CHAPTER 13

POVERTY ALLEVIATION

*[In the pursuit of development, poverty alleviation is an overriding agenda in Bangladesh. Becasuse of the persistent interventions by the Government absolute poverty which stood at 40.4 percent in 2005 moved down to 31.5 percent in 2010 on the basis of head count ratio. On the other hand, Human Development Report (HDR) 2011 of UNDP revealed that Bangladesh scored 0.292 in Multidimensional Poverty Index (MPI). In order to reduce poverty rate to 25 percent by 2013 and 15 percent by 2021 as set out in Vision 2021, the Government has prepared a perspective plan (2010-21) 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 allocated an amount of Tk. 86891 crore (about 53.12 percent of the total budget) in FY 2011-12 against programmme directly or indirectly linked to poverty alleviation. As Part of this, a total allocation of Tk. 22556.05 crore has been made in the budget for FY 2011-12 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 taken up by the Government to address poverty. Various ministries including Finance Division have been implementing other programmes along with micro- credit programmes.]***

Poverty Situation in Bangladesh

During the last 40 years since independence, Bangladesh has been pursuing the agenda of poverty reduction as an overriding priority. Since 1973 to 2002, Bangladesh implemented 5 five-year plans and a two-year plan in which the main focus had always been on poverty alleviation and achieved remarkable progress. In less than a decade, population living the poverty line now stands at 31.5 percent which was 40.4 percent in 2005. Despite this success, poverty alleviation remains high on the development agenda as it is the key indicator of socio-economic advancement. According to the UNDP Human Development Report 2011, 40 percent of the population are poor in terms of income poverty. On the other hand, the same report reveals that out of as many as 104 countries enlisted under lower Human Development Index (HDI) Bangladesh's multidimensional poverty Index (MPI) stands at 0.292 (lower HDI), whereas the neighboring countries like Nepal (lower HDI), Pakistan (lower HDI), India (lower HDI) and Srilanka's (Middle HDI) MPI score are 0.350, 0.264, 0.253 and .021 respectively.

The Government is committed to reach the target of MDG by the year 2017. As part of this commitment, the Government has put in place a Perspective Plan (2011-2021) outlining its long term vision and strategies. To realise the vision, the Government has adopted the Sixth Five Year Plan (2011-15) and begun its implementation since June 2011. The principal thrust of both the

documents is to reduce the poverty level to 15 percent from its current level of 31.5 percent by way of accelerating growth.

Attainment of Millennium Development Goals (MDGs)

Eradication of extreme poverty and hunger by 2015 is one of the prime goals set out in the UN MDGs. It is revealed from the report titled '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	6.5 (HIES2010)	8.0	→
1.3 Share of poorest quintile in national consumption, percent	6.5	8.85(HIES2005)		-
Target 1.B: Achieve full and productive employment and decent work				
1.5 Employment to population ration, Percent	48.5	59.3 (LFS 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	45(BHFNSA 2005)	33.0	
1.9 Proportion of population below minimum level of dietary energy consumption, percent	28.0	19.5(HEIS2005)	14.0	↓

Source: Bangladesh Bureau of Statistics, UNDP, 2011. → = on track, ↓ = not possible to achieve by 2015.

Poverty Reduction Strategy Framework

The main elements of strategies undertaken in the sixth five year plan for poverty reduction includes, among others, the following:

- Expand employment opportunities in lagging regions by improving connectivity with growth poles through better infrastructure and by investing in human capital .
- Increase farm income through better productivity

- Improve poor households access to education, health and nutrition service
- Enhance the access of the poor to production inputs (fertilizer, seed, irrigation water, power, rural roads) and to institutional finance
- Facilitate migration from poor areas given the poverty reducing impact of remittances
- Stimulate women's participation in the labour force
- Ensure stable food price and
- Mitigate the adverse consequences of climate change

Five strategic blocks of revised second national poverty reduction strategy paper are:

(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.

Measurement of the Incidence of Poverty in Bangladesh

The first Household Expenditure Survey (HES) in Bangladesh was carried out in FY 1973-74 and it was followed by a number of HESs. The latest HESs was done in 2010. HESs carried out up to FY 1991-92 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

The rate of income poverty (measured by CBN considering upper poverty line) declined from 48.9 percent to 40.0 percent during the period from 2000 to 2005. The compound poverty reduction rate per year is recorded at 3.9 percent. But the rate of reduction of poverty is higher in urban areas (yearly rate 4.2). On the other hand, the rate of income poverty declined from 40.0 percent to 31.5 percent during the period from 2005 to 2010. The compound poverty reduction rate per year is recorded at 4.67 percent. Here, also the rate of reduction of poverty is higher in urban areas (yearly rate 4.28 percent). The depth (measured by poverty gap) and severity (measured by squared poverty gap) of poverty between 2000 and 2005 declined at higher rate in urban areas than rural areas. The trends of poverty are shown in the following table:

Table 13.2: Trend of Income Poverty

	2010	2005	Annual Change (%) (2005 to 2010)	2000	Annual Change (%) (2000 to 2005)
Head Count Index					
National	31.5	40.0	-4.67	48.9	-3.9
Urban	21.3	28.4	-4.28	35.2	-4.2
Rural	35.2	43.8	-5.59	52.3	-3.5
Poverty Gap					
National	6.5	9.0	-6.30	12.8	-6.80
Urban	4.3	6.5	-7.93	9.1	-6.51
Rural	7.4	9.8	-5.46	13.7	-6.48
Squared Poverty Gap					
National	2.0	2.9	-7.16	4.6	-8.81
Urban	1.3	2.1	-9.15	3.3	-8.64
Rural	2.2	3.1	-6.63	4.9	-8.75

Source: Household Income and Expenditure Surveys (HIES), 2010

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

National/Division	2010			2005		
	Using the Lower Poverty Line					
	National	Rural	Urban	National	Rural	Urban
National	**17.6**	**21.1**	**7.7**	**25.1**	**28.6**	**14.6**
Barisal	26.7	27.3	24.2	35.6	37.2	26.4
Chittagong	13.1	16.2	4.0	16.1	18.7	8.1
Dhaka	15.6	23.5	3.8	19.9	26.1	9.6
Khulna	15.4	15.2	16.4	31.6	32.7	27.8
Rajshahi	21.6	22.7	15.6	34.5	35.6	28.4
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
	Using the Upper Poverty Line					
National	31.5	35.2	21.3	40.0	43.8	28.4

National/Division	2010			2005		
	Using the Lower Poverty Line					
	National	Rural	Urban	National	Rural	Urban
Barisal	39.4	39.2	39.9	52.0	54.1	40.4
Chittagong	26.2	31.0	11.8	34.0	36.0	27.8
Dhaka	30.5	38.8	18.0	32.0	39.0	20.2
Khulna	32.1	31.0	35.8	45.7	46.5	43.2
Rajshahi	35.7	36.6	30.7	51.2	52.3	45.2
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

Source: Bangladesh Bureau of Statistics (BBS), Household Income and Expenditure Surveys (HIES)-2010.

From the above table it is evident that, in 2010 the rate of poverty at the national level, using lower poverty line, 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 measured using the upper poverty line.

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 below.

