tk. 715.98 crore and 1.06 metric tonnes of food grains. 45,167 families have received

orientation and trade based training and 40,167 families have been provided with micro- credit amounting Tk. 28.62 crore.

Youth Development through Self-employment

Considering the importance of youth participation in the development process, the Department of Youth Development trained 32.03156 lakh youths up to June 2009. Out of the trained youths, 17,90,262 youths became self –reliant through self-employment. An amount of TK. 845.41crore including revolving fund have been sanctioned among 7.3229 lakh beneficiaries as loan up to June 2009 and an amount of Tk. 717.32 crore (89.62%) has been recovered. This is consistent with the Government’s commitment to generate employment for one unemployed male or female from each family for at least 100 days in a year.

Poverty Reduction and Employment Generation Activities under Ministry of Women and Children Affairs

Under the Ministry of Women and Children Affairs, a total of 750,000 distressed and ultra-poor women have been receiving food assistance and development package training. In FY 2008-09 an amount of Tk. 839.18 lakh has been allocated. Vulnerable Group Development for Ultra-poor (VGDUP) project provides life skill training on income generating activities as well as Nutrition, Primary Health, Human rights, AIDS, Reproductive Health, Gender and Rights issues and well Environmental issues. In addition to training, 80,000 VGD women are receiving support in the form of subsistence allowance, asset transfer and savings generation so that they can engage in self employed income generating activities. An amount of Tk. 3000.00 lakh has been allocated to accomplish those activities in FY 2008-09. Besides this, a micro-credit programme has been taken up to create opportunity for poor and distressed women to develop their socio-economic condition through self-employment. Under the micro-credit programme for self-employment of women, an amount of Tk. 1,325 lakh has been allocated during FY 2008-09. Under the ‘Micro-credit Programme for self employment’ of the Department of Women Affairs at a cost of Tk.3,225.00 lakh, the amount of disbursement stand at Tk. 2045.00 lakh and the total number of beneficiaries is 65930 during this period. The cumulative disbursed amount stood at Tk. 5,895.70 lakh in FY 2008-09. Moreover, under the programme titled ‘Grant for Poor Distressed Women and Children’ an amount of Tk. 263.51 lakh distributed by same department to 12734 poor women and children for their welfare during the period from FY1995-96 to FY2008-09. Further, the establishment of hostel for employed women, day care centre for children, sales and display centres for marketing of commodities produced by women entrepreneurs, training centres with training facilities (training related to handicrafts, agriculture and computer) in various places is creating self-employment opportunities for women.

Poverty Reduction under the Ministry of Social Welfare

The Ministry of Social Welfare is delivering a good number of programmes for poverty reduction and human resource development. The poverty reduction programme is one of the most important among the social integration programmes undertaken by the ministry. Some of its programmes are: Rural Social Service (RSS) Programme, Urban Community Development (UCD) Programme, Poverty Alleviation through Rural Maternal Centre (RMC), Rehabilitation Programme for Acid-burnt Women and Physically Disabled. To alleviate poverty through these four programmes, revolving funds are invested as micro-credit among the target group. The total amount of seed money for these programmes stands at Tk. 284.041 crore. The cumulative amount of recovery stands at Tk. 536.578 crore with the recovery rate of 85 percent. Under these programmes as many as 60,988 beneficiaries have received vocational training and 83105 beneficiaries became literate, in FY 2008-09. Moreover, the awareness-building activities on primary health care have been extended to 29, 04,257 beneficiaries and 1,83,346 beneficiaries were motivated on family planning matters during this period.

Social Security Programmes under the Department of Social Welfare are as follows:

- **Social Security Programme:** Considering the socio-economic condition of the destitute, poor and physically handicapped, the Government has introduced Old Age Allowance, Allowance for Acid Burnt Women and Physically Handicapped and Insolvent Freedom Fighters Allowance programmes under social security programmes. Among these programmes, the old-age allowance programme is a major programme and Tk. 600.0 crore has been allocated for Old- programme in FY 2008-09 with a beneficiary coverage of 20 lakh elderly people who received allowance @ Tk. 250/- per month. Moreover, Tk. 6.00 crore has been allocated as stipend for 13041 disabled students during this period.
- **Human Resource Development Programme:** To maintain food, lodging, training and rehabilitation of 10,375 orphans, the Government is running 85 orphanages throughout the country. The Government has disbursed Tk. 37.8 crore as capitation grant for enlisted non-government orphanages which has been distributed among 43,383 orphans at the rate of Tk 700.00 per head in FY 2008-09.

Besides these, there are other programmes which also help the poor and the destitute such as 'Programmes on Welfare and Services Delivery', 'Programmes on Addressing Social Disintegration', 'Community Empowerment Programme', 'Environment and Aforestation Programme'.

