# Chapter 13
# Poverty Alleviation

Poverty is deemed as one of the biggest challenges for Bangladesh, as elsewhere in South Asia. Poverty alleviation has been high on the development agenda of Bangladesh as evidenced in all five-year plans. As a result, poverty has been decreasing gradually in Bangladesh. Yet about 49.64 percent of the population is living below $1.25 PPP a day according to the Human development Report (HDR) 2010 of UNDP. It is also revealed from this HDR that Bangladesh ranked 129$^{th}$ in HDI with Multidimensional Poverty Index (MPI) 0.291, whereas, South Asian countries like India, Pakistan and Sri Lanka ranked 119, 125 and 91 with MPI 0.296, 0.275 and 0.021 respectively.

As a constitutional obligation, Government has laid special emphasis on poverty alleviation and has pledged to eradicate poverty through planned economic development. Addressing poverty remains a great challenge mainly due to resource constraints and huge population. Even though it is to be noted that yearly average rate of poverty reduction increased from 0.5 to 1.5 while human poverty index went down to 32 from 41.6 due to adoption of different innovative programmes during 1996-2001. The present Government aims at reducing poverty rate from 25 to 15 during 2013 to 2021. Besides this, the Government is determined to build sustainable social safety net for the hard core poor to fulfill its commitment.

Bangladesh has so far implemented five Five-Year Plans and one Two-Year Plan. The overarching goals of these plans were to reduce poverty by accelerating economic development process. As an outcome of these development activities, Bangladesh has so far achieved remarkable progress in reduction of poverty. The present Government, in its election manifesto, has also pledged to achieve the targets of the Millennium Development Goals (MDGs) by 2017. As a sequel of the first PRSP, the second Poverty Reduction Strategy (Steps Towards Change: National Strategy for Accelerated Poverty Reduction II for 2009-2011) (NSAPR-II) has been revised for the second time to make it up to date. In line with Vision 2021, a long-term perspective plan (2010-20) has been drafted by General Economic Division of the Planning Commission which will be finalized soon. Moreover, to realise the Government's vision, the task of formulating Sixth Five Year Plan (SFYP) for 2011-15 is in progress where poverty reduction is a high priority agenda.

**Attainment of Millennium Development Goals (MDGs)**

One of the prime goals as set out in the UN declaration of MDGs is eradication of extreme poverty and hunger. Bangladesh has been making consistent progress in terms of achieving this important goal. The following table provides a snapshot of progress that Bangladesh has achieved so far:

**Table: 13.1 Attainment of MDGs At a glance**

| MILLENIUM DEVELOPMENT GOALS: BANGLADESH PROGRESS AT A GLANCE | | | |
|---|---|---|---|
| Goals, Targets and Indicators (revised) | Base year 1990/1991 | Current Status | Target by 2015 |
| **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 | 40.0(2005) | 29.0 |
| 1.2 Poverty Gap Ratio, percent | 17.0 | 9.0(2005) | 8.0 |
| 1.3 Share of poorest quintile in national consumption, percent | 6.5 | 5.3(2005) | na |
| **Target 1.B: Achieve full and Productive employment and decent work** | | | |
| 1.5 Employment to population ration, Percent | 48.5 | 58.5(2005) | For all |
| **Target 1.C : Halve, between 1990 and 2015, the proportion of people who suffer from hunger** | | | |
| 1.8 Prevalence of underweight children under five years | 66.0 | 47.8(2005)* | 33.0 |
| 1.9 Proportion of population below minimum level of dietary energy consumption, percent | 28.0 | 19.5(2005) | 14.0 |
| **Goal 2: Achieve Universal Primary Education** | | | |
| **Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling** | | | |
| 2.1 Net enrollment in primary education, percent | 60.5 | 91.1(2007) | 100 |
| 2.2 Proportion of pupils starting grade 1 who reach grade 5, percent | 40.7 | 79.8(2009) | 100 |
| 2.3 Adult literacy rate of 15+ years old population (proxy), percent<br>Adult literacy rate of 15-24 years old population (Female), percent | 37.2 | 59.1(2008)<br>72.0(2009) | -<br>- |

Source: Bangladesh Bureau of Statistics. *re-estimated on the basis of Child Growth Standard of WHO

**Poverty Reduction Strategy Framework**

The strategy framework of NSAPR II (National Strategy for Accelerated Poverty Reduction II) consists of five strategic blocks with five supporting strategies. The strategic blocks 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;

(v) Human development.

To achieve the annual target as specified in the Poverty Reduction Strategy Paper, Government has allocated 61,808 crore TK.(55.92 percent of the total budget) against direct or indirect poverty alleviation program in FY 2009-10. To implement various programs under social safety net, a total allocation of Tk. 13,444.31 crore) has been made in the budget of FY 2009-10 which represents 12.16 percent of the total outlay of total budget. Out of the total allocation the share of social safety-net programmes is Tk. 12,882.35 crore. Government and Non-government Organisations (NGOs) launch different programmes to provide employment opportunities for the poor. These programmes contribute to enhancing entitlement of the poor and at the same time empower them to ameliorate their condition by raising awareness. Besides, social safety net programmes like food for works programme, VGD programme, construction and maintenance of rural infrastructure generate employment opportunities for the rural poor. On the other hand, education expansion programmes like food for education, special stipend and financial assistance, free primary education are directly contributing to human development efforts.

**Measurement of the Incidence of Poverty in Bangladesh**

In Bangladesh Household Expenditure Survey (HES) was carried out first in FY1973-74. In subsequent years, a number of HESs was undertaken. It should be noted that only expenditure information used to be collected in such surveys. HESs carried out up to FY1991-92 were based on Food Energy Intake (FEI) and Direct Calorie Intake (DCI) methods in order to measure the incidence of income poverty. A person having daily calorie intake of less than 2122 kilo-calories is considered to be in absolute poverty and 1805 kilo-calories in hard-core poverty.

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

**Trends of Poverty**

Rate of income poverty (measured by CBN upper poverty line) declined from 58.8 percent to 48.9 percent during the period from 1991to 2000 (Table 13.2). The compound poverty reduction rate per year is recorded at 1.8 percent. But the rate of reduction of poverty is higher in urban areas (yearly rate 2.2) during this period. On the other hand, during 2000 to 2005, income poverty also reduced from 48.9 to 40 and the compound reduction rate is 3.9 percent. The reduction rate during this period is also higher for the urban areas (yearly 4.2 percent ).

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

**Table 13.2 Present Trend of Income Poverty**

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

Source: BBS, HIES-2005.

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

**Table 13.3: Trends of Poverty based on Head Count Ratio and DCI Method**

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

Source: BBS, HIES-2005.

According to Head Count Ratio using DCI method, in 2005, the incidence of absolute poverty was 40.4 at the national level, whereas such incidences recorded in rural and urban areas were 39.5 and 43.2 respectively. Under this method, a reduction of absolute poverty is recorded at 4.1 percent during 2,000 to 2005. People living below the poverty line in 2,000 were 55.8 million, which increased to 56 million in 2005. Though the number of poor people increased by about 2 million during this period, it increased at a slower rate than that of the previous period.

