CHAPTER 13
POVERTY ALLEVIATION

Since independence, the Government of Bangladesh has endeavoured to improve the quality of life of the people through planned development efforts. Bangladesh has so far implemented five Five-Year Plans and one Two-Year Plan. The overarching goals of these plans were to accelerate economic growth and poverty reduction. As an outcome of these planned development activities, Bangladesh has made commendable progress in terms of reduction of income and human poverty. Bangladesh has received global appreciation for attaining remarkable success in alleviation of human poverty in education, health and nutrition. Bangladesh has already achieved three targets of Millennium Development Goals (MDGs) such as (1) removing gender disparity in primary and secondary education; (2) ensuring access to safe drinking water; and (3) ensuring almost universal access to primary education. Bangladesh, for the last three consecutive years attained the HDI rank of "Medium Human Development," according to the UNDP Human Development Reports of 2003 and 2004.

The latest Poverty Monitoring Survey (PMS) 2004 report of the Bangladesh Bureau of Statistics (BBS) shows downward trend in income poverty during the period 1999-2004. According to the Direct Calorie Intake (DCI) method used in the survey, the incidence of poverty at the national level decreased from 46.2 percent in 1999 to 40.9 percent in 2004. The incidence of hard-core poverty also showed a declining trend during the same period. Keeping the MDGs in vision, the government has finalised the draft of Poverty Reduction Strategy Paper (PRSP). To address the challenge of poverty reduction, the government has adopted a fundamental strategy of seeking collaboration from NGOs and private sector, especially by providing necessary support to the activities of NGOs.

Poverty Reduction Strategy

In the light of the MDGs set by the United Nations, the government has been implementing the Three-Year Interim Poverty Reduction Plan since FY 2003-2004. Subsequently, the full-blown PRSP titled *Unlocking the Potential: National Strategy for Accelerated Poverty Reduction* has been finalised. The cardinal objective of the PRSP is to gradually lift the vast majority of the people from the abject poverty levels and improve the quality of life of the people. The framework of PRSP has identified the road-maps for poverty reduction in the following four strategic blocks:

- Maintaining macroeconomic environment for achieving pro-poor economic growth;
- Boosting critical sectors such as agriculture and rural development, SMEs, rural infrastructure, ICT etc. for pro-poor economic growth;
- Providing effective safety nets and targeted programmes to the poor; and
- Promoting human development by investing in education, health, nutrition, safe water supply, sanitation etc.

In order to support the strategic blocks of policies, the following four supporting strategies are being implemented:

- Ensuring participation, social inclusion and empowerment of all sections, groups and classes of people;
- Promoting good governance by ensuring transparency, accountability and rule of law;
- Providing service delivery efficiently and effectively particularly to the poor; and
- Caring for environment and sustainable development on a long-term basis.

Measurement of the Incidence of Poverty in Bangladesh

Household Expenditure Survey (HES) was carried out first in Bangladesh in FY 1973-74. In subsequent years, a number of HESs were undertaken the latest one was conducted by BBS in 2000. HESs carried out upto FY 1991-92 used Food Energy Intake (FEI) and Direct Calorie Intake (DCI) as methods to measure the incidence of income poverty. FEI method computes poverty lines by finding the value of per capita consumption at which a household can be expected to fulfil its calorie requirement. DCI method is used to calculate the incidence of poverty where population or households falling below a threshold calorie intake (2122 kilocalories per person on a daily basis) is considered to be in absolute poverty. Similarly, a person having daily calorie intake less than 1805 kilocalories is considered to be in hard-core poverty. Household Expenditure Survey (HES) conducted in FY 1995-96, the BBS for the first time adopted the Cost of Basic Needs (CBN) method for constructing poverty lines. Similarly, in the Household Income and Expenditure Survey (HIES) 2000, CBN method was used. With this method, an absolute poverty line is defined as the value of consumption needed to satisfy minimum subsistence needs (food as well as non-food consumption). These three methods are summarised in Table 13.l.

Table 13.1: Alternative methods for measuring absolute income poverty in Bangladesh

	Direct calorie intake	**Food energy intake**	**Cost of basic needs**
Indicator	Calorie intake	Expenditure (or income)	Expenditure (or income)
Threshold	2,122 kilocalories/person-day	Expenditure level at which household members are expected to reach calorie intake threshold	Expenditure level at which household members are expected to meet basic needs (food and non-food)
Measure	Head-count or other	Head-count or other	Head-count or other
Strengths and Weaknesses	Indicator not representative; threshold consistent (for monitoring calorie intake)	Indicator representative; threshold not consistent (for real expenditures)	Indicator representative; threshold consistent (for real expenditures)

Source: World Bank, 2002 (A sourcebook for poverty reduction strategy)

Income poverty estimates are generally based on HIES. BBS generally conducts HIES in the interval of 4 years. So, to meet the annual data needs of poverty status and its correlates, BBS introduced Poverty Monitoring Survey (PMS) in 1994. The latest survey was conducted in March 2004. In this survey both Food Energy Intake (FEI) and Direct Calorie Intake (DCI)

methods were used to measure the incidence of income poverty. Separate poverty lines have been estimated for urban and rural areas of the country. The estimated poverty line for the urban area is Taka 905.90 per capita per month while the corresponding figure for the rural area is Taka 594.60. This chapter mainly uses the information contained in PMS 2004 as the report of the HIES 2004 has not yet been finalised. However, the data generated by the PMS may have limitations because of certain methodological differences from those of HIES.

Poverty Trends in Bangladesh

Poverty is a multidimensional issue that extends beyond income deprivation. Various dimensions of poverty are viewed from two perspectives, namely income poverty and human poverty.

Overall Trends in Income Poverty

The incidence of absolute income poverty at the national, urban and rural levels using FEI and DCI methods has been presented in Table 13.2. According to the FEI method, the head-count ratio declined to 42.1 percent in 2004 from 44.7 percent in 1999. For the urban area, the head-count ratio decreased from 43.3 percent to 37.9 percent and in rural area it was from 44.9 percent to 43.3 percent during the same period. Thus the rate of poverty reduction is well pronounced for the urban area.

According to the DCI method, the head-count ratio declined from 46.2 percent in 1999 to 40.9 percent in 2004. For the rural area, the decrease is comparatively lower than the urban area. It is also observed from the table that the rate of poverty reduction is higher in DCI method than FEI method. However, the results of both methods show reduction of the incidence of poverty between 1999 and 2004.

Table 13.2: Poverty incidence using FEI and DCI methods

Area	Food Energy Intake Method		Direct Calorie Intake Method	
	Head-Count Ratio (%)		Head-Count Ratio (%)	
	1999	2004	1999	2004
National	44.7	42.1	46.2	40.9
Urban	43.3	37.9	49.9	43.6
Rural	44.9	43.3	45.6	40.1

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.

Incidence of hard-core poverty can be seen from Table 13.3. It is observed from the table that the incidence of hard-core poverty declined considerably in 2004 compared to 1999.

Table 13.3: Incidence of hard-core poverty by DCI Method

Residence	Hard-core poverty (≤ 1805 k. cal)	
	1999	2004
National	24.9	18.7
Urban	27.3	20.8
Rural	24.5	18.2

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.

Depth and severity of poverty

Poverty gap and squared poverty gap:

The depth and severity of income poverty are measured by the poverty gap and squared poverty gap respectively using FEI method and the results are presented in Table 13.4. The results show that except the urban area, the depth and severity of poverty declined between 1999 and 2004.

Table 13.4: Poverty gap and squared poverty gap in 1999 and 2004

Area	1999		2004	
	Poverty gap	Squared poverty gap	Poverty gap	Squared poverty gap
National	11.1	4.1	10.9	3.9
Urban	11.2	4.2	11.1	4.5
Rural	11.1	4.0	10.9	3.8

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.

Spatial Poverty

Incidence of poverty by Administrative Divisions has been shown in Table 13.5. Among the Divisions of the country the highest incidence of poverty was observed in Rajshahi Division (61.6%) and the lowest in Sylhet Division (28.4%). In case of poverty gap, the highest poverty incidence was also found in Rajshahi Division (18.1 %) and the lowest in Dhaka Division (7.7%). Regarding the squared poverty gap, the highest incidence accounted for Rajshahi Division (6.9%) and the lowest was obtained in Dhaka Division (2.6%). All these three measures of income poverty show that the highest poverty incidence prevails in Rajshahi Division.

Table 13.5: Poverty incidence by Administrative Divisions

Residence	Head-count ratio %	Poverty gap (%)	Squared poverty gap
National	42.1	10.9	3.9
Rural	43.3	10.9	3.8
Urban	37.9	11.1	4.5
Division			
Barisal	39.3	11.1	4.3
Chittagong	36.3	8.1	2.7
Dhaka	33.0	7.7	2.6
Khulna	46.4	11.5	4.1
Rajshahi	61.6	18.1	6.9
Sylhet	28.4	8.0	2.9

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.

Poverty incidence by household size

Another identifying characteristic of the poor is their large family size. There is a very strong association between poverty incidence and household size (Table 13.6). The lowest poverty incidence was found for 1-2 member households and the highest poverty incidence was seen in case of 7-8 member households. This is true for national level and rural areas, but in the urban area, the highest poverty incidence was observed in case of 5-6 member households.

Table 13.6: Poverty incidence by household size

Household size	National	Urban	Rural
All Size	42.1	37.9	43.3
1-2	26.4	21.9	27.7
3-4	38.7	30.9	41.2
5-6	45.8	44.6	46.1
7-8	46.3	42.6	47.1
9-10	40.3	40.4	40.3
11 +	32.5	30.5	33.0

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.

Poverty incidence by landownership

Another common trait of the poor in Bangladesh is their lack of ownership of land. It is observed from Table 13.7 that poverty is negatively correlated to land ownership, that is, the higher the land ownership, the lower the incidence of poverty. At the national level, the poverty incidence of the landless households was 51.94 percent as against 20.01 percent for the large land owning households. In the urban area, such difference was more prominent than in the rural area.

Table 13.7: Poverty incidence by land ownership

Land ownership*	National	Urban	Rural
Landless	51.94	45.53	57.80
Small	44.62	38.88	45.94
Medium	27.35	21.53	28.36
Large	20.01	9.01	22.11
Total	42.1	37.9	43.3

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.
*Small ≤ 1.99 acre, Medium ≤ 2.0-4.99 acre, Large 5+ acre.