Activities of the Department of Cooperatives

In tandem with helping the people to become self-reliant by organizing co-operatives, the Department of Cooperatives also plays a role in poverty alleviation by involving them in different economic activities. Up to June 2009, there have been 1,64,514 registered cooperative societies in Bangladesh with 85,02, 713 individual members which is 5.5 percent of the total population. Production and marketing of milk has been done successfully by the cooperatives like Milkvita, in Bangladesh. Milkvita has set a unique example of rural cooperative, particularly in milk collection, processing and marketing, which also have direct contribution to poverty reduction in Bangladesh. Bangladesh Shamabaya Bank Limited (BSBL), another national cooperative society, is providing agricultural credits among the farmers for boosting up agricultural production and land development. During FY 2008-09, BSBL has disbursed and recovered Tk. 38.28 crore and Tk. 32.32 crore respectively. Its present working capital has been raised to taka 365.94 crore. On the other hand, under 'Small Farmers Development Foundation (SFDF)' an amount of Tk. 2084.22 lakh has been disbursed among 12643 beneficiaries for its credit operation. Till June 2009, a total of Tk. 3,516.62 lakh has been disbursed and an amount of Tk. 2,252.35 lakh has been recovered. The recovery rate of credit stands at 96 percent. The total number of beneficiaries of the Foundation is 24,226 of whom 96 percent are female.

Specialised Activities for Poverty Alleviation:

Information and Communications Technology (ICT) for Poverty Alleviation

It is widely recognised that the use of information and communications technology (ICT) has the potential to speed up the process of achieving the MDG of halving poverty by 2015. The Government recognised ICT as the thrust sector and in its election manifesto the Government pledged to make the ICT sector successful to establish 'Digital Bangladesh' by 2021 where there will be huge employment opportunities, sustained growth and no curse of poverty.

Rural Infrastructure Development Programme

Local Government Engineering Department (LGED) under the Ministry of Local Government, Rural Development and Co-operatives, has been implementing various rural infrastructure development programmes, like construction of rural roads, bridges/culverts, growth centres, and embankments. LGED is also providing micro credit for creating self-employment by undertaking community- based resource management project, infrastructure development project for market place in char area and city development project in urban area. In FY 2008-09, under these 3 development projects, Tk. 4.01crore, Tk.68.16 crore and Tk.20.96 crore (total 93.13 crore) has been disbursed as credit. Up to June/2009, the cumulative disbursement and recovery stood at Tk.206.95 crore and Tk.145.92 (84%) respectively under the micro credit programme.

Palli Daridrya Bimochan Foundation (PDBF)

Palli Daridra Bimochon Foundation (PDBF) is dedicated to alleviate rural poverty and promote socio-economic advancement of the disadvantaged rural people. The objective of the PDBF is to mobilize the rural poor by providing them effective financial support, skill development, leadership and social development training to empower them socially and economically. Approximately 95 percent members of PDBF is female. PDBF disbursed a total of Tk. 416.60 crore as loan to the members upto June, 2009. To develop the skill on various income generating activities of members, PDBF trained by his own Technical Assistance Team (TAT) a total of 1,32,231 members for 3,35,591 person days. On the other hand, a total of 891 members were trained as para technician and 57,760 members were trained on social and leadership development training for 1,78,134 person days.

Bangladesh Academy for Rural Development (BARD), Comilla

BARD is implementing a programme titled 'Comprehensive Village Development Programme (CVDP) at Burichong upazila in Commilla' as a national village development model programme of BARD. This programme has been taken up for implementation over a period of June 2008 to June 2011. The main objective of this programme is to eradicate poverty by providing training for the poor (women and men) in the project area and developing infrastructure (e.g school, culvert, roads, community centre and installation of deep tube well for safe water). In FY 2008-2009, an amount of Tk. 2.57 crore was distributed to 303 women as micro credit where recovery stood at Tk. 2.52 crore with repayment rate of around 98 percent. Besides this, BARD has organised 143 training courses, seminars, workshops for 5641 participants of different organisations.

Rural Development Academy (RDA), Bogra

Rural Development Academy (RDA), Bogra, has arranged 227 training courses attended by 8774 participants' during FY 2008-09. Besides, to develop replicable model for rural development and poverty alleviation, RDA is implementing action research projects such as comprehensive Village Development Programme (CVDP), creation of additional employment, poverty alleviation through irrigation and water management, poverty alleviation through improved irrigation technology transfer in southern and hill tracts area, good seed initiative (GSI) etc. RDA has formed 300 cooperative societies in four upazilas under CVDP where 36613 beneficiaries from 29,556 families have been involved. During FY2008-2009 through all these projects an amount of Tk. 6.19 crore was provided as loan of which TK. 4.38 crore was recovered with the recovery rate of 83 percent.