Table 13.4. Incidence of Poverty (CBN) by Ownership of Land (in percentage), Size of Land Holding (Acres)

Size of Land Holding (Acres)	2010			2005		
	Using the Lower Poverty Line					
	National	Rural	Urban	National	Rural	Urban
All Size	**17.6**	**21.1**	**7.6**	**25.1**	**28.6**	**14.6**
Land less	19.8	33.8	9.9	25.2	49.3	17.8
<0.05	27.8	35.9	12.3	39.2	47.8	23.7
0.05-0.49	17.7	22.9	5.4	28.2	33.3	11.4
0.50-1.49	13.3	15.2	2.4	20.8	22.8	9.1
1.50-2.49	7.6	8.6	1.8	11.2	12.8	2.7
2.50-7.49	4.1	4.3	2.7	7.0	7.7	3.0
7.50+	3.7	4.2	0	1.7	2.0	0.0

Using the Upper Poverty Line						
	National	**Rural**	**Urban**	**National**	**Rural**	**Urban**
All Size	**31.5**	**35.2**	**21.3**	**40.0**	**43.8**	**28.4**
Land less	35.4	47.5	26.9	46.3	66.6	40.1
<0.05	45.1	53.1	29.9	56.4	65.7	39.7
0.05-0.49	33.3	38.8	17.4	44.9	50.7	25.7
0.50-1.49	25.3	27.7	12.1	34.3	37.1	17.4
1.50-2.49	14.4	15.7	6.6	22.9	25.6	8.8
2.50-7.49	10.8	11.6	5.5	15.4	17.4	4.2
7.50+	8.0	7.1	14.6	3.1	3.6	0.0

Source: Bangladesh Bureau of Statistics (BBS), Household Income and Expenditure Surveys (HIES)-2010

It is observed from Table 13.4 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 acres of land, 25.3 percent for 0.50-1.49 acre of land, 14.4 percent for 1.5-2.49 acres of land, 10.8 percent for 2.50-7.49 acres of land and 8 percent for owners of 7.5 acres or more land. Besides this, on the basis of head count ratio and using the lower poverty line it indicates that 27.8 percent for owners of less than 0.05 acre of land, 17.7 percent for owners of 0.05-0.49 acre of land, 13.3 percent for owners of 0.50-1.49 acres of land, 7.6 percent for owners of 1.5-2.49 acres of land, 4.1 percent for owners of 2.50-7.49 acres of land, 3.7 percent for owners of 7.5 acres of land or more. It is showing that the number of landless and percentage of land owner having limited acres are greater. It is, therefore, important to improve the condition of the landless marginal farmers to 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 13.5 below.

Table 13.5: 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

Year of Survey	Residence	Average Monthly (Taka)		
		Income	Expenditure	Consumption Expenditure
	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

Source: Bangladesh Bureau of Statistics (BBS), Household Income and Expenditure Surveys (HIES)-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 Tk. 11,480 at the national level, whereas it was at Tk. 9,648 in the rural areas and Tk. 16,477 in the urban areas.
- in 2005, at the national level, monthly household nominal income was Tk.7,203, which has increased by 59 percent in 2010 over the year 2005 and it increased by 23.3 percent in 2005 over the year 2000.
- the average monthly household expenditure was at national, rural and urban level stood at Tk. 11,200, Tk. 9,608 and Tk. 15,531 respectively in 2010. In 2005, at national, rural and urban level, it was Tk. 6,134, Tk. 5,319, and Tk. 8,533 respectively. The monthly household expenditure increased by 82.59 percent in 2010 over 2005, and by 25.54 percent over 2000.

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 2005 and 2010 are presented in Table 13.7 below.

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

Household Income Group	2010			2005		
	Total	Rural	Urban	Total	Rural	Urban
National	100	100	100	100.00	100.00	100.00
Lower 5%	0.78	0.88	0.76	0.77	0.88	0.67
Decile-1	2.00	2.23	1.98	2.00	2.25	1.80
Decile-2	3.22	3.53	3.09	3.26	3.63	3.02
Decile-3	4.10	4.49	3.95	4.10	4.54	3.87
Decile-4	5.00	5.43	5.01	5.00	5.42	4.61

Household Income Group	2010			2005		
	Total	**Rural**	**Urban**	**Total**	**Rural**	**Urban**
Decile-5	6.01	6.43	6.31	5.96	6.43	5.66
Decile-6	7.32	7.65	7.64	7.17	7.63	6.78
Decile-7	9.06	9.31	9.30	8.73	9.27	8.53
Decile-8	11.50	11.50	11.87	11.06	11.49	10.18
Decile-9	15.94	15.54	16.08	15.07	15.43	14.48
Decile-10	35.84	33.89	34.77	37.64	33.92	41.08
Top 5%	24.61	22.93	23.39	26.93	23.03	30.37
Gini Co-Efficient	**0.458**	**0.430**	**0.452**	**0.467**	**0.428**	**0.497**

Source: Bangladesh Bureau of Statistics (BBS), Household Income and Expenditure Surveys (HIES)-2010

It is evident from Table 13.6 that-

- income shares accruing to households belonging to Decile-2 and Decile-10 decreased in 2010 over the year 2005.
- Decile-1, Decile-3 and Decile-4 remain about the same in 2010 at national level as in 2005. While households' income belonging to Decile-5 to Decile-9 increased in 2010 over the year 2005.
- the percentage share of income of the lowest 5 percent households remains almost the same in 2010 and 2005 (0.78 percent in 2010 and .77 percent in 2005). Although at the national level income of the top 5 percent households significantly declined at the same time (from 26.93 percent to 24.61 percent).
- the slightly lower Gini Co-efficient in 2010 over 2005 shows reduced social inequality.

Selected Programmes for Poverty Alleviation

Social Safety-Net

Taking into consideration the attainment of the targets of Millennium Development Goals (MDGs) linked with poverty alleviation, an allocation of Tk. 22,556.05 was made against social protection and social empowerment programmes in the revised budget for FY 2011-12. Under social safety-net, sufficient allocation has been made for 11 social protection programmes with total cash transfer of Tk.7,069.70 of which Tk. 892.04 crore was allocated for old age allowance, Tk. 331.2 as allowance for the destitute women, Tk. 360 as allowance for insolvent freedom fighters. Moreover, in FY 2011-12, an allocation of Tk. 700 crore was made to establish the Climate Change Fund. In addition, an allocation of Tk. 32.60 crore was made to the welfare fund for poor lactating mother and Tk 293.74 crore for national service.

Apart from this, the Government took the following steps

- Increased rate and coverage of allowances for the poor elderly citizens, destitute women, insolvent freedom fighters, physically handicapped and orphans.
- Increased flow of fund to *Palli Daridra Biamochon Foundation* (PDBF), *Palli Karma Shahayok Foundation* (PKSF), Municipal Development Fund (MDF), Social Development Foundation (SDF), Bangladesh NGO Foundation (BNF), Infrastructure Development Co.Ltd. (IDCOL). During FY 2011-12, allocations for micro credit programmes of PKSF, SDF and BNF have been increased to Tk 188.57 crore, Tk. 150 crore and Tk.10 crore respectively.
- Allownce for children living in Government *Shishu Paribar* and other residential accomodation has been increased to Tk. 27.54 crore from Tk. 22.90 crore, ration for the families of martyred and insolvent freedom fighters increased to Tk. 21 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 services, 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 2011-12 is shown in the following table:

Table 13.7: Allocation Pattern of Social Safety Net Programmes

(In Crore Taka)

Programmes	Budget (2010-11)	Budget (2011-12) Revised
Cash transfer (various allowances) programmes	6359.30	7148.54
Cash transfer (special)	55.52	58.17
Food security programmes: Social Protection	7232.12	6457.09
Micro credit programmes	340.02	343.57
Miscellaneous fund	3187.77	3184.58

Source: Finance Division, Ministry of Finance.

Cash Transfer Programmes under Social Safety-net Programmes:

Some selected cash transfer progammes under the overall social safety-net programme are briefly stated as follows:

Old-Age Allowance Programme : The Government started this programme in consideration of the socio-economic condition of destitute, neglected and financially

insolvent elderly citizens. Administered by the Ministry of Social Welfare, this programme received an allocation of Tk. 892.04 crore in FY 2011-12 and 2.475 million elderly people are receiving this allowance at a monthly rate of Tk. 300.

Fund for Rehabilitation of the Acid-Burnt Women and the Physically Handicapped: The Government introduced this fund for rehabilitation of acid-burnt women. In FY 2011-12, the Government made an allocation of Tk.1 crore.