Poverty incidence by main sources of income

Poverty incidence by main sources of income of households is presented in Table 13.8. Poverty incidence was the highest (71.39%) for the households whose main source of income was daily wage from agriculture and the lowest (19.87%) for the households with income from wages and salary. High incidence of poverty was also observed for the households with main source of income from non-agriculture daily wage (51.26%) and non-agriculture self-employed (40.41%). On the other hand, lower poverty incidence was observed for the households whose main source of income being pension (20.19%), house rent and other rent (21.27%).

Table 13.8: Poverty incidence by main sources of income

Main sources of Income	National	Urban	Rural
Wages and salary	19.87	18.76	20.84
Agriculture (Self-employed)	38.71	48.69	38.10
Non-agriculture (Self-employed)	40.41	40.57	40.35
Agriculture daily wage	71.39	79.13	71.05
Non-agriculture daily wage	51.26	58.55	48.17
Pension	20.19	27.45	17.32
House rent and other rent	21.27	10.23	28.03
Donation, charity and other	30.35	27.27	30.77
Total	42.1	37.9	43.3

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.

Poverty incidence by occupation

One distinguishing feature of the poor is their occupation. Substantial changes are noticed in the occupational pattern during the period 1999-2004 (Table 13.9). In agricultural occupations, we find a decline in the percentage of owner-farmers and owner-cum-tenant farmers in 2004 compared to 1999. This is true for all, poor and non-poor households. In 1999, the percentage of owner-farmers for all, poor and non-poor households were 19 percent, 11.6 percent and 24.3 percent respectively, whereas in 2004 the corresponding figures are 12.0 percent, 9.4 percent and 13.9 percent. The percentage of tenant farmers increased in 2004 compared to 1999. In non-agricultural occupations, major changes have occurred in some occupations, namely, business, non-agricultural labour and artisan during the period 1999-2004. In 1999, the population with business, non-agricultural labour and artisan as occupations were 12.7 percent, 8.0 percent and 1.9 percent respectively. The corresponding figures for 2004 were 14.7 percent, 13.4 percent and 4.4 percent respectively.

Table 13.9: Distribution of population 5 years and over by occupation

Occupation	1999			2004		
	All	Poor	Non-Poor	All	Poor	Non-Poor
(A) Agriculture						
Owner farmer	19.0	11.6	24.3	12.0	9.4	13.9
Owner-cum-tenant farmer	5.6	5.1	5.9	4.5	4.3	4.7
Tenant farmer	2.3	2.5	2.2	3.5	3.7	3.4
Labour	19.5	29.3	12.3	14.5	23.2	8.5
Others	3.1	3.5	2.9	10.6	10.8	10.2
(B) Non-Agriculture						
Executive/ Administrative	0.9	0.1	1.4	0.8	0.1	1.3
Professional (lawyer, doctor, engineer)	0.4	0.1	0.6	0.5	0.1	0.7
Teaching	1.5	0.6	2.1	2.2	0.6	3.3
Business	12.7	10.0	14.8	14.7	9.7	18.2
Labour	8.0	10.4	6.3	13.4	13.7	13.3
Artisan	1.9	2.0	1.9	4.4	5.0	3.9
Others	25.1	24.8	25.3	18.9	19.4	18.6

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.

Per capita income and expenditure

Per capita income and expenditure for households in 1999 and 2004 have been presented in Table 13.10. It is observed from the table that per capita income for all levels increased in 2004 compared to 1999. The increase is high in the urban area, but comparatively low in the rural area. At the national level per capita income was Tk. 948 in 1999, which increased to Tk. 1114 in 2004. For poor households, per capita income at the national level increased from Tk. 602 to Tk. 631 and for non-poor households, per capita income also increased from Tk. 1228 to Tk. 1466. It is also observed from the table that per capita expenditure for all levels increased in 2004 compared to 1999.

Table 13.10: Monthly per capita income and expenditure (Taka)

Residence	Per capita income (Taka)						Per capita expenditure (Taka)					
	1999			2004			1999			2004		
	All	Poor	Non-Poor	All	Poor	Non-Poor	All	Poor	Non-Poor	All	Poor	Non-Poor
National	948	602	1228	1114	631	1466	824	446	1128	979	482	1341
Urban	1678	902	2270	1923	922	2532	1285	613	1798	1627	641	2228
Rural	839	559	1067	897	562	1152	755	422	1026	805	445	1080

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.

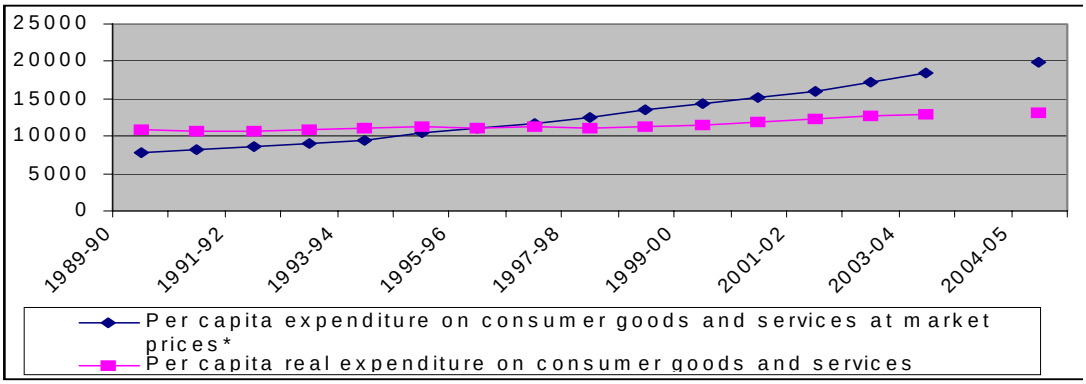
Per capita expenditure on consumer goods and services

Per capita expenditure on consumer goods and services covering the period from FY1989-90 to FY2004-05 has been presented in Table 13.11. Per capita expenditure on consumer goods and services at market prices increased to Tk. 19,962 from Tk. 7,740 during 1989-90 through 2004-05. The compound growth is 6.52 percent during 1990-2005. On the other hand, per capita expenditure on consumer goods and services (at 1995-96 prices) increased to Tk. 13,030 from Tk. 10,800 during FY1989-90 through FY2004-05. Here the compound growth rate is 1.26 percent.

Table 13.11: 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
1989-90	7740	10800
1990-91	8197	10560
1991-92	8672	10684
1992-93	9060	10865
1993-94	9516	11049
1994-95	10550	11252
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	19962	13030
Compound growth rate (1990-05)	6.52	1.26

Note: * Calculated from private consumption data under GDP new series.
Source: BBS, Statistical Yearbooks, and calculated by Finance Division.



Trends in Human-Poverty

Human poverty captures three most important dimensions of human deprivations, namely i) deprivation in *health*, indicated by vulnerability to death at a relatively early age - as quantified by the percentage of people expected to die before the age of 40 years, ii) deprivation in *knowledge*, signified by the percentage of adults who are illiterate, and iii) deprivation in certain *economic provisioning*, quantified in three variables e.g. percentage of people without access to safe water and sanitation, percentage of people without access to health services, and percentage of children under-five who are moderately or severely underweight. Based on Poverty Monitoring Survey 2004, this chapter reports literacy rate and the incidence of suffering illness by households as measures of human poverty.

Literacy Rate

Literacy rate of population 5 years and over, 7 years and over and 15 years and over by sex has been provided in Table 13.12. Literacy rate of population 5 years and over in 2004 for both sexes stood at 44.4 percent as against 42.5 percent in 2001. The male literacy rate increased by 2 percentage points while female literacy rate increased by 2.1 percentage points. According to the 2001 Population Census, literacy rate of population 7 years and over for both sexes, males and females were 45.3 percent, 49.6 percent and 40.8 percent respectively, while the corresponding figures were 47 percent, 51.1 percent and 42.9 percent in 2004. During the same period literacy rate of population 15 years and over increased by 1.7 percent, 1.1 percent and 2.5 percent for both sexes, males and females respectively.

Table 13.12 :Literacy rate

Male/Female	Literacy rate (%) of population 5 years and over		Literacy rate (%) of population 7 years and over		Literacy rate (%) of population 15 years and over	
	Population Census 2001	PMS 2004	Population Census 2001	PMS 2004	Population Census 2001	PMS 2004
Both Sex	42.5	44.4	45.3	47.0	47.5	49.2
Male	46.4	48.4	49.6	51.1	53.9	55.0
Female	38.3	40.4	40.8	42.9	40.8	43.3

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.

Incidence of suffering illness

The overall health status, as measured by the incidence of suffering illness by households, shows a positive trend during the period 1999-2004 (Table 13.13). The number of ailing patients at the national level declined from 18.4 percent in 1999 to 15.8 percent in 1999. For poor households, the number of patients stood at 15.3 percent in 2004 as against 17.4 percent in 1999. For non-poor households, the number of patients stood at 16.1 percent in 2004 compared to 19.3 percent in 1999. It may be mentioned that percentage of ailing patients for both poor and non-poor households in urban as well as rural areas decreased substantially in 2004 compared to 1999.

Table 13.13: Persons suffered from Illness, 1999 and 2004

Residence	% Patients					
	1999			2004		
	All	Poor	Non-Poor	All	Poor	Non-Poor
National	18.4	17.4	19.3	15.8	15.3	16.1
Urban	16.4	15.0	17.6	13.6	14.7	12.9
Rural	19.6	18.7	20.3	16.4	15.4	17.1

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.

Review of the Selected Programmes for Poverty Alleviation

Both the government and non-government organisations have been implementing a number of programmes for employment and income generation and the upliftment of the poor. These programmes continue to enhance the entitlement of the poor and at the same time their empowerment and awareness building. At the government level various Ministries and Agencies have their own programmes for poverty alleviation. Besides, Food for Works Programme, VGD Programme, construction and maintenance of rural infrastructure etc. are also generating employment for the poor. On the other hand, education extension programmes like food for education, special stipend and financial assistance, free primary education are also directly reducing the burden of educational expenses. Social awareness is increasingly evident in social welfare, women's empowerment and child rights, which is providing impetus to the poor to live a better life.

Social Safety-Net Programmes

The government is firmly committed to mitigate the miseries of the hard-core poor and the underprivileged community. This is why the government allocates resources every year from its non-development budget to implement a number of social safety-net programmes. While continuing with the on-going programmes, the government also adopts new programmes that would contribute to the welfare of the poor and also the underprivileged community. Side by side, the government has also revitalised the micro-credit programmes to further expand the social safety-net programmes for poverty reduction.