Upcoming Programmes (2009-2010):

The present government is actively considering several programmes for execution to meet the pledges of election manifesto. Included among them are: Giving priority to Ultra-

poor/hardcore poor area, a social safety net programme titled 'Employment for Ultra-poor/hardcore poor for 100 days' would be undertaken according to 'Upazila Poor Mapping' in the FY 2009-2010.

- To create employment for the unemployed youth having the educational qualification of HSC and above, a national service scheme will be introduced; 'Shishu Bikash Kendro' by at the initiative of non- government development agencies would be introduced to help resettle street children of age 6-18 and provide safe home for them along with providing primary and technical education and health service.
- A programme will be undertaken for establishing 'Service for the disabled and the help centre' to provide 'Assistive device', health and information services to the disabled people of the country.
- A project titled 'one house, one farm' will be implemented to make each house as an individual economic unit. This will ensure participation of the poor especially women in development and income generating activities/programmes, provide skill development training on agro-based productive and self-employment activities.

Micro-credit Programmes of NGOs

NGOs are assisting in the implementation of different development programmes undertaken by the Government. Besides this, during flood, draught, and other natural calamities, NGOs work hand in hand with the Government. According to Credit and Development Foundation (CDF) statistics, up to June 2009, the total number of active members was 2.58 crore among which 2.17 crore were female and cumulative disbursement of micro-credit among members was Tk. 86,138.17 crore with the rate of recovery being 96.56 percent. During this period, the total amount of savings of these organisations stood at Tk. 3,606.24 crore and Tk. 83,721.43 crore was disbursed among different sectors. Of this amount, Tk. 34,070.8 crore was disbursed against small business, Tk. 3,267.9 crore against transport, Tk. 10,279.7 against livestock, Tk. 3,162.3 crore against fisheries, Tk. 11,277.2 crore against agriculture, Tk. 2,587.9 crore against handicrafts, Tk. 603.4 crore against health, Tk. 211.53 against education, Tk. 449.8 against housing and the rest was against other sectors.

Activities of major NGO's

BRAC: Since its establishment in 1972, BRAC has been experimenting with micro finance since 1974. This is the largest NGO providing micro-credit. Other than micro-credit, it also actively participates in health-care, education as well as social development activities. In FY 2008-09, BRAC has disbursed Tk. 8,092.52 crore and realised Tk. 7,876.71 crore, where the number of beneficiaries is 82,97,985 (79,68,810 are women). Under a programme titled 'Challenging the

Frontiers of Poverty Reduction' (CFPR), 3, 05,614 women were trained of whom 1, 02,175 were provided with assets in 46 districts.

ASA: Established in 1974, ASA started its activities as a specialised micro-finance service provider during the 1990s. It has gradually developed itself into a self-reliant organisation promoting micro-credit in the world. It is the only organisation which has been implementing and expanding micro credit programme at the lowest cost. Poor women are provided with Tk. 5000 to Tk. 15000 as an initial loan under the small credit programme. At the end of June 2009, the total loan disbursed on a cumulative basis stood at Tk. 30,203.9 crore, the outstanding amount (principal) was Tk. 2,368.7 crore among 45.7 lakh borrowers and the number of ASA's active members stood at around 59.1 lakh.

SWANIRVAR BANGLADESH: *Swanirvar* Bangladesh is instilling the spirit of self-reliance by providing credit from the State-owned Commercial Banks, PKSF and other sources. Since its inception to June 2009, Swanirvar Bangladesh disbursed a sum of Tk. 3,959.41 crore to 28, 07,497 landless people. The programme of the organisation has been extended to cover 52 districts, 188 upazilas and 14,150 villages. Up to June 2009, total savings collected was Tk. 52.20 crore and the number of persons trained in poultry, pisci-culture and cow fattening was 89, 6,755. During FY 2008-09, a sum of Tk. 104.43 crore has been disbursed to 1,03,824 landless men and women for poverty reduction and self employment. The total loan recovered during this period stands at 97.98 crore with the recovery rate of 94 percent.

PROSHIKA: *Proshika's* approach to credit is 'Credit plus Credit'- a system under which not only credit is given but also proper training, technical assistance, market facilities as well as social and other development supports are provided. *Proshika* impart training on areas like organic agriculture, irrigation, livestock, apiculture, sericulture, social forestry, homestead gardening and small business for its beneficiaries under micro-credit programme for sustainable economic development, income and employment generation of its group members. A total of Tk.4,202 crore has been disbursed against 12.42 lakh projects to create employment/self-employment opportunities for the poor. Up to June/2009 an amount of Tk. 3,846 crore has been recovered where number of beneficiaries is 28, 11,857.