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 2011-12, an allocation of was Tk. 102.96 crore was made for this programme. Insolvent persons with disability received monthly allowance at Tk. 300. The number of beneficiaries stood at 2.86 lakh.

Allowance Programme for Widowed, Deserted and Destitute Women: This programme 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 2011-12 and the beneficiary coverage stood at 9.2 lakh. The budget allocation for this programme in FY 2011-12 was Tk. 331.2 crore.

Maternity Allowance for Poor Women: According to the target for the FY 2011-12, this programme was introduced for providing allowance at a monthly rate of Tk. 350 as well as providing support to scale up nutrition for new-born babies and mothers and build awareness of mothers by providing training on health, nutrition and other issues. In FY 2011-12, an allocation of Tk. 42.50 crore was made of which Tk. 32.60 crore allocated allocated for poor lactating mother in urban area.

Honorarium Programme for Insolvent Freedom Fighters: This programme is meant for improving the standard of living of freedom fighters. In FY 2011-12, an allocation of Tk. 360 crore was made for 1.50 lakh freedom fighters at a monthly rate of Tk. 2000 .

Training and Self-Employment Programme for Insolvent Freedom Fighters and Their Dependants: The objective of this programme is to train up the freedom fighters and their dependents for developing their skill and making them eligible for self-employment. An amount of Tk. 35.39 crore has already been disbursed under this programme against which an amount of Tk. 15.65 crore was recovered up to December 2011. The recovery rate is 56 percent.

Grihayan Tahabil

The Government created a fund titled "*Grihayan Tahabil*" for the homeless, poor and lower middle class segment of the society back in 1997-98 through a budgetary allocation of Tk. 50.00 crore. So far, this fund has received Tk. 160.50 crore from the Government. The fund provides housing loan to the NGOs at the rate of 2.0 percent simple interest which in turn provide housing credit to the rural poor people at the rate of 6.0 percent simple interest for a period stretching up to 10 years. Besides, various programmes are being undertaken by the NGO's to enhance the

income generating capabilities of the beneficiaries. As on June 2012, an amount of Tk. 133.47 crore has been released against the allocation of Tk. 243.47 crore for rural housing programme and 51,685 houses have already been constructed. As many as 523 NGO's are working in the field covering 450 upazilas of 64 districts of the country. In addition, Tk. 10.84 crore has been released as grant for the people adversely affected by natural calamities. So far, a total of Tk. 97.14 crore has been recovered against the total recoverable amount of Tk. 110.55 crore. As on June 2012, the recovery rate was 87.87 percent.

Other On going Programmes under Food Assistance Initiatives

Food for Works Programme (FFW): Being administered by the Ministry of Food and Disaster Management, this programme for rural infrastructure renovation received an allocation of 3.71 lakh metric tonnes of food grain.

Vulnerable Group Development (VGD) Programme: Under this programme, a total of 14,99,277 beneficiaries have received total 16.19 lakh metric tonnes (30 kg per month) food assistance. In FY 2011-12, a total of 7,49,689 beneficiaries have received food assistance and a total 2,70,000 metric tonnes of food assistance has been provided.

Vulnerable Group Feeding (VGF) and Rural Infrastructure Maintainance Programme (Test Relief-TR): The Ministry of Food and Disaster Management has allocated food grains equivalent to Tk. 4 lakh for FY 2011-12. Under the TR programme, a total of 4.10 lakh metric tonnes of food grain has been allocated.

On going Programmes under the Social Safety-Net

The Government has been implementing different innovative projects along with sector wise diversified programme and schemes with a view to reducing poverty at a faster pace. It is to be noted that in FY 2011-12, at a varying scales like Tk. 1,000 crore, Tk. 293.74 crore, Tk. 250 crore, Tk. 2.00 crore, Tk. 7.00 crore and Tk. 451 crore have been allocated for the programmes namely Employment Generation Programme for the Ultra poor, National Service, Special Programme for Irrigation and Waterlogging, Child Development Centre, Service and Assistance Centres for the Disables, *Ekti Bari Ekti Khamar* respectively.

Employment Generation Programme for the Ultra Poor

In line with 100 days' employment generation programme introduced in FY 2008-09, the Government launched similar larger programme giving preference to the ultra-poor and capable unemployed people of rural areas all over the country at a cost of Tk. 1,176 crore in FY 2009-10. The objectives of this programme are (a) employment generation and enhancing purchasing power of the ultra-poor (b) creating assets for the poor (c) build up small scale infrastructures and their maintenance and environmental development in rural areas. For this programme, the government allocated Tk. 1,000 crore in FY 2011-12.

***Ashrayan*-2 (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. As many as 5,690 families have been rehabilitated in FY 2011-12 under this project. A total of 16 thousand metric tonnes of foodgrains (wheat) was allotted to different districts for the earthfilling of 108 Ashrayan villages. Around 12,236 poor and destitute people benefited from this Social Safety Net Programme (Food for Work Programme). In FY 2011-12, the total allocation for this project was Tk. 145.00 crore against which Tk. 142.58 crore was spent (98.33%). Under this project, as many as 1,087 barracks were constructed.

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

The Rural Development and Cooperative Division has been implementing *Ekti Bari Ekti Khamar* (One House One Farm) as a priority project in 17,388 villages (9 villages from each Union) of 483 upazilas since 2009. The total revised outlay of the project is Tk. 1,492.92 crore and the project is expected to be completed by June 2013. The main objectives of the project are to: convert every house of the targeted villages into effective farm, establish 5 demonstration firms with credit facilities and ensure maximum utilisation of rural assets including non -resident land owners' land. Besides, the project will supply cows, poultry, tin for houses, tree plants and seeds of various vegetables according to the need of the people and establish families as the main centre of economic activities through village organisations. Up to June 2012, 17,300 village cooperatives has been formed in 483 upazilas. Under the project, cows, tin for houses, poultry and tree plants have already been distributed for 48,200 families, 21,000 families, 14,430 families and 94,280 families respectively. For the capital formation of the rural poor people, the Government has initiated micro-savings programme and is encouraging the poor by providing bonus equal to the amount deposited by each of the members of the village development organisations (Tk. 200 per month per member against their savings). Over and above, the project is providing revolving funds for the income generating activities of the beneficiaries. Under this projects there are other ongoing initiatives like food processing and marketing and utilisation of lands of non-resident land owners. The project has directly been supporting around 10 lakh households.

Micro-credit Programme for Self-employment of Women

The main objective of this programme is to improve the socio-economic status of women through poverty reduction and generation of self-employment opportunities by providing microcredit to the poor and distressed women. To implement micro credit operations for self-employment of women, an amount of Tk. 3,225.00 lakh was allocated to as many as 473 upazilas of 64 districts from FY 2003-04 to 2007-08 and a total of Tk. 6,723.67 lakh has been disbursed to as many as 82,820 women up to December 2011 as revolving fund. Against which an amount

of Tk. 4,610.10 lakh has been recovered.. Till now Tk. 1,350.00 lakh has been allocated to Jatiyo Mohila Sangstha. Realised fund has been allocated per capita Tk. 5,000 to Tk. 15,000 as loan in the form of revolving fund through a total of 106 branches of Jatiyo Mohila Sangstha. For FY 2011-12, Tk. 5.00 crore has been allocated. Besides this, in FY 2011-12 a total amount of Tk. 7.00 crore has been allocated for the programme titled "Rehabilitation and Alternative Employment for Beggers."

New Development Projects related to Poverty Reduction

1. Poverty Eradication and Ensuring Livelihood for the People Living in Economically Backward Areas (with an allocation of Tk. 30 crore)
2. Poverty Eradication through Social Aforestation (with an allocation of Tk.16.12 crore)
3. Improvement and Quality Seed Production of Rice, Wheat and Maize (with an allocation of Tk. 41.85 crore)
4. Promotion of Legal and Social Empowerment (with an allocation of Tk.15.17 crore)

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

Karmasangsthan bank, a state-owned financial institution, provides credit facilities to the unemployed youth on easy terms and at a simple rate of interest. In FY 2011-12, through its network of 209 branches, the bank disbursed an amount of Tk. 336.30 crore among 37,829 loanees and recovered Tk. 328.43 crore. The cumulative disbursement was Tk 1,476.72 crore among 2,52,338 loanees. The cumulative recovery now stands at was 1,163.91 crore. The recoverable amount was Tk 1,261.54 crore and recovery rate against recoverable amount is 93 percent.

