CHAPTER 13
POVERTY ALLEVIATION

[*In Bangladesh, on the basis of Head Count Ratio, absolute poverty stood at 40.4 percent in 2005 which moved down to 31.5 percent in 2010 according to the Household Expenditure Survey (HEIS) 2010. On the other hand, Human Development Report (HDR) 2010 of UNDP revealed that Bangladesh ranks 129th with Multidimensional Poverty Index (MPI) of 0.291. In order to reduce poverty rate to 25 by 2013 and 15 by 2021 as set out in Vision 2021, the Government has prepared a long-term perspective plan (2010-20) and the Sixth Five Year Plan (SFYP) for implementation. In tandem, the Government is building a sustainable social safety net for the hard core poor to achieve the targets of the Millennium Development Goals (MDGs) by 2017. To achieve the planned targets of poverty reduction, the Government has allocated an amount of Tk. 73,680 crore (about 56.67 percent of the total budget) in FY 2010-11against programmme directly or indirectly linked to poverty alleviation. Aside from this , a total allocation of Tk. 20893.52 crore has been made in the budget for FY 2010-11 to implement various programs under social safety net. Bangladesh is already ahead of many developing countries in terms of achieving the targets of MDGs. Palli Karma Shahayok Foundation (PKSF), different Banks, NGOs are associated with the implementation of programmes of the Governmen addressing poverty reduction. Various ministries including Finance Division have been relentles in implementing other programmes along with micro- credit programmes.****]***

Poverty Situation in Bangladesh

Bangladesh, home to a huge population of 14.23 crore (BBS, 2010), cannot escape the fact of severity of poverty. Poverty alleviation has, therefore, been high on its development agenda as is evidenced in all plan documents. The decline of poverty in Bangladesh is by and large attributable to the relentless engagement in poverty reduction interventions. Yet the depth and dimension of poverty is a matter of great concern. It is also revealed from Human Development Report (HDR) that Bangladesh ranks 129th in HDI with Multidimensional Poverty Index (MPI) of 0.291.

The Government has laid special emphasis on poverty alleviation and has pledged to eradicate poverty through planned economic development. Following the adoption of different innovative programmes during 1996-2001, yearly average rate of poverty reduction increased from 0.5 to 1.5 while human poverty index went down to 31.5 from 41.6. The present Government aims at reducing poverty rate at 22 and 15 by 2015 and 2021 respectively. Besides this, the Government is determined to build sustainable social safety net for the hard core poor.

The overarching goals of previously implemented five Five-Year Plans and one Two-Year Plan and other government policies were to reduce poverty by accelerating economic development. As an outcome of these planned development activities, in the meantime Bangladesh has achieved remarkable progress in reduction of poverty. The present Government has also pledged to achieve the targets of the Millennium Development Goals (MDGs) by 2017. As a sequel of the first PRSP, the second Poverty Reduction Strategy (Steps Towards Change: National Strategy for Accelerated Poverty Reduction II for 2009-2011) (NSAPR-II) was revised for the second time to make it up to date. In line with Vision 2021, a long-term

perspective plan (2010-20) and a Sixth Five Year Plan are being finalized. The main purpose of long-term perspective plan (2010-20) and Sixth Five Year Plan (SFYP) for 2011-15 is to achieve higher growth and reduce poverty. In other words, these plans aim at decreasing the head-count poverty to 22 percent from current 31.5 percent by 2015 and the number of people living below the poverty line to 15 percent and thus turning Bangladesh to a medium income country. It is to be noted that Bangladesh has already been successful in achieving some targets of MDGs including poverty and hunger related targets.

Attainment of Millennium Development Goals (MDGs)

Eradication of extreme poverty and hunger by 2015 is one of the prime goals as set out in the UN MDGs. It is revealed from the report tittled- 'Millennium Development Goals (MDGs) Bangladesh Progress Report' that in terms of achieving the Goal-1 along with some other important goals Bangladesh has made consistent progress. The following table provides a snapshot of progress that Bangladesh has achieved so far:

Table: 13.1 Attainment of MDGs At a glance

Goals, Targets and Indicators (revised)	Base year 1990/1991	Current Status	Target by 2015	Comment
Goal 1: Eradicate Extreme Poverty & Hunger				
Target 1.A: Halve, between 1990 and 2015, the proportion of people below poverty line				
1.1 Proportion of population below national upper poverty line(2122 k.cal.), percent	56.6	31.5(2010)	29.0	→
1.2 Poverty Gap Ratio, percent	17.0	9.0(2005)	8.0	→
1.3 Share of poorest quintile in national consumption, percent	6.5	5.3(2005)	na	-
Target 1.B: Achieve full and Productive employment and decent work				
1.5 Employment to population ration, Percent	48.5	58.5(2005)	For all	↓
Target 1.C : Halve, between 1990 and 2015, the proportion of people who suffer from hunger				
1.8 Prevalence of underweight children under five years	66.0	47.8(2005)	33.0	
1.9 Proportion of population below minimum level of dietary energy consumption, percent	28.0	19.5(2005)	14.0	↓

Source: Bangladesh Bureau of Statistics, UNDP, 2010. → = on track, ↓ = not possible to achieve by 2015.

Poverty Reduction Strategy Framework

Poverty Reduction Strategy Framework of the revised NSAPR II was based on the reality of multidimensionality of poverty and took into account the dynamics of the socio-economic factors that reinforce and perpetuate poverty in the country. This NSAPR II consists of five strategic blocks: (i)macro-economic environment for pro-poor growth; (ii) critical areas for pro-poor growth; (iii)Essential infrastructure for pro-poor growth; (iv) social protection for the vulnerable; and (v) human Resource

development. The supporting strategies, on the other hand, comprise of: (i) ensuring participation, social inclusion, and empowerment; (ii) promoting good governance; (iii) ensuring efficient delivery of public services, (iv) caring for environment and tackling climate change; and (v) enhancing productivity and efficiency through science and technology. For poverty reduction, it would be critical to address all these areas in order to assume mutually supportive interactions.

To achieve the goals as set out in the UN MDGs, the Government has allocated an amount of Tk. 73,680 crore (56.67 percent of the total budget) in FY 2010-11 against direct or indirect expenditure on poverty alleviation. To implement various programmess under social safety net (social protection and empowerment), a total allocation of Tk. 20,893.52 crore (2.64 % of GDP) was made in the budget for FY 2010-11 which represents 16.07 percent of the total outlay of total budget. Out of the total allocation, the share of social protection programmes stood at Tk. 16764.58 crore. Employment opportunities for the poor provided through different programmes have been undertaken by the Government and Non-government Organisations (NGOs). These programmes contribute to enhancing entitlement of the poor and at the same time empower them to ameliorate their condition by raising awareness. Besides, programmes under social safety net such as Food for Works Programme, VGD Programme, construction and maintenance of rural infrastructure to generate employment opportunities for the rural poor. Different other programmes are also contributing to human resource development. ICT training, education expansion programmes like food for education, special stipend and financial assistance, free primary education are directly contributing to this process.

Measurement of the Incidence of Poverty in Bangladesh

The first Household Expenditure Survey (HES) in Bangladesh was carried out in FY1973-74 and it was followed by a number of HESs. The latest HESs has been done in 2010. HESs carried out up to FY1991-92 used 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 used to be considered to be in absolute 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 and 2010, CBN method was used. With this method, non-food consumption is also considered for constructing poverty index. In this chapter the major findings of the HIES 2010 of BBS have been presented and compared with previous HIES data.

Trends of Poverty

Satisfactory progress in poverty reduction was observed during the last decade. The trends of poverty are shown in the following table:

Table 13.2: Trend of Income Poverty

	2010	2005	2000	1991-92	Annual Change (%) (1991-92 to 2000)	Annual Change (%) (2000-2005)	Annual Change (%) (1991-92 to 2010	Annual Change (%) (2000-2010)	Annual Change (%) (2005-2010)
Head Count Index									
National	31.5	40.0	48.9	58.8	-1.8	-3.9	-3.07	-4.3	-4.7
Urban	21.5	28.4	35.2	44.9	-2.2	-4.2	-3.61	-4.8	-5.41
Rural	35.2	43.8	52.3	61.2	-1.6	-3.5	-2.73	-3.88	-4.28
Poverty Gap									
National	6.5	9.0	12.8	17.2	-2.9	-6.80	-4.75	-6.55	-6.30
Urban	4.5	6.5	9.1	12.0	-2.5	-6.51	-4.79	-6.80	-7.09
Rural	7.4	9.8	13.7	18.1	-2.8	-6.48	-4.37	-5.97	-5.46
Squared Poverty Gap									
National	2.0	2.9	4.6	6.8	-3.8	-8.81	-5.94	-7.99	-7.16
Urban	1.3	2.1	3.3	4.4	-2.7	-8.64	-5.91	-8.89	-9.14
Rural	2.2	3.1	4.9	7.2	-3.8	-8.75	-5.76	-7.69	-6.63

Source: BBS, Household Income and Expenditure Surveys (HIES), 2005, 2010 and calculation of Finance Division

It would be observed from the Table 13.2 that-

- the rate of income poverty (measured by CBN considering upper poverty line) declined after 1990s and the depth (measured by poverty gap) and severity (measured by squared poverty gap) of poverty has also reduced in this period.
- The rate of income poverty declined from 58.8 percent to 48.9 percent during the period from 1991 to 2000. 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 than that in rural area.
- during 2000 to 2005, income poverty also reduced from 48.9 to 40 and the compound reduction rate is 3.9 percent. The reduction rate during this period is also higher for the urban areas (yearly 4.2 percent).
- the depth and severity of poverty between 2000 and 2005 declined simultaneously both in urban and rural areas. It is also to be noted that during 1991to 2000 the rate of reduction of income poverty was faster in rural areas than in urban areas.
- the rate of income poverty has declined from 40 to 31.5 during 2005 to 2010 with 4.7 percent of compound poverty reduction rate per year. This rate for urban areas is higher than that for rural areas.

- over the for last five years the compound rate of poverty reducton per year (2005-10) is 4.3 percent, whereas between 1991-92 to 2010 the depth and severity of poverty in rural areas was higher than in urban areas.

Head Count Ratio (HCR) on the basis of Direct Calori Intake (DCI) Method

The trends of poverty on the basis of Head Count Ratio using DCI method is presented in Table 13.3

Table 13.3: Trends of Poverty based on Head Count Ratio using Direct Calori Intake (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.