TMSS: Thangamara Mohila Sobuj Sangha has been working for poverty alleviation, socio-economic development and empowerment of women since 1980. It started its micro-credit programme in 1985 and its aim is to bring about social development through development of the deprived poor women. Besides PKSF, this organisation is implementing micro-credit programme

with the financial assistance of ADB, World Bank, DFID, EU and Bangladesh Bank. Up to June 2009, the total amount of micro-credit distributed was Tk. 3119.375 crore, where the recovery rate was Tk. 2774.22 crore and the yearly increase of the number of beneficiaries stood at 7, 25,207.

Shakti Foundation: This organisation is engaged in providing credit facility for the disadvantaged women living in the slums of Dhaka, Chittagong, Khulna, Comilla, Bogra, Rajshahi and other major cities and towns. Besides, it also provides help for health-care, business entrepreneurship and social development of women. Up to June 2009, the growth rate of members was 20.59 percent, disbursement of loan stood at Tk. 305.145 crore and the recovery rate was 21.40 percent.

Society for Social Development: This organisation came into being in 1986 with an aim to contribute to the process of sustainable social development through mobilization and building awareness on basic rights with special emphasis on health of the poor and the disadvantaged communities.

BURO, Bangladesh: This organisation was established to alleviate poverty by extending credit programme for the poor. Side by side, during FY 2008-09, it also actively participated in health care, pre-primary education, women development and empowerment, water and sewerage management, family planning, plantation and social forestry, disaster management etc. The total disbursement of credit and its recovery stood at Tk. 695. 96 crore and Tk. 598.12 crore respectively.

Besides these, other NGOs are also contributing to the process of socio-economic development of the country. Status of micro-credit programmes of some major NGOs is presented bellow:

Table 13.08: Status of Micro-Credit Programmes of Major NGOs

(Tk.in crore)

Calendar Year	2002	2003	2004	2005	2006	2007	2008	*2009	Cumulative up to June 2009
BRAC									
Disbursement(Tk.)	1706.59	2070	2590.15	3254.21	4261.54	6232.87	8428.90	**8092.52	36636.78
Recovery (Tk.)	1614.78	1838.03	2290.32	2926.84	3626.39	5036.93	7560	7876.71	32770
Beneficiaries	3531513	3402475	4858763	4837099	5310317	7370847	8090369	8297985	45699368
Female	3516838	3392976	3872110	4029265	5140494	7108155	7796769	7968810	42825417
Male	14675	9499	131477	128865	169823	262692	293600	329175	1339806
ASA									
Disbursement	1595.22	2001.54	2403.92	3317.92	4131.61	5395.34	6084.18	2505.93	27435.66
Recovery	1322.19	1807.93	2208.4	2822.82	3712.00	5060.46	6068.08	3266.93	26268.81
Beneficiaries	2136165	2341819	2996660	5988134	6455979	6674058	7276677	5912550	39782042
Female	2055628	225818	2897503	3917566	4303787	4716922	5144662	4446185	27708071
Male	80537	83701	99157	2070568	2152192	1957136	2132015	1466365	10041671
***PROSHIKA									
Disbursement	406.76	357.4	277.07	288.13	316.50	312	267	119	2343.86
Recovery	428.40	371..21	350.61	330.70	343.09	298	284	217	2623.01
Beneficiaries	3165370	56837	49710	20076	15030	8209	6723	847	3273092
Female	406.76	1667802	36496	1719342	11478	6759	3640	764	3410191.76
Male	428.4	1033151	13214	1050764	3552	1450	3083	83	2092511.4
Swanirvar Bangladesh									
Disbursement	39.46	40.66	60.75	75.91	91.36	96.30	96.73	67.41	568.58
Recovery	33.32	34.58	43.38	61.54	70.94	75.91	84.57	57.39	461.63
Beneficiaries	54763	54217	62915	94945	129894	101565	104702	66085	669086
Female	49681	50420	59775	90565	126332	98807	97342	54027	626949
Male	5082	3797	3140	4380	3562	3057	7360	12058	42436
Caritas									
Disbursement	51.41	90.13	60.43	106.18	118.24	147.78	140.20	78.08	792.45
Recovery	54.89	82.69	58.76	94.97	111.85	137.21	133.71	74.47	748.55
Beneficiaries	4961	33727	(18657)	14936	4227	4362	99.71	5594	49249.71
Female	5255	24351	(5526)	14124	3831	7091	10524	6574	66224
male	(294)	9376	(13131)	812	396	(2729)	(553)	(980)	1421
TMSS									
Disbursement	90.14	129.91	168.32	292.11	409.79	514.80	571.93	656.01	2833.01
Recovery	77.44	109.23	148.75	220.02	359.99	457.69	548.15	606.34	2527.61
Beneficiaries	33600	54942	23937	115470	68587	99826	89544	22462	508368
Shakti Foundation									
Disbursement	61.11	84.28	102.41	150.42	179.97	176.13	202.74	162.59	1119.65
Recovery	56.40	70.71	84.96	124.46	145.03	1175.13	181.11	156.65	1994.45
Beneficiaries	75137	100464	114701	157517	167113	156108	181990	299158	1252188
BURO, Bangladesh									
Disbursement	69.57	108.27	152.80	236.84	318.03	375.16	590.58	695.96	2547.21
Recovery	58.25	93.78	132.52	196.00	277.45	337.27	465.26	598.12	2158.65
No. of beneficiaries	124446	184609	221366	273286	331329	376710	602273	672467	2786486