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

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 2012, an amount of Tk. 89.42 crore has been disbursed among 16,364 borrowers. An amount of Tk. 66.98 crore has been recovered against the coverable amount of Tk. 81.88 crore representing a recovery rate of 82 percent. The fund is being used as revolving fund for this purpose as per agreement.

Credit Programme to Assist the Agro-based Industries

Under an agreement between the Ministry of Finance and *Karmasangsthan* Bank, the Bank is implementing this programme. An amount of Tk. 60.96 crore has been disbursed among 2,164 borrowers against an allocation of Tk. 50.00 crore. An amount of Tk. 54.25 crore has been

recovered against the recoverable amount of Tk. 59.03 crore. The recovery rate being 92 percent. This fund is also used as revolving funds as per the agreement.

Table 13.8: Disbursement of Loan by *Karmasangsthan* Bank (Cumulative upto June 2012)

(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	1322.22	1116.51	1040.00	93	228582	825181
Special Programs	154.50	145.03	123.91	85	23756	85759
Total	**1476.72**	**1261.54**	**1163.91**	**92**	**252338**	**910940**

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 ongoing 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. The main objective of the VGDUP project is to help 80,000 VGD Card holder destitute women by prodiving financial benefit and income generating materials (in 24 months cycle Tk. 400 as allowance). With the intervention of this project, poverty has been alleviated by improving the socio-economic condition, nutrition and living standard as well by providing training and financial benefit to the extreme poor especially the women.

Jatiyo Mohila Sangstha has been operating a micro credit programme with a grant of Tk. 120.00 lakh (revolving) for self-reliance of poor and unemployed women. The programme is carrying out its activities through the 64 district and 28 upazila branches of Jatiyo Mohila Sangstha. The amount of credit ranges between Tk. 5,000 - Tk. 20,000. Besides these, there are other facilities like maternity allowance for poor mothers, working women hostels, daycare centre for children, sales and display centres for promoting the product of women entrepreneurs, grants for poor distressed women and children, establishment of agriculture and computer training centres for the well-being of women and children.

Activities of the Rural Development and Cooperatives Division in Poverty Reduction

The Rural Development and Cooperative Division (RDCD) by implementing various projects/programmes has been contributing to the efforts of reducing the poverty. These projects/programmes focus on poverty reduction, socio-economic development by promoting micro-credit activities, and employment generation. Some dedicated projects being implemented through RDCD are *Ektee Bari Ektee Khamar*, Economic Empowerment of the Poorest (EEP), Comprehensive Village Development Programme and *Char* Livelihood Programme (CLP).

Comprehensive Village Development Programme (CVDP) 2nd Phase:

The main objective of Comprehensive Village Development Programme (CVDP) is to promote overall development of all segments of population of a village by bringing them under a single co-operative organisation. CVDP used to be considered as Rural Development Model during 1999 to 2004. As CVDP model is successful, it was implemented as pilot scheme in 1,575 villages of 21 upazila of 19 districts. CVDP-2nd Phase is being implementing in 4,275 villages of 66 upazila, 64 districts and will continue upto June 2014. Under this project, as many as 4,275 cooperatives have been formed and 3,623 cooperatives have been registered. A total of 3,07,799 families and 4,34,461 persons are included in CVDP's cooperatives up to June 2012. Capital formation of these cooperatives amount to Tk. 61.57 crore in which the members' savings stand at Tk. 55.42 crore and members' share at Tk. 11.15 crore. A total of Tk. 70.27 crore has been disbursed by CVDP as credit.

Economic Empowerment of the Poorest (EEP) in Bangladesh Project

The objective of EEP project is to help 1 million people in rural and urban areas by lifting them out of extreme poverty and provide sustainable livelihood by 2015. The project will be implemented at a cost of Tk. 887.19 crore over a period from February 2008 to December 2015. Up to February 2012, a total of 1,25,000 extreme poor families are provided with asset worth Tk. 14,500 per beneficiary household according to their need and skill and has been provided khas land. As of now, a total of Tk. 47.10 crore has been spent for asset transfer and whole activities of the project. As many as 1 lakh 80 thousand people have been directly benefited from this programme. In FY 2011-12, an amount of Tk.107.21 crore was allocated for this project in ADP against which 53.41 crore was spent till February 2012, which is 49.82 percent of total allocation.

***Char* livelihood Programme:**

Following the successful implementation of the first phase of the programme, implementation of the second phase has already begun with the support from DFID, UK and the Australian Government. The programme is scheduled to be implemented during the period from July 2011 to June 2016 at a cost of Tk. 794.87 crore. Currently, the programme is extending its coverage over 125 union of 33 upazilas under the districts of *Tangail, Pabna, Nilphamari, Lalmonirhat, Rangpur, Kurigram, Gaibandha* and *Jamalpur*.

Activities of the Department of Cooperative

Currently there are as many as 1,84,486 registered co-operative societies in Bangladesh with 91,94,787 members. Of the total network of the cooperative societies, there are as many as 70,230 agriculture and farmers co-operatives, 27,688 female co-operatives, 30,442 multipurpose cooperatives, 8,860 fisherman cooperatives, 5,247 youth cooperatives, 5,203 saving and credit cooperatives, 1,888 water management cooperatives, 1,577 milk producer cooperatives, 1,080 weavers cooperatives, and 1,307 *Ashrayan* cooperatives etc. These cooperative societies are making significant contributions to the economic development and poverty alleviation by increasing production and employment opportunities in the country. These societies have so far disbursed loan to the tune of about Tk. 10,520.67 crore and realised Tk. 8,420.01 crore. Bangladesh Cooperative Bank ltd. is a specialised bank of the cooperative sector which mainly disburses micro-credit to agriculture cooperative societies. Bangladesh Milk Producers Cooperative Union Ltd. (Milkvita) is a pioneer organisation in the dairy sector. Presently, the number of milk cooperatives and its individual members are about 2,000 and 73,783 respectively. During FY 2011-12, Milkvita collected around 7 crore 11 lakh litres of milk against the target of around 8 crore litres.

Bangladesh Rural Development Board (BRDB)

BRDB is the largest public sector organsation engaged in rural development and poverty alleviation. Since late sixties, BRDB have been working for increasing agricultural production through two tier cooperatives (TCCA & KSS). Now, BRDB has extended its activities through micro credit operations, imparting training, mobilising capital, transferring technology, empowering women, accelerating family planning and reproductive health services, improving public health and sanitations for poverty alleviation in line with the government strategies. Since inception, BRDB has so far implemented a total of 74 projects and programmes. Many of them are poverty focused and micro-credit based. At present, BRDB is implementing 10 projects and programmes.

Bangladesh Academy for Rural Development (BARD), Comilla

The Comila Model for rural development was the product of this academy. It brought remarkable changes in the field of agricultural development, rural development and rural infrastructure development. In FY 2011-12, BARD conducted 85 training courses where as many as 4,583 trainees took part. Recently, BARD has launched the Regional Cooperation Fund (RCF) with the collaboration of CIRDAP. It has successfully implemented the ‘Integrated Community Development Project in *Burichang* Upazila” with the assistance of Bangladesh Government and KOIKA. Through this project, 10.1 km rural road, 9 culverts, 7 community centres and 8 school buildings were constructed. Moreover, 5 deep and 10 shallow tubewell were also installed through this project.