Classification of Key Social Safety Net Programmes in Bangladesh

- *Cash transfers programmes*
- *Food transfers programmes*
- *Special poverty alleviation programmes*
- *Micro-credit programmes for self employment*
- *Other special poverty alleviation activities*

Cash transfer programmes

- Old-Age Allowance Programme
- Allowances Programme for Widowed, Deserted and Destitute Women
- Honorarium Programme for Insolvent Freedom Fighters
- Training and Self-Employment Programme for Insolvent Freedom Fighters and their Wards
- Fund for Rehabilitation of the Acid-Burnt and the Physically Handicapped
- Cash transfer programmes for education

- Primary Education Stipend Project (PESP)
- Female Secondary School Assistance Programme (FSSAP)
- Rural Maintenance Programme (RMP)
- Food for Works Programme (Cash)

Old-Age Allowance Programme

Ministry of Social Welfare/Department of Social Services is responsible for implementing this programme. In FY 2002-03 the budget allocation was raised from Tk. 50 crore to Tk. 75 crore for 4,99,662 old age person. The rate of monthly allowance under this programme was Tk. 125 and the number of beneficiaries was 5 lakh. In FY2003-04 the programme was further expanded with an increased allocation of Tk. 180 crore. The rate of monthly allowance was enhanced to Tk. 150 and the number of beneficiaries was raised to 10 lakh. During the FY 2004-2005 the rate of monthly allowance was enhanced to Tk. 165 and the number of beneficiaries was raised to 12 lakh.

Allowances Programme for Widowed, Deserted and Destitute Women

Under this programme allowances are provided to the widowed, deserted and destitute women. In FY 2002-03 the rate of monthly allowance under this programme was enhanced from Tk. 100 to Tk. 125 and the number of beneficiaries was raised to 2 lakh 70 thousand. In FY 2003-04 the monthly allowance was raised from Tk 125 to Tk 150 and the number of beneficiaries almost doubled i.e. stood at 5 lakh. Since 1 July 2004, the government has enhanced the monthly allowance to Tk. 165 and raised the number of beneficiaries to 6 lakh.

Honorarium Programme for Insolvent Freedom Fighters

The government has enhanced the number of beneficiaries by 10 thousand to 60 thousand from 1 July 2004.

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

In order to bring solvency and to ameliorate the social status of insolvent freedom fighters, the government, in fulfilment of the commitment of the Hon'ble Prime Minister, has adopted this programme. Under this programme as many as 25 thousand insolvent freedom fighters or their wards from 64 districts have been identified and included in the programme. All members of the target group are being provided with skills development training on different trades either individually or in groups to make them capable of being self-employed. The trained members of the target group are being provided with micro-credit to finance their self-employment and income generating projects. Individually, the amount of credit ranges from Tk. 5 thousand to Tk. 1 lakh and jointly from Tk. 50 thousand to Tk. 5 lakh. A revolving loan fund has been created within this programme. In FY2003-04 Tk. 25 crore was allocated in the non-development budget, of which Tk. 12.5 crore was released as the first and the second instalments with upazila-wise break-up. According to the statistics supplied by the Bangladesh Rural Development Board, upto March 2005, 16,999 insolvent freedom fighters/their wards were trained. But the Department of Youth Development gives a higher figure of trained insolvent freedom fighters/their wards (18,312) upto March 2005. During

FY2003-04 against the released amount of Tk. 12.50 crore, Taka 8.80 crore was disbursed as credit among 10,460 trained insolvent freedom fighters/their wards for undertaking various income-generating activities such as cow fattening by 5,690 persons, goat raising by 1,005 persons, poultry raising by 1,570 persons and fish cultivation by 2,195 persons.

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

The government has introduced a fund for rehabilitation of acid-burnt women and the physically handicapped to mitigate the sufferings of distressed women. In FY 2002-03 the government allocated Tk. 15 crore under revenue budget for the acid-burnt women and physically handicapped and about 15,000 of them were benefited. In FY 2003-04, an allocation of Tk. 25 crore was provided for the fund. An additional fund of Tk. 25 crore was allocated during FY 2004-05.

Primary Education Stipend Project (PESP)

The major objectives of the project are to increase enrolment rate and completion rate of children from poor families into primary school, and improve the quality of primary education. This project is being financed by the government. Under this project poor children are given financial benefits conditional on meeting attendance and result criteria. Over 53 lakh poor children derive benefits from this project per annum.

Female Secondary School Assistance Programme

This programme has been undertaken with a view to increasing the number of female students in secondary schools, increasing their prospect for future employment and self-employment and controlling their under-age marriage. Under this programme financial assistance in the form of stipend, free tuition, and book allowance and examination fee is given to female students' conditional on meeting attendance, examination and marriage criteria. This programme benefits over 40 lakh female students every year.

Rural Maintenance Programme (RMP)

It is a cash transfer public works programme for working poor women. It purports to provide employment of rural women and maintain rural infrastructure. Under this programme each poor woman is given a fixed amount of money as wage for undertaking work. About 42,000 poor women are covered annually under this programme.

Food for Works Programme (Cash)

The allocation for this programme was to the tune of Tk. 122 crore in the original budget and Tk. 140 crore in the revised budget of FY 2003-04. The allocation was raised to Tk. 168 crore in the budget of FY2004-05.

Food transfers

- *Food for Works Programme*
- *Vulnerable Group Development (VGD) Programme*
- *Vulnerable Group Feeding (VGF) Programme*
- *Test Relief (TR) Programme*
- *Gratuitous Relief (GR) Programme*

Food-for-Works Programme

The dual objectives of this food transfer programme are (1) to generate employment for the poor, mainly in the dry season through infrastructure creation and maintenance; and (2) to develop and maintain rural infrastructure. The allocation of food grains for this programme was raised from 2.20 lakh metric tons in the revised budget of FY 2003-04 to 3.30 lakh metric tons in the budget of FY 2004-05. The programme benefits about 1,000,000 participants annually.

Vulnerable Group Development (VGD)

The objective of this programme are (1) to increase the marketable efficiency of women through training, motivating savings for initial capital accumulation and providing scope for availing of micro-credit, and (2) to build social awareness on disaster management and nutrition through training in groups. It assists about 500,000 households annually by providing food and training for developing skills needed to undertake income-generating activities. It also offers micro-credit facility to the beneficiaries to help them build assests, assist in their livelihood options and to mitigate their vulnerability to risks. The allocation of food grains for this programme was raised from 1.70 lakh metric tons in the revised budget of FY 2003-04 to 2 lakh metric tons in the budget of FY 2004-05.

Vulnerable Group Feeding (VGF)

It provides food to selected households in the months following a disaster when agricultural production has been severely disrupted. The objectives are (1) to provide calamity related emergency needs and (2) to provide short-term relief to disaster victims in terms of food and basic necessities. The allocation of food grains for this programme was raised from 95 thousand metric tons in the revised budget of FY 2003-04 to 1 lakh metric tons in FY 2004-05. About 240,000 beneficiaries are covered annually.

Test Relief (TR) Programme

It is a food transfer programme for the working age population. The objectives are (1) employment for the poor in the rainy season (2) developing and maintaining rural infrastructure. The allocation of food grains for this programme was raised from 1.25 lakh metric tons in the revised budget of FY 2003-04 to 1.50 lakh metric tons in the budget of FY 2004-05. Every year about 100,000 beneficiaries are covered.

Gratuitous Relief (GR) Programme

It is an in-kind emergency relief programme for those affected by natural disaster. The objectives are (1) to provide calamity-related emergency needs; and (2) to provide short- term relief to disaster victims in terms of food and basic necessities. The allocation of food grains for this programme was raised from 40 thousand metric tons in the revised budget of FY 2003-04 to 64 thousand metric tons in the budget of FY 2004-05. An amount of Tk. 100 crore was allocated in favour of the Ministry of Food and Disaster Management to meet emergencies due to natural disasters.

Special Poverty Alleviation Programmes

- *Poverty Alleviation and Goat Development Project*
- *Providing Incentives and Financial Assistance to Poultry and Livestock Sector*
- *Poverty Alleviation and Micro-Credit Programmes Undertaken by Department of Fisheries*
- *Fund for Housing the Homeless*
- *Programme for generating employment for the unemployed youth by the Karmasangsthan Bank*
- *Abashan (Poverty alleviation and rehabilitation) Project*
- *Fund for Mitigating Risks due to Natural Disaster*
- *Programme for Mitigating Economic Shocks*
- *Fund to meet sudden natural disaster*
- *Micro-credit programmes implemented by the government department/agencies*

Poverty Alleviation and Goat Development Project

Under this programme Tk. 15 crore was disbursed as micro-credit for purchasing goats to 26,400 beneficiaries selected from 400 upazilas of 64 districts during FY 2003-04. The beneficiaries purchased a total of 1,08,000 goats. A total allocation amounting Tk. 52.73 crore has been earmarked during the period from FY2003-04 to FY 2007-08 to implement this programme.

Providing Incentives and Financial Assistance to Poultry and Livestock Sector

Department of Livestock Services has taken the initiative to help the poor to get micro-credit from nationalised commercial banks (NCBs) for setting up poultry and livestock farms. Besides resolving complexity in taking bank credit and reducing rate of interest etc., the amount of credit disbursed to the sector increased from Tk. 79.77 crore in FY 2000-2001 to Tk. 275.72 crore in FY 2003-04. It may be mentioned that under the Entrepreneurship Development Project of the Department of Livestock Services, Tk. 169 crore was arranged from NCBs as credit for farm-owners for using 23 successful package technologies for production of poultry and livestock on commercial basis. The successful implementation of this project led to the creation of employment for about 50 thousand persons.

Poverty Alleviation and Micro-Credit Programmes Undertaken by Department of Fisheries

Currently, the Department of Fisheries is implementing 12 development projects for poverty alleviation. The government disbursed Tk. 5 crore as credit to small and marginal fish-farmers during the period 2004-05. An amount of Tk. 65.95 crore was disbursed through 9 development projects for poverty alleviation till December 2004. This apart, under the Memorandum of Understanding (MOU) signed between the Department of Fisheries and Janata Bank upto Tk. 50 thousand is disbursed without collateral as credit to small fishermen and farm-owners by Janata Bank. Various non-government organisations have their own credit programmes for undertaking fish cultivation.

Fund for Housing the Homeless

In order to mitigate the housing problem of the homeless, poor and low-income people in the country, the government constituted a fund for housing with an allocation of Tk. 50 crore in FY 1997-98. This fund is being operated by Bangladesh Bank. At present the fund has been raised to Tk. 98 crore through budgetary allocations. Concessional house building loan is provided out of this fund at 1 percent rate of interest to NGOs, which in turn provide loans to beneficiaries at 5 percent rate of interest repayable over a period of 10 years. Up to FY 2004-05 Tk.135.32 crore was allocated to NGOs for distribution of house building loans among the rural poor. Against this allocation, an amount of Tk. 84.27 crore was released and 32,663 houses were constructed. As many as 252 NGOs working in 375 upazilas covering 64 districts are implementing this programme. Besides, Taka 10.54 crore has already been released as grant. An amount of Tk. 27.52 crore has been recovered against Tk. 31.65 crore recoverable loans. The rate of recovery against disbursed loans is 87 percent.