It is observed from Table 13.3 that

- in 2005, the incidence of absolute poverty was 40.4 at the national level, whereas such incidences recorded in rural and urban areas were 39.5 and 43.2 percent respectively.
- under this method, a reduction of absolute poverty is recorded at 4.1 percent during 2,000 to 2005.
- people living below the poverty line in 2,000 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.
- in 2005 the incidence of hardcore poverty were 19.5 percent, at the national level, whereas in the rural and urban areas it stood at 17.9 and 24.4 percent respectively.
- 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 stood at 20 percent, which decreased to 19.5 percent in 2005. Though the people suffering from 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 using CBN method is presented below:

Table 13.4: Division wise Incidence of Poverty (HCR) by CBN Method (in percentage)

National/Division		2010		2005				2000	
	Using the Lower Poverty Line								
	National	Rural	Urban	National	Rural	Urban	National	Rural	Urban
National	**17.6**	**21.1**	**7.7**	**25.1**	**28.6**	**14.6**	**34.3**	**37.9**	**20.0**
Barisal	26.7	27.3	24.2	35.6	37.2	26.4	34.7	35.9	21.7
Chittagong	13.1	16.2	4.0	16.1	18.7	8.1	27.5	30.1	17.1
Dhaka	15.6	23.5	3.8	19.9	26.1	9.6	34.5	43.6	15.8
Khulna	15.4	15.2	16.4	31.6	32.7	27.8	32.3	34.0	23.0
Rajshahi	21.6	22.7	15.6	34.5	35.6	28.4	42.7	43.9	34.5
Rajshahi (new)	16.0	16.4	14.4	-	-	-	-	-	-
Rongpur	27.7	29.4	17.2	-	-	-	-	-	-
Sylhet	20.7	23.5	5.5	20.8	22.3	11.0	26.7	26.1	35.2
Using the Upper Poverty Line									
National	31.5	35.2	21.3	40.0	43.8	28.4	48.9	52.3	35.2
Barisal	39.4	39.2	39.9	52.0	54.1	40.4	53.1	55.1	32.0
Chittagong	26.2	31.0	11.8	34.0	36.0	27.8	45.7	46.3	44.2
Dhaka	30.5	38.8	18.0	32.0	39.0	20.2	46.7	55.9	28.2
Khulna	32.1	31.0	35.8	45.7	46.5	43.2	45.1	46.4	38.5
Rajshahi	35.7	36.6	30.7	51.2	52.3	45.2	56.7	58.5	44.5
Rajshahi (new)	29.7	29.0	32.6	-	-	-	-	-	-
Rongpur	42.3	44.5	27.9	-	-	-	-	-	-
Sylhet	28.1	30.5	15.0	33.8	36.1	18.6	42.4	41.9	49.6

Source: BBS, HIES-2010.

From the above table it is evident that

- in 2010 the rate of poverty at the national level, using lower poverty line, has decreased to 17.6 percent in 2010 from 25.1 percent in 2005. However, it has decreased to 31.5 percent in 2010 from 40 percent in 2005 it measured using the upper poverty line. According to this method, poverty incidence in the urban area is lower than the rural area.
- using both the lower poverty line and the upper poverty line, the rate of poverty in Barishal Division (26.7%, 39.4%), Rajshahii Division (old- 21.6, 35.7), and Rangpur Division (27.7, 42.3) is higher than that at national level in 2010. On the other hand, using upper poverty line, the rates for Dhaka

Division, Chittagong Division and Sylhet Division are 30.5, 26.2, 32.1, 28.1 respectively which shows improved poverty reduction than that prevailing in northern and south-western parts of the country.

- among seven divisions, Rangpur Division has the highest rate of poverty (42.3) and the poverty rate of rural areas has doubled than that of urban areas. Although the rate of poverty in Barishal Division was highest (52%) in 2005, it has declined by 5.7 percent in 2010.

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 13.5.

Table13.5. Incidence of Poverty (CBN) by Ownership of Land (in percentage) , Size of Land Holding (Acres)

Incidence of Poverty (CBN) by Ownership of Land -2005 (in percentage) Size of Land Holding (Acres)									
	2010			2005			2000		
Using the Lower Poverty Line									
	National	**Rural**	**Urban**	**National**	**Rural**	**Urban**	**National**	**Rural**	**Urban**
All Size	**17.8**	**21.1**	**7.6**	**25.1**	**28.6**	**14.6**	**34.3**	**37.9**	**20.0**
Land less	19.8	33.8	9.9	25.2	49.3	17.8	30.4	53.1	20.5
<0.05	27.8	35.9	12.3	39.2	47.8	23.7	43.3	48.8	22.3
0.05-0.49	17.7	22.9	5.4	28.2	33.3	11.4	40.0	41.7	12.6
0.50-1.49	13.3	15.2	2.4	20.8	22.8	9.1	29.6	30.6	15.4
1.50-2.49	7.6	8.6	1.8	11.2	12.8	2.7	21.9	22.9	1.4
2.50-7.49	4.1	4.3	2.7	7.0	7.7	3.0	11.5	12.4	0.0
7.50+	3.7	4.2	0	1.7	2.0	0.0	4.0	4.1	0.0
Using the Upper Poverty Line									
All Size	**31.5**	**35.2**	**21.3**	**40.0**	**43.8**	**28.4**	**48.9**	**52.3**	**35.2**
Land less	35.4	47.5	26.9	46.3	66.6	40.1	46.6	69.7	36.6
<0.05	45.1	53.1	29.9	56.4	65.7	39.7	57.9	63.0	38.3
0.05-0.49	33.3	38.8	17.4	44.9	50.7	25.7	57.1	59.3	27.3
0.50-1.49	25.3	27.7	12.1	34.3	37.1	17.4	46.2	47.5	27.4
1.50-2.49	14.4	15.7	6.6	22.9	25.6	8.8	34.3	35.4	10.2
2.50-7.49	10.8	11.6	5.5	15.4	17.4	4.2	21.9	22.8	9.1
7.50+	8.0	7.1	14.6	3.1	3.6	0.0	9.5	9.7	0.0

Source: BBS, HIES-2005, 2010

It is observed from Table 13.5 that-

- in 2010, using the pattern of ownership of land as well as upper poverty line, the estimates of incidence of poverty is found to be 35.4 percent for landless household, 45.1 percent for owners of less than 0.05 acre of land, 33.3 percent for owners of 0.05-0.49 acre of land, 14.4 percent for 1.5-2.49 acre of land, 10.8 percent for 2.50-7.49 acre of land and 8 percent for owners of 7.5 acres or more land. The number of landless has decreased and at the same time percent of land owner having 7.5 acres or more has increased in 2010. But it does not indicate that the poverty has reduced as the number of land owners of other categories has decreased.
- in 2005, the estimate of incidence of poverty using the upper poverty line for owners of landless households was higher than the estimate in 2010 whereas in the case of owners of 7.5 acres or more land it was less than half of that in 2010. It is, therefore, important to improve the condition of the landless marginal farmers improve poverty situation of the country.

Household Income, Expenditure and Consumption

Monthly household nominal income, expenditure and consumption expenditure patterns as reflected in the surveys (1991-92 to 2010) have been presented in Table 13.6.

Table 13.6: Monthly Household Nominal Income, Expenditure and Consumption Expenditure by Residence

Year of Survey	Residence	Average Monthly (Taka)		
		Income	Expenditure	Consumption Expenditure
2010	National	11480	11200	11003
	Rural	9648	9612	9436
	Urban	16477	15531	15276
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, 2010

It is observed from the above Table that-

- household nominal income and expenditure and consumption expenditure have increased gradually over the years.
- the monthly household nominal income in 2010 was estimated Tk. 11,480 at the national level, whereas it was estimated at Tk. 9,648 in the rural areas and Tk. 16,477 in the urban areas.
- in 2005, at the national, rural and urban level, the estimated monthly household nominal income was Tk.7, 203, Tk. 6,096 and Tk. 10,463 respectively. At the national level, the nominal income has increased by 59 percent in 2010 over the year 2005. Monthly household income was Tk. 5,842 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 national, rural and urban level stood at Tk 11200, Tk. 6134 and Tk. 15531 respectively in 2010. The monthly average expenditure on an average increased by 81.6 percent in 2010 over 2005, by 121 percent over 2000, and by 154 percent over 1995-96.

Decile Distribution of Income and Gini Coefficient

The percentage shares of income by decile groups and Gini Coefficient with rural and urban break-down for the surveys conducted during 2000, 2005 and 2010 are presented in Table 13.7.

Table 13.7: Percentage Distribution of Income Accruing to Households in Groups (Deciles) at National Level and Gini Co-Efficient

Household Income Group	2010			2005			2000		
	Total	**Rural**	**Urban**	**Total**	**Rural**	**Urban**	**Total**	**Rural**	**Urban**
National	100	100	100	100.00	100.00	100.00	100.0	100.00	100.00
Lower 5%	0.78	0.88	0.76	0.77	0.88	0.67	0.93	1.07	0.79
Decile-1	2.00	2.23	1.98	2.00	2.25	1.80	2.41	2.80	2.02
Decile-2	3.22	3.53	3.09	3.26	3.63	3.02	3.76	4.31	3.07
Decile-3	4.10	4.49	3.95	4.10	4.54	3.87	4.57	5.25	3.84
Decile-4	5.00	5.43	5.01	5.00	5.42	4.61	5.22	5.95	4.68
Decile-5	6.01	6.43	6.31	5.96	6.43	5.66	6.10	6.84	5.60
Decile-6	7.32	7,65	7.64	7.17	7.63	6.78	7.09	7.88	6.74
Decile-7	9.06	9.31	9.30	8.73	9.27	8.53	8.45	9.09	8.24
Decile-8	11.50	11.50	11.87	11.06	11.49	10.18	10.39	10.97	10.46
Decile-9	15.94	15.54	16.08	15.07	15.43	14.48	14.00	14.09	14.04
Decile-10	35.84	33.89	34.77	37.64	33.92	41.08	38.01	32.81	41.32
Top 5%	24.61	22.93	23.39	26.93	23.03	30.37	28.34	23.52	31.32
Gini Co-Efficient	**0.458**	**0.430**	**0.452**	**0.467**	**0.428**	**0.497**	**0.451**	**0.393**	**0.497**

Source: BBS, HIES-2005, 2010

It is evident from Table 13.6 that-

- income shares accruing to households belonging to Decile-1 to Decile-5 remain about the same in 2010 at national level as in 2005, although because of the increase of the income share at urban level. While, these shares 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 2010 over the year 2005 and 2000.
- though the percentage share of income of the lowest 5 percent households was about 1 percent (0.93 percent) in 2000, it decreased to 0.77 percent in 2005 and remains same in 2010.
- at the national level income of the top 5 percent households significantly declined from 28.34 percent in 2000 to 26.93 percent in 2005 and to 24.61 percent in 2010.
- the slightly lower Gini Co-efficient in 2010 over 2005 shows the lessened social inequality. Although higher Gini Co-efficient in 2005 over the year 2000 indicates a widened social inequality.