Rural Development Academy (RDA), Bogra

Rural Development Academy (RDA), Bogra has been organising training courses, conducting research and implementing action research projects for poverty alleviation and socio-economic development for the rural people of the country. The broad objectives of the training activities of the Academy include transfer of modern agricultural technology and skill and human resource development. During July 2011 to June 2012, the academy organised 248 traning courses which were attened by 39,607 participants which include 12,403 female and 27,204 male. The academy dealt with 53 research projects in FY 2011-12.

Small Farmers Development Foundation (SFDF)

SFDF, initiated colletaral-free micro-credit programme for the first time in Bangladesh. Up to June 2012, as many as 68,329 members have been enrolled under the foundation. It is to be noted that 95 percent of the total beneficiaries of the programme are women. An amount of Tk.13,820.12 lakh has been disbursed so far to the members as collateral-free micro-credit for undertaking initiatives like increased agricultural production, self-employment and income generating activities against which an amount of Tk. 9,908.32 lakh has been recovered. The recovery rate of credit stands at 94.65 percent. The Foundation is implementing this programme in 55 upazilas of *Comilla, Chadpur, Mymensing, Bogra, Pabna, Rangpur, Kurigram, Barisal, Bhola, Patuakhali* and *Borguna* districts.

Palli Daridro Bimochon Foundation (PDBF)

At present, the foundation is working in 302 upazilas of 44 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 to more than 100 upazillas in current fiscal year. Around 95 percent of the beneficiaries of PDBF are women. The Foundation has disbursed an amount of Tk. 5,170.29 crore as micro credit and small entrepreneur loan as of September 2012 and the recovery rate of the disbursed loan is 98 percent. Self employment opportunities have been created for about 7.50 lakh rural people. About 35 lakh people has become solvent directly and indirectly. Employment has been created for about 1 lakh people through small entrepreneur loan operations. PDBF has also installed 13,500 solar home system in 84 upazilas of 18 districts as of September 2012 which has been producing on average 3550 kw electricity and as a result approx. 67,500 rural people are having access to electricity.

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 and Small Scale Water Resources Development Programmes of the country and extending technical assistance to the local government institutions. LGED has already prepared a long term Master Plan for a period from 2005-2025 for rational development of rural roads and

other infrustrutures in order to achieve development equity throughout the country. Since its inception up to FY 2011-12, LGED has so far developed 82,260 km upazila, union and rural roads, constructed 11,62,666 m bridges/culverts on these roads and planted trees along 21,569 km of those roads. Moreover, as many as 1,656 growth centres, 1,793 rural markets have been developed and 2,592 union parishad complex buildings have been constructed. A total of 4,11,039 hectares of cultivable land has been brought under flood control and drainage facilitated area.

Programmes under the Fisheries Sector to Alleviate Poverty

Most of the activities of the Department of Fisheries (DOF) focus on poverty alleviation. A total of Tk.4.5 crore has been disbursed as microcredit to expedite the prograrnmes undertaken by the department. Besides this, an amount of 23 crore has been distributed through a project titled "Poverty Alleviation through Integrated Fish Cultivation" and a further amount of Tk. 2.5 crore through other projects. Following implementation of this micro-credit programme under DOF, a very positive impact is evident on alleviation of poverty and fish cultivation as well. So far, a total of 2,60,000 beneficiaries received credit under different programmes.

Information and Communication Technology for Poverty Alleviation

The Government has decleared the ICT as a thrust sector to expedite the process of achieving the target of MDG within 2015 by using the ICT. The sector is creating a huge job opportunities for the unemployed youth and thus making significant contribution to the efforts of reducing poverty.

Poverty Reduction Programmes under the Ministry of Social Welfare

Most of the programmes being implemented by the Ministry of Social Welfare are primarily focused on poverty alleviation and are intended to bring about welfare of the disadvantaged section of the community . The programmes are: (a) Programme for Social Integration and Poverty Reduction, (b) Programme for Social Security (c) Programmes on Welfare and Service Delivery (d) Programmes on Addressing Social Disintegration, (e) Community Empowerment Programmes, (f) Training, Research, Evaluation and Publication Programme, (g) Human Resources Development and (h) Environment and Afforestation Programmes. Under the Programme for Social Integration and Poverty Reduction four programmes are specially earmarked for poverty reduction which are: Rural Social Service (RSS) Programme, Urban Community Development (UCD) Programme, Poverty Alleviation through Rural Maternal Centres (RMC), and Rehabilitation Programme for the Acid-burnt.

Palli Karma-Sahayak Foundation (PKSF)

Earlier, PKSF used to finance only Rural Micro Credit through the provision of microfinance services to the poor through its partner organisations (POs). The poor borrowers covered under

the PKSF's microcredit programme are actively participating in different income and employment-generating activities under the mainstream programmes and also under some special projects, as listed below: Rural Microcredit (RMC), Urban Microcredit (UMC), Ultra Poor Programme (UPP), Microenterprise (ME) Loan, Seasonal Loan (SL), Agriculture-sector Microcredit (ASM), Enhancing Resources and Increasing Capacities of Poor Households Towards Elimination of their Poverty (ENRICH): A Holistic Approach to Household-focused Poverty Eradication, Programmed Initiatives for '*Monga*' Eradication (PRIME) under "Promoting Financial Services for Poverty Reduction (PROSPER)", Learning and Innovation Fund to Test New Ideas (LIFT) under "Promoting Financial Services for Poverty Reduction (PROSPER)", Finance for Enterprise Development and Employment Creation (FEDEC), Developing Inclusive Insurance Sector Project (DISP), Kuwait Goodwill Fund for the Promotion of Food Security in Islamic Countries Programme, Community Climate Change Project (CCCP) and Institutional Development (ID) Loan Programme.

The status of PKSF's micro-credit programme is shown in Table 13:9 below:

Table 13.9 Status of Micro-Credit Programmes of PKSF

(Tk. in crore)

Particulars	Financial Year								
	Cumulative Up to June 2005	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Cumulative (Up to June 2012)
Loan disbursement	2213.52	692.61	1350.70	1408.08	1819.53	1941.70	1931.28	2320.00	13677.42
Loan recovery	1144.24	437.57	638.94	1009.88	1352.92	1678.20	1894.26	2137.72	10293.72
Recovery rate (%)	96.62	96.39	96.89	97.73	98.21	98.55	98.63	98.50	98.50
Partner Organizations	231	243	248	257	257	262	268	271	271
Number of borrowers at the end of FY	5522406	6778262	7709364	8283814	8262465	8386214	8228533	6651310	6651310
Female	5033129	6207971	7063709	7610581	7597067	7723712	7527546	6088260	6088260
Male	489277	570291	645655	673233	665398	662502	700987	563050	563050

Particulars	Up to June 2011		Up to June 2012		Disbursement in FY 2011-12
	Cumulative loan disbursement	Loan recovery rate (%)	Cumulative loan disbursement	Loan recovery rate (%)	
From PKSF-POs	11357.42	98.63	13677.42	98.50	2320.00
From POs-Borrowers	67068.23	98.85	80588.47	99.25	13520.24

Source: PKSF.

Micro-credit Programmes of NGOs

In tandem with different kinds of social programmes of different ministries of the Government, NGOs are also implementing microcredit programmes to strengthen the efforts of poverty reduction in the country. In order to discipline mocro-credit operations of NGOs, a Micro Credit Regulatory Authority Act came into force in 2006 and a Microcredit Regulatory Authority (MRA) was established. MRA is mandated to monitor and regulate the activities of all the organisations. As per the new law, no organisation can run microcredit programme without having a certificate from MRA. Up to June 2012, MRA certified as many as 535 NGOs for carrying out microcredit operations.