Using the same method of measurement, in 2005 the incidence of hardcore poverty were 19.5 percent, at the national level, whereas in the rural and urban areas this stood at 17.9 and 24.4 percent respectively. Under this method a reduction of hardcore poverty is recorded 0.5 percent at the national level, 0.8 percent in the rural area and 0.6 percent in the urban area. People living below hardcore poverty line in 2000 were 20 percent, which decreased to 19.5 percent in 2005. Though the poor people belonging to absolute poverty and hard-core poverty increased during this period, it decreased as compared to 1991-92.

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

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

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

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

Source**:** BBS, HIES-2005.

Two poverty lines have been used to measure poverty. One is upper poverty line and the other is lower poverty line. Using lower poverty line method at the national level, the rate of poverty is 25.1 percent while it is 40 percent using the upper poverty line. According to this method, poverty incidence in the urban area is lower than the rural area.

**Poverty on the basis of Land Ownership**

Estimates of incidence of poverty (CBN) by ownership of land using both lower and upper poverty lines have been presented in Table 13.5.

**Table13.5. Incidence of Poverty (CBN) by Ownership of Land -2005 (in percentage) Size of Land Holding (Acres)**

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

Source: BBS, HIES-2005

In 2005, the estimates of incidence of poverty using the pattern of ownership of land as well as the upper poverty line, were found to be 46.3 percent for landless households, 56.4 percent for owners of less than 0.05 acre of land, 44.9 percent for owners of 0.05-0.49 acre of land, 22.9 percent for 1.5-2.49 acre of land, 15.4 percent for 2.50-7.49 acre of land and 3.1 percent for owners of 7.5 acres or more land. In 2005, the estimates of incidences using the lower poverty line were found to be 39.2 percent for land size less than 0.05 acre, 28.2 percent for 0.05 to 0.49 acre, 20.8 percent for 0.05-.49 acre, 11.2 percent for 1.5-2.49 acre, 7 percent for 2.5 -7.49 acre and 1.7 percent for 7.5 acres or more land. So, it is not possible to improve the poverty situation of the country without improving the condition of the landless marginal farmers.

## Household Income, Expenditure and Consumption

The difference between expenditure and consumption expenditure is that expenditure includes purchase of durable goods which is not included in consumption expenditure. Monthly household nominal income, expenditure and consumption expenditure from the surveys (1991-92 to 2005) have been presented in Table 13.6.

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

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

Source: BBS, HIES-2005

In the above table, household nominal income and expenditure and consumption expenditure have increased gradually over the years. The monthly household nominal income in 2005 was estimated at Tk.7,203 at the national level, whereas it was estimated at Tk. 6,096 in the rural area and Tk. 10,463 in the urban area. Monthly household income was Tk. 5,842 at the national level in 2000. It increased by 23.3 percent in 2005 over the year 2000 and by 115.59 percent over 1991-92 in nominal terms. The average monthly household expenditure was estimated at Tk. 6,134 in 2005 at the national level, where as it was Tk. 5,319 in the rural area and Tk. 8533 in the urban area. In 2000, it was Tk. 4,886, Tk. 4,257 and Tk. 7,360 at the national, rural and urban levels respectively. The monthly average expenditure increased by 25.54 percent in 2005 over 2000 and by 108.36 percent over 1991-92.

On the other hand, the monthly average household consumption expenditure was estimated at Tk. 5964 in 2005 at the national level, while it was Tk. 5165 in the rural area and Tk. 8315 in the urban area. In 2000, it was Tk. 4,542, Tk. 3,879 and Tk. 7,149 at the national, rural and urban levels respectively. The monthly average consumption expenditure increased by 31.3 percent over 2000 and by 105.37 percent over 1991-92.

**Deciles Distribution of Income and Gini Coefficient**

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

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

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

Source: BBS, HIES-2005

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

**Per Capita Expenditure on Consumer Goods and Services**

According to Table 13.8, per capita expenditure on consumer goods and services at market prices increased to Tk. 31,900 in FY 2008-09 from Tk. 11,108 in FY 1995-96. In this case, the compound growth is 8.45 percent during 1995-2009. On the other hand, per capita expenditure on consumer goods and services (at 1995-96 prices) increased to Tk. 15609 from Tk. 11,108 during FY1995-96 through FY 2008-09. Here the compound growth rate is 2.65 percent.

**Table 13.8: Per capita Expenditure on Consumer Goods and Services (In Tk.)**

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

Note: * Calculated from private consumption data under GDP new series.
Source: 'National Accounts Statistics' of BBS, (Various issues) and calculated by Finance Division.

**Selected Programmes for Poverty Alleviation**

Against the backdrop of global financial recession, the Government increased the allocation for social safety-net (food) programmes as an immediate action under an incentive package in FY 2008-09. Similarly, in FY FY 2009-10, the Government also made an allocation of Tk. 13,444.31 crore for social safety net programmes. This allocation represents a share 12.16 percent of total budget and 1.95 percent of GDP. Moreover, following steps have been taken to provide policy support during FY FY 2009-10:

- Enhancement of VGF allocation from 2.75 lakh metric tonnes to 5.5 lakh metric tonnes and TR allocation from 3 lakh 66 thousands and 500 metric tonnes to 4 lakh metric tonnes.
- Creation of different funds under broad social safety net programmes. Notable among these funds is the climate change fund with an allocation of Tk. 700 crore. Aside from this, the Government launched a programme for poor lactating mothers with an allocation of Tk. 25 crore.
- Seeking budget support from the World Bank and the Asian Development Bank to reinforce fiscal programmes of the Government.
- Undertaking special initiatives to increase the flow of micro-credit and investment fund to Poverty Reduction Foundation, *Palli Karma Shahayok Foundation* (PKSF), Municipal Development Fund (MDF), Social

Development Foundation (SDF), Bangladesh NGO Foundation (BNF), Infrastructure Development Co.Ltd. (IDCOL). During FY FY 2009-10 allocations for micro credit programmes of PKSF and SDF have been increased from Tk.185 crore to Tk. 195 crore and Tk.92.7 crore to Tk.200 crore respectively.

- Increased rate and coverage of allowances for the poor elderly citizens, destitute women, insolvent freedom fighters, physically handicapped and orphans
- Expediting disbursement from the micro-credit funds of Rural Development Board, Directorate of Youth Development, Directorate of Social Welfare, Directorate of Women Affairs, Directorate of Fisheries, and Directorate of Livestock and BSCIC.

The table following shows the allocation pattern of the different categories of social safety net programmes during FY FY 2009-10:

**Table 13.9: Allocation pattern of Social Safety Net Programmes**

(In Crore Taka)

| Programmes | Budget (2009-10) |
|---|---|
| Cash transfer (various allowances) programmes | 5,566.68 |
| Cash transfer (special) | 5,730.28 |
| Food security programmes: Social safety | 5,090.52 |
| Micro credit programmes: | 395.00 |
| Different fund | 975.00 |
| New fund | 1,250.15 |

**Cash transfer programmes under social safety-net programmes:**

**Old-Age Allowance Programme:** Administered by the Ministry of Social Welfare, this programme received an allocation of Tk. 810 crore in FY FY 2009-10. Monthly rate of allowance has been increased to Tk. 300 from Tk. 250 and the beneficiary coverage has been widened to 22.5 lakh from 20 lakh during this period.