Calendar Year	2002	2003	2004	2005	2006	2007	2008	*2009	Cumulative up to June 2009
Society For Social Services(SSS)									
Disbursement	27.22	67.36	84.78	165.52	260.77	354.06	432.69	**523.80	1916.2
Recovery	26.02	52.73	70.35	130.71	204.55	310.89	383.87	457.82	1636.94
Beneficiaries	74096	106703	133404	184591	260110	320110	362636	362636	1804286
Female	72877	102326	129154	179511	253387	311383	351050	11586	1411274
Male	1219	4377	4250	5080	6623	8727	11586	351050	392912
Total									
Disbursement	4047.48	4949.55	5900.63	7887.24	10087.81	13604.44	16814.95	12901.3	76193.4
Recovery	3671.69	4460.89	5388.05	6908.06	8851.29	12889.49	15708.75	13311.43	71189.65

Source: Concerned NGOs. * data of 2009 is from January'09 to June'09. **data of BRAC and SSS for 2009 is from July'08 to June'09. *** number of beneficiaries of Proshika in 2002 is shown in cumulative.

Grameen Bank

Asset less people can also engage themselves in income generating activities if they are provided with credit support. Under this assumption, *Grameen Bank* provides collateral free credit to the landless poor. The loaned amount is repaid on weekly instalments and all transactions are closed and cleared by the members in their weekly meetings. Status of micro-credit programme of Grameen Bank is given in the Table 13.09.

Table: 13.09. Micro-Credit Programmes of *Grameen Bank*

	Cumulative up to June 02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Cumulative (Up to June '09)
Disbursement	16141.12	1879.81	2335.62	3148.37	4590.55	5019.44	5561.85	7184.59	45861.35
Recovery	14919.25	1676.33	1980.16	2581.54	3769.82	4802.52	4955.09	6105.34	40790.05
Rate of recovery (%)	92.43	99.00	99.96	98.95	98.49	98.61	98.11	97.81	97.81
No. of Branches	1175	7	76	279	648	246	86	40	2557
No. of villages	40693	1918	3298	8113	15118	9519	3653	2175	84487
No. of beneficiaries (cum.)	4757028	2786748	3626937	4764216	6390148	7208455	7527700	7904797	7904797
Female (cum.)	4517791	2657105	3468147	4573681	6161452	6972351	7290604	7659739	7659739
Male (cum.)	239237	129643	158790	190535	228696	236104	237096	245058	245058

Source: Grameen Bank

Palli Karma-Sahayak Foundation (PKSF)

PKSF with its partner organisations play a remarkable role in alleviating poverty through its micro- credit activities since its inception. As of June 2009, PKSF disbursed a cumulative amount of loan amounting Tk. 7,484.44 crore to its 257 partner organisations (POs). By revolving

this amount, the POs have distributed Tk. 4,54,183.24 crore. During this period, the number of borrowers at the field level was 83.3 lakh, where the percentage of women was more than 91 percent and maintaining a recovery rate above 98 percent.

PKSF usually provides loan facility to POs only in rural micro-credit sector. At present, eight categories of micro-credit programmes are being implemented under the mainstream micro-credit activities such as- (a) rural micro-credit (b) urban micro-credit (c) micro-credit for the poorest of the poor (d) micro-enterprise-credit and (e) seasonal credit (f) agriculture sector micro-finance (g) programme initiatives for 'Monga' Eradication (PRIME) to manage micro-credit in greater Rangpur district and (h) credit facilities for the poor- friendly programme, initiating 'Learning and Innovation Fund to Test New Ideas (LIFT)' programme. Apart from mainstream micro-credit programme, PKSF is implementing some other especial programmes. Status of PKSF's micro-credit programme is shown in the Table 13:10.