Table 13.14: Status of Grihayan Tahabil

(In crore Tk)

Particulars	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Cumulative 2004- 05
a. Allocation							
(1) Loan	25.10	14.20	-	12.20	29.15	26.87	135.32
(2) Grant	-	7.00	-	-		0.0	12.00
Total	25.10	21.20	-	12.20	29.15	26.87	147.32
b. Disbursement							
(1) Loan	21.28	16.15	1.90	5.00	20.04	15.35	84.27
(2) Grant	-	5.54	-	-	-	0.0	10.54
Total	21.28	21.69	1.90	5.00	20.04	15.35	94.81
c. Recovery							
(1)Target	1.16	3.21	7.23	6.34	6.12	7.59	31.65
(2)Achievement	1.14	3.18	5.80	4.81	5.46	7.13	27.52
(3)% of achievement	98	99	80	76	89	94	87
d. No. Of Housing units	11,127	8334	2963	586	3645	6008	32663
e. No. Of Beneficiary	55,635	41670	14815	2930	18225	30040	163315

Source: Grihayan Tahabil, Bangladesh Bank

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

Karmasangsthan Bank works for employment generation of the unemployed youth of the country in different production-oriented and income-generating activities by providing loans. Notable among the major fields of the bank's financing are poultry farm and dairy farm, fish cultivation, cow fattening, handloom, small business etc. Up to June 2005, the cumulative loan disbursement was to the tune of Tk. 168.20 crore. The recovery of loan stood at Tk. 113.89 crore against Tk. 143.23 crore as recoverable loan, implying that the rate of recovery was 80 percent. The number of beneficiaries in 64 districts of the country stood at 55,374 in June 2005 (Table 13.15).

Table 13.15: Micro-credit Programme of Karmasangthan Bank

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	Cumulative upto 2004-05
Disbursement (crore Tk.)	33.74	28.17	27.54	26.15	45.96	168.20
Recovery (crore Tk.)	7.93	19.92	26.18	27.87	30.87	113.89
Recoverable (crore Tk)	10.55	30.22	32.46	31.07	37.45	143.23
Rate for recovery (%)	75	66	81	90	82	80
Average loan per borrower (Taka)	29864	29510	29032	29302	32241	30375
Major sectors of loan Disbursement (000 Tk)						
Poultry - duck farm	78121	22421	26305	22215	29899	209241
Dairy farm	26521	12243	15897	18911	46833	133467
Fisheries	16202	19207	23106	17431	30903	117138
Others	216556	227829	210164	202957	351965	1222168
Total	337400	281700	275472	261514	459600	1682014
Samity/Associate Organisation/Branch	71	84	85	86	92	92
No. of districts	56	63	64	64	64	64
No. of Beneficiaries	11298	9546	9486	8938	14255	55374

Source: Karmasangsthan Bank

Some Special Credit Programmes of Karmsangthan Bank

Elimination of hazardous child labour in Bangladesh

Under this project up to the FY 2004-05 an amount of Tk. 3.56 crore was given to 5000 parents of those children who are engaged in hazardous labour.

Micro-credit support for employment of voluntarily retired/retrenched industrial workers

For alleviation of poverty of voluntarily retired/retrenched industrial workers through creating employment opportunities and retraining, a special fund with an allocation of Tk. 30 crore was created in FY 2004-05. Out of the said amount Tk. 17.45 crore was allocated to Karmsangthan Bank for undertaking micro-credit programmes. This programme is being implemented by Karmsangthan Bank. Under this programme an amount of Tk. 17.46 crore was disbursed as credit to 3678 entrepreneurs up to June 2005 and Tk. 1.05 crore recovered against recoverable amount of Tk. 1.19 crore.

Assistance for agro-based industries

In the budget of FY 2004-05 Tk. 100 crore was allocated for promotion of agro-based industries. Out of this amount, Tk. 10 crore was allocated in favour of Karmsangthan Bank. Under this programme Tk. 7.48 crore was disbursed among 651 borrowers and recovered Tk. 0.57 crore up to June 2005.

Abashan (Poverty alleviation and rehabilitation) Project

This project is being implemented by the Prime Minister's Office for poverty alleviation as part of the electoral commitment of the government. This project, entirely funded by the government, is being implemented over a period of four years (July 2002- June 2006) at a cost of Tk. 447.20 crore. The project aims at alleviating poverty by providing land, accommodation, training, credit, education, health service and family planning, income-generating activities, pure drinking water, electricity, improved transportation system, for tree plantation facility to 65,000 landless, homeless and destitute households. Under this project,

the adult members of 65,000 households are being provided training for skill development, human development and awareness building at a cost of Tk. 15 crore. Again these rehabilitated households will be provided with a credit of Tk. 15,000 per household.

Fund for Mitigating Risks due to Natural Disasters

The government introduced this fund with an allocation of Tk. 25 crore in FY 2002-03. In FY 2003-04 this fund received further allocation of Tk. 50 crore**.** An additional amount of Tk. 75 crore was allocated in FY 2004-05.

Programme for Mitigating Economic Shocks

In addition to the poverty targeted programmes, the Government has introduced two new programmes to enable employees/labourers to face sudden economic shocks and allocated Tk. 50 crore for these programmes in FY 2004-05.

- Special fund with an allocation of Tk. 30 crore for retraining and creation of employment opportunities for volunterly retired, retrenched employees and labourers
- Special fund with an allocation of Tk. 20 crore for retraining and creation of employment opportunities for volunterly retired, retrenched employees and labourers of garments industries.

Fund to meet sudden natural disaster

To meet sudden natural disaster Tk.100 crore allocated to the Ministry of Food and Disaster Management in FY 2004-05.

Micro-credit programmes for self-employment

Micro credit programmes implemented by the government department/agencies
Youth Development through Self-employment
Self- reliant Credit Programme (Prime Minister's Special Fund)
Micro Credit Programme for Self-employment of Women
Urban Based Women Development Project (3rd phase):
Rural Women Development Project
Entrepreneurship Development of Women Project
The activities of Department of Cooperatives
Micro-Credit Programmes of Bangladesh Small and Cottage Industries Corporation.

Micro credit programmes implemented by the Government Department/Agencies

In addition to micro-credit programmes being conducted by different government departments /agencies and NGOs, the government has for the first time allocated in FY 2003-04 non-development budget an amount of Tk. 345 crore for micro-credit programme of different government departments. Besides, under the development budget, various ministries, departments are implementing micro-credit programme involving about Tk. 6,000 crore. Many NGOs are involved in implementing a number of these government sponsored programmes. In order to further expand the micro-credit programme Tk. 315 crore has been allocated in FY 2004-05 from non-development budget in favour of few ministries to conduct these micro-credit programmes. Tk. 120 crore for the Rural Development and Co-operative Division, Tk. 100 crore for the Ministry of Agriculture, Tk. 30 crore for the Ministry of Fisheries and Livestock, Tk. 25 crore for the Ministry of Youth and Sports, Tk. 25 crore for the Ministry of Liberation War Affairs, Tk. 15 Crore for Ministry of Women and Children Affairs.

Youth Development through Self-employment

Considering the importance of youth participation in the national development process, the Department of Youth Development has been implementing different programmes and projects. Since its inception and until June 2005, so far a total number of 25 lakh youths were trained on various trades through on-going programmes and completed projects. Out of the trained youths 13.80 lakh were engaged in self- employment activities. An amount of Tk. 604.22 crore has been distributed to 6 lakh 62 thousand 716 beneficiaries as loan under the credit scheme of the Department. In the same way, a sum of Tk. 57.94 crore has been distributed amongst 48 thousand 537 beneficiaries as loan in the year 2004-2005. The monthly average income of a successful self -employed youth ranges from Tk. 1,500 to Tk. 50,000. Moreover, to accelerate the momentum of self-employment opportunities for the youth the Department of Youth Development has leased out 11,471 khas ponds and tanks amongst the enlisted youth co-operative societies. Upto June 2005, an amount of Tk.20.48 crore has been collected as revenue from the leased out ponds. The Department of Youth Development is also working in the development and expansion of information technology. In view of this, computer basic course and graphics design training course including internet and networking are being conducted across the country through 70 centres. So far a total number of 54,977 educated youths were trained. To involve the vast number of youths in the national development process and develop, human qualities amongst the youths by motivation and training, a national level training centre has established at Savar, Dhaka named "National Youth Centre". This centre is also arranging national and international conferences, seminars, workshops, research works, publications and different types of training with a view to solving youth problems. This is indeed a human resource development, information and research centre. A total number of 7,499 youths have been trained in different disciplines through this centre till June 2005. The Department of Youth Development has been assigned with the responsibility of involving youth organisations in socio-economic development of the country. For this purpose the Department of Youth Development has taken steps for enlistment of youths organisations. About 6,743 youth organisations have already been enlisted with the Department of Youth Development. An amount of Tk. 74.97 lakh has been sanctioned as grants to 747 youth clubs against development project proposals in FY 2003-04.

Self–Employment Credit Programme (Prime Ministers Special Fund)

Under the self-employment credit programme, implementation of a range of income generating initiatives for the poor and unemployed woman is underway in 62 districts and 26 upazilas of the country. Steps have been taken to implement the programme in the remaining dintricts and upazilas. Under this programme women are given credit ranging from Tk. 5000 to Tk. 20,000 for taking up self-employment activities.

Micro Credit Programme for self-employment of women

Jatiyo Mohila Sangstha has been operating another credit programme with a fund of Tk. 5 crore from revenue budget of GOB for self-employment of the poor and distressed women. The programme activities covered 48 upazilas and 58 Sadar upazilas. In 2003-04, 2388

women are given credit ranging from Tk. 5,000 to 15,000 for taking up income generating activities like cattle farming, poultry farming, mini garments factories, welding, pisciculture, grocery shop, vegetable gardening, wooden furniture, weaving (handloom), handy crafts, block batik etc. In FY 2004-05, a further allocation of Tk. 5 crore has been made for this programme.