NGOs established with the purpose of poverty alleviation have created huge job opportunities for the poor of this country by their microcredit programmes., It is found that 30 organisations (excluding Grameen Bank) disbursed Tk. 24,096.95 crore in 2011. The total outstanding loan of this sector disbursed among 188.9 lakh poor people (only licensed MFIs) has increased by 19.59 percent from Tk. 17,380 crore in FY 2010-11 to Tk. 20,785 crore in FY 2011-12. The total savings has also increased by 16.15 percent to Tk. 7,352 crore in FY 2011-12 compared to the previous fiscal year. It is to be noted that over 95 percent of the savers are women. It is also to be noted that top 30 institutions are in control of over 80 percent of the market share while three largest organisations have control over 50 percent in terms of both clients and total financial portfolios. At present, the total number of employees of all NGO-MFI in Bangladesh is 1,05,138.

It is observed that the outstanding micro enterprise loan is Tk. 4,000 crore which is around 20 percent of total loan outstanding in which the top 30 NGO-MFIs's share is around 50 percent. It is also observed that the amount of outstanding loan disbursed to around 6 lakh borrowers represent only 3 percent of total borrowers.

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. 64,211.63 crore to as many as 6,013,045 beneficiaries (of which 5,572,196 are women) till June 2012. The amount recovered against the amount disbursed stood at Tk. 58,498.10 crore.

ASA: ASA initiated its operation in 1978 with the commitment to bring about socio-economic development of the disadvantaged community. Over time, it specialised in microfinance programme and developed an exclusive client- friendly model of microcredit with favourable features at low cost. Now, the model is widely acclaimed. During the period from July 1992 to June 2012, the cumulative saving deposits and withdrawal were Tk. 7,079 crore and Tk. 5,588

crore respectively, and balance at the end of June 2012 stood at Tk. 1,491 crore. In the same period, ASA's cumulative loan disbursement and recovery stood at Tk. 54,958 crore and Tk. 49,454 crore respectively, while loan outstanding (principal) was Tk. 5,504 crore (as of end of June 12). The loan was disbursed among 4.425 million borrowers. ASA has been facilitating loan insurance and life insurance (Member's Security Fund) for its group members to protect themselves against any sudden economic shocks. To promote the role of regional small and emerging NGOs in poverty alleviation, ASA has been assisting 46 NGOs with technical supports and also with loan funds since 1995.

***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. During FY 2011-12, a sum of Tk. 222.90 crore has been disbursed to 1,25,172 landless men and women for poverty reduction and self-employment. Total loan recovered during this year is Tk. 187.70. Up to June 2012, through the state-owned commercial banks, PKSF and other sources Swanirvar Bangladesh disbursed a sum of Tk. 1,361.99 crore to 1,79,574 beneficiaries and recovered a sum of Tk. 1,106.29 crore. The beneficiary coverage of this entity is 17,95,274 of which 15,06,107 are females.

PROSHIKA: Proshika is one of the largest NGOs operating in Bangladesh. It began its operation in a few villages of Dhaka and Comilla districts in 1975, although the organisation formally took off in October 1976. Currently, the activities of Proshika are going on in more than 24,139 villages and 2,380 slums of 59 districts. Up to June 2012, it has disbursed a total of Tk. 4,806.26 crore against 14,72,530 projects to create employment/self-employment opportunities for the poor. Since inception, more than 1,17,39,677 people have availed themselves of these opportunities and 12,36,074 households have overcome poverty.

TMSS: *Thangamara Mohila Sobuj Sangha* (TMSS) is a national non-government organisation that works for poverty alleviation, socio-economic development and empowerment of women. To date, it has helped 36,23,120 women to organise themselves into groups within its operational area, which extends throughout Bangladesh and covers 63 districts. It plays an important role for overall development of the community.

Society for Social Services (SSS): This organisation started its operation from Tangail in 1986. Till 2011, the working area spread out to 27 districts. It covers 135 upazilas, 66 muniticipalities, 860 unions, and 7,230 villages. SSS was registered with Directorate of Social Services in February 1987. Then in 1990 and 2007 it got its registration from the NGO Bureau and Micro Credit Regulatory Authority respectively. In 1992, it got recognition as a partner organisation of PKSF. Up to June 2012, the cumulative disbursement and recovery stood at Tk. 4,045.78 crore and Tk. 3,489.48 crore respectively.

BURO, Bangladesh: Established in 1990 in Tangail this organisation is intended to reduce both income and human poverty by extending credit programmes to the poor. It started its activities in 1990 in Tangail. At present, it is implementing its programmes with 5,16,385 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 2012, on a cumulative basis, the total disbursement of credit and its recovery stood at Tk. 5,865.32 crore and Tk. 5,125.28 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 2012, 9 major NGOs have disbursed and recovered Tk. 1,45,078.47 crore and Tk. 1,32,247.07 crore respectively. The number of beneficiaries stood at 2,56,08,701. The status of micro-credit programmes of the NGOs is presented in the table below:

Table 13.10: Status of Micro-Credit Programmes of Major NGOs

(In Crore Taka)

NGO	2004 (cumulative)	2005	2006	2007	2008	2009	2010	2011	2012	Up to June 2012(cumulative)
BRAC										
Disbursement (Tk.)	13321.16	3258.21	4261.54	6232.87	8428.9	7568.08	7375.88	8626.78	5138.23	64211.63
Recovery (Tk.)	11873.66	2926.84	3626.39	5036.93	7560	7658.99	7399.78	7727.26	4688.26	58498.10
*Beneficiaries	19668077	4837099	5310317	7370847	8090369	8359993	8054415	6770338	6013045	6013045
Female	18518895	4708234	5140494	7108155	7796769	8027262	7614326	6302946	5572196	5572196
Male	294006	128865	169823	262692	293600	332731	440089	467392	440849	440849
ASA										
Disbursement	9604.99	3317.92	4131.61	4836.47	6110.85	6142.71	6866.72	8670.22	5276.13	54957.62
Recovery	8406.42	2822.82	3712	5059.95	6065.97	6934.12	6377.82	5292.05	4793.88	49454.03
*Beneficiaries	10258954	5988134	6455979	6674058	7276677	5498293	5656257	4935685	4955114	4955114
Female	9859718	3917566	4303787	4716922	5144662	4319440	4531002	4297896	4501373	4501373
Male	399236	2070568	2152192	1957136	2132015	1178853	1125255	637790	453741	453741
PROSHIKA										
Disbursement	2899.42	288	317	312	267	222	195	207	119	4806
Recovery	2759.67	331	343	298	284	353	225	238	136	4968
Beneficiaries	6387577	20076	15030	8209	261062	178272	171268	137929	70726	2812127
Female	4115687	2149	11478	6759	193698	124790	125708	89654	50704	1769223
Male	2271890	13214	17927	3552	67364	53482	45560	48275	20022	1042904
Swanirvar Bangladesh										
Disbursement	394.73	75.91	91.36	96.3	96.73	131.65	157.93	197.90	119.48	1361.89
Recovery	305.26	61.54	70.94	75.91	84.57	110.9	133.44	161.93	101.80	1106.29
Beneficiaries	230235	94945	129894	101864	104702	123803	127176	124260	64870	1795274
Female	159876	90565	126332	98807	97342	103614	108105	107333	53872	1506107
Male	12019	4380	3562	3057	7360	20189	19071	16927	10998	289167
Caritas										
Disbursement	447.68	106.18	118.24	147.78	140.2	153.46	154.38	237.04	137.26	1642.22
Recovery	377.74	94.97	111.85	137.21	133.71	147.95	152.93	209.05	126.69	1492 .10
Beneficiaries	385201	14936	4227	4362	9971	11932	41855	4345	16519	330,566
Female	248219	14124	3831	7091	10524	25242	31311	4034	10863	259,839
Ma0le	216952	812	396	2729	553	13310	10544	8379	5656	70727
TMSS										
Disbursement	841.27	292.11	409.79	514.8	571.93	656.01	768.65	991.45	1208.82	625482
Recovery	700.23	220.02	359.99	457.69	548.15	606.34	682.85	870.65	1088.81	5534.73
Beneficiaries	329318	115470	68587	99826	89544	22462	6027	50134	368579	1149947
SHAKTI FOUNDATION										
Disbursement	404.88	150.42	179.97	176.13	202.74	305.15	513.89	--	--	1933.18
Recovery	276.91	124.46	145.03	1175.13	181.11	262.46	413.96	--	--	2579.06
Beneficiaries	410292	157517	167113	156108	181990	299158	475976	--	--	1848154
BURO, Bangladesh										
Disbursement	537.23	236.84	318.03	375.16	590.58	813.96	1090.86	1191.01	711.65	5865.32
Recovery	410.56	196	277.45	337.27	465.26	728.5	939.86	1109.05	661.33	5125.28
Beneficiaries	839059	273286	331329	376710	602273	746938	985182	1043541	1082789	6281107