Per Capita Expenditure on Consumer Goods and Services

According to Table 13.8-

- Per capita expenditure on consumer goods and services at market prices increased to Tk. 42,814 in FY 2010-11 from Tk. 11,108 in FY 1995-96. In this case, the compound growth is 10.11 percent during 1996-2011. On the other hand, per capita expenditure on consumer goods and services (at 1995-96 prices) increased to Tk. 16350 from Tk. 11,108 during FY1995-96 through FY 20010-11. Here the compound growth rate is 2.8 percent.

Table 13.8: Per capita Expenditure on Consumer Goods and Services (In Taka)

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
2009-10	32022	16274
2010-11	42814	16350
Compound growth rate (1996-11)	10.11	2.8

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

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

Selected Programmes for Poverty Alleviation

Social Safety-net

To boost up the economy and to strengthen the efforts of poverty alleviation, the Government increased the allocation for social safety-net (food) programmes as an immediate action under an incentive package in FY 2008-09. Similarly, in FY 2009-10 and 2010-11 the Government also increased the allocation. In FY 2010-11 there was an allocation of Tk. 20893.52 crore for social safety net programmes. This allocation represents a share 16.07 percent of total budget and 2.64 percent of GDP. Moreover, in order to implement some specified programmes either on a short term or on a long term basis the following steps were taken during FY 2010-11:

- Increased rate and coverage of allowances for the poor elderly citizens, destitute women, insolvent freedom fighters, physically handicapped and orphans.
- Taking into consideration the attainment of the goals of Millennium Development Goals (MDGs) linked with poverty alleviation, an allocation of Tk.16764.58 was made against social protection programmes in the revised budget for FY2010-11. Under social safety-net, sufficient allocation has been made for 14 social protection programmes with total cash transfer of Tk. 6344.69 of which Tk. 891 crore was allocated for old age allowance, Tk. 331 as allowance for the destitute women, Tk. 360 as allowance for insolvent freedom fighters. Moreover, in FY2010-11, an allocation of Tk. 700 crore was made to establish the Climate Change Fund. In addition, an allocation of Tk. 28.50 crore was made to the welfare fund for poor lactating mother.
- Increased flow of micro-credit and investment fund to the *Palli Daridra Biamochon Foundation* (Poverty Reduction Foundation), *Palli Karma Shahayok Foundation* (PKSF), Municipal Development Fund (MDF), Social Development Foundation (SDF), Bangladesh NGO Foundation (BNF), Infrastructure Development Co.Ltd. (IDCOL). During FY2010-11 allocations for micro credit programmes of PKSF, SDF and BNF have been increased to Tk 116.52 crore, Tk. 214 crore and Tk.6.50 crore respectively.
- Allownce for children living in Government *Shishu Paribar* and other residential children has been increased to Tk. 22.90 crore from Tk. 21.70 crore, ration for the families of martyred and insolvent freedom fighters increased to Tk. 27 crore from Tk. 13.40 crore. Besides, block allocation for disaster grant was also increased to Tk. 100 crore from Tk. 85 crore.
- Expediting disbursement from the micro-credit funds of Rural Development Board, Directorate of Youth Development, Directorate of Social Welfare, Directorate of Women Affairs, Directorate of Fisheries, and Directorate of Livestock and BSCIC.

The allocation pattern of the different categories of social safety net programmes during FY 2010-11 is shown in the following table:

Table 13.9: Allocation Pattern of Social Safety Net Programmes

(In Crore Taka)

Programmes	Budget (2009-10) revised	Budget (2010-11) revised
Cash transfer (various allowances) programmes	5,539.28	6,359.30
Cash transfer (special)	161.00	55.52
Food security programmes: Social Protection	4932.48	7232.12
Micro credit programmes: Social empowerment	395.00	340.02
Miscellaneous fund	2984.15	3300.38

Cash Transfer Programmes under Social Safety-net Programmes:

Different employment generating activities are going on uninterruptedly including food security programmes. Some selected cash transfer progammes under the overall social safety-net programme are briefly stated as below:

Old-Age Allowance Programme : As many as 24.75 lakh beneficiaries received this allowance at a monthly rate of Tk. 300. Administered by the Ministry of Social Welfare, this programme received an allocation of Tk. 891 crore in FY 2010-11. Monthly rate of allowance has been increased from Tk. 250 to Tk. 300 and the beneficiary coverage has been widened by 12 percent over those of FY 2009-10.

Fund for Rehabilitation of the Acid-Burnt Women and the Physically Handicapped: The Government introduced this fund for rehabilitation of acid-burnt women under which each victim receives Tk. 10,000. In FY 2010-11, the Government made an allocation of Tk. 2 crore of which Tk. 1 crore has been distributed among the victims.

Allowance for the Physically Challenged Insolvent Citizens: To provide subsistence to the physically challenged insolvent Citizens, the Ministry of Social Welfare is implementing this programme. In FY 2010-11, an allocation of was Tk. 102.96 crore was made for the transfer programme. Insolvent persons with disability received monthly allowance at Tk. 300. The number of beneficiaries stood at 2.86 lakh. Besides this, a stipend programme was introduced for the physically challenged students in FY 2007-08. Against this programme an amount of Tk. 88 lakh was allocated in FY 2010-11. The total number of beneficiaries stood at 18,620.

Allowance Programme for Widowed, Deserted and Destitute Women: This progtamme was introduced to provide to the rural poor and destitute women specially the widowed and deserted women. Under this programme, the beneficiaries receive a monthly allowance of Tk. 300 in FY 2010-11 and the beneficiary coverage stood at 9.2 lakh. The budget allocation for this programme in FY2010-11 was Tk. 331.2 crore.

Allowance for Working Lactating Mothers: This programme was introduced for providing support to the poor lactating mothers. Another purpose of this programme is to encourage mothers in breast-feeding which help reduce infant mortality rate. In FY2010-11, an amount of Tk. 28.50

crore has been distributed among 68,000 poor pregnant women. The current rate of allowance is Tk. 300.

Maternity Allowance for Poor Women: This programme was designed in 2007 and is being implemented to reduce the maternal and infant mortality rate with special focus on breast-feeding. In FY2010-11, an allocation of Tk. 43.20 crore was made. The number of beneficiaries under this programme in FY 2010-11 stood at 88,000.

Honorarium Programme for Insolvent Freedom Fighters: This programme is meant for improving the standard of living of freedom fighters. The number of beneficiaries increased to 1.5 lakh in FY2010-11 from 1.25 lakh in FY 2009-11. In FY 2010-11, the provision of monthly grant of Tk. 1,500 and the allocation of Tk. 225 crore in FY2009-10 has been increased to Tk. 2000 and Tk. 360 crore in FY 2010-11.

Other On going Programmes under the Social Safety-Net State

- **Food Assistance Programme**

  Food for Works Programme (FFW): This programme is a part of the Rural Infrastructure Renovation Programme. Being administered by the Ministry of Food and Disaster Management, the allocation for this programme received an allocation of 3.54 lakh metric tonnes of food grain worth of Tk. 890.79 crore.

  Vulnerable Group Feeding (VGF) Programme: The Government has increased the allocation to Tk. 1473.64 crore in FY 2010-11 from Tk. 1097.17 crore in FY 2009-10 against this programme. The number of beneficiaries stood at 122.22 lakh. The Ministry of Food and Disaster Management has allocated food grains equivalent to Tk.380.14 lakh for distribution among the beneficiaries.

  Vulnerable Group Development (VGD) Programme: The Ministry of Women and Children Affairs is implementing this programme. Under this programme, a total of 7,50,000 distressed and ultra-poor women have been receiving food assistance and training. There was an allocation of Tk. 729.92 crore under this programme in FY 2010-11.

- **Employment Generation Program for the Ultra-Poor**

  In line with 100 days' employment generation programme introduced in FY 2008-09 , the Government has similar larger programme for the ultra poor at a cost of Tk. 1,176 crore in FY 2009-10. In FY 2010-11, an allocation of Tk. 1000 crore has made for this programme. This programme targets employment generation for 42 lakh mandays in the FY 2010-11. The objective of the program is to create employment opportunities for unemployed youth, increase their working capability, generate resources for mass people, establish infrastructure in a limited range and protect environment.

- **Ashrayan (Poverty Alleviation and Rehabilitation) Project**

  To rehabilitate the landless, homeless and rootless families and families affected by river erosion *Ashrayan* project was introduced in 1997. The beneficiaries of the project are provided housing facilities and employment opportunities. Keeping all the components unchanged, it was renamed as Abashan Project in 2002. Following the commitment of the present Government this project has been reinstated as Ashrayan Project with an estimated cost of Tk. 715.98 crore. The project has been completed in December 2010. Under this project 58,703 families have been rehabilitated. In the meantime, *Ashrayan*-2 (July 2010-June 2014) project at a cost of Tk.1169.17 crore has been undertaken to rehabilitate 50 thousand homeless, landless and rootless families.

- ***Ekti Bari Ekti Khamar (*One House, One Farm*)***

To turn each house a centre of economic activities and each village association into a unique unit, '*Ekti Bari Ekti Khamar*' project is being implemented at cost of Tk. 1,197 crore by the Rural Development and Cooperative Division. The project will be implemented over a period from July 2009 to June 2014. In FY 2010-11, the project received an allocation of Tk. 192.14 crore. The project will be implemented in 9,640 villages of 1,928 Union from 482 upazilla of 64 districts where the number of beneficiaries will represent 5,78,400 families. In FY 2010-11, the number of beneficiaries was 6.34 lakh. Upto June 2011, at least 28,920 beneficiaries have been trained and received resource assistance under this project.

- ***Gharey Fera***

The main objective of this programme is to rehabilitate the slum dwellers in a wholesome environment. Another purpose is to invigorate the rural economy by generating productive activities. Since its inception, an amount of Tk. 4 crore has been distributed as loan upto 2001. The program has been reintroduced among the beneficiaries with an allocation of Tk.5 crore and the total allocated amount has already disbursed in FY 2010-11.