Urban Based Women Development Project (3rd phase):

The third phase of Urban Based Women Development Project started in July 2003 for another 5 years. The cost of the project is Tk.9.90 crore, which is being provided by the Government of Bangladesh. Under the project, the poor and unemployed women of urban areas are given skill development training through 32 centres of Dhaka city and five other Divisional headquarters. The trades include - binding and packaging, food processing, shoe and sandal making, sewing and embroidery, computer skill, soap and candle making, block batik and screen print, poultry farming etc. On successful completion of training the women are given credit ranging from Tk. 10,000 to Tk. 20,000 and in special cases up to Tk. 50,000 for undertaking income generating activities or scaling up their existing business unit.

Rural Women Development Project

The implementation of "Rural Women Development Project-Phase 2" was completed in June 2004. To continue the activities of 1st phase and 2nd phase, the project has been

included in ADP for FY 2004-05 as a new project. The estimated cost of the project is 8.35 crore which will be implemented over a period of three years during FY 2004-2005 to FY 2006-2007. During its implementation around 70,000 poor and distressed women will be organised and given training on agricultural and non-agricultural trades in 130 upazilas. Around 10,000 trained women will be provided with micro-credit for self-employment.

Entrepreneurship Development of Women Project

The Jatiya Mohila Sangstha has been implementing a project entitled "Entrepreneurship Development of Women" by UNDP Tk. 173.40 crore and the Government of Bangladesh Tk. 28.00 crore. Under the project 5,000 promising and enterprising women will be selected as entrepreneurs. The selected entrepreneurs undergo different type of training on entrepreneurship development. On completion of training they are provided with certificate and credit for starting new business/production units or expansion of existing unit. The outgoing beneficiaries of the project of Jatiyo Mohila Sangstha, Department of Women Affairs and NGOs are the target beneficiaries of this project. Initially the duration of the project was targeted for 5 years, but it has been revised and extended for another 3 years i.e. it will be ended in June 2006.

The Activities of the Department of Cooperatives

The Department of Cooperatives has been creating employment and income generation activities by organising people from different trades into cooperative societies and thus playing an important role in poverty reduction. With spontaneous participation of different classes of people, till December 2004, 1,47,626 co-operative societies have been registered by the Department. Among them, 55,853 societies have been registered under direct supervision of the Co-operative Department with 45,74,308 individual members. These societies have created different types of fund amounting to Tk. 677.12 crore through the collection of shares,

savings deposits and other profitable activities. They also undertake various types of small-scale income generating programmes including disbursement of micro-credit by using these funds.

Up to December 2004, these societies have been able to create assets amounting to Tk. 1,282.33 crore. The Department of Cooperatives is implementing a project to strengthen the department itself and to reduce poverty by creating employment opportunities. The Department has also implemented "Emergency Rehabilitation Project of Bangladesh National Fishermen's co-operative Society Ltd." to rehabilitate the cyclone and tidal-surge affected poor fishermen of 14 coastal districts during July' 1992- June' 2000. Tk.107.11 crore was spent under the project to provide 633 fishing boats and other fishing equipment. The Cooperative Credit Union League of Bangladesh Limited (CCULB) is a central Co-operative society of credit union co-operatives. Established in 1979, it has enrolled 449 primary societies as its members. These Societies have 1,10,576 individual members. Up to December 2004, CCULB has accumulated a capital of Tk. 27.85 crore. During the same period the society has distributed Tk. 64.09 crore as micro-credit among its stakeholders.

Micro-credit Programme of Bangladesh Small and Cottage Industries Corporation (BSCIC)

In FY 2003-04, BSCIC with the help of banks and other financial institutions disbursed a total of Tk. 408.62 crore as credit to the entrepreneurs of small and cottage industries. It includes disbursement of credit amounting Tk. 30.18 crore channelled through BSCIC's own programme. In FY 2002-03 the total disbursement was Tk. 342.14 of which disbursement through BSCIC programmes accounted for Tk. 28.75 crore. In FY 2003-04 total investment in this sector stood at Tk. 707.62 crore and this included entrepreneurs own investment and financing from other sources registering an increase of Tk. 455.04 crore over the investment in FY 1997-98. In FY 2003-04 BSCIC could generate employment of opportunities for 1.08 lakh unemployed.

Specialised Activities for Poverty Alleviation

Information and Communication Technology (ICT) for Poverty Alleviation
Rural Infrastructure Development Programme
Local Government Engineering Department (LGED)
Urban Poverty Reduction Programme
Poverty Alleviation and Socio-Economic Development:
Palli Daridrya Bimochan Foundation (PDBF)
Bangladesh Rural Development Academy (BARD)
Rural Development Academy (Bogra)
Social Services

Information and Communication Technology (ICT) for Poverty Alleviation

It is widely recognised that the use of information and communication technology (ICT) has the potential to make easier the process of achieving the Millennium Development Goals of poverty reduction by 2015. The government has, therefore, recognised ICT as the thrust sector.

Rural Infrastructure Development Programme

In FY 2004-05, the revenue and development budget together allocated Tk. 4,902 crore for local government and rural development sector which is Tk. 336 crore more than the original allocation for the current fiscal year. In FY 2004-05 the Local Government Engineering Department will construct 3,000 km of metal roads, 5,500 km of earthen roads

and 220 Union Parishad complexes. A 'Char Livelihood Project' in 5 districts with an outlay of Tk. 475 crore is being implemented to raise the living standards of the extreme poor, belonging to some disaster-prone districts.

Local Government Engineering Department (LGED)

Local Government Engineering Department (LGED) spearheads a successful decentralised and participatory rural infrastructure development strategy in Bangladesh. It has been implementing various rural infrastructure development programmes, especially rural roads, bridges/culverts, growth centres, construction of embankments etc. for employment generation in rural areas. Through implementation of these programmes, employment for about 117.02 crore man-days was created between 1991-92 and June 2005. During this period, a total of 57,976 km earthen road and 36,745 km paved road and 4,40,418 m bridges/culverts were constructed. Besides, 1930 growth centres were developed (Table 13.16).

Table 13.16: Rural Infrastructure Development Programme under LGED

Activities	1999-00 Cumulative	2000-01	2001-02	2002-03	2003-04	2004-05	Cumulative (up to June '05)
Earthen Road (km)	20369	10102	4555	4770	6252	6040	57976
Paved Road (km)	13763	3870	3255	3829	4804	5237	36745
Bridge/Culvert (metre)	165324	67449	50882	42937	49405	60908	440418
Growth Centre (no)	869	225	124	142	154	186	1930
Employment Generation (lakh man-days)	5030.26	1173.00	856.68	948.05	1338.1	1215.43	11702.83

Source: Local Government Engineering Department

Urban Poverty Reduction Programme

The Government has been implementing Urban Infrastructure Development Programme for poverty alleviation in urban areas. At the same time the Government is continuing with the micro-credit programme. To increase the household income of the selected slum dwellers in 4 city corporations and 21 municipalities, LGED has disbursed about Tk. 2.50 crore as revolving loan under Slum Development Project with the assistance of UNICEF. Subsequently, this revolving loan fund increased to Tk. 3.22 crore, which is again utilised as revolving loan fund in Urban Basic Service Delivery Project supervised by the above-mentioned city corporations and municipalities. In the light of the experiences gathered from the above-mentioned projects, the city corporations and municipalities have been managing revolving loan fund for poverty alleviation. Besides, LGED has been disbursing micro-credit for generating self-employment through Secondary Town Infrastructure Development

Project-2, Urban Poverty Alleviation Project through Local Partnership and Integrated Food Security Programme funded by USAID. An amount of Tk. 4.88 crore has been disbursed as micro-credit to 14,061 households of 119 slums in 22 municipalities since 1995-96 under Secondary Town Infrastructure Development Project-2. Besides, under the Integrated Food Security Programme was funded by USAID an amount of Tk.19.61 crore has been disbursed as micro-credit to 33,243 households of slums located in the municipalities of Jessore, Tongi, Dinajpur and Mymensingh since 1999-2000.

Poverty Alleviation and Socio-Economic Development:

A huge number of employment opportunities for both men and women labourers have been created by LGED in rural and urban infrastructure development programmes. In addition, Women's Corner and shops are being constructed in selected growth centers under different project of LGED which are being allocated among the destitute and poor women. Besides, under "Rural Maintenance Project" in three hill districts rehabilitation and maintenance of 4,550 km of rural roads in 25 upazilas are being done through destitute women. As a result, employment opportunities for 9,100 destitute women have been created. Moreover, in almost all the projects of LGED, poor people, specially the destitute women, are engaged for road maintenance works, tree plantation and its care taking. The activities contribute towards poverty reduction and socio-economic development of the project area.

Palli Daridrya Bimochan Foundation (PDBF)

The objectives of the Palli Daridro Bimochon Foundation are to alleviate poverty in rural areas and promote socio-economic development of the poor and the disadvantaged. Currently, the Foundation is carrying out its operating in 175 upazilas of 28 districts where about 4,37,436 assetless women and men have been organised into 87,487 groups. These upazilas constitute about one-third of the geographical area of the country with the highest incidence of rural poverty. About 94 percent of the beneficiaries are women. The Foundation disbursed a total of Tk. 1,361.96 crore among the members of the group upto March 2005. Besides, the total amount of the savings of the beneficiaries is to the tune of Tk. 47.48 crore and the recovery rate is 98 percent. To achieve PDBF's goals, training has been imparted for human resource development for about 50 lakh man-days.

Bangladesh Rural Development Academy (BARD)

Bangladesh Rural Development Academy (BARD), Comilla is implementing a project titled “Small Farmers and Landless Labourers Development” in 30 upazilas of 8 districts in the country. Under the project small farmers, landless labourers and poor women are being organised into non-formal groups. These groups have been imparted training for skill development and provided with credit support for income generation and capital formation. In total 51,881 male/female members have been included in 9,444 groups of the project up to June 2004. Implementation of another project titled Comprehensive Village Development Programme (CVDP) is underway. Under this project 16,576 members have been enlisted as members through 40 groups up to June 2004.

Rural Development Academy (Bogra)

Rural Development Academy, Bogra has been carrying out training and applied research programme in order to alleviate poverty and to improve the socio-economic condition of the rural people. Twenty-four research projects have been taken up during 2004-05. It is implementing comprehensive rural development programme, primary afforestation and empowerment programme, safe water supply programme etc. for poverty alleviation. The cumulative disbursement and recovery of credit under these projects/programmes stood at Tk. 10.28 crore and Tk. 9.47 crore respectively up to March 2005.