Table 13.10 Status of Micro-Credit Programmes of PKSF

(Tk in crore)

	Cumulative up to	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	*2008- 2009	*Cumulative Up to June'09
Disbursement	1202.86	304.10	340.56	366.00	692.62	1350.70	1408.90	1819.53	7484.46
Recovery	398.72	160.39	243.00	342.13	437.58	638.94	1009.88	1352.92	4583.56
Rate of	196.81	98.17	97.40	96.96	96.71	98.60	97.32	98.21	98.21
Partner Organisations	199	213	219	231	243	248	257	257	257
Beneficiaries	2629174	4485832	5104940	5522406	6778262	7723451	8283814	8262465	8262465
Female	2398082	3999332	4621260	5033129	6207971	7067455	7160581	7597067	7597067
Male	231092	486500	483680	489277	570291	655574	673233	665398	665398

Source: PKSF.*Provisional figure

Bangladesh Rural Development Board (BRDB)

Bangladesh Rural Development Board (BRDB), a designated and specialised government agency operating in the field of rural development and poverty alleviation, is mandated for increasing agricultural production and poverty alleviation. Through Two-Tier Cooperation model (TCCA-KSS), BRDB is working for agricultural development by organizing and providing credit and other agricultural appliances to the small and marginal farmers. On the other hand, under its development projects and programmes, BRDB puts in persistent efforts in providing micro credit, human resource development training and other services on diverse social issues such as- health, sanitation, family planning, mass education, HIV/AIDS prevention, gender and environment. Up to June 2009, BRDB distributed Tk. 7530.26 crore among 5,360408 members and recovered Tk. 6653.29 crore, showing the rate of recovery 94 percent. The ongoing poverty alleviation programmes of BRDB are: 1) Rural Livelihood Project (RLP); 2) Poverty Reduction through

Minor Crop Production, Preservation, Processing & Marketing Programme; 3) Integrated Poverty Alleviation Programme (IPAP); 5) Women Development (W/D) Programme and Revolving Agricultural Credit Program; and 6) Employment Guarantee Scheme for the Hard Core poor of the Northern Region.

13.11: Status of Micro-Credit Programmes of BRDB

(Tk In crore)

	Cumulative up to June'02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Cumulative (Up to June'09)
Disbursement	3067.47	354.74	419.44	654.86	683.77	862.73	796.06	691.19	7530.26
Recovery	2581.70	312.54	319.66	474.18	720.04	887.07	680.52	677.58	6653.29
Recovery rate (%)	92	90	94	89	94	93	94	94	88.35

Source: BRDB

Micro-Credit Programmes of State-owned Commercial Banks (SCBs) and Public Specialised Banks

The status of credit disbursement of 4 SCBs and 2 public specialised banks is shown in Table 13.12. Up to June 2009, the cumulative credit disbursement and recovery stood at Tk. 19,761.51 crore and Tk. 20,539.22 crore respectively. The recovery rate was 100.69 percent.

Table 13.12: Status of Micro-Credit Disbursement of Nationalised Scheduled Banks

(Tk in Crore)

Banks	Cumulative up to June 02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Cumulative up to June, 2009
Sonali Bank									
Disbursement	4169.78	361.57	460.18	485.90	456.62	410.02	557.08	617.44	7518.59
Recovery	7021.77	434.7	547.79	425.06	486.37	677.00	921.23	743.66	11257.58
Rate of recovery	141.22	120.23	119.04	87.48	106.52	165.11	34.30	30.46	149.73
No. of beneficiaries		-	-	189560	201841	199190	179188	208478	208478
Agrani Bank									
Disbursement	1255.39	45.89	44.08	100.34	182.07	210.60	290.40	339.66	2468.43
Recovery	1225.71	43.72	51.65	97.47	212.09	268.39	288.73	336.82	2524.58
Rate of recovery	110.14	95.27	117.17	97.14	116.49	127.44	99.43	99.16%	102.27
No. of beneficiaries	2939525	22160	23099	42435	104387		115383	139903	139903
Janata Bank									
Disbursement	1515.451	126.1	227.47	193.75	193.75	290.16	497.93	560.94	3605.551
Recovery	1441.64	120.9	163.52	106.54	106.54	249.81	355.90	412.83	2957.68
Rate of recovery	105.51	95.88	71.89	54.99	54.99	86.09	71	74%	82.03

Banks	Cumulative up to June 02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Cumulative up to June, 2009
No. of beneficiaries	608491	97000	129908	101220	100073	145080	124483	124653	124653
Bangladesh Krishi Bank									
Disbursement	820.64	93.58	68.16	58.86	57.02	54.51	53.43	47.82	1254.02
Recovery	683.62	98	46.6	37.27	43.24	51.84	51.46	45.56	1057.59
Rate of recovery	83.30	104.72	68.37	63.32	75.83	95.10	96.31	95.27	84.34
No. of beneficiaries	1394629	80289	60987	59117	50083	52028	47761	49356	49356
Rajshahi Krishi Unnayan Bank									
Disbursement	2199	13.64	17.97	30.73	29.23	14.99	17.71	18.03	289.08
Recovery	34.9	13.47	12.47	14.53	21.25	13.22	14.22	15.79	214.27
Rate of recovery	99.11	98.75	69.39	47.28	72.70	88.19	80.29	88	74.12
No. of beneficiaries	164844	11234	18597	47834	30033	16634	15818	16239	16239
Rupali Bank Ltd.									
Disbursement	21.54	2.24	5.17	15.28	16.09	11.02	16.97	16.88	105.19
Recovery	20.17	0.82	2.05	5.27	10.15	11.95	12.16	14.79	77.36
Rate of recovery	102.83	36.61	39.65	34.49	63.08	108.44	71.65	87.62	87.62
No. of beneficiaries	29362	2188	2427	5402	5431	2804	4242	3458	3458
Total									
disbursement	11237.19	688.91	867.11	985.2	1116.85	1201.9	1723.92	1940.43	19761.51
Recovery	11653.52	755.33	875.73	783.61	1091.73	1540.6	1932.43	1906.27	20539.22
Rate of recovery	103.70	109.64	100.99	79.54	97.75	128.18	112.10	98.24	103.90