Other Poverty Reduction Related Progtammes

- **State Honorarium to the Disabled Freedom Fighters**

  This programme was introduced for the disabled freedom fighters (7838) since the inception of Bangladesh Muktijoddhya Kallan Trust. Over time, the allocation against this programme was enhanced in FY 2010-11, the allocation stood at Tk. 78.84 crore.

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

  The Ministry of Liberation War Affairs introduced a micro-credit programme which is being executed by BRDB to provide employment opportunities and to enhance the standard of living

of the freedom fighters. An amount of Tk. 25 crore has been allocated to BRDB during FY 2006-07 as a revolving fund to execute the programme. The total amount distributed among freedom fighters and their dependents increased from Tk. 1.58 crore in FY 2008-09 to Tk. 30.21 crore in FY 2009-10. As many as 29,310 insolvent freedom fighters and their dependants from 64 districts have been trained and self-employed under this program.

- **Fund for Housing the Homeless (*Grihayan Tahabil*)**

The Government created the fund for the homeless, poor and lower middle class segment of the society back in 1997-1998 with an allocation of Tk. 50 crore. The fund provides loan to NGOs at the rate of 1 percent simple interest that in turn provide housing credit to the rural people at the rate of 5 percent simple interest for a period up to 10 years. As of June 2011, an amount of Tk.128.30 crore has already been released against an allocation of Tk. 212.86 crore for rural housing programme. With this allocation, 50,252 houses has already been constructed. An amount of 103.85 crore has been recovered against the recoverable amount of Tk. 91.41 crore representing a recovery rate of 88.02 percent. In addition, Tk. 10.84 crore has been released as grant as per decision by the concerned authority for the people adversely affected by natural calamities. It is worth mentioning that 464 NGOs are implementing the programme in 444 upazillas of 64 districts of the country.

- **Programmes under the Fisheries Sector to Alleviate Poverty**

Poverty reduction through increased fish production is one of the mandates of Department of Fisheries (DoF). DoF has been playing a significant role in poverty alleviation through income generation. To strengthen the rural economy, micro-credit facilities with easy repayment schedule are being extended to the farmers. Water bodies like- ponds, lakes, flood plains, haors, canals, road side ditches and closed and open water bodies are being utilized under the programme. Simultaneously improved techniques and technologies one being disseminated through training. The programme involves the poor landless people, destitute women, unemployed youth and marginal farmers. The programmer is having an impact on overall poverty reduction in the country. During the last few years, DoF provided substantial amount of micro credit to the rural fish farmers. The Government has made available financial incentives for not catching *Jatka* (Young Hilsha). They were provided with occupation for alternative income generation like small business, rearing of poultry and livestock, operation of rickshaw, van, cart, fruit and vegetables business, running of grocery and tea stall, use of sewing machine, net making etc. In the FY 2010-11, as many as 186264 *Jatka* fisher families of 85 upazila under 15 districts received 14470.64 metric tonnes (20 kg per household) of food grains. In addition, about 6869 *Jatka* fisher families received Tk. 517.10 lakh as alternative income sources and Tk. 65.00 lakh for training purpose.

New Programmes/Projects Related to Poverty Reduction Undertaken during FY 2010-11

- **New Programmes under social safety-net**

  To alleviate poverty, the Government has introduced the following new funds in the current fiscal year (2010-11):

  1. Rehabilitation and Creation of Alternative Employment for People engaged in Begging (with an allocation of Tk 7 crore)
  2. Universal Pension Insurance Schemes (with an allocation of Tk. 11.50 crore)
  3. Construction of Sweeper Colony at District and Metropolitan cities (with an allocation of Tk. 10 crore)

- **New Development Projects related to Poverty Reduction undertaken during FY 2010-11**

  1. Poverty Eradication and Ensuring Livelihood for the People Living in Economically Backward Areas (with an allocation of Tk.11 crore)
  2. Poverty Eradication through Social Aforestation (with an allocation of Tk.9.15 crore)
  3. Improvement and Quality Seed Production of Rice, Wheat and Maize (with an allocation of Tk. 120.04 crore)
  4. Promotion of Legal and Social Empowerment (with an allocation of Tk.24.01 crore)
  5. Ashrayan-2 Project (with an allocation of Tk.163 crore)
  6. Greater Comilla Rural Infrastructure Development Project (with an allocation of Tk.28 crore)
  7. Programmes/Initiatives of different Ministries/Departments.

Programmes of the *Karmasangsthan* Bank for Generating Employment for the Unemployed Youth

In order to create self-employment opportunities for the unemployed youth, Karmasangsthan bank, a state-owned financial institution, provides credit facilities to the unemployed youth especially to the educated ones so that they can engage themselves in the productive and income generating activities to make them self-reliant. The bank is lending to the unemployed youth on easy terms and at a simple rate of interest. In FY 2010, through its 181 branches the bank disbursed an amount of Tk. 680.42 crore among 1,53,102 borrowers and recovered Tk. 529.68 crore upto June 2010. Up to June 2011, the total amount disbursed and recovered stood at Tk. 993.37 and Tk.729.46 crore respectively (recovery rate - 92%). Since inception, the bank has disbursed an amount of Tk. 1138.71 crore as loan to as many as 214067 borrowers and created employment opportunities for 772782 beneficiaries upto 30th June/2011. An amount of Tk. 834.49 crore has been recovered against the recoverable amount of Tk. 919.97 crore. The rate of recovery is 91%.

Some of the special credit programmes of *Karmasangthan* Bank are as follows:

- **Eradication of Hazardous Child Labour in Bangladesh**:

  Under an agreement between the Ministry of Labour and Employment and Karmasangsthan Bank an amount of Tk 4.12 crore has been disbursed as loan among the parents of 5228 children and recovered Tk.2.67 crore against the recoverable amount of Tk.4.12 crore. Thus the recovery rate is 64%. The project period terminated on 30th June 2005.

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

Under an agreement between the Ministry of Labour and Employment and *Karmasangstha*n Bank, the Bank is implementing the programme for alleviation of poverty of voluntarily retired/retrenched industrial workers by creating employment opportunities as well as by providing retraining facilities. Under this programme, up to June, 2011,an amount of Tk. 85.53 crore has been disbursed among 15292 borrowers. An amount of Tk 57.99 crore has been recovered against the coverable amount of Tk. 73.05 crore representing a recovery rate of 79 percent. The fund is being used as revolving fund for this purpose as per agreement. An amount of Tk. 76.42 crore has been disbursed among 14,004 borrowers while an amount of Tk 50.79 crore has been recovered upto June 2010. The credit support is being used as revolving fund.

- **Credit Program to Assist the Agro-based Industries**

Under an agreement between the Ministry of Finance and *Karmasangsthan* Bank, the Bank is implementing this programme. As of June 2010, an amount of Tk 57.69 crore has been disbursed among 2074 borrowers against an allocation of Tk. 50.00 crore. An amount of Tk. 44.37 crore has been recovered against the recoverable amount of Tk. 48.38 crore. The recovery rate being 92 percent. This fund is also used as revolving funds as per the agreement.

Table 13.10.a: Disbursement of Loan by Karmasangsthan Bank upto June 2011 (Disbursement of Loan against Own Program)

Subject	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-9	09-10	10-11
Disbursement (In crore Taka.)	6.24	40.38	68.55	96.09	122.23	168.20	226.48	292.60	375.83	482.36	680.42	993.37
Recovery (In crore Taka.)	1.12	9.05	28.97	55.15	83.01	113.89	159.95	221.94	296.88	391.59	529.68	729.46
Recoverable (In crore Taka.)	1.48	12.03	42.25	74.71	105.78	143.23	194.62	263.19	345.76	435.15	582.63	794.42
Recovery Rate (%)	76%	75%	69%	74%	78%	80%	82%	84%	86%	90%	91%	92%
Average Loan (Per Person in Tk.)	**35375**	**30651**	**30172**	**29636/**	**29707/**	**30375**	**32314**	**34219**	**35996**	**38800**	**44400**	**51880**

Source : Karmasangsthan Bank

Table 13.10.b: Disbursement of Loan by *Karmasangsthan* Bank (Cumulative upto June 2011

(Disbursement of Total Loan *Amount In Crore)*

Name of program	Disbursement Amount	Recoverable Amount	Recovered Amount	Recovery rate (%)	No. of Loanees	Nos. of Employment created
Own Program	993.37	794.42	729.46	92	191473	691217
Special Programs	145.34	125.55	105.03	83	22594	81564
Total	**1138.71**	**919.97**	**834.49**	**91**	**214067**	**772781**

Source : Karmasangsthan Bank

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

In a bid to alleviate poverty of women and eliminate gender disparity, empower and establish the rights of women and children by mainstreaming them in the overall development process of the country, the Government has adopted the **National Policy for the Advancement of Women 2011 and National Policy for Children 2011.** Important on going projects/programmes of the Ministry of Women and Children Affairs are: Vulnerable Group Development (VGD), Vulnerable Group Development for Ultra-poor (VGDUP), Micro-credit programme for self reliance of women, Early Learning for Child Development Project (ELCD). VGD is the largest programme of this Ministry which provide food assistance and package training. Under VGD programme, a total number of 7,50,000 distressed and ultra-poor women has been receiving food assistance and development package training. In FY 2010-2011 an amount of Tk. 759.9503 crore was allocated. In addition 80,000 VGD women through subsistence allowance (in 24 months cycle Tk. 400 as allowance, of which Tk. 350 will be cash payment to the VGD women, rest Tk. 50 will be given after completion of the activities), asset transfer (Tk. 7500 will be given for procuring productive assets and saving creation so that they can engage in self-employed income generating activities. An amount of Tk. 5820.00 lakh has been allocated to accomplish those activities in FY 2010-2011. VGDUP project provide life skill training on income generating activities as well as nutrition, primary health, human rights, AIDS, reproductive health, gender and rights issues, environment etc.

- **Micro-credit Programme for Self-employment of Women**

This programme has been undertaken to create opportunities for the poor and distressed women to improve their socio-economic condition through self-employment. In FY 2010-11, a total of Tk. 6276.14 lakh has been distributed in 473 Upazilas through the Department of Women Affairs(DWA) among 79220 women.The recovered amount against the disburse was Tk. 4196.89 crore (recovery rate 67%). On the other hand, Jatiyo Mahila Shangstha (JMS) has been operating a micro-credit programme with a grant of Tk. 120 lakh (revolving) received in FY 1992-96 covering 64 districts and 28 upazilas. Another micro-credit programme for self-employment of the poor and distressed women is being implemented by JMS for which Tk. 16.50 crore has been received during FY 2003-05 to FY 2010-11 and the fund is revolving. The total amount of micro-credit disbursed by JMS in FY2010-11 was Tk. 6.6 crore and the cumulative amount upto June 2011 was Tk. 41.51 crore. 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 to reduce poverty.