Social Services

Ministry of Social Welfare is conducting education, training and rehabilitation programmes for the handicapped, eliminating juvenile delinquency, rehabilitating socially handicapped girls, nurturing orphans etc. These programmes are divided into (1) promotion of social solidarity and poverty alleviation, (2) environment and forests, (3) social protection and (4) human resources development. The Government is implementing the programme of forging social solidarity and poverty alleviation through Rural Social Services (RSS) programme, Urban Community Development (UCD) programme and Rural Maternity Centre (RMC) and rehabilitation programmes for acid-burnt women and physically handicapped in all upazilas and towns. Under these programmes revolving funds are used for initial investment and reinvestment. The initial total investment for the first three programmes amounted to Tk. 188.85 crore and the cumulative investment including reinvestment stood at Tk. 556.67 crore up to December 2004. The cumulative recovery was Tk. 502.56 crore implying that the average rate of recovery stood at about 90 percent. The total number of beneficiary households through these programmes stood at 25,75,570 up to December 2004. The total number of beneficiaries through vocational training was 22,41,448 persons through social activities was 29,41,900 persons and through literacy programmes 15,70,108 persons. 10,88,877 persons have been imparted awareness on primary health care and 22,34,060 persons have been motivated to have small family. Through Rural Social Services programme 19,83,274 seedlings have been distributed in all upazilas and urban areas of the country for successful social forestry programmes. Besides a scheme of old-age allowance under social safety net programme has been launched considering socio-economic condition of old age people of a country. In FY 2004-05, Tk. 260.37 crore has been allocated for this old age allowance programme. The number of beneficiaries through this programme was 13.15 lakh. A considerable number of programmes are being implemented by Ministry of Social Welfare for the disabled. A programme is underway to feed, educate, train and rehabilitate 9,600 orphans through 74 “Government Shishu Paribar”. In FY 2003-04 Tk. 14 crore has been distributed among 29,166 orphans, at a monthly rate of Tk. 400 per head, as capitation grant through registered private orphanages.

Micro-Credit Programmes for Poverty Alleviation

Bangladesh can claim itself as the place of origin where micro-credit programme was successfully tested and extensively implemented. One-third of households in rural Bangladesh are the beneficiaries of micro-credit programme. The success of this innovative programme in Bangladesh has been recognised as a model and many countries both developed and developing adopted this programme. Micro-credit has been proved to be an effective tool for creation of assets, income generation and facing income-shock of the poor.

Source of Loan

The sources of credit for households have been presented in 13.17. The sources are broadly classified into two categories; institutional and non-institutional. The institutional sources include banks, co-operatives, NGOs and government agencies while non-institutional sources include relatives, non-relatives, money lenders and others. Of all sources the share of relatives in the distribution of credit to households was the highest (22%) closely followed by NGOs (21%). The share of credit from banks was 13% while non-relatives provided credit to 12% households. There exists rural-urban variation in the distribution of credit by sources. In the rural area relatives were the main source of credit (22%) while in the urban area NGOs constitute the major source of credit (28%). In the rural area NGOs and relatives were the main sources of credit for poor households (42%) while in the urban area only NGOs were the main source of credit for the poor households (37%). It is interesting to note that in both urban and rural areas, relatives were the main source of credit for non-poor households.

Table 13.17 Distribution of Households by Sources of Credit

Sources of Credit	National			Urban			Rural		
Institutional Sources									
	All	**Poor**	**Non-Poor**	**All**	**Poor**	**Non-Poor**	**All**	**Poor**	**Non-Poor**
Banks	13.00	8.00	17.00	10.00	5.00	15.00	14.00	9.00	17.00
Grameen Bank	10.00	11.00	9.00	3.00	6.00	2.00	11.00	12.00	10.00
Co-operatives	1.00	1.00	0.00	1.00	1.00	1.00	0.00	1.00	0.00
NGOs	21.00	24.00	19.00	28.00	37.00	21.00	19.00	21.00	18.00
BRDB/Youth/ Social Welfare	3.00	4.00	2.00	2.00	3.00	2.00	3.00	4.00	2.00
Non-Institutional Sources									
Relatives	22.00	21.00	23.00	23.00	20.00	26.00	22.00	21.00	22.00
Non-relatives	12.00	11.00	12.00	15.00	13.00	16.00	11.00	11.00	11.00
Money lenders	11.00	11.00	11.00	8.00	9.00	7.00	12.00	12.00	12.00
Others	8.00	9.00	8.00	10.00	7.00	11.00	8.00	9.00	7.00
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Bangladesh Bureau of Statistics, Poverty Monitoring Survey 2004.

NGO Activities

According to Credit and Development Foundation (CDF) statistics, up to December 2004 as many as 721 NGOs are operating micro-credit programme in Bangladesh. The total number of beneficiaries during this period was 1.62 crore persons of whom 0.24 crore were male and 1.38 crore were female. During the period the cumulative disbursement of micro-credit among members was Tk. 33,863.56 crore with the rate of recovery being 98.79 percent. Of the total amount disbursed, 40.61 percent was invested in small business, 10.25 percent in crops, 14.06

percent in livestock and 3.63 percent in fisheries. Nine NGOs namely BRAC, ASA, Proshika, Swanivar Bangladesh, TMSS, Caritas, RDRS, BEURO and Shakti Foundation disbursed major share of the total micro-credit. Palli Karma Sahayak Foundation was the source of 24.84 percent of this micro-credit. Table 13.18 presents the status of micro-credit programmes of these 9 big NGOs. Up to June 2005 the cumulative disbursement and recovery of micro-credit by these NGOs stood at Tk. 34124.79 crore and Tk. 29817.97 crore respectively.

Table 13.18 : Status of Micro-Credit Programmes of Major NGOs

(Tk. in Crore)

NGO	Cumulative upto 1998	1999	2000	2001	2002	2003	2004	2005 (June)	Cumulative upto June' 05
ASA									
Disbursement	1320.26	747.82	894.97	1144.23	1834.32	2302.556	2763.18	1876.97	12884.45
Recovery	1070.88	584.89	848.97	985.73	1520.53	2079.717	2537.15	1422.16	11051.95
Beneficiaries	894119	1178987	1204938	1579372	2136165	2341819	2996660	5543614	5543614
Female	833119	1096315	1136908	1511561	2055628	225818	2897503	3569108	3569108
Male	61000	826720	68030	67811	80537	83701	99157	1974506	1974506
BRAC									
Disbursement	3005.55	1084.30	1354.60	1509.98	1706.59	2070.00	2590.15	1543.18	14864.35
Recovery	2501.07	916.43	1253.92	1457.47	1614.788	1838.003	2269.06	1348.75	13220.76
Beneficiaries	2027720	2581996	2996968	2988332	2918341	3402475	3993525	4164205	4164205
Female	1925598	2489961	2938473	2934485	2906994	3392976	3872110	4029265	4029265
Male	102122	92035	58495	53847	11347	9499	121415	134939	134939
Proshika									
Disbursement	818.55	312.09	327.95	394.10	406.76	357.40	277.07	139.76	3035.36
Recovery	627.78	291.40	330.20	360.07	428.40	371.21	350.61	143.60	2817.80
Beneficiaries	1657279	232381	389196	513710	372804	59837	49710	11589	2761619
Female	1007550	146400	260761	349323	273322	40975	36496	9633	1713698
Male	959729	85981	128435	184387	99482	15862	13214	1956	1047921
Swanirvar Bangladesh									
Disbursement	165.60	19.04	29.36	39.86	39.46	40.66	60.75	38.11	432.84
Recovery	121.26	13.10	21.31	31.72	33.32	34.58	43.38	30.02	335.28
Beneficiaries	680605	12920	10858	47482	54763	54217	62915	44650	968410
Female	498610	10682	7238	43731	49681	50420	59775	42613	762750
Male	181995	2238	3620	3751	5082	3797	3140	2037	205660
Caritas									
Disbursement	74.84	21.47	86.46	62.94	51.41	90.13	60.43	53.60	501.28
Recovery	40.55	18.14	69.84	52.17	54.89	82.69	58.76	46.48	424.23
Beneficiaries	246284	29025	52994	447	4961	33727	18657	7458	355315
TMSS, May-05									
Disbursement(cu)	85.50	153.26	214.13	285.51	375.65	505.22	675.53	933.80	933.80
Recovery (cu)	66.38	118.58	179.93	246.57	323.93	433.02	582.99	776.26	776.26
Beneficiaries(c)	63428	97840	118999	375.65	178025	232967	255640	366707	366707
Shakti Foundation									
Disbursement	37.64	26.96	41.83	50.65	61.13	84.28	102.21	59.62	464.32
Recovery	26.54	21.16	35.36	44.39	56.40	70.71	84.71	-	339.27
Beneficiaries (c)	39160	50160	56890	63100	75137	100464	114701	131499	131499
BURO									
Disbursement	51.42	26.99	30.12	46.46	69.57	108.27	152.8	106.80	592.43
Recovery	34.04	27.34	25.83	38.80	58.25	93.78	132.52	87.13	497.69
No. of beneficiaries	71479	67357	73265	96537	124446	184609	221366	178732	178732
RDRS									
Disbursement	135.75	34.09	40.46	38.85	36.61	39.33	50.94	39.93	415.96
Recovery	103.95	36.12	37.42	36.68	38.54	42.25	53.09	6.68	354.73
Beneficiaries(c)	260437	278645	268610	278289	295190	286495	307897	336491	336491
TOTAL									
Disbursement	**5695.11**	**2426.02**	**3019.88**	**3572.58**	**4590.41**	**5597.85**	**6726.48**	**4791.77**	**34124.79**
Recovery	**4592.45**	**2027.16**	**2802.78**	**3253.60**	**4129.05**	**5045.96**	**6110.00**	**3861.08**	**29817.97**

Source: Concerned NGOs.

Major NGO's activities

BRAC disbursed Tk. 14,864.35 crore and recover Tk. 13,220.76 crore upto June 2005, and total number of beneficiary 41.46 lakh, female 40.29 lakh and male 1.34 lakh.

Swanirvar Bangladesh: Swanirvar Bangladesh promoting the spirit of self-reliance providing credit from the Nationalised Commercial Bank. PKSF and other sources from the beginning to June 2005, disbursed a sum of Tk. 432.84 crore to 9,68,410 landless people. As a result of this 4,61,880 members of families have been benefited directly or indirectly. From July 2004 to December 2004, Tk. 60.75 crore has been disbursed to 62,915 landless men and women for alleviation of poverty and self employment loans. The rate of recovery of loan is 98.94 percent.

ASA: ASA was established in 1978 for socio-economic development, because special and as a micro-finance service provider during 1991. At the end of December 2004, ASA had 30 lakh active members at the same time active borrower has stood at 27.73 lakh. From 1992 to December 2004 total savings derogates stood at Tk. 2,039 crore, at the same time members savings with drawn and returned Tk. 1,756 crore and total savings balance stood at Tk. 283 crore. End of the June 2005 cumulative total loans disbursed with service charge wereTk. 12,884.45 crore from which Tk. 11,051.95 crore was realised.