NGO	2004 (cumulative)	2005	2006	2007	2008	2009	2010	2011	2012	Up to June 2012(cumulative)
Society For Social Services(SSS)										
Disbursement	341.02	165.52	260.77	354.06	432.69	523.8	613.8	748.61	946.53	4045.78
Recovery	293.09	130.71	204.55	310.89	383.87	457.82	556.55	612.14	832.95	3489.48
*Beneficiaries	413785	184591	260110	320110	362636	356483	369883	422075	423367	423367
Female	402706	179511	253387	311383	351050	342208	353981	401786	409188	409188
Male	11079	5080	6623	8727	11586	14275	15902	20289	14179	14179
Total										
Disbursement	22891.74	7887.24	10087.81	13045.57	16841.62	16565.3	17740.2	20870.01	13657.1	145078.47
Recovery	20015.49	6908.06	8851.29	12888.98	15706.64	17267.08	16882.19	16220.13	12429.72	132247.07
*Beneficiaries	30492095	11686054	12742586	15111795	16715014	15419909	15716964	13488307	12995009	25608701

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. Upto June 2012, the total amount of disbursement by the bank stood at Tk. 76,488.90 and the amount recovered was Tk. 68,504.66, the total number of members stood at 83.79 lakh of which 80.54 lakh were females. It provides credit coverage to 81,382 villages of 64 districts and delivers products like home loan, education loan. It also provides credit to street beggers. The status of micro-credit programme of Grameen Bank is shown in Table 13.16 below.

Table 13.11. 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	2011-12	Cumulative Up to June '12
Disbursement	20356.55	3148.37	4590.55	5019.44	5561.85	7184.59	8754.51	10295.98	11577.16	76488.90
Recovery	18575.74	2581.54	3769.82	4802.52	4955.09	6105.34	7675.77	9276.76	10762.08	68504.66
Rate of recovery (%)	91.25	98.95	98.49	98.61	98.11	97.81	97.20	96.89	96.89	96.89
No. of	1258	279	648	246	86	40	7	1	2	2567
No. of villages	45909	8113	15118	9519	3653	2175	29	17	3	81382
* No. of beneficiaries (cum.)	7543776	4764216	6390148	7208455	7527700	7904797	8276494	8374910	8379452	8379452
Female (cum.)	7174896	4573681	6161452	6972351	7290604	7659739	7980581	8057039	8054249	8054249
Male (cum.)	368880	190535	228696	236104	237096	245058	295913	317871	325203	325203

* No. of beneficiaries is not cumulative

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

The status of credit disbursement of 4 SOCBs and 2 public specialised banks is shown in Table 13.17. Up to June 2012, the cumulative credit disbursement and recovery stood at Tk. 22110.89 crore and Tk. 21545.54 crore respectively. The recovery rate against the disbursed credit was 97.44 percent. As many as 4,34,967 beneficiaries have been covered by the credit facilities during FY 2011-12. On a cumulative basis, the number of beneficiaries is 1,28,53,613.

Table 13.12: Status of Micro-Credit Disbursement of SOCBs and Public Specialised Banks

(In Crore Taka)

Bank	2004 (Cumulative)	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Upto June 2012
	***Sonali* Bank**									
Disbursement	6163.22	485.9	456.62	410.02	557.08	617.44	755.57	676.23	723.95	10567.63
Recovery	8004.26	425.06	486.37	677	921.23	743.66	678.28	812.00	851.24	11629.19
Rate of recovery	260.26	87.48	106.52	165.11	34.3	30.46	29.61	35	39%	75
No. of beneficiaries	0	189560	201841	199190	179188	208478	251856	164906	1,59,045	62,09,317
	***Agrani* Bank**									
Disbursement	1345.36	100.34	182.07	210.6	290.4	339.66	487.92	33.61	847.41	3837.37
Recovery	1321.08	97.47	212.09	268.39	288.73	336.82	400.37	66.6	878.54	3870.09
Rate of recovery	227.31	97.14	116.49	127.44	99.43	99.16	82.06	96	87	100.85
No. of beneficiaries	2984784	42435	104387		115383	139903	158978	5954	1,18,666	3670490
	***Janata* Bank**									
Disbursement	1869.021	193.75	193.75	290.16	497.93	560.94	631.63	722.36	726.52	5686.06
Recovery	1726.06	106.54	106.54	249.81	355.9	412.83	400.24	512.23	553.27	4423.42
Rate of recovery	177.4	54.99	54.99	86.09	71	74	63	71	76	78
No. of beneficiaries	835399	101220	100073	145080	124483	124653	130921	93030	108254	632506
	Bangladesh *Krishi* Bank									
Disbursement	982.38	58.86	57.02	54.51	53.43	47.82	98.49	52.26	55.22	1459.99
Recovery	828.22	37.27	43.24	51.84	51.46	45.56	76.02	42.81	53.69	1230.11
Rate of recovery	151.67	63.32	75.83	95.1	96.31	95.27	77.19	81.92	97.23	84.25
No. of beneficiaries	1535905	59117	50083	52028	47761	49356	35044	31849	28535	1912408
	Rajshahi *Krishi Unnayan* Bank (since 2000)									
Disbursement	158.37	30.73	29.23	14.99	17.71	18.03	18.61	27.68	29.22	344.51
Recovery	60.84	14.53	21.25	13.22	14.22	15.79	17.4	19.23	19.95	255.06
Rate of recovery	103.84	47.28	72.7	88.19	80.29	88	93	69	68.28	74
No. of beneficiaries	194675	47834	30033	16634	15808	16236	16121	12251	11333	351252
	***Rupali* Bank Ltd.**									

Disbursement	28.95	15.28	16.09	11.02	16.97	16.88	22.69	21.78	15.67	165.33
Recovery	23.04	5.27	10.15	11.95	12.16	14.79	18.89	23.79	17.63	137.67
Rate of recovery	142.48	34.49	63.08	108.44	71.65	87.62	83.25	109.22	112.50	83.27
No. of beneficiaries	33977	5402	5431	2804	4242	3458	5672	7520	9134	77640
	Total									
disbursement	13316.87	1078.61	1128.53	1281.46	1931.45	2161.71	2646.54	1015.05	2397.99	22060.89
Recovery	11963.5	686.14	879.64	1272.21	1643.7	1569.45	1591.2	1169.83	2374.32	21545.54
Rate of recovery	169.26	63.61	77.95	99.28	85.1	72.6	60.12			97.66
o.of beneficiaries	5584740	445568	491848	415736	486875	542087	601393	259874	4 34967	12853613

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 2012, the total number of beneficiaries was 20,55,161 and the cumulative disbursement of credit stood at Tk. 19,023 crore. The status of micro-credit disbursement programme of other commercial and specialised banks is shown in Table 13.13 below:

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

(In Crore Taka)

Commercial and Specialised Banks	Number of Beneficiaries			Disbursement up to June' 12 (cumulative)	Rate of Recovery (%)
	Female	Male	Total		
Ansar-VDP Development Bank	595872	255373	851246	1444.06	97.96
Social Islami Bank Limited	336	1347	1683	58.61	98
National Bank Limited	1332	21370	22702	4885.26	95.48
Islami Bank Limited	105,550	554,012	659,563	4904.35	--
The Trust Bank Limited	96	27924	28020	2524.60	96.00
BASIC Bank Limited (up to Mrch'09)	267210	62679	329889	347.99	95.85
Pubali Bank Ltd.	50256	7983	58239	908.35	100
Uttara Bank Ltd.	5961	97858	103819	3949.78	69.67
Total	1026613	1028546	2055161	19023	

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 community of the country. The following table presents the development of this sector in Bangladesh.