Poverty Reduction Programmes under the Ministry of Social Welfare

Poverty reduction, implementation of social safety net programmes, and rehabilitation of the disadvantaged segment of the society particularly the orphan, destitute, poor and helpless are the main activities of the Ministry of Social Welfare. The Programme for Poverty Reduction and Social security is one of the most important among the social integration programmes undertaken by the ministry. Four programmes of Social Welfare Department are considered as poverty reduction interventions, which include: Rural Social Service (RSS) Programme, Urban Community Development (UCD) Programme, Poverty Alleviation through Rural Maternal Centre (RMC), and Rehabilitation Programme for the Acid-burnt. Through these programms, revolving funds are invested as micro-credit among the target groups. The total amount of seed money of these programme stands at Tk. 285.27 crore which has been increased to Tk. 724.54 crore through reinvestment. The cumulative amount of recovery stands at Tk. 595.7 crore with the recovery rate of about 82 percent. As many as 3435906 families have been benefited using the revolving funds. Under these programmes, 1,42,407 persons have received vocational training in different trades in FY 2010-2011. The total beneficiaries since inception are about 2900198 persons. 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 Rural Development and Cooperatives Division in Poverty Reduction

Under the purview of short and long-term action plan of Rural Development and Cooperative Division (RDCD) various projects/programmes have been contributing to the efforts of reducing the poverty rate between 25 and 15 by 2013. These projects/programmes are being implemented focusing poverty reduction, socio-economic development by promoting micro-credit activities, economic growth, and employment generation. Some dedicated projects being implemented through RDCD are Ekti Bari Ekti Khamar, Economic Empowerment of the Poorest (EEP), Comprehensive Village Development Programme, Chars Livelihood Programme (CLP), Employment Guarantee Scheme for the Hard-core poor in the northern region of Bangladesh, etc. Ekti Bari Ekti Khamar has been revised with a new concept being welfare saving.

- **Comprehensive Village Development Programme (CVDP) 2nd Phase:**

CVDP was brought to light as a rural development model during 1999-2004. Following the success of the module,a pilot scheme was introduced in 1575 villages of 19 districts. upazilla of 19 zilla. The main objective of CVDP 2nd Phase is to create self-employment and to enhance income in a planned way according to the ability and potentiality of the youths, adolescents, women and men of all families in each village through organizing Comprehensive Village Development Cooperative Society for total development of each village. The project is being implemented in 4275 villages of 66 Upazilas under 64 districts of the country. CVDP project is being implemented by four organizations of RDCD, namely (I) BARD,Comilla (II) RDA, Bogra,

(III) Cooperative Department, and (IV) BRDB. The total cost of this project is Tk. 1317.32 core of which Tk. 6.17 crore for training and 57.4 crore for special training has been utilized up to June 2011. Besides, social development activities such as health and nutrition, construction of sanitary latrines and tube-wells, tree plantation, preventing early marriage and EPI programme are planned to be covered by this project.

Economic Empowerment of the Poorest in Bangladesh (EEP) Project

The objective of EEP project is to help 1 million people in rural and urban areas to lift themselves out of extreme poverty and achieve sustainable livelihood by 2015. The areas to be covered by the project include flood-prone river islands ('chars') and basins ('haors'); water-logged areas; cyclone-prone coastal regions; areas of the hill tracts and barind tracts and environmentally vulnerable parts of urban areas. The project will be implemented at a costs Tk. 887.19 crore is over a period from February 2008 to December 2015. As many as 91000 extreme poor families have been selected from 87 Upazilas of 23 Districts and are provided with asset worth to Tk 14000/- per beneficiary household and has been provided with knowledge/technology and integrated training for their sustainability and capacity building through 25 partner NGOs.

• Small Farmers Development Foundation (SFDF)

In order to lift the socio-economic condition of small farmers and landless families, Bangladesh Academy for Rural Development (BARD), Comilla implemented a project named Small Farmers and Landless Laboures Development during 1975-76. Afterwards, the same kind of project was implemented in phases up to 2004. In 2004, the project has been transformed into Small Farmers Development Foundation (SFDF). The activities of the Foundation covers 55 upazilas of Comilla, Chandpur, Mymensingh, Bogra, Pabna, Rangpur, Kurigram, Barisal, Bhola, Patuakhali & Barguna districts. Up to June 2011, a total of 51113 members has been enrolled under the Foundation of which fifty percent of the total beneficiaries are women. An amount of Tk. 8882.60 lakh (cumulative) has been disbursed as collateral free micro credit for undertaking production, self employment and income generating activities while an amount of Tk. 6244.22 lakh has been recovered. The recovery rate of credit stands to 92.29 percent.

• Palli Daridro Bimochon Foundation (PDBF)

The main objective of PDBF is to organise the distressed rural poor and disburse loan among them and provide skill development, leadership and social development training with a view to uplifting their socio-economic condition and establish gender parity. Currently the foundation is working in 253 upazillas of 33 districts of 6 administrative divisions of Bangladesh. This covers one third of the geographical area of the country with the highest incidence of rural poverty. PDBF has planned to extend its activities in more than 47 upazillas in this fiscal year. About 95 percent of the beneficiaries of PDBF are women. The Foundation has disbursed an amount of Tk. 4036.03 crore as micro credit and exhibition/fair loan as of January, 2011 and the recovery rate of

the disbursed loan is 98 percent. Self employment opportunities have been created for about 7 lakh rural people through the loan programme and about 35 lakh people has become solvent directly by the employment opportunities created so far. It is to be noted that skill development and social development training has been imparted to 2,22,939 beneficiaries through this Foundation.

- **Bangladesh Rural Development Board (BRDB)**

BRDB, is mandated to steer rural development and poverty alleviation, through two-tier cooperative system (TCCA, KSS). It is also mandated to carry out micro-credit operations in the rural areas. At present, BRDB is providing loan, training, marketing and technical assistance through TCCA and KSS system. It has also implemented development programme/projects aimed at 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. Since inception BRDB has implemented 74 projects and programmes many of which are poverty- focused and micro-credit based. The ongoing poverty alleviation programmes of BRDB are: 1) Rural Livelihood Project (RLP); 2) Rural Poverty Alleviation Programme (RPAP) 3) Productive Employment Programme (PEP) 4) Palli Progati Prokolpo 5) Expansion, Renovation and Modernisation of Bangabandhu Poverty Alleviation Training Complex 6) Kotalipara Development Programme 7) Participatory Rural Development Project-2 (PRDP-2) 8) Women Development (W/D) Programme 9) Revolving Agricultural Credit Programme 10) Employment Guarantee Scheme for the Hard Core poor of the Northern Region.

13.11: Status of Micro-Credit Programmes of BRDB

(In Crore Taka)

Component	Since inception to June, 2003	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Cumulative up to June 2011
1	2	7	8	9	10	11	12	13	14	15
Target	3701.86	483.94	646.40	813.85	818.85	1000.00	835.50	841.90	1000.00	10142.50
Disbursement	3372.21	419.44	654.86	683.77	862.73	796.06	691.19	674.44	735.78	8890.48
Recovery	2895.92	380.35	474.18	720.04	887.07	680.52	677.58	634.01	721.29	8070.96
Recovery %	91%	91%	89%	94%	93%	94%	94%	93%	91%	93%

Source: BRDB

- **Bangladesh Academy for Rural Development (BARD), Comilla**

BARD is implementing a programme titled 'Comprehensive Village Development Programme (CVDP) at Burichong upazila in Comilla as a national village development model. This programme with an outlay of Tk. 24.51 crore is being implemented over a period of June 2008 to

December 2011. The main objective of this programme is to eradicate poverty by providing training for the poor (women and men) and developing infrastructure (e.g. school, culvert, roads, community centre and installation of deep tube well for safe water). Since its inception BARD has conducted 2,877 training courses/workshops where 1,16,655 participants attended. BARD conducts 5 action researches on an average in a year. In the mean time, BARD has conducted about 52 action researches of which seven were replicated across the country. The Local Government and Engineering Department (LGED) is now implementing three components of Comilla Model developed and tested by BRDB like Rural Works Programme (RWP), Thana Training and Development Centre (TTDC), and Thana Irrigation Programme (TIP). With the support of Bangladesh Government and Korean International Cooperation Agency (KOICA), BARD has been implementing 'Integrated Community Development Programme of Burichang Upazila in Comilla District . Project since June 2008. The project will continue up to December 2011. The total project outlay is Tk. 24.51 crore. The cumulative credit disbursement and recovery under Women Education Income Nutrition Improvement Project (WEINIP) of BARD upto July, 2011 stood at Tk. 167.987 lakh and Tk. 167.73 lakh respectively.

13.12: Status of Micro-Credit Programmes of BARD

	2003- 04 Cumulative	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**Cumulative upto upto July 2011**
Disbursed	77.75	3.11	1.45	0.15	0.23	0.661	6.151	9.95	167.00
Realized	73.36	5.25	1.77	0.14	0.22	0.43	5.295	6.59	167.73
Percentage	94.40	168.81	122.07	93.33	95.65	65.05	86.08	66.23	100.44

Source: BARD

• Rural Development Academy (RDA), Bogra

Rural Development Academy (RDA) is conducting training, research and action research to alleviate poverty and to bring about socio-economic development of the rural people. 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 upazillas under CVDP which covered 36,613 beneficiaries from 29,556 families.

Present Status of RDA Credit Activities is shown in Table 13.13

13.13: Status of Micro-Credit Programmes of RDA

Organisation	June 2004 (Cumulative)	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (June'11)	Cumulative (June'11)
Distribution	9.69	1.94	1.99	2.26	3.57	6.19	6.72	6.91	38.15
Collection	9.08	1.39	1.98	2.16	2.69	4.38	6.2	6.25	33.02
Rate (%)	93.0	71.64	99.28	74.46	81	83	92.26	90.45	86.55

In FY 2010-2011, the Academy has organised 127 training courses with an attendance of 4760 participants (1367 female). Since inception, RDA completed 318 research projects till FY 2009-2010. The Academy dealt with 27 research projects during FY 2010-2011. RDA has formed 1020 cooperative societies in 16 upazilas under the Comprehensive Village Development Programme (CVDP) during its 2nd phase. A total of 25709 beneficiaries from 16495 families has been involved in those societies. The total amount of their savings stands at Tk. 201.28 lac and out of the total more than 80 percent have been disbursed amongst 12,830 beneficiaries for launching different IGAs and thereby creating self-employment.