Source: Related Banks

* Rate of recovery has been calculated in Tables 13.10, 13.11, 13.12 and 13.13 as follows: Rate of recovery = (Recovery/Disbursement) x100.

Micro-Credit Programmes of Other Commercial and Specialised Banks

Other commercial and specialised banks are also conducting micro-credit programmes to alleviate poverty and create self-employment alongside the state-owned commercial banks. As of June 2009, the total number of beneficiaries was 1756921 and the cumulative disbursement of credit was Tk. 4,520.1 crore. The status of micro-credit disbursement programme of other commercial and specialised banks is shown in Table 13.13:

Table 13.13: Micro-Credit Programmes of other Commercial and Specialised Banks

(Tk. in Crore)

Commercial and Specialised Banks	Number of Beneficiaries			Disbursement up to June' 09	Rate of Recovery (%)
	Female	Male	Total		
Ansar-VDP Development Bank	495015	181386	676401	852.04	99.39%
Social Investment Bank Limited	16097	24145	40242	92.58	98%
National Bank Limited	1675	59727	61402	145.28	95.77%
Islami Bank Limited	524319	78346	602665	*2118.90	99%
The Trust Bank Limited	-	1010	1010	52.29	85.40%
BASIC Bank Limited (up to Mrch'09)	257528	53015	310546	193.10	97.50%
Pubali Bank Ltd.	14033	23	14056	20.60	100%
Uttara Bank Ltd.	5268	45331	50599	1045.31	69.00%
Total	1313935	442983	1756918	4,520.10	

Source: Related Banks. *Disbursement figure of Islami Bank Ltd is cumulative

Micro Credit Programmes of Administrative Ministries/Divisions

The Government has been allocating funds from non-development budget to implement micro-credit programmes for poverty alleviation by different administrative Ministries/ Divisions/ Departments. The cumulative credit disbursement till June 2009 stood at Tk. 61,139.92 crore and recovery was Tk. 51,959.94 crore. In order to sustain the micro-credit programme for poverty reduction, the Government emphasises on developing small entrepreneurs. The Finance Division in cooperation with the other ministries is working together in this direction.

Table 13.14: Status of Micro-Credit of Administrative Ministries/Divisions

(Tk.in Crore)