PROSHIKA, established in 1976, has so far helped more than 11.78 lakh poor households to overcome poverty. Spread in 23 thousand 475 villages and 2 thousand 101 slums in 57 districts, PROSHIKA now works with more than 27 lakh 50 thousand men and women members drawn from 21 lakh 15 thousand rural and urban poor households, and has organised them into 1 lakh 46 thousand 789 primary groups. PROSHIKA provides them with a broad range of programmes in education and training leading to income and employment generation, health education, building of health infrastructure, and environmental protection and regeneration, and etc. So far, this NGO has provided micro-credit amounting Tk. 2,893.88 crore through 4.88 lakh projects to the groups and created employment/self employment opportunities for 79 lakh poor people through its micro credit programme.

Shakti Foundation: It has already provided services among 1,14,701 project members with an approximate amount of loan Tk. 100 crore in year 2004 and upto June 2005 its total disbursement stood at Tk. 464.32 crore. In addition to that 4,701 project members have received Tk. 1.81 crore as health loan and 24,743 number of patient have got primary treatment and 95,102 members have received health education under health programme. 1,14,701 members and 221 staff have received gender training.

NGO Foundation

In FY 2004-05 Tk. 50 crore has been allocated for NGO Foundation for accelerating social development in the rural areas through NGOs.

Grameen Bank

Grameen Bank started its activities in 1976 by organising the assetless people and providing them credit support for income generation and capital and asset building. Up to June 2005 it expanded its activities to 47.64 lakh members living in 433 upazilas of 63 districts through

1537 branches. An amount of Tk. 23,504.92 crore was disbursed as credit by June 2005 and the amount of recovery was Tk. 21,157.28 crore during this period. The amount of savings of borrowers stood at Tk. 1,379.31 crore. The bank's operation has covered 51,687 villages in the country. About 55 percent of its borrowers have graduated from poverty. Grameen Bank provides collateral and interest-free loan through "struggling members programme" to the poorest segment of the society regarded as beggars. At the end of December 2004, 5257 students have received loan at five percent rate of interest for pursuing studies. Members are doing business in Palli Phone with loan for cellular mobile phones. Up to March 2005 members derived benefit from a total of 1,09,092 Palli Phones.

Bangladesh Rural Development Board (BRDB)

Bangladesh Rural Development Board (BRDB) has been implementing programmes in the field of rural development, specially, in rural poverty alleviation through forming cooperatives and non-formal group network throughout the country with the financial and technical support of the government and development partners. The target groups of the programme include small farmers (holding up to 0.50 acre of land), and assetless women and men. Family planning, health and education programmes are also included in the credit and training activities. During the period up to June 2005, 21.03 lakh members under 78,278 cooperative societies of 465 upazilas borrowed Tk. 3207.16 crore, of which an amount of Tk. 2442.43 crore was recovered. In FY 2004-05, BRDB implemented Rural Livelihood Project in 152 upazilas, Rural Poverty Alleviation Project in 123 upazilas and Palli Progati Prakalpa in one union of each 465 upazilas of Bangladesh. Under the revenue budget Integrated Women Development Project in 100 upazilas, side by side Self-employment Project for Women in 349 upazilas, Integrated Poverty Alleviation Programme in 139 upazilas and small farmer and sharecropper development programme in 377 Upazilas has been under implementation.

Palli Karma-Sahayak Foundation (PKSF)

PKSF was established in 1990 by the Government of Bangladesh to alleviate poverty through the provision of micro credit through its Partner Organizations (PO). The PKSF POs include cooperatives, voluntary agencies, non-government organizations, semi-government and government organizations. PKSF also provides various supports for the institutional development of its POs. When PKSF was established, there was no apex microcredit funding organization either in Bangladesh or in any other country of the world. Without any experiences to share and precedence to follow, PKSF in its last fifteen years of existence has been able to achieve a remarkable measure of progress, which has been acclaimed at home and abroad. Since its inception, PKSF has been significantly contributing to alleviate poverty by providing micro-credit to the poor through its POs. As of June 2005, PKSF disbursed a cumulative amount of loan of Tk. 2,212.42 crore to its 231 partner organisation and recovered Tk. 1,144.22 crore. At this time the number of borrowers is 54,94,607, of which 49,86,656 are women. Partner Organisations include small and big NGOs including BRAC, ASA, Proshika and Ansar VDP Bank. More than ninety percent of PKSF beneficiaries are female. PKSF has been able to maintain a loan recovery rate above 98 percent. The micro-credit program of PKSF has been found to have improved the quality of life of poor people; helped

diversification and strengthening of their survival strategies; enhanced their security giving them access to assets and rights and augmented their self-respect providing them choice and independence. At the beginning PKSF disbursed only micro-credit. At present four categories of micro credit programmes implementing with mainstream micro-credit activities like a) Rural micro credit, b) Urban micro credit, c) Micro-credit for the poorest of the poor d) Micro-enterprise. Each component has own policy and micro credit disbursed by following this policy.

Financial service for the poorest of the poor project. Up to March 2005 Tk. 10.43 crore has been disbursed under this programme.

Micro Finance and Technical Support (MFTS) Project and Participatory Livestock Development Project (PLDP). Under this project Taka 84.56 crore has been disbursed upto march 2005 to augment income by rearing cattle and poultry and also to ensure food security.

Training, Employment and Income Generating Programme (TEIGP) in Jamuna Multipurpose Bridge Area.

In order to rehabilitate the affected people living in Jamuna Multipurpose Bridge area

Tk. 1.40 crore has been disbursed through this programme.

South-West Rehabilitation Loan Programme (SRLP)

Upto March 2005 Tk. 49.17 crore has been disbursed under this programme.

Integrated Food Assisted Development Project (IFADEP)

Upto March 2005 Tk. 5.95 crore has been disbursed under this programme.

Mircrocredit for the poorest of the poor

There are many among the hard core poor who are unable to receive benefits from the existing micro-credit programmes. A pilot programme is being implemented through the PKSF to generate employment for the hardcore poor. So the government has established a fund for generating employment for the extremely poor people by allocating Tk. 100 crore in FY 2004-05. PKSF fixed a service charge of one percent and ten percent to partner organisation and to beneficiaries respectively. Up to April 2005 total disbursement was Tk. 44.62 crore out of Tk. 50.00 crore to 34 organisations.

Micro-enterprise Fund

In order to reduce the level of poverty in the country, PKSF is bringing the successful entrepreneurs within the field of micro entrepreneur development programme. In FY 2004-05, the Government has allocated Tk. 50 crore for micro-enterprise programme of which PKSF received Tk. 25 crore and disbursed the fund at field level. In receipt of Tk 25 crore in the first phase PKSF by adding his own fund distributed Tk. 26.87 crore among to associate NGOs. There is a plan to distribute additional Tk. 225 crore among 55 thousand micro-entrepreneurs in 64 districts.

3.19: Micro-Credit Programmes of Three Specialised Institutions

(In Crore Taka)

Institution	Upto June'99 Cumulative	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05 June '05	Cumulative (Up toJune'05)
Grameen Bank								
Disbursement	11672.46	1431.62	1600.79	1436.25	1879.81	2335.62	3148.37	23504.92
Recovery	10162.16	1626.32	1601.22	1529.55	1676.33	1980.15	2581.54	21157.28
Rate of recovery (%)	92.28	88.77	89.18	98.29	99.00	99.96	98.95	98.95
No. of branches	1141	10	19	5	7	76	279	1537
No. of villages	39395	671	271	356	1918	3298	8113	54022
No. of beneficiaries (cum.)	2369458	2377872	2389387	2367641	2786748	3626937	4764216	4764216
Female (cum.)	2245762	2254936	2266751	2251040	2657105	3468147	4573681	4573681
Male (cum.)	123696	122936	122636	116601	129643	158790	190535	190535
PKSF								
Disbursement	579.08	247.81	120.43	255.54	304.10	340.56	364.90	2212.42
Recovery	154.85	59.67	79.72	104.47	160.39	243.00	342.12	1144.22
Rate of recovery (%)	98.00	98.20	98.40	98.43	98.41	98.17	97.00	97.00
No. of branches	182	189	199	205	213	219	231	231
Beneficiaries	1577681	2314378	2629174	3857357	4485832	5104940	5494607	5494607
Female	1441928	2090638	2398082	3389566	3999332	4621260	4986656	4986656
Male	135753	223740	231092	467791	486500	483680	507951	507951
BRDB								
Disbursement	1482.03	345.75	248.92	324.41	355.04	409.30	654.86	3207.16
Recovery	1216.11	276.24	235.61	290.01	312.54	319.66	495.08	2442.43
Recovery rate (%)	91	89	95	91	90	94	90	94
Samities			-					78278
Beneficiaries			-					2102936
Female			-					1432324
Male			-					670612

Source: Concerned institutions

Micro-Credit Programmes of NCBs and Public Specialised Banks

Nationalised scheduled banks have been participating in poverty alleviation programmes by providing credit support to landless and small farmers. This credit is channelled through different organisations including NGOs. Besides this, these banks have their own credit programmes as well. The status of credit disbursement of 4 NCBs (Sonali Bank, Agrani Bank, Janata Bank and Rupali Bank Limited) and 2 public specialised banks (Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank) is shown in Table 13.20 Up to June 2005, the cumulative credit disbursement and recovery stood at Tk. 10,765.81 crore and Tk. 9983.94 crore respectively. The recovery rate was 95.69 percent.