Activities of the Department of Cooperatives

The Department of Cooperatives plays a key role in poverty alleviation by involving the cooperative societies in different economic activities. There have been 1,75,696 registered co-operative societies in Bangladesh with as many as 88,94,324 members. Among them the number of agriculture co-operatives are 56172, women co-operatives 27225, multipurpose co-operatives 29849, fishermen co-operatives 8095, youth co-operatives 5705, credit co-operatives 2645, water management co-operatives 1813, laborers' co-operatives 1757, milk producer co-operatives 1476, weavers co-operatives 1083, asrayan co-operatives 1255 and other co-operatives 38621. The value of total assets belonging to the co-operative societies is estimated to be Tk. 5209.40 crore. Mobilization of these assets helps poverty reduction through increasing production and employment generation.

In addition, the Department implements various projects for the development of socially excluded and under privileged people as part of targeted development approach of the Government. Accordingly, it has undertaken and is implementing development projects for tribal women and farmers, by involving them into co-operatives.

The Department is also playing an important role in human resource development by providing training specially to cooperative members. There are nine Cooperative Zonal Training Institutes and an academy (Bangladesh Co-operative Academy) which provide various skill development training. During FY 2010-2011, these institutes set a target to train 7 thousand officers, staffs and co-operative members against which 7203 individuals have been trained in different courses.

Local Government Engineering Department

The Local Government Engineering Department (LGED) under Local Government Division has been implementing a number of projects/ programmes for the development of rural and urban infrastructures of the country and extending technical assistance to the Local Government Institutions. Since its inception up to June 2011, LGED has so far developed 75,236 Km Upazila, Uunion and Rural Roads, constructed 11,58,918 m bridges/culverts on these roads and planted trees along 20,865 km of those roads. Moreover, as many as 1,606 growth centres, 1,639 rural bazars have been developed and 2,415 union parishad complex buildings have been constructed. 3,96,960 hectares of cultivable land has been brought under Small Scale Water Resources Development Programmes ensuring increased production of crops and fishes. In FY 2009-10, under community- based resource management projects an amount of Tk. 9.15

crore was disbured. The cumulative disbursement was Tk. 22.71 crore while cumulative recovery was Tk. 22.89 crore. Under infrastructure development projects for market place in *char* areas, the amount of disbursement was Tk. 103.11 crore, recovery was Tk. 85.09 crore up to June 2010.

Palli Karma-Sahayak Foundation (PKSF)

Since its inception in 1990, Palli Karma-Sahayak Foundation (PKSF) has made a significant contribution to poverty alleviation through the provision of microfinance services to the poor through its partner organizations (POs). In order to achieve the goal of poverty alleviation, PKSF has extended its programms in far-flung areas of the country through its POs. Till June 2011, PKSF disbursed an amount of Tk. 113574.23 million to its 268 POs. Revolving this amount, the POs have disbursed an amount of Tk. 670682.33 million to the poor borrowers while maintaining a recovery rate of more than 98 per cent. The number of borrowers is 8.23 million as on 30th June 2011. More than 91% of the borrowers are women.

At present, micro-credit programmes are of three types: mainstream micro-credit, special category and disester management. The mainstream micro-credit operations includes - (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 Rehabilitation of Non-Motorised Transport Pullers and Poor Owners (RNPPO); (h) Enhancing Resources and Increasing Capacities of Poor Households Towards Eradication of their Poverty (ENRICH): and (i) A Holistic Approach to Household-focused Poverty Eradication. Apart from mainstream micro-credit programme, PKSF is implementing some other special programmes such as 'Learning and Innovation Fund to Test New Ideas (LIFT)' to provide credit facilities for the poor- friendly programmes. Status of PKSF's micro-credit programme is shown in Table 13:14.

Table 13.14 Status of Micro-Credit Programmes of PKSF

(In Crore Taka)

	Cumulative up to June'04	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	2010-11	Cumulative Up to June 2011
Disbursement	1847.52	366.00	692.62	1350.70	1408.90	1819..53	1941.70	1931.28	11357.42
Recovery	802.11	342.13	437.58	638.94	1009.88	1352..92	1678.20	1894.26	8156.00
Rate of recovery (%)	195.57	96.96	96.71	98.60	97.32	98.21	98.55	98.63	98.63
Partner Organisation	213	219	231	243	248	257	262	268	268
*Beneficiaries	4485832	5104940	5522406	6778262	7723451	8283814	8262465	8228533	8228533
Female	3999332	4621260	5033129	6207971	7067455	7160581	7597067	7527546	7527546
Male	486500	483680	489277	570291	655574	673233	665398	700987	700987

Source: PKSF. * Number of beneficiaries is not in directly cumulative.

Micro-credit Programmes of NGOs

Micro-Finance Institutes (MFIs) and NGOs are assisting in the implementation of different development programmes undertaken by the Government. NGOs work hand in hand with the Government in implementing different programmes during flood, draught, and other natural calamities. According to the data produced by Micro-credit Regulatory Authority (MRA), upto June 2010, Grameen Bank and 4 large Micro Finance Institutions (BRAC, ASA, TMSS, BURO Tangail) have disbursed Tk. 252.94 crore with recovery rate 90.8 percent. MRA-MIS statistics, 2011 also shows that the total number of borrowers is 1.92 crore while 2.53 crore people are benefited from micro-credit. Further, Credit and Development Foundation (CDF) statistics reveals that up to December 2009, the total number of active members of 745 MFIs (including Grameen Bank) was 35.71 crore which is close to twice the figure in 2005 and stood at Tk. 18.79 crore. The cumulative disbursement of micro-credit among 66.88 crore borrowers (61.50 crore are women) was Tk. 1,73,146.55 crore against which recovery stood at Tk. 1,55,575.64 implying the rate of recovery 89.85 percent. During this period, the total amount of savings of these organisations stood at Tk. 36,894.11 crore and Tk. 23,763.47 crore was disbursed among different sectors.

Activities of Major NGO's

BRAC: It is the largest non-government micro-credit provider. Other than micro-credit programmes, it also actively participates in poverty alleviation, health, education and social development initiatives. It especially provides various micro-credit and training to under-privileged and marginalised groups like poor women, retired and sacked employees of state owned industries, extreme poor living in *char* areas. BRAC has disbursed an amount of Tk. 64911.74 crore to as many as 83,74,910 beneficiaries (of which 8057039 are women) till June 2011. The amount recovered against the amount disbursed stood at Tk. 57742.58 crore.

ASA: ASA started its activities as a specialised micro-finance service provider during the 1990s. At present it has established itself as a self-dependent and fast growing micro-credit provider in the world. At the end of June 2011, the total loan disbursed an amount of on a cumulative basis stood at Tk. 51,693 crore and the recovered amount was Tk. 43,103 crore realisable from 45.22 lakh borrowers and the number of ASA's active members stood at around 50.57 lakh. Other than micro-credit, ASA provides loan for small business, agro-business, disaster management , education etc.

***SWANIRVAR* BANGLADESH:** It came into being in 1975 through the joint efforts of the Government and NGOs. At the beginning it worked as an attached cell of Ministry of Agriculture and Forestry. Since 1985 it has been working for the socio-economic development of grass root level through implementation of several integrated programmes. It has been promoting self-reliance by providing micro-credit facilities under income generating activities. Up to June 2011, through the state-owned commercial banks, PKSF and other sources Swanirvar Bangladesh disbursed a sum of Tk. 1139,09 crore to 1670102 beneficiaries and recovered a sum of Tk. 916.59 crore. The beneficiary coverage of this entity is 1670102 of which 1399210 are females.

PROSHIKA: Prpshika is one of the largest NGOs operating in Bangladesh. It started its' activities in a few villages of Dhaka and Comilla in 1975. Currently, the activities of Proshika are going 22700 villages. It had broad range of programmes in education and training leading to the different activities of income and employment generation, health education, environmental protection A total of Tk.4,593.89 crore has been disbursed against against 14.72 lakh projects to create employment/self-employment opportunities for the poor up to June/2011. During this period, an amount of Tk. 4,728 crore has been recovered where the number of beneficiaries was 28,12,127. Sinxe inception, more than 1,23,50,700 people have availed themselves of these opportunities and 12,36,000 household has overcome poverty.

TMSS: Thangamara Mohila Sobuj Sangha (TMSS) works for poverty alleviation, socio-economic development and empowerment of women. It started its micro-credit programme in 1985 and its aim is to bring about social development through socio-economic development of the deprived poor women. Besides PKSF, this organisation is implementing micro-credit programme with the financial assistance from ADB, World Bank, DFID, EU and Bangladesh Bank. Up to June 2011, the cumulative amount of micro-credit distributed was Tk. 991.46 crore, where the recovered amount was Tk. 870.65 crore and the yearly increase of the number of beneficiaries stood at 78,168.

***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. Micro finance, which is supported by a number of loan and saving products, is the core programme of Shakti Foundation. Besides, it also provides help for health-care, business entrepreneurship and social development of poor women. Up to June 2010, average growth rate of membership, disbursement and recovery was 28.36 percent, 30.17 percent and 28.76 percent respectively. The amount of disbursement and recovery of loan stood at Tk. 513.89 crore and Tk. 413.96 crore.

Society for Social Services (SSS): This organisation came into being in 1986 with an aim to contribute to the process of sustainable social development through poverty alleviation and awareness building on basic rights with special emphasis on health of the poor and the disadvantaged section of the community. Up to June 2011, the cumulative disbursement and recovery stood at Tk. 3101 crore and Tk. 2737.99 crore respectively.

BURO, Bangladesh: This organisation was established in 1990 in Tangail intended to reduce both income and human poverty by extending credit programme for the poor. It started its activities in 1990 in Tangail. At present it is implementing its programmes with 516385 families. It has schemes of loan, savings, insurance and also remittance services. It also actively participated in healthcare, pre-primary education, women development and empowerment, water and sewerage management, family planning, plantation and social forestry, disaster management etc. Upto June 2011, the total disbursement of credit and its recovery stood at Tk. 576.13 crore and Tk. 572.31 crore respectively.