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

Ministry of Social Welfare introduced this fund for rehabilitation of acid-burnt women under which each victim receives Tk. 10,000. In FY FY 2009-10, the Government allocated Tk. 2 crore of which Tk. 1 crore has been distributed among the victims. Upto June 2010, 10.67 crore (cumulative) has been disbursed.

**Allowance for the Insolvent Physically Challenged Citizens**

The Ministry of Social Welfare is implementing this programme. To provide subsistence to fully retarded persons, the allowance was enhanced from Tk. 250 to Tk. 300 in FY 2008-09. Total number of beneficiaries stood at 2.6 lakh and Tk. 93.6 crore was allocated for this programme, Besides this, a stipend programme for the physically challenged students was introduced since FY 2007-08 under which Tk. 8 crore has been allocated in FY FY 2009-10 and the total number of beneficiaries stands at 17,150.

**Allowance Programme for Widowed, Deserted and Destitute Women**

Under this programme, monthly allowance for the Widowed, Deserted and Destitute Women was revised to Tk. 350 from Tk. 250 and the beneficiary coverage stood at 9.2 lakh. In FY FY 2009-10, the budget allocation for this programme was Tk. 331.2 crore which has been distributed among 9 lakh beneficiaries.

**Allowance for Poor Lactating Mothers**

Under this programme is the number of beneciaries has been increased to 80,000 from 60,000 and the rate has been enhanced to Tk. 350 Tk from 300 Tk. while the allocation has been increased to Tk. 33.6 crore from Tk.21.6 crore during this period. The main purpose of this programme is to reduce child mortality rate and to encourage mothers in breast-feeding.

**Maternity allowance for poor women:** This programme was designed in 2007 and is being implemented to reduce the maternal and infant mortality rate with special focus on breast-feeding. An amount of Tk. 33.6 crore has been sanctioned among 45, 000 poor pregnant women in FY FY 2009-10.

**Honorarium Programme for Insolvent Freedom Fighters**

In FY FY 2009-10, 1.25 lakh insolvent freedom fighters were provided with a monthly grant Tk. 1,500 and out of the total allocation of Tk. 225 crore. This honorarium is distributed by Social Welfare Department. This programme is meant for improving the standard of living of freedom fighters. This programme is having pronounced positive impact on poverty reduction among the freedom fighters.

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

To provide employment opportunities and to enhance the standard of living of freedom fighters, the Ministry of Liberation War Affairs introduced a micro-credit programme which is being executed by BRDB. An amount of Tk. 25 crore has been allocated to BRDB during FY 2006-07 as a rotating fund to execute the programme. As many as 29,310 insolvent freedom fighters and their dependants from 64 districts have been trained and self-employed under this program. The purpose of this training programme is to provide skill development training on different trades either individually or in groups (target group) to make them capable of being self-employed.

**Progress of different programmes under Food Assistance Programme**

**Food for Works Programme:** Under the Ministry of Food and Disaster Management, the allocation of food grain for this programme was 3,75,000 metric tonnes in FY FY 2009-10. Up to June 2010, 3,57,251 metric tonnes of food grains were utilised to implement as many as 37,757 projects.

**Vulnerable Group Feeding (VGF) Programme:** Against the backdrop of global recession, the Government has increased allocation against this programme. The Ministry of Food and Disaster Management has allocated 4,25,000 metric tonnes of food grains against which 2,48,580.38 metric tonnes food grains have been distributed upto June 2010.

**Vulnerable Group Development (VGD) Programme:** The Ministry of Women and Children Affairs is implementing this programme. Under this programme a total number of 7,50,000 distressed and ultra-poor women have been receiving food assistance and training. There was an allocation of Tk. 658.74 crore under this programme in FY FY 2009-10,

**Rural Infrastructure Maintenance Programme:** The Ministry of Food and Disaster Management allocated 4.00 lakh metric tonnes food grains in FY FY 2009-10. Till June 2010, as many as 2,31,785 projects were implemented 3.85 lakh metric tonnes of food grains were distributed in 64 districts.

**Gratuitous Relief** (**GR Programme):** Administered by the Ministry of Food, Relief and Disaster Management, 64,000 metric tonnes of food grains and Tk. 8 crore were distributed in FY 2009-10 through this programme. Till June 2010 a total of 41,620.00 metric tonnes of food grains and Tk. 6.58 crore were distributed. Moreover, Tk 111 crore has been distributed among the poor for building houses.

**Programmes undertaken during 2009-10:**

Under Social Safety net Programmes, the Government has adopted different new programmes for with an allocation of Tk. 3650 crore. Included among them are:

1. Employment generation for the poorest
2. National Service
3. Mitigating water logging in agriculture sector
4. Efficiency Development Fund for Expatriate Workers and New labourers in the Labour Market
5. Child Development Centre
6. Service and Assistance Centre for the physically challenged
7. *Ekti bari ekti khamar(One Farm, One House)*
8. *Gharey Fera (Returning Home)*

**Employment Generation Program for the Poorest**

Government has given priority to the employment of unemployed poor youth from rural areas and has adopted a large program called Employment Generation Program at a cost of Tk. 1,176 crore in FY FY 2009-10. If implemented, this programme will generate jobs for 17 lakh mandays. The objective of the program is to bring unemployed poor under social safety net by creating employment opportunities for those who pass days without any work during the lean time i.e from September to November (3 months) and from March to April (2 months) every year. Besides these, the Government has adopted a number of different innovative programmes such as- Ashrayan, Ghorey Fera, Ekti *Bari Ekti Khamar* to address the endemic poverty.

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

Ashrayan project was initiated in 1997 to rehabilitate landless, homeless, rootless families and families affected by river erosion by providing housing facilities and employment opportunities. Despite keeping all

the components unchanged, it was renamed as Abashan Project in 2002. Following the commitment of the present Government this project has been reinstated as Ashrayan Project with an estimated cost of Tk. 715.98 crore. The target is to rehabilitate 65 thousands families. CI Barrack for 58,646 families have already been constructed through this project at a cost of Tk. 598.21 crore and a number of such families has been rehabilitated so far. Recently as per directive of the Hon'ble Prime Minister 40 pucca barracks for 200 landless, homeless and rootless families of *Aila* affected areas of Shatkhira, Bagerhat and Khulna districts are under construction. Side by side, repairing of old barrack houses has been taken up to mitigate the miseries of the affected people.

In the meantime, Ashrayan-2 (July 2010-June 2014) at a cost of Tk.1169.17 crore has been undertaken to rehabilitate 50 thousand homeless, landless and rootless families. According to the decision of the Government, a provision has been made to construct pucca barracks in the coastal areas to protect the people from miseries due to the adverse affect of climate change, carbon emission, rise of sea level. In the non coastal areas, there is a provision to construct CI sheet barracks to accommodate 5 to 10 families in one barrack.

***Ekti Bari Ekti Khamar***

'*Ekti Bari Ekti Khamar*' project is being implemented at cost of Tk. 1,197 crore. Allocation for this project was Tk. 8 crore during FY 2009-10. The main objective of this project is to turn each house a centre of economic activities and each village association into a unique unit. The project will be implemented in 9,640 villages of 1,928 Union from 482 upazilla of 64 districts where the number of beneficiaries are 2,89,200 from 5,78,400 families.

***Gharey Fera***

The main objective of this programme is to rehabilitate the slum dwellers in a wholesome environment. Another purpose is to invigorate the rural economy through inclusion of productive activities. Since its inception, Tk. 4 crore has been distributed as loan through *Krishi* Bank upto 2001. The program has been reinitiated with an allocation of Tk.5 crore and the total amount has been already disbursed in FY FY 2009-10.

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

The Government created '*Grihayan Tahabil'* for the homeless, poor and lower middle class segment of the society back in 1997-2008. The tahabil provides loan to NGOs at the rate of 1 percent simple interest that in turn provide housing credit to the rural people at the rate of 5 percent simple interest for a period up to 10 years. As of June 2010, Tk.121.84 crore has already been released against an allocation of Tk. 208.35 crore for rural housing programme and this has been utilised to construct 48,406 houses. In addition, Tk. 10.84 crore has been released as grant as per decision by the concerned authority for the people adversely affected by natural calamities. It is worth mentioning that 464 NGOs are implementing the programme with coverage

of 430 upazillas of 64 districts of the country. So far, Tk. 86.07 crore has been recovered against the total recoverable amount of Tk. 96.71 crore with a recovery rate of 89 percent as of June 2010.

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

As part of its poverty reduction programmes, the Government has introduced different programmes in the area of production of fish spawn and fries, training for human development, fishery management, establishment of safe sanctuaries for fish, implementation of fish preservation law, *Jatka* protection and fish research. Under the project '*Jatka* conservation, alternative employment for Jatka fishes and research upto June 2010 Tk. 4.03 crore has been spent against an allocation of Tk. 6 crore for rehabilitation of poor Jatka fishers.

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

*Karmasangsthan* Bank, a state owned financial institution, has undertaken special credit programmes to utilise the unemployed especially the educated unemployed youth of the country in different production-oriented and income-generating activities. In FYFY 2009-10, 50 new branches were opened raising the number of branches to 160. These branches disbursed upto June 2010 Tk. 680.42 crore among 1,53,102 borrowers. Tk. 529.68 crore was recovered against cumulative recoverable loans of Tk. 582.63 crore, indicating a recovery rate of 91 percent.

Some 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, *Karmasangsthan* Bank is implementing the programme for alleviation of poverty of voluntarily retired/retrenched industrial workers by creating employment opportunities and retraining activities. Under this programme, Tk. 76.42 crore has been disbursed among 14,004 borrowers and Tk 50.79 crore recovered against recoverable amount of Tk. 66.26 crore showing recovery rate of 77 percent upto June 2010. The credit support is being used as revolving fund.

- **Assistance for Agro-based Industries**

  Under an agreement between the Ministry of Finance and *Karmasangsthan* Bank, *Karmasangsthan* Bank is implementing this programme. As of June 2010, an amount of Tk. 50.44 crore has been distributed among 1893 borrowers against an allocation of Tk 50 crore. Tk. 33.2 crore has been recovered against recoverable amount of Tk. 36.08 crore with the recovery rate of 92 percent. Both funds are used as revolving funds as per the agreement.

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

To achieve the objectives and goals set out in the National Strategy accelerated Poverty Reduction (NSAPR) and the UN Millennium Development Goals (MDGs), Department of Women Affairs(DWA) of the Ministry

of Women and Children Affairs is implementng various projects/programmes and other relevant activities under both revenue and development budget. Vulnerable Group Development for Ultra-poor (VGDUP) Programme with an outlay of Tk. 176.3 crore is one such programme. The main objective of this programme is to ensure the quality of life by improving the socio-economic condition and nutritional status of ultra-poor women of Bangladesh_by providing skill training on income generating activities as well as Nutrition, Primary Health, Human Rights, AIDS, Reproductive Health, Gender and Right issues, Environment etc. Under this programme, each family receives monthly subsistence grant of Tk. 400, Tk. 6500 for procuring productive assets. In addition to training, 80,000 VGD women in 36 upazillas under Kurigram, Rangpur, Nilphamary, Gaibandha, Jamalpur, Shirajgonj, Mymenshing, Netrokona districts have been receiving these supports for 24 month since January 2009. The total amount of Tk. 61.3 crore has been allocated to accomplish those activities in FY 2009-10.

Moreover, under the programme titled 'Grant for Poor and Distressed Women and Children' an amount of Tk. 263.51 lakh was distributed by same department to 12,734 poor women and children for their welfare during the period from 1995-96 to 2008-09. Further, the establishment of hostel for employed women, day care centre for children, sales and display centres for marketing of commodities produced by women entrepreneurs, training centres with training facilities (training related to handicrafts, agriculture and computer) in various places is creating self-employment opportunities for women.

**Activities of the Rural Development and Cooperatives Division**

Different departments/organisations of this division play an important role in poverty alleviation, employment generation and human development through various programmes.

**Activities of the Department of Cooperatives**

In tandem with helping the people to become self-reliant by organizing co-operatives, the Department of Cooperatives also plays a role in poverty alleviation by involving them in different economic activities. Up to June 2010, there have been 1,64,514 registered cooperative societies in Bangladesh with 85,02,713 individual members which is 5.5 percent of the total population. Production and marketing of milk has been done successfully by the cooperatives like Milkvita, in Bangladesh. Milkvita has set a unique example of rural cooperative, particularly in milk collection, processing and marketing, which also have direct contribution to poverty reduction in Bangladesh. Bangladesh Shamabaya Bank Limited (BSBL), another national cooperative society, is providing agricultural credits among the farmers for boosting up agricultural production and land development. During FY FY 2009-10, BSBL has disbursed and recovered Tk. 38.28 crore and Tk. 32.32 crore respectively. Its present working capital has been raised to Tk 365.94 crore. On the other hand, under 'Small Farmers' Development Foundation (SFDF)' an amount of Tk. 2,084.22 lakh has been disbursed among 12,643 beneficiaries for its credit operation. Till June 2009, a total of Tk. 3,516.62 lakh has been disbursed and an amount of Tk. 2,252.35 lakh has been recovered. The recovery rate of credit

stands at 96 percent. The total number of beneficiaries of the Foundation is 24,226 of whom 96 percent are female.

**Bangladesh Rural Development Board (BRDB)**

Bangladesh Rural Development Board is a large government organisation dedicated to rural development and poverty alleviation of the country. At the beginning, it was mandated for increasing agricultural production through Two-Tier Cooperation model (TCCA-KSS). BRDB gradually expanded its role in alleviating rural poverty through micro-credit intervention and human capital development. On the other hand, under its development projects and programmes, BRDB puts in persistent efforts in providing micro credit, human resource development training and other services on diverse social issues such as health, sanitation, family planning, mass education, HIV/AIDS prevention, gender and environment. Up to June 2010, BRDB, distributed Tk. 9,142.34 crore among 53,38,528 members and recovered Tk. 7,348.99 crore, showing the rate of recovery at 94 percent. Since inception BRDB has implemented 74 projects and programmes many of which are poverty- focused and micro-credit based. The ongoing poverty alleviation programmes of BRDB are: 1) Rural Livelihood Project (RLP); 2) Rural Poverty Alleviation Programme (RPAP) 3) Productive Employment Programme (PEP) 4) Palli Progati Prokolpo 5) Expansion, Renovation and Modernisation of Bangabandhu Poverty Alleviation Training Complex 6) Kotalipara Development Programme 7) Participatory Rural Development Project-2 (PRDP-2) 8) Women Development (W/D) Programme 9) Revolving Agricultural Credit Program 10) Employment Guarantee Scheme for the Hard Core poor of the Northern Region.

**13.10: Status of Micro-Credit Programmes of BRDB**

(Tk in crore)

| | Cumulative up to June'03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | FY 2009-10 | Cumulative (Up to June'10) |
|---|---|---|---|---|---|---|---|---|---|
| Disbursement | 3422.21 | 419.44 | 654.86 | 683.77 | 862.73 | 796.06 | 691.19 | 674.44 | 8154.70 |
| Recovery | 2894.24 | 319.66 | 474.18 | 720.04 | 887.07 | 680.52 | 677.58 | 634.01 | 7348..99 |
| Recovery rate (%) | 94 | 91 | 89 | 94 | 93 | 94 | 94 | 93 | 94 |

**Source**: BRDB

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

With the support of Bangladesh and KOIKA, BARD is implementing a programme titled 'Comprehensive Village Development Programme (CVDP) at Burichong upazila in Commilla' as a national village development model programme of BARD. This programme with an outlay of Tk. 24.51 crore has been implemented over a period of June 2008 to June 2011. The main objective of this programme is to eradicate poverty by providing training for the poor (women and men) and developing infrastructure (e.g. school, culvert, roads, community centre and installation of deep tube well for safe water). In FY 2009-10, the

cumulative credit disbursement and realisation by Women Education Income Nutrion Improving Project (WEINIP) of BARD was Tk. 158.04 lakh and Tk. 161.14 lakh respectively. The recovery rate was 98.05 percent.

**Rural Development Academy (RDA), Bogra**

Rural Development Academy (RDA) is implementing training, research and action research to alleviate poverty and socio-economic development of rural people of the country. **RDA** has arranged 117 training courses attended by 5,499 participants during FY FY 2009-10. Besides, to develop replicable model for rural development and poverty alleviation, RDA is implementing action research projects such as Comprehensive Village Development Programme (CVDP), Creation of Additional Employment, Poverty Alleviation through Irrigation and Water Management, Poverty Alleviation through Improved Irrigation Technology Transfer in Southern and Hill Tracts Area, Good seed Initiative (GSI) etc. RDA has formed 300 cooperative societies in four upazillas under CVDP where 36,613 beneficiaries from 29,556 families have been covered. During FY FY 2009-10 through all these projects, an amount of Tk. 5.60 crore was provided as loan of which Tk. 5.09 crore was recovered with a recovery rate of 90 percent. The cumulative disbursement stood at Tk. 31.24 crore and the recovery stood Tk. 26.77 crore up to June 2010.

**Information and Communications Technology (ICT) for Poverty Alleviation**

To expedite the process of achieving the MDG of halving poverty by 2015 through using the Information and Communication Technology (ICT) in every sector of MDGs, the Government has recognised ICT as a thrust sector. In its election manifesto, the Government pledged to strengthen the ICT sector to establish 'Digital Bangladesh' by 2021 where there will be huge employment opportunities, sustained growth and no curse of poverty.

**Local Government Division**

Local Government Engineering Department (LGED) under Local Government Division has been implementing various rural infrastructure development programmes, like construction of rural roads, bridges/culverts, growth centres, and embankments. LGED is also providing micro credit for creating self-employment by undertaking community- based resource management projects, infrastructure development projects for market place in *char* areas. In FY FY 2009-10, under community- based resource management projects Tk. 9.15 crore has been disbursed and cumulative disbursement was Tk. 22.71 crore while cumulative recovery was Tk. 22.89 crore. Under infrastructure development projects for market place in *char* areas, amount of disbursement was Tk. 103.11 crore, recovery was Tk. 85.09 crore up to June 2010. 'Development of Standard of Living of Poor People' project has been completed in 2006.

**Poverty Reduction under the Ministry of Social Welfare**

The Ministry of Social Welfare is working for poverty reduction, implementation of social safety net programmes, and rehabilitation of the disadvantaged segment of the society particularly the orphan, destitute, poor and helpless. The Programme for Social integration and Poverty Reduction is one of the most important

among the social integration programmes undertaken by the ministry. Some of the important programmes of the Ministry include: Rural Social Service (RSS) Programme, Urban Community Development (UCD) Programme, Poverty Alleviation through Rural Maternal Centre (RMC), and Rehabilitation Programme for the Acid-burnt. Through these four programmes, revolving funds are invested as micro-credit among the target groups. The total amount of seed money for these programmes stands at Tk. 282.89 crore. The cumulative amount of recovery stands at Tk. 554.71 crore with the recovery rate of 84 percent. Under these programmes as many as 1,29,781 persons have received vocational training in FY 2090-10 and the cumulative number is 2,76,817. 2,79,882 beneficiaries became literate in FY 2008-09. Moreover, the awareness-building activities on primary health care have been extended to 30,52,968 beneficiaries. As many as 1,41,815 beneficiaries were motivated on family planning matters during this period.

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

**Palli Daridrya Bimochan Foundation (PDBF)**

Palli Daridra Bimochon Foundation (PDBF), an independent microfinance institution, is dedicated to alleviate rural poverty and promote socio-economic advancement of the disadvantaged rural people. The objective of the PDBF is to mobilize the rural poor by providing them effective financial support, skill development, leadership and social development training to empower them socially and economically. Approximately 95 percent of the members of PDBF are female. PDBF disbursed a total of Tk. 508.86 crore as loan to the members up to June, 2010. The loan realization is Tk. 561.97 crore and the recovery rate is 98%. To develop the skill on various Income Generating Activities (IGA) of members, PDBF trained a total of 1,32,231 members over 3,35,591 person days. On the other hand, a total of 891 members were trained as para-technician and 67,831 members were trained on social and leadership development training for 1,78,134 person days.

**Palli Karma-Sahayak Foundation (PKSF)**

PKSF with its partner organisations plays a remarkable role in alleviating poverty through its micro- credit activities since its inception. As of June 2010, PKSF disbursed a cumulative amount of loan amounting Tk. 9,426.14 crore to its 262 partner organisations (POs). By revolving this amount, the POs have distributed Tk. 55,156.94 crore. During this period, the number of borrowers at the field level was 83.3 lakh, where the percentage of women was more than 92 percent.

PKSF usually provides loan facilities to POs only in rural micro-credit sector. At present, eight categories of micro-credit programmes are being implemented under the mainstream micro-credit activities such as- (a) rural micro-credit (b) urban micro-credit (c) micro-credit for the poorest of the poor (d) micro-enterprise-credit and (e) seasonal credit (f) agriculture sector micro-finance (g) Programme Initiatives for 'Monga' Eradication (PRIME) to manage micro-credit in greater Rangpur district and (h) initiating programme tittled 'Learning and Innovation Fund to Test New Ideas (LIFT)' to provide credit facilities for the poor- friendly

programme. Apart from mainstream micro-credit programme, PKSF is implementing some other especial programmes. Status of PKSF's micro-credit programme is shown in Table 13:11.

**Table 13.11 Status of Micro-Credit Programmes of PKSF**

(Tk in crore)

| | Cumulative up to June'03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | FY 2009-10 | Cumulative Up to June 2010 |
|---|---|---|---|---|---|---|---|---|---|
| Disbursement | 1506.96 | 340.56 | 366.00 | 692.62 | 1350.70 | 1408.90 | 1819..53 | 1941.70 | 9,426.14 |
| Recovery | 559.11 | 243.00 | 342.13 | 437.58 | 638.94 | 1009.88 | 1352..92 | 1678.20 | 6,261.74 |
| Rate of recovery (%) | 98.17 | 97.40 | 96.96 | 96.71 | 98.60 | 97.32 | 98.21 | 98.55 | 98.55 |
| Partner Organisations | 213 | 219 | 231 | 243 | 248 | 257 | 257.00 | 262 | 262 |
| *Beneficiaries | 4485832 | 5104940 | 5522406 | 6778262 | 7723451 | 8283814 | 8262465 | 8,386,214 | 8,386,214 |
| Female | 3999332 | 4621260 | 5033129 | 6207971 | 7067455 | 7160581 | 7597067 | 7,723,712 | 7,723,712 |
| Male | 486500 | 483680 | 489277 | 570291 | 655574 | 673233 | 665398 | 662,502 | 662,502 |

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

### Micro-credit Programmes of NGOs

NGOs are assisting in the implementation of different development programmes undertaken by the Government. During flood, draught, and other natural calamities, NGOs work hand in hand with the Government in implementing different programmes. Micro-credit Regulatory Authority (MRA) is empowered and assigned to monitor the activities of micro-credit organisations. According to MRA statistics, upto June 2010, Grameen Bank and 4 large Micro Finance Institutions (MFIs: BRAC, ASA, TMSS, BURO TANGAIL) have disbursed Tk. 252.94 crore with recovery rate 90.8 percent. Around 3 crore poor people are benefited by the activities of MFIs. Further, Credit and Development Foundation (CDF) statistics reveals that up to December 2009, the total number of active members of 745 MFIs (including Grameen Bank) was 35.71 crore which is close to twice the figure in 2005 which stood at Tk. 18.79 crore. The cumulative disbursement of micro-credit among 66.88 crore borrowers (61.50 crore are women) was Tk. 1,73,146.55 crore of which recovery stood at Tk. 1,55,575.64 implying the rate of recovery 89.85 percent. During this period, the total amount of savings of these organisations stood at Tk. 36,894.11 crore and Tk. 23,763.47 crore was disbursed among different sectors.

### Activities of Major NGO's

**BRAC:** Since its establishment in 1972, BRAC has been experimenting with micro finance. This is the largest NGO providing micro-credit. Other than micro-credit, it also actively participates in human resource development initiatives. It especially provides various micro-credit and training to under privileged and marginalised groups like poor women, extreme poor living in *char* areas. Till June 2010, BRAC has

disbursed Tk. 46,945.72 crore and realised Tk. 42,457.08 crore, where the number of beneficiaries are 83,57,249 (79,52,880 are women).

**ASA:** Established in 1978, ASA started its activities as a specialised micro-finance service provider during the 1990s. Poor women are provided with Tk. 5,000 to Tk. 15,000 as an initial loan under the small credit programme. At the end of June 2010, the total loan disbursed on a cumulative basis stood at Tk. 30,203.9 crore, the outstanding amount (principal) was Tk. 3,512.2 crore realisable from 43.4 lakh borrowers and the number of ASA's active members stood at around 57 lakh.

**SWANIRVAR BANGLADESH:** Up to June 2010, cumulatively Swanirvar Bangladesh disbursed a sum of Tk. 962.32 crore to 15,44,445 beneficiaries and recovered a sum of Tk. 774.31 crore. Since inception to June 2010 total savings collected was Tk 52.20 crore and the number of beneficiaries trained in poultry, pisciculture and cow fattening stood at 9,03,955. During FY FY 2009-10, a sum of Tk. 139.88 crore has been disbursed to 12,3,195 landless men and women for poverty reduction and self employment. The total loan recovered during this period stands at Tk.118.70 crore with a recovery rate of 84 percent.

**PROSHIKA:** Proshika's approach to credit is 'Credit plus Credit'- a system under which not only credit is given but also proper training, technical assistance, market facilities as well as social and other development supports are provided. Proshika imparts training on areas like organic agriculture, irrigation, livestock, apiculture, sericulture, social forestry, homestead gardening and small business for its beneficiaries under micro-credit programme for sustainable economic development, income and employment generation of its group members, . A total of Tk.4,405 crore has been disbursed against about 13.66 lakh projects to create employment/self-employment opportunities for the poor. Up to June/2010 an amount of Tk. 4,110 crore has been recovered where the number of beneficiaries is 28,12,000.

**TMSS:** Thangamara Mohila Sobuj Sangha (TMSS) works for poverty alleviation, socio-economic development and empowerment of women. It started its micro-credit programme in 1985 and its aim is to bring about social development through development of the deprived poor women. Besides PKSF, this organisation is implementing micro-credit programme with the financial assistance of ADB, World Bank, DFID, EU and Bangladesh Bank. Up to June 2010, the total amount of micro-credit distributed was Tk. 3,878.03 crore, where the recovered amount was Tk. 3,457.08 crore and the yearly increase of the number of beneficiaries stood at 7,31,234.

**Shakti Foundation:** This organisation is engaged in providing credit facility for the disadvantaged women living in the slums of Dhaka, Chittagong, Khulna, Comilla, Bogra, Rajshahi and other major cities and towns. Micro finance, which is supported by a number of loan and saving products, is the core programme of Shakti Foundation. Besides, it also provides help for health-care, business entrepreneurship and social development of poor women. Up to June 2010, average growth rate of members, disbursement and recovery was 28.36 percent, 30.17 percent and 28.76 percent respectively. The amount of disbursement and recovery of loan stood at Tk. 513.89 crore and Tk. 413.96 crore.

**Society for Social Services (SSS)**: This organisation came into being in 1986 with an aim to contribute to the process of sustainable social development through poverty alleviation and mobilization and awareness building on basic rights with special emphasis on health of the poor and the disadvantaged section of the community. Up to June 2010, the cumulative disbursement and recovery stood at Tk. 2,400.23 crore and Tk. 2,124.23 crore respectively.

**BURO, Bangladesh:** This organisation was established in 1990 in Tangail intended to reduce both income and human poverty by extending credit programme for the poor. It started its activities in 1990 in Tangail. At present it is implementing its programmes with 873,715 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. The total disbursement of credit and its recovery stood at Tk. 517.95 crore and Tk. 463.68 crore respectively.

**Swanirvar Bangladesh:** Swanirvar Bangladesh came into existence in 1975 with an aim is to promote literacy and skill development, healthcare, nutrition, family welfare, micro-enterprise development, income generating activities, and poverty alleviation, empowerment of the disadvantaged groups, particularly women and ultra-poor. Its programmes cover 52 districts. Swanirvar Bangladesh is instilling the spirit of self-reliance by providing credit from the state-owned commercial banks, PKSF and other sources. Since its inception to June 2010, it disbursed Tk. 962.32 crore and recovered 774.31 crore. The beneficiary coverage of this entity is 15,44,445 of which 12,90,807 are females.

Besides these, other NGOs are also contributing to the process of socio-economic development of the country. Cumulatively up to June 2010, 9 Major NGOs have disbursed and recovered Tk. 10,13,747.26 crore and Tk. 93,497.92 crore respectively. The number of beneficiaries stood at 2,69,60,004. Status of micro-credit programmes of those NGOs is presented bellow:

## Table 13.12: Status of Micro-Credit Programmes of Major NGOs

(Tk.in crore)

| Calendar Year | 2003 (cumulative) | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Cumulative up to June 2010 |
|---|---|---|---|---|---|---|---|---|---|
| **BRAC** | | | | | | | | | |
| Disbursement(Tk.) | 10731.01 | 2590.15 | 3254.21 | 4261.54 | 6232.87 | 8428.90 | 7568.08 | 3874.96 | 46945.72 |
| Recovery (Tk.) | 9583.34 | 2290.32 | 2926.84 | 3626.39 | 5036..93 | 7560 | 7658.99 | 3774.28 | 42457.08 |
| *Beneficiaries | 14809314 | 4858763 | 4837099 | 5310317 | 7370847 | 8090369 | 8359993 | 8357249 | 8357249 |
| Female | 14646785 | 3872110 | 4029265 | 5140494 | 7108155 | 7796769 | 8027262 | 7952880 | 7952880 |
| Male | 162529 | 131477 | 128865 | 169823 | 262692 | 293600 | 332731 | 404369 | 404369 |
| **ASA** | | | | | | | | | |
| Disbursement | 7201.07 | 2403.92 | 3317.92 | 4131.61 | 4836.47 | 6110.85 | 6191.19 | 3719.20 | 38444.43 |
| Recovery | 6198.02 | 2208.4 | 2822.82 | 3712.00 | 5059.95 | 6065.97 | 6934.12 | 3226.44 | 36227.72 |
| *Beneficiaries | 7262294 | 2996660 | 5988134 | 6455979 | 6674058 | 7276677 | 5498293 | 5695821 | 5695821 |
| Female | 6962215 | 2897503 | 3917566 | 4303787 | 4716922 | 5144662 | 4319440 | 4550530 | 4550530 |
| Male | 300079 | 99157 | 2070568 | 2152192 | 1957136 | 2132015 | 1178853 | 1145291 | 1145291 |
| **PROSHIKA** | | | | | | | | | |
| Disbursement | 2622.35 | 277.07 | 288.13 | 316.50 | 312 | 267 | 222 | 100 | 4405 |
| Recovery | 2409.06 | 350.61 | 330.70 | 343.09 | 298 | 284 | 360 | 122 | 4497.46 |
| Beneficiaries | 6387577 | 49710 | 20076 | 15030 | 8209 | 6723 | 847 | 193 | 6488365 |
| Female | 4115687 | 36496 | 1719342 | 11478 | 6759 | 3640 | 764 | 163 | 1769100 |
| Male | 2271890 | 13214 | 1050764 | 3552 | 1450 | 3083 | 83 | 30 | 1042900 |
| **Swanirvar Bangladesh** | | | | | | | | | |
| Disbursement | 333.98 | 60.75 | 75.91 | 91.36 | 96.30 | 96.73 | 131.65 | 75.64 | 962.32 |
| Recovery | 261.88 | 43.38 | 61.54 | 70.94 | 75.91 | 84.57 | 110.90 | 65.64 | 774.31 |
| Beneficiaries | 167320 | 62915 | 94945 | 129894 | 101565 | 104702 | 123803 | 65477 | 850621 |
| Female | 100101 | 59775 | 90565 | 126332 | 98807 | 97342 | 103614 | 54010 | 730546 |
| Male | 8879 | 3140 | 4380 | 3562 | 3057 | 7360 | 20189 | 11467 | 62034 |
| **Caritas** | | | | | | | | | |
| Disbursement | 387.25 | 60.43 | 106.18 | 118.24 | 147.78 | 140.20 | 153.46 | 58.77 | 1172.31 |
| Recovery | 318.98 | 58.76 | 94.97 | 111.85 | 137.21 | 133,71 | 147.95 | 66.13 | 1069.56 |
| Beneficiaries | 366544 | (18657) | 14936 | 4227 | 4362 | 99.71 | 11932 | 51902 | 445217 |
| Female | 242693 | (5526) | 14124 | 3831 | 7091 | 10524 | 25242 | 41074 | 339053 |
| male | 203821 | (13131) | 812 | 396 | (2729) | (553) | 13310 | 10828 | 106164 |
| **TMSS** | | | | | | | | | |
| Disbursement | 672.94 | 168.32 | 292.11 | 409.79 | 514.80 | 571.93 | 656.01 | 758.65 | 4044.55 |
| Recovery | 551.48 | 148.75 | 220.02 | 359.99 | 457.69 | 548.15 | 606.34 | 682.85 | 3575.27 |
| Beneficiaries(increament) | 305381 | 23937 | 115470 | 68587 | 99826 | 89544 | 22462 | 6027 | 731234 |
| **Shakti Foundation** | | | | | | | | | |
| Disbursement | 302.47 | 102.41 | 150.42 | 179.97 | 176.13 | 202.74 | 305.15 | 513.89 | 1933.18 |
| Recovery | 191.95 | 84.96 | 124.46 | 145.03 | 1175.13 | 181.11 | 262.46 | 413.96 | 2579.06 |
| Beneficiaries | 295591 | 114701 | 157517 | 167113 | 156108 | 181990 | 299158 | 475976 | 1848154 |
| **BURO, Bangladesh** | | | | | | | | | |
| Disbursement | 384.43 | 152.80 | 236.84 | 318.03 | 375.16 | 590.58 | 813.96 | 517.95 | 3389.75 |
| Recovery | 278.04 | 132.52 | 196.00 | 277.45 | 337.27 | 465.26 | 728.50 | 463.68 | 2470.53 |
| No. of beneficiaries | 617693 | 221366 | 273286 | 331329 | 376710 | 602273 | 746938 | 873715 | 4043310 |

| Calendar Year | 2003 (Cumulative) | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Cumulative 2010 |
|---|---|---|---|---|---|---|---|---|---|
| **Society For Social Services(SSS)** | | | | | | | | | |
| Disbursement | 94.58 | 84.78 | 165.52 | 260.77 | 354.06 | 432.69 | 523.80 | 554.33 | 2450.23 |
| Recovery | 222.72 | 70.35 | 130.71 | 204.55 | 310.89 | 383.87 | 457.82 | 533.93 | 2314.84 |
| *Beneficiaries | 280381 | 133404 | 184591 | 260110 | 320110 | 362636 | 356483 | 348187 | 348187 |
| Female | 273552 | 129154. | 179511 | 253387 | 311383 | 351050 | 342208 | 332728 | 332728 |
| Male | 6829 | 4250 | 5080 | 6623 | 8727 | 11586 | 14275 | 15459 | 15459 |
| **Total** | | | | | | | | | |
| **Disbursement** | 22730.08 | 5900.63 | 7887.24 | 10087.81 | 13604.44 | 16814.95 | 16565.3 | 45073.39 | 1013747.26 |
| **Recovery** | 20015.47 | 5388.05 | 6908.06 | 8851.29 | 12889.49 | 15708.75 | 17267.08 | 9348.91 | 93497.92 |
| **Beneficiary** | 30492095 | 11232008 | 11686054 | 12742586 | 15111795 | 16715014 | 15419909 | 15874547 | 2696004 |

**Source**: Concerned NGOs. * no. of beneficiaries of BRAC, ASA and SSS are not directly cumulative.

## Grameen Bank

Grameen Bank works as a loan provider for the poor where the total number of members is about 83 lakh. Grameen bank provides different kinds of services to address the diverse needs of the poor. Assetless people can also engage themselves in income generating activities if they are supported with credit. Under this assumption, Grameen Bank provides collateral -free credit to the landless poor. The loaned amount is repaid on weekly instalments and all transactions are closed and cleared by the members in their weekly meetings. Status of micro-credit programme of Grameen Bank is given in Table 13.13.

**Table 13.13. Micro-Credit Programmes of Grameen Bank**

| | Cumulative up to June 03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | FY 2009-10 | Cumulative (Up to June '10) |
|---|---|---|---|---|---|---|---|---|---|
| Disbursement | 18020.93 | 2335.62 | 3148.37 | 4590.55 | 5019.44 | 5561.85 | 7184.59 | 8754.51 | 54615.76 |
| Recovery | 16595.58 | 1980.16 | 2581.54 | 3769.82 | 4802.52 | 4955.09 | 6105.34 | 7675.77 | 48465.82 |
| Rate of recovery (%) | 191.43 | 99.96 | 98.95 | 98.49 | 98.61 | 98.11 | 97.81 | 97.20 | 97.20 |
| No. of Branches | 1182 | 76 | 279 | 648 | 246 | 86 | 40 | 7 | 2564 |
| No. of villages | 42611 | 3298 | 8113 | 15118 | 9519 | 3653 | 2175 | 29 | 81362 |
| * No. of beneficiaries (cum.) | 7543776 | 3626937 | 4764216 | 6390148 | 7208455 | 7527700 | 7904797 | 8276494 | 8276494 |
| Female (cum.) | 7174896 | 3468147 | 4573681 | 6161452 | 6972351 | 7290604 | 7659739 | 7980581 | 7980581 |
| Male (cum.) | 368880 | 158790 | 190535 | 228696 | 236104 | 237096 | 245058 | 295913 | 295913 |

Source: * No. of beneficiaries is not directly cumulative

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

The status of credit disbursement of 4 SCBs and 2 public specialised banks is shown in Table 13.15. Up to June 2010, the cumulative credit disbursement and recovery stood at Tk 23,545.17 crore and Tk.19,605.84 crore respectively. The recovery rate was 83.26 percent. As many as 85,68,247 have been covered by the credit facilities.

**Table 13.14: Status of Micro-Credit Disbursement of Nationalised Scheduled Banks**

(Tk in Crore)

| Banks | Cumulative up to June 03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | FY 2009-10 | Cumulative up to June, 2010 |
|---|---|---|---|---|---|---|---|---|---|
| **Sonali Bank** | | | | | | | | | |
| Disbursement | 5703.04 | 460.18 | 485.90 | 456.62 | 410.02 | 557.08 | 617.44 | 755.57 | 9446.20 |
| Recovery | 7456.47 | 547.79 | 425.06 | 486.37 | 677.00 | 921.23 | 743.66 | 678.28 | 11935.86 |
| Rate of recovery | 141.22 | 119.04 | 87.48 | 106.52 | 165.11 | 34.30 | 30.46 | 29.61 | 86..32 |
| No. of beneficiaries | 0 | - | 189560 | 201841 | 199190 | 179188 | 208478 | 251856 | 1230113 |
| **Agrani Bank** | 0 | | | | | | | | |
| Disbursement | 1301.28 | 44.08 | 100.34 | 182.07 | 210.60 | 290.40 | 339.66 | 487.92 | 2965.35 |
| Recovery | 1269.43 | 51.65 | 97.47 | 212.09 | 268.39 | 288.73 | 336.82 | 400.37 | 2924.96 |
| Rate of recovery | 110.14 | 117.17 | 97.14 | 116.49 | 127.44 | 99.43 | 99.16% | 82.06 | 109.12 |
| No. of beneficiaries | 2961685 | 23099 | 42435 | 104387 | | 115383 | 139903 | 158978 | 3545870 |
| **Janata Bank** | 0 | | | | | | | | |
| Disbursement | 1641.551 | 227.47 | 193.75 | 193.75 | 290.16 | 497.93 | 560.94 | 631.63 | 4237.181 |
| Recovery | 1562.54 | 163.52 | 106.54 | 106.54 | 249.81 | 355.90 | 412.83 | 400.24 | 3357.92 |
| Rate of recovery | 105.51 | 71.89 | 54.99 | 54.99 | 86.09 | 71 | 74 | 63 | 63.52 |
| No. of beneficiaries | 705491 | 129908 | 101220 | 100073 | 145080 | 124483 | 124653 | 133722 | 1564630 |
| **Bangladesh Krishi Bank** | 0 | | | | | | | | |
| Disbursement | 914.22 | 68.16 | 58.86 | 57.02 | 54.51 | 53.43 | 47.82 | 98.49 | 1352.51 |
| Recovery | 781.62 | 46.6 | 37.27 | 43.24 | 51.84 | 51.46 | 45.56 | 76.02 | 1133.61 |
| Rate of recovery | 83.30