Table 13.14: 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 disburseme nt of loan	Recove ry rate (%)	Cumulative disburseme nt of loan	Recover y 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 up to June 2012 stood at Tk. 1,00,181.63 crore of which Tk. 88,934.97 crore was recovered. In order to sustain the micro-credit programmes 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 13.15: Status of Micro-Credit of different Ministry/Division/Department

Ministry/Division	Department/ Division	June 2004 (Cumulative)	2004-05	2005-06	2006-07	2007-08	2008-09	2009--10	2010-11	2011-12	Cumulative Upto June 2012
Ministry of Finance (Banking division)	**RAKUB**										
	Disbursement	158.37	30.73	29.23	14.99	17.71	18.03	18.61	27.68	29.22	344.51
	Recovery	60.84	14.53	21.25	13.22	14.22	15.79	17.4	19.23	19.95	255.06
	Rate (%)	103.84	47.28	72.69	88.19	80.29	87.59	93	69	68.28	74
Rural Development & Cooperative Division	**BRDB**										
	Disbursement	3791.65	654.86	683.77	862.73	796.06	691.19	674.44	737.77	871.91	9272.84
	Recovery	3275.59	474.18	720.04	887.07	680.52	677.58	634.01	670.85	780.09	8339.63
	Rate (%)	91	89	94	93	94	94	93	91	90	90
	BARD										
	Disburseme nt	84.82	3.11	1.45	0.15	0.23	0.661	6.151	9.95	0.10	*167.1
	Recovery	82.36	5.25	1.77	0.14	0.22	0.43	5.295	6.59	0.11	167.84
	Rate (%)	127.3	168.01	122.3	96.1	99.99	65.09	86.08	66.23	101.05	99.55
	RDA										
	Disbursement	9.69	1.94	1.99	2.26	3.57	6.19	5.6	6.91	6.19	44.34
	Recovery	9.08	1.39	1.98	2.16	2.69	4.38	5.09	6.25	5.30	38.32

Ministry/Division	Department/ Division	June 2004 (Cumulative)	2004-05	2005-06	2006-07	2007-08	2008-09	2009--10	2010-11	2011-12	Cumulative Upto June 2012
	Rate (%)	85.31	71.62	99.58	74.46	81	83	74	90	85.76	86.4
*Ministry of Women and Children Affairs	**Dept. of Women Affairs**										
	Disbursement	11.13	23.99	27.65	17.38	46.81	46.92	57.66	62.76	-	294.3
	Recovery	10.34	13.3	25.08	17.27	27.64	25.71	35.76	41.97	-	197.07
	Rate (%)	92.92	55.43	90.71	98	67	54.8	62	67	-	66.96
	Jatiyo Mohila Sangstha										
	Disbursement	21.13	5.26	3.58	2.95	1.99	-	-	.036	2.564	37.51
	Recovery	21.27	4.22	3.33	1.73	1.25	3.64	0.033	-	4.919	40.39
	Rate (%)	157.58	80.26	93	58.64	57.97	-	-	101	191.9	107.7
*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	51.06	1002.38
	Recovery	522.16	40.30	53.54	32.33	52.41	28.79	56.26	25.49	25.02	836.3
	Rate (%)	73	90	75	79	81	95	89	82.59	96	83.43
**Ministry of Fisheries and Livestock	**Dept of Fisheries**										
	Disbursement	-	2.5	2	-	-	-	23.8	30.0	-	58.3
	Recovery	-	-	-	1.02	2.08	-	13.01	-	-	16.11
	Rate (%)	-	-	-	68.97	71.5	-	54.66	-	-	27.63
	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	-	-	263.03
	Recovery	154.21	23.26	22.71	19.67	10.57	6.8	13.92	-	-	251.14
	Rate (%)	93.98	89.67	102.89	143.47	243.54	163.27	-	-	-	95.52
	SERWTCI										
	Disbursement	21.64	9.75	9.41	9.26	3.64	7.33	7.85	10.46	11.07	83.02
	Recovery	16.2	6.36	8.33	8.31	3.5287	7.256	8.24	9.97	10.65	73.55
	Rate (%)	53.8	64.96	89	90	96.95	98.997	105	91	93	87
Ministry of Agriculture	(Agricultural credit)										
	Disbursement	16152.61	4956.78	5496.21	5292.51	8580.66	9284.46	11116.88	12184.32	13132.15	86196.58
	Recovery	15785.45	3171.15	4164.35	4676	6003.7	8377.62	10112.7	12148.61	12359.00	76798.58
	Rate (%)	181.956	63.98	75.76	88.35	69.97	90.23	90.96	99	94.11	89
	Cotton Development Board										
	Disbursement	3.563	0.264	0.213	0.2942	0.3382	0.341	0.429	0.64	.7687	6.8402
	Recovery	3.76	0.25	0.22	0.31	0.3512	0.3531	0.451	0.667	.7829	7.1432
	Rate (%)		101.6	101.6	104	104	103.55	105.12	104.11	102	104.42

Ministry/Division	Department/ Division	June 2004 (Cumulative)	2004-05	2005-06	2006-07	2007-08	2008-09	2009--10	2010-11	2011-12	Cumulative Upto June 2012
	Dept of Agr Ex										
	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	-	-	83.22
Ministry of Land											
	Disbursement	55.43	8.7	10.14	5.5	8.76	4.33	5.25	4.72	5.69	212.52
	Recovery	81	7.22	6.37	3.82	5.6	3.11	3.18	2.45	2.86	90.04
	Rate (%)	0	82.99	62.82	69.45	63.93	71.67	60.59	51.91	50.26	74.09
Ministry of Land Local Govt. Division	**Local Govt.Division**										
	Disbursement	23.75	3.37	6	16.32	31.95	93.13	57.04	58.61	45.98	368.58
	Recovery	124.7	2.66	3.31	9.28	21.8	85.09	47.46	57.06	43.38	293.79
	Rate (%)	306.53	96	88.89	98	84	94.63	95.66	97.5	98	79.71
Ministry of Youth and Sports	**Dept. of Youth**										
	Disbursement	546.28	62.87	77.77	60.02	61.75	51.52	61.04	70.03	84.26	1079.51
	Recovery	461.24	44.98	57.37	74.46	61.16	56.37	55.10	61.59	70.05	942.32
	Rate (%)	179.66	71.54	73.76	124.06	100.67	109.41	90.26	87.95	83.22	87.29+
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	.76	51.81
	Recovery	10.63	3.12	3.6	4.08	2.34	2.47	2.08	1.97	.16	31.44
	Rate (%)	44.86	34.06	55.11	57.95	43.41	81.65	54.93	144.85	21.05	60.68
Ministry of Liberation war Affairs* **	Disbursement		10.16	3.86	8.6	2.08	1.58	7.3	39.44	35.59	108.61
	Recovery		0.41	1.97	2.82	2.82	2.71	2.84	52.44	15.65	81.66
	Rate (%)		27	38	42	42	32	40.4	56	56	75.19
Total	Disbursement	22063.37	5942.55	6475.19	6386.38	9659.15	10326.92	12114.92	13245.3	14276.6	100181.63
	Recovery	20723.28	3869.49	5121.21	5797.41	6955.69	9349.21	10975.83	13070.1	13337.8	88934.97
	Disbursement	93.92	65.11	79.09	90.77	72.01	90.53	90.59	98.67	93.42	88.77

Source: Concerned Ministries and Bangladesh Bank. *Upto July 2012,** Data for FY 2010-11 is Upto Dec10,***Upto Dec2011

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