Besides these, other NGOs are also contributing to the process of socio-economic development of the country. On a cumulative basis, up to June 2011, 9 major NGOs have disbursed and recovered Tk. 70120.34 crore and Tk. 63843.7 crore respectively. The number of beneficiaries stood at 18847610.The Status of micro-credit programmes of those NGOs is presented bellow:

Table 13.15: Status of Micro-Credit Programmes of Major NGOs

(In Crore Taka)

NGO	2004 (cumulative)	2005	2006	2007	2008	2009	2010	2011	Up to June 2011(cumulative)
BRAC									
Disbursement(Tk.)	13321.16	3254.21	4261.54	6232.87	8428.9	7568.08	7375.88	3992.85	54439.47
Recovery (Tk.)	11873.66	2926.84	3626.39	5036.93	7560	7658.99	7399.78	3798.57	49881.15
*Beneficiaries	19668077	4837099	5310317	7370847	8090369	8359993	8054415	7813.482	7813482
Female	18518895	4029265	5140494	7108155	7796769	8027262	7614326	7348.380	7348.380
Male	294006	128865	169823	262692	293600	332731	440089	465.102	465.102
ASA									
Disbursement	9604.99	3317.92	4131.61	4836.47	6110.85	6191.19	6866.72	4487.78	51693
Recovery	8406.42	2822.82	3712	5059.95	6065.97	6934.12	6377.82	3734.89	46551
*Beneficiaries	10258954	5988134	6455979	6674058	7276677	5498293	5656257	5097256	5097256
Female	9859718	3917566	4303787	4716922	5144662	4319440	4531002	4443309	4443309
Male	399236	2070568	2152192	1957136	2132015	1178853	1125255	653947	653947
PROSHIKA									
Disbursement	2899.42	288.13	316.5	312	267	222	195	98	4594
Recovery	2759.67	330.7	343.09	298	284	360	225	125	4718
Beneficiaries	6387577	20076	15030	8209	6723	847	193	-	2812127
Female	4115687	1719342	11478	6759	3640	764	163	-	1769.223
Male	2271890	1050764	3552	1450	3083	83	30	-	1042.904
Swanirvar Bangladesh									
Disbursement	394.73	75.91	91.36	96.3	96.73	131.65	157.93	176.77	1139.09
Recovery	305.26	61.54	70.94	75.91	84.57	110.9	133.44	144.28	918.59
Beneficiaries	230235	94945	129894	101565	104702	123803	127176	125657	1670102
Female	159876	90565	126332	98807	97342	103614	108105	108403	1399210
Male	12019	4380	3562	3057	7360	20189	19071	17254	270892
Caritas									
Disbursement	447.68	106.18	118.24	147.78	140.2	153.46	154.38	123.00	1390.92
Recovery	377.74	94.97	111.85	137.21	133.71	147.95	152.93	104.88	1261.24
Beneficiaries	385201	14936	4227	4362	99.71	11932	41855	7060	344.370
Female	248219	14124	3831	7091	10524	25242	31311	1255	267.923
Ma0le	216952	812	396	-2729	-553	13310	10544	8315	76.447
TMSS									
Disbursement	841.26	292.11	409.79	514.8	571.93	656.01	768.65	9914578780	48794806634
Recovery	700.23	220.02	359.99	457.69	548.15	606.34	682.85	8706544170	43277304195
Beneficiaries	329318	115470	68587	99826	89544	22462	6027		
Shakti Foundation									
Disbursement	404.88	150.42	179.97	176.13	202.74	305.15	513.89	-	-
Recovery	276.91	124.46	145.03	1175.13	181.11	262.46	413.96	-	-
Beneficiaries	410292	157517	167113	156108	181990	299158	475976	-	-
BURO, Bangladesh									
Disbursement	537.23	236.84	318.03	375.16	590.58	813.96	1090.86	825	576.21
Recovery	410.56	196	277.45	337.27	465.26	728.5	939.86	1004	572.37
beneficiaries	839059	273286	331329	376710	602273	746938	985182	1850	1029343
Society For Social Services(SSS)									
Disbursement	341.02	165.52	260.77	354.06	432.69	523.8	613.8	405.64	3101.17
Recovery	293.09	130.71	204.55	310.89	383.87	457.82	556.55	351.95	2736.99
*Beneficiaries	413785	184591	260110	320110	362636	356483	369883	390.863	390863
Female	402706	179511	253387	311383	351050	342208	353981	374.631	
Male	11079	5080	6623	8727	11586	14275	15902	16232	16232
Total									
Disbursement	22891.74	7887.24	10087.81	13045.57	16841.62	16565.3	17740.2	11100.5	70120.34
Recovery	20015.49	6908.06	8851.29	12888.98	15706.64	17267.08	16882.19	8259.57	63843.7
*Beneficiaries	30492095	11686054	12742586	15111795	16715014	15419909	15716964	13486302	18847610

Source: Concerned NGOs.

Grameen Bank

Upon completion of the pilot programmes on collateral-free loan, the Grameen Bank started its operation as a loan provider for the poor in 1983. Grameen bank provides different kinds of services to address the diverse needs of the poor. Assetless people can also engage themselves in income generating activities if they are supported with credit. 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. Upto June 2011, the total number of members stood at 83.75 lakh. It provides credit coverage of 81,376 villages of 64 districts. Status of micro-credit programme of Grameen Bank is given in Table 13.16.

Table 13.16. Micro-Credit Programmes of Grameen Bank

	Cumulative up to June 04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Cumulative Up to June '11
Disbursement	20356.55	3148.37	4590.55	5019.44	5561.85	7184.59	8754.51	10295.98	64911.74
Recovery	18575.74	2581.54	3769.82	4802.52	4955.09	6105.34	7675.77	9276.76	57742.58
Rate of recovery (%)	91.25	98.95	98.49	98.61	98.11	97.81	97.20	96.89	96.89
No. of	1258	279	648	246	86	40	7	1	2569
No. of villages	45909	8113	15118	9519	3653	2175	29	17	81379
* No. of beneficiaries (cum.)	7543776	4764216	6390148	7208455	7527700	7904797	8276494	8374910	8374910
Female (cum.)	7174896	4573681	6161452	6972351	7290604	7659739	7980581	8057039	8057039
Male (cum.)	368880	190535	228696	236104	237096	245058	295913	317871	317871

* No. of beneficiaries is not cumulative

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 13.17. Up to June 2011, the cumulative credit disbursement and recovery stood at Tk 14,885.15 crore and Tk. 15,151.85 crore respectively. The recovery rate against the disbursed credit was 83.26 percent. As many as 2,59,874 have been covered by the credit facilities during FY 2010-11. On a cumulative basis, the number of beneficiaries is 68,95,149

Table 13.17: Status of Micro-Credit Disbursement of Nationalised Scheduled Banks

(In Crore Taka)

Bank	cumulative 2004	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Upto June 2011
***Sonali* Bank**									
Disbursement	6163.22	485.9	456.62	410.02	557.08	617.44	755.57	676.23	9843.68
Recovery	8004.26	425.06	486.37	677	921.23	743.66	678.28	812.00	10777.95
Rate of recovery	260.26	87.48	106.52	165.11	34.3	30.46	29.61	35	80
No. of beneficiaries	0	189560	201841	199190	179188	208478	251856	164906	5619483
***Agrani* Bank**									
Disbursement	1345.36	100.34	182.07	210.6	290.4	339.66	487.92	33.61	91.88
Recovery	1321.08	97.47	212.09	268.39	288.73	336.82	400.37	66.6	107.38
Rate of recovery	227.31	97.14	116.49	127.44	99.43	99.16%	82.06	96	116.86
No. of beneficiaries	2984784	42435	104387		115383	139903	158978	5954	10013
***Janata* Bank**									
Disbursement	1869.021	193.75	193.75	290.16	497.93	560.94	631.63	254.21	3019.58
Recovery	1726.06	106.54	106.54	249.81	355.9	412.83	400.24	250.26	2713.85
Rate of recovery	177.4	54.99	54.99	86.09	71	74	63	98	89
No. of beneficiaries	835399	101220	100073	145080	124483	124653	130921	72631	862736
Bangladesh *Krishi* Bank									
Disbursement	982.38	58.86	57.02	54.51	53.43	47.82	98.49	52.26	1404.77
Recovery	828.22	37.27	43.24	51.84	51.46	45.56	76.02	42.81	1176.42
Rate of recovery	151.67	63.32	75.83	95.1	96.31	95.27	77.19	81.92	736.61
No. of beneficiaries	1535905	59117	50083	52028	47761	49356	35044	54579	1883873
Rajshahi *Krishi Unnayan* Bank (since 2000)									
Disbursement	158.37	30.73	29.23	14.99	17.71	18.03	18.61	27.68	315.29
Recovery	60.84	14.53	21.25	13.22	14.22	15.79	17.4	19.23	235.11
Rate of recovery	103.84	47.28	72.7	88.19	80.29	88	93	69	75
No. of beneficiaries	194675	47834	30033	16634	15818	16239	13779	12251	339919
***Rupali* Bank Ltd.**									
Disbursement	28.95	15.28	16.09	11.02	16.97	16.88	22.69	23.32	209.95
Recovery	23.04	5.27	10.15	11.95	12.16	14.79	18.89	21.74	141.14
Rate of recovery	142.48	34.49	63.08	108.44	71.65	87.62	83.25	107.28	77.90
No. of beneficiaries	33977	5402	5431	2804	4242	3458	5672	4132	62998
Total									
disbursement	13316.87	1078.61	1128.53	1281.46	1931.45	2161.71	2646.54	1015.05	14885.15
Recovery	11963.5	686.14	879.64	1272.21	1643.7	1569.45	1591.2	1169.83	15151.85
Rate of recovery	169.26	63.61	77.95	99.28	85.1	72.6	60.12		101.80
o. of beneficiaries	5584740	445568	491848	415736	486875	542087	601393	259874	6895149

Source: Concerned Banks, **Cumulative figures are given according to the information given by the Bank.

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 opportunities alongside the state-owned commercial banks. As of June 2011, the total number of beneficiaries was 2352099 (57 percent women) and the cumulative disbursement of credit stood at Tk. 10332.68 crore. The status of micro-credit disbursement programme of other commercial and specialised banks is shown in Table 13.18:

Table 13.18: Micro-Credit Programmes of other Commercial and Specialised Banks

(In Crore Taka)

Commercial and Specialised Banks	Number of Beneficiaries			Disbursement up to June' 11 (cumulative)	Rate of Recovery (%)
	Female	Male	Total		
Ansar-VDP Development Bank	553855	237366	791221	1210.98	97.55
Social Investment Bank Limited	295	443	738	3.69	98
National Bank Limited	-	-	5693s8	77.50	-
Islami Bank Limited	481664	85024	566688	3665.94	99.40
The Trust Bank Limited	53	14392	14445	2463.24	95.00
BASIC Bank Limited (up to Mrch'09)	265198	61948	327146	307.48	98.11
**Pubali* Bank Ltd.	50399	6688	51223	608.98	100
Uttara Bank Ltd.	12107	70416	82523	2603.85	72.08
Total	1363571	476277	2352099	10332.68	

Source: Concerned Banks.

Development of Microfinance Sector in Bangladesh: The microfinance sector is playing a significant role in the socio-economic development process in Bangladesh by providing credit facilities to the disadvantaged section of the country. The following table presents the development of this sector in Bangladesh.

Table 13.19: Development of Microfinance Sector in Bangladesh

(In Crore Taka)

Organisations/ Institutions	Up to December'09 (*N=744)		Up to December'08 (*N=612)		Up to December'07 (*N=535)		Annual change of loan disbursement in 2009		Growth of loan disbursement in 2009 (%)	
	Cumulative disbursement of loan	Recovery rate (%)	Cumulative disbursement of loan	Recovery rate (%)	Cumulative disbursement of loan	Recovery rate (%)	2009 over 2008	2008 over 2007	2009	2008
Disbursement to Borrowers by	179003.46		140898.70		112601.49		38104.75	28297.22	27.04	25.13
(1) MFI-NGOs	123315.39	96.22	94176.63	96.16	73232.36	99.24	29138.77	20944.279	30.94	28.60
(2) Grameen Bank	49831.15	99.46	41890..37	98.32	35679.82	98.02	7940.84	6210.48	18.96	17.41
(3) PDBF	3433.01	98	2927.67	98	2292.41	98	505.34	635.26	17.26	27.71
(4) RDS (IBBL)	2423.90	99	19,041.00	99	1396.90	100	519.80	507.1.9	27.30	36.31
Wholesale Lending PKSF	8310.78	99.51	6574.68	97.09	4972.57	96.87	1736.09	1602.11	26.41	32.22

*N refers to MFI-NGOs, Source: Micro Finance Survey 2009

Micro Credit Programmes of Administrative Ministries/Divisions

The Government has been allocating funds to implement micro-credit programmes for poverty alleviation by different administrative Ministries/ Divisions/Departments. The cumulative credit disbursement till June 2011 stood at Tk. 85292.71 crore of which Tk 73121.27 crore was recovered. 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 13.20: Status of Micro-Credit of different Ministry/Division/Department

Ministry/ Division	De[partment/ Division	June 2004 Cumulative)	2004-05	2005-06	2006-07	2007-08	2008-09	2009--10	2010-11	Cumulative Upto June 2011
Ministry of Finance	Banking division (RAKUB) (since 2000)									
	Disbursement	158.37	30.73	29.23	14.99	17.71	18.03	18.61	27.68	315.29
	Recovery	60.84	14.53	21.25	13.22	14.22	15.79	17.4	19.23	235.11
	Rate (%)	103.84	47.28	72.69	88.19	80.29	87.59	93	69	75
RDA Rural Development & Cooperative Division	BRDB	0								
	Disbursement	3791.65	654.86	683.77	862.73	796.06	691.19	674.44	795.78	8890.48
	Recovery	3275.59	474.18	720.04	887.07	680.52	677.58	634.01	721.29	8070.96
	Rate (%)	91	89	94	93	94	94	93	91	92.15
	BARD	0								
	Disbursement	84.82	3.11	1.45	0.15	0.23	0.661	6.151	1.26	97.83

Ministry/ Division	De[partment/ Division	June 2004 Cumulative)	2004-05	2005-06	2006-07	2007-08	2008-09	2009--10	2010-11	Cumulative Upto June 2011
	Recovery	82.36	5.25	1.77	0.14	0.22	0.43	5.295	1.77	97.23
	Rate (%)	127.3	168.01	122.3	96.1	99.99	65.09	86.08	140.47	99
	RDA									
	Disbursement	9.69	1.94	1.99	2.26	3.57	6.19	5.6	6.91	38.15
	Recovery	9.08	1.39	1.98	2.16	2.69	4.38	5.09	6.25	33.02
	Rate (%)	85.31	71.62	99.58	74.46	81	83	74	90	86.5
Ministry of Women and Children Affairs	Dept. of Women Affairs									
	Disbursement	11.13	23.99	27.65	17.38	46.81	46.92	54.09	62.76	290.73
	Recovery	10.34	13.3	25.08	17.27	27.64	25.71	31.72	41.97	201.03
	Rate (%)	92.92	55.43	90.71	98	67	54.8	62	67	69
	Jatiyo Mohila Sangstha	0								
	Disbursement	21.13	5.26	3.58	2.95	1.99	-	-	6.60	41.51
	Recovery	21.27	4.22	3.33	1.73	1.25	3.64	0.033	0.045	35.52
	Rate (%)	157.58	80.26	93	58.64	57.97	-	-	0.68	85.50
*Ministry of Social Welfare	Dept. of Social Welfare									
	Disbursement	572.44	44.59	61.86	41.02	67.54	64.83	68.18	30.86	951.32
	Recovery	522.16	40.30	53.54	32.33	52.41	28.79	56.26	25.49	811.28
	Rate (%)	73	90	75	79	81	95	89	82.59	101
**Ministry of Fisheries and Livestock	Dept of Fisheries									
	Disbursement	-	2.5	2	-	-	-	23.8	30.0	57.10
	Recovery	-	-	-	1.02	2.08	-	13.01	-	13.01
	Rate (%)	-	-	-	68.97	71.5	-	54.66	-	23
	Dept of Livestock									
	Disbursement	42.37	18.81	5.49		0	32.97	-	-	99.64
	Recovery	14.98	4.66	5.61	10.74	16.71	13.94	-	-	66.64
	Rate (%)	78.37	24.8	12.6	25.4	41.5	42.28	-	-	66.88
Ministry of Industries	BSCIC									
	Disbursement	186.89	25.94	22.07	13.71	4.32	4.32	5.78	5.0	87
	Recovery	154.21	23.26	22.71	19.67	10.57	6.8	13.92	6.92	73
	Rate (%)	93.98	89.67	102.89	143.47	243.54	163.27	-	138	72
	SERWTCI									
	Disbursement	21.64	9.75	9.41	9.26	3.64	7.33	7.85	10.46	73.03
	Recovery	16.2	6.36	8.33	8.31	3.5287	7.256	8.24	9.97	66.40
	Rate (%)	53.8	64.96	89	90	96.95	98.997	105	91	87
Ministry of Agriculture	(Agricultural credit)									
	credit)Disbursement	16152.61	4956.78	5496.21	5292.51	8580.66	9284.46	11116.88	12184.00	73144.11
	Recovery	15785.45	3171.15	4164.35	4676	6003.7	8377.62	10112.7	12148.61	62403.72
	Rate (%)	181.956	63.98	75.76	88.35	69.97	90.23	90.96	99	85

Ministry/ Division	De[partment/ Division	June 2004 Cumulative)	2004-05	2005-06	2006-07	2007-08	2008-09	2009--10	2010-11	Cumulative Upto June 2011
	Cotton Development Board									
	Disbursement	3.563	0.264	0.213	0.2942	0.3382	0.341	0.429	0.64	6.07
	Recovery	3.76	0.25	0.22	0.31	0.3512	0.3531	0.451	0.63	6.32
	Rate (%)		101.6	101.6	104	104	76.07	102.56	98	104
	Dept ofAgr Ex (Upto Sept.08)									
	Disbursement	306.53	69.77	27.82	35.38	31.15	18.43	1.13	-	490.21
	Recovery	215.99	52.25	20.38	34	48.16	37.17	0	-	407.95
	Rate (%)	0	75	73	96	154.61	201.68	0	-	83.219
Ministry of Land		68.43								
	Disbursement	55.43	8.7	10.14	5.5	8.76	4.33	5.25	4.72	118.1396
	Recovery	81	7.22	6.37	3.82	5.6	3.11	3.18	1.65	89.3
	Rate (%)	0	82.99	62.82	69.45	63.93	71.67	60.59	35.02	75.59
Ministry of Land Local Govt. Division	Local Govt.	56.18								
	Disbursement	23.75	3.37	6	16.32	31.95	93.13	57.04	-	263.99
	Recovery	124.7	2.66	3.31	9.28	21.8	85.09	47.46	-	193.35
	Rate (%)	306.53	96	88.89	98	84	94.63	95.66	-	73.24
Ministry of Youth and Sports	Dept. of Youth									
	Disbursement	546.28	62.87	77.77	60.02	61.75	51.52	61.07	74	995.25
	Recovery	461.24	44.98	57.37	74.46	61.16	56.37	35.1	81.60	872.27
	Rate (%)	179.66	71.54	73.76	124.06	100.67	109.41	69.53	110	87
Ministry of Textile and Jute	Bangladesh Handloom Board(BHB)									
	Disbursement	29.65	9.16	4.68	3.31	0.6	0.69	1.592	1.36	51.05
	Recovery	10.63	3.12	3.6	4.08	2.34	2.47	2.08	1.97	30.29
	Rate (%)	44.86	34.06	55.11	57.95	43.41	81.65	54.93	61.87	55
Ministry of Liberation war Affairs										
	Disbursement		10.16	3.86	8.6	2.08	1.58	3.57	3.27	36.01
	Recovery		0.41	1.97	2.82	2.82	2.71	2.71	2.71	16.17
			27	38	42	42	32	52	52	52
Total	Disbursement	22063.37	5942.55	6475.19	6386.38	9659.15	10326.92	12114.92	13245.3	85292.71
	Recovery	20723.28	3869.49	5121.21	5797.41	6955.69	9349.21	10975.83	13070.1	73121.27
	Disbursement	93.92	65.11	79.09	90.77	72.01	90.53	90.59	98.67	85.73

Source: Concerned Ministries and Bangladesh Bank. *Disbursement and recovery of BSCIC for FY 2010-11 and the cumulative are considered for only ongoing 'Self employment' project. **according to M/O Fisheries and Livestock, data of 2010 is cumulative.

- Rate of recovery has been calculated as follows: Rate of recovery = (Recovery/Disbursement) x100