Ministry/Division	Agency/Division	Cumulative up to June'03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Cumulative up to June'09
Ministry of Finance	Banking division *(RAKUB)								
	Disbursement	74.88	17.97	30.73	29.23	14.99	17.71	18.03	203.54
	Recovery	96.13	12.47	14.53	21.25	13.22	14.22	15.79	187.61
	Rate (%)	77.29	69.39	47.28	72.69	88.192	80.29	87.59	92.17
Rural Development & Cooperative Division	BRDB								0
	Disbursement	3372.21	419.44	654.86	683.77	862.73	796.06	691.19	7480.26
	Recovery	2895.24	380.35	474.18	720.04	887.07	680.52	677.58	6714.98
	Rate (%)	-	91	89	94	93	94	94	89.77
	BARD								0
	Disbursement	77.75	7.07	3.11	1.45	0.15	0.23	2.57	92.33
	Recovery	73.36	9.00	5.25	1.77	0.14	0.22	2.52	92.26
	Rate (%)		127.3	168.01	122.3	96.1	99.99	98	99.92
	RDA								0
	Disbursement	8.26	1.43	1.94	1.99	2.26	3.57	6.19	25.64
	Recovery	7.86	1.22	1.39	1.98	2.16	2.69	4.38	21.68
	Rate (%)		85.31	71.62	99.58	74.46	81	83	84.56
Ministry of Women and Children Affairs	*Dept. of Women								0
	Disbursement	2.08	0.1113	0.2399	0.2765	0.1418	0.33	20.45	23.6295
	Recovery	1.3235	0.1034	0.1330	0.2508	0.3025	0.0885	4.2275	6.4292
	Rate (%)		92.92	55.43	90.71	9.8.00	67		27.21
	Jatiyo Mohila Sangstha								0
	Disbursement	20.47	0.66	5.26	3.58	2.95	1.99	-	34.91
	Recovery	20.23	1.04	4.22	3.33	1.73	1.25	3.64	35.44
	Rate (%)		157.58	80.26	93	58.64	57.97	-	101.52
Ministry of Social Welfare	Dept. of Social								0
	Disbursement	517.56	54.88	44.59	71.86	41.02	64.90	30.32	825.13
	Recovery	472.56	49.60	40.30	53.54	32.33	52.41	28.79	729.53
	Rate (%)		73	90	75	79	81	95	88.41
Ministry of Fisheries and Livestock	Dept of Fisheries								0
	Disbursement	-	-	2.50	2.00	-	0.0	487.10	491.6
	Recovery	-	-	-		1.02	2.08	181.28	184.38
	Rate (%)					68.97	71.50	68.68	37.51
	Dept of Livestock								0
	Disbursement	18.44	23.93	18.81	5.49	-	0	32.97	99.64
	Recovery	12.68	2.30	4.66	5.61	10.74	16.71	13.94	66.64
	Rate (%)	68.76	9.61	24.80	12.60	25.40	41.50	42.28	66.88
Ministry of Industries	BSCIC								0
	Disbursement	157.67	29.22	25.94	22.07	13.71	4.32	4.32	257.25
	Recovery	126.75	27.46	23.26	22.71	19.67	10.57	6.80	237.22
	Rate (%)		93.98	89.67	102.89	143.47	243.54	163.27	92.21
	SERWTCI								0
	Disbursement	14	7.64	9.75	9.41	9.26	3.6396	7.3295	61.0291
	Recovery	12.09	4.11	6.36	8.33	8.31	3.5287	7.256	49.9847
	Rate (%)		53.80	64.96	89	90	96.95	98.997	81.90
Ministry of Agriculture	Disbursement	12104.24	4048.37	4956.78	5496.21	5292.51	8580.66	9284.46	49763.23
	Recovery	12650.13	3135.32	3171.15	4164.35	4676.00	6003.7	8377.62	42178.27
	Rate (%)	104.51	77.446	63.98	75.76	88.35	69.97	90.23	84.76
	Cotton Development Board								0
	Disbursement	3.3	0.263	0.264	0.213	0.2942	0.3382	0.341	5.0134
	Recovery	3.48	0.28	0.25	0.22	0.31	0.3512	0.2594	5.1506
	Rate (%)		105.70	101.6	101.6	104	104	76.07	102.74
	Dept of Agr Ex								0
	Disbursement	159.07	147.46	69.77	27.82	35.38	31.15	18.43	489.08
	Recovery	116.46	99.53	52.25	20.38	34.00	48.16	37.17	407.95
	Rate (%)		67.53	75	73	96	154.61	201.68	83.41
Ministry of Land	Disbursement	68.43	0.00	8.70	10.14	5.50	8.76	4.33	105.86
	Recovery	55.43	0.00	7.22	6.37	3.82	5.60	3.11	81.55
	Rate (%)	81.00	0.00	82.99	62.82	69.45	63.93	71.67	77.04
	Local Govt.								0
Local Govt. Division	Disbursement	54.85	1.33	3.37	6.00	16.32	31.95	93.13	206.95
	Recovery	22.72	1.03	2.66	3.31	9.28	21.8	85.09	145.89
	Rate (%)	47.26	77.44	96.00	88.89	98	84	94.63	70.50

Ministry/Division	Agency/Division	Cumulative up to June' 03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Cumulative up to June'09
Ministry of Youth and Sports	Dept. of Youth								0
	Disbursement	511.63	34.65	62.87	77.77	60.02	61.75	44.72	853.41
	Recovery	427.97	33.27	44.98	57.37	74.46	61.16	56.37	755.58
	Rate (%)	83.65	96.01	71.54	73.76	124.06	100.67	126.05	88.54
Ministry of Textile and Jute	Bangladesh Handloom Board(BHB)								0
	Disbursement	21.58	8.07	9.16	4.68	3.31	0.60	47.698	95.098
	Recovery	7.01	3.62	3.12	3.60	4.08	2.34	24.893	48.663
	Rate (%)	-	44.86	34.06	55.11	57.95	43.41	333	51.17
Ministry of Liberation war Affairs									0
	Disbursement	-	-	10.16	3.86	8.60	2.08	1.58	26.28
	Recovery	-	-	0.41	1.97	2.82	2.82	2.71	10.73
				27	38	42	42	32	40.83
Total	Disbursement	17186.42	4802.49	5918.80	6457.82	6369.15	9610.04	10795.16	61139.92
	Recovery	17001.42	3760.70	3856.32	5096.38	5781.46	6930.22	9533.43	51959.94

Source: Concerned Ministries and Bangladesh Bank.* Revised data of RAKUB & Dept. of Women Affairs has been shown.