Table 13.20: Status of Micro-Credit Disbursement of Nationalised Scheduled Banks

(In crore Tk)

Bank	1998-99 Cumulative	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	June 2005 Cumulative
Sonali Bank								
Disbursement	3364.33	167.45	330.43	307.57	361.57	460.18	504.63	5496.16
Recovery	2888.49	243.92	345.50	434.36	434.7	547.79	425.06	5319.82
Rate of recovery (%)	85.86	145.67	104.56	141.22	120.23	119.04	84.23	102.35
No. of beneficiaries	-	-	-	-	-	-	189560	4650916
Agrani Bank								
Disbursement	932.71	129.04	91.34	102.39	121.51	173.76	261.64	1812.39
Recovery	874.09	125.11	113.74	112.77	129.74	224.15	208.33	1787.93
Rate of recovery (%)	93.72	96.95	124.52	110.14	106.55	128.99	79.62	98.65
No. of beneficiaries	2643405	144019	75485	76616	91437	97306	201572	3329840
Janata Bank								
Disbursement	1258.21	111.92	131.93	113.29	126.1	227.47	193.75	2162.94
Recovery	1077.91	116.89	127.31	119.53	120.9	163.52	106.54	1832.60
Rate of recovery (%)	85.67	104.44	96.50	105.51	95.88	71.89	55.00	85.00
No. of beneficiaries	341813	88778	89500	88400	97000	129908	101220	936619
Bangladesh Krishi Bank								
Disbursement	485.97	123.39	120.36	90.92	93.58	68.16	58.86	1041.24
Recovery	345.83	118.17	118.18	101.44	98.00	46.60	37.27	865.49
Rate of recovery (%)	71.16	95.77	98.19	111.57	104.72	68.37	63.32	83.12
No. of beneficiaries	1051917	134556	120882	87274	80289	60987	59117	1595022
Rajshahi Krishi Unnayan Bank								
Disbursement	85.54	21.43	21.81	18.00	13.64	17.97	30.73	209.12
Recovery	59.71	14.71	17.06	17.84	13.47	12.47	14.53	149.79
Rate of recovery (%)	69.80	68.64	78.22	99.11	98.75	69.39	47	72
No. of beneficiaries	94047	22560	22950	25287	11234	18597	47834	242509
Rupali Bank Ltd.								
Disbursement	18.52	0.91	1.05	1.06	2.24	5.17	15.28	44.23
Recovery	17.16	0.82	1.1	1.09	0.82	2.05	5.27	28.31
Rate of recovery (%)	92.66	90.11	104.76	102.83	36.61	39.65	34.49	64.00
No. of beneficiaries	25195	1302	1189	1676	2188	2427	5788	39765
Total								
Disbursement	**6145.28**	**554.14**	**696.92**	**633.23**	**718.64**	**952.71**	**1064.9**	**10765.81**
Recovery	**5263.19**	**619.62**	**722.89**	**787.03**	**797.63**	**996.58**	**797**	**9983.94**
Recovery rate (%)	**85.65**	**111.82**	**103.73**	**124.29**	**110.99**	**104.60**	**74.84**	**95.69**
No. of beneficiaries	**4156377**	**391215**	**310006**	**279253**	**282148**	**309225**	**605091**	**10794671**

Source: Related Banks * Rate of recovery has been calculated in Tables 13.27 and 13.29 as follows: Rate of recovery = (Recovery/Disbursement) x100.

Micro-Credit Programmes of Other Commercial and Specialised Banks

Micro credit programmes of other commercial and private banks are also in operation (Table 13.21). Up to June 2005 the total number of beneficiaries was 9,37,997 and the cumulative disbursement of credit was Tk. 1245.17 crore. Keeping in view the goal of poverty reduction, the Ansar-VDP Development Bank provides credit to 60 sectors with a maximum of Tk. 20,000 without any collateral to its members to make them self-reliant by way of generating self-employment. Up to June 2005 the cumulative disbursement of loan was Tk. 421.54 crore. The cumulative disbursement of loan by the Islami Bank Ltd. stood at Tk. 500.86 crore up to June 2005. The Trust Bank Ltd. provides credit facilities for welfare of the members of the

armed forces, up to June 2005 cumulative disbursement of Trust Bank Limited stood at Tk. 184.00 crore. Up to June 2005 cumulative disbursement of BASIC Bank Limited stood at Tk. 85.28 crore. During the same period Social Investment Bank Limited and National Bank Limited disbursed Tk. 38.88 crore and Tk. 14.61 crore respectively.

Table 13.21: Micro-Credit Programmes of other Commercial and Specialised Banks

(Taka in Crore)

Commercial and Specialised Bank	Number of Beneficiaries			Disbursement up to June' 05 (in Crore Tk.)	Rate of Recovery (%)
	Female	Male	Total		
Ansar-VDP Development Bank	371748	104852	476600	421.54	97.23
Social Investment Bank Limited	16011	4257	20268	38.88	98.18
National Bank Limited	6165	12172	18337	14.61	98.17
Islami Bank Limited	176433	11262	187695	500.86	99.00
The Trust Bank Limited	52	15355	15407	184.00	95.00
BASIC Bank Limited	74317	145373	219690	85.28	98.00
Total	644726	293271	937997	1245.17	-

Source: Related Bank

Micro Credit Programmes of Administrative Ministries/Divisions

The government has been allocating money in its non-development budget for undertaking micro-credit programmes for poverty alleviation through different administrative Ministries/Divisions/Departments. The cumulative credit disbursement and recovery till December 2004 stood at Tk. 6,067.08 crore and Tk. 5,004.41 crore respectively. In order to sustain the micro-credit programme for poverty reduction, the government has underscored the need for developing small entrepreneurs. Ministry of Finance along with other Ministries are working together in this direction. To develop small entrepreneurship, Ministry of Finance has implemented Small Enterprise Development Project through Agrani Bank and Community Livestock and Dairy Development Project through Grameen Matshya Foundation.

Table 13.22: Status of Micro-Credit of Administrative Ministries/Divisions

(In croreTk.)

Ministry/Division	Agency	Cumulative Upto 2001	2001-02	2002-03	2003-04	2004-05 Dec.'04	Cumulative upto Dec.'04
Ministry of Finance	**Banking division**						
	Disbursement	78.35	23.38	22.65	23.23	11.22	158.83
	Recovery	52.78	19.43	23.92	25.56	13.44	135.13
	Rate (%)	67.36	83.11	105.61	124.89		85.08
Rural Development & Cooperative Division	**BRDB**						
	Disbursement	2076.70	324.41	355.04	409.30	276.70	3442.15
	Recovery	1727.96	290.01	312.54	319.66	188.82	2838.99
	Rate (%)	83.21	89.40	88.03	94	96	82.48
	BARD						
	Disbursement	66.06	8.23	7.97	7.51	1.23	91
	Recovery	60.10	8.31	8.31	9.58	1.54	87.84
	Rate (%)	90.98	100.97	104.27	127.56	125.2	96.53
	RDA						
	Disbursement	5.45	1.50	1.30	1.43	0.93	10.61
	Recovery	5.22	1.44	1.20	1.22	0.94	10.02
	Rate (%)	95.78	96.00	92.31	85.31	100.91	94.44
Ministry of Women and Children Affairs	**Directorate of Women**						
	Disbursement	184.95	10.52	12.86	11.13	13.85	233.31
	Recovery	111.12	9.64	11.59	10.34	8.10	150.79
	Rate (%)	60.08	91.63	90.12	92.93	58.47	64.63
	Jativo Mohila Sangstha						
	Disbursement	18.14	1.08	1.25	0.66	2.54	23.67
	Recovery	10.72	3.95	5.56	1.04	0.54	21.81
	Rate (%)	59.10	365.74	444.80	202.04	102.54	92.14
Ministry of Social Welfare	**Social Welfare**						
	Disbursement	425.24	47.93	46.00	56.69	26.18	602.04
	Recovery	388.92	43.15	40.09	51.33	24.09	547.58
	Rate (%)	91.46	90.03	87.15	91	92	90.95
Ministry of Labour and Employment	**BMET**						
	Disbursement	12.19	0.00	0.00	0.00	0.00	12.19
	Recovery	14.62	7.72	4.07	0.00	0.00	26.41
	Rate (%)	119.93	0.00	0.00	0.00	0.00	216.65
Cabinet Division	Disbursement	4.05	2.78	2.16	0.00	0.00	8.99
	Recovery	3.82	2.18	1.69	0.00	0.00	7.69
	Rate (%)	94.32	78.42	78.24	0.00	0.00	85.54
Ministry of Fisheries and Livestock	**Dept. of Fisheries**						
	Disbursement	14.96	10.40	7.82	15.23	8.98	57.39
	Recovery	8.66	6.22	2.10	5.14	8.10	30.22
	Rate (%)	57.89	59.81	26.85	33.75	90.50	52.66
	Dept. of Livestock						
	Disbursement	73.81	13.14	9.10	37.30	6.28	139.63
	Recovery	57.56	12.49	8.88	8.46	4.52	91.91
	Rate (%)	77.98	95.05	97.58	23	72	65.82
Ministry of Industries	**BSCIC**						
	Disbursement	104.77	23.19	29.74	28.20	8.28	194.18
	Recovery	82.06	18.45	48.40	27.19	17.68	193.78
	Rate (%)	78.32	79.56	91.32	90.00		99.79
	SERWTCI						
	Disbursement	13.55	1.16	1.66	7.64	4.79	28.8
	Recovery	10.02	0.97	1.10	4.11	2.88	19.08
	Rate (%)	73.95	83.62	66.27	46.76	67	66.25
Ministry of Agriculture	**Tula Unnayan Board**						
	Disbursement	2.94	0.19	0.17	0.26	0.26	3.82
	Recovery	3.10	0.21	0.18	0.28	0.00	3.77
	Rate (%)	105.44	105.67	105.88	0.00	0.00	98.69
	Dept. of Agriculture						
	Disbursement	50.22	33.90	74.95	147.46	33.22	339.75
	Recovery	36.25	24.13	56.08	99.53	19.56	235.55
	Rate (%)	72.18	71.18	66.22	67.53	58.88	69.33
Ministry of Land	Disbursement	49.87	8.99	9.60	0.00	6.12	74.58
	Recovery	39.31	7.92	8.20	0.00	4.02	59.45
	Rate (%)	78.82	88.10	85.42	0.00	65.68	85.75
Local Govt. Division	**Local Govt. Division**						
	Disbursement	28.37	13.50	12.98	1.33	0.74	56.92
	Recovery	11.94	3.21	7.57	1.03	0.70	24.48
	Rate (%)	42.09	23.78	58.32	77.44	94.59	43.01
Ministry of Youth and Sports	**Dept. of Youth**						
	Disbursement	423.42	35.99	52.22	34.65	23.65	569.93
	Recovery	322.57	55.09	50.31	33.27	20.30	481.54
	Rate (%)	76.18	153.07	96.34	96	85.84	84.49
Ministry of Textiles	**Handloom Board**						
	Disbursement	8.87	7.10	5.61	8.07	5.49	35.14
	Recovery	1.86	2.20	2.95	3.62	1.44	12.07
	Rate (%)	20.97	30.99	52.58	51.57	36.27	34.35
Total	Disbursement	**3641.91**	**567.40**	**653.08**	**433.73**	**427.62**	**6067.08**
	Recovery	**2948.59**	**516.72**	**594.74**	**337.23**	**318.78**	**5004.41**

Source: Concerned Ministries and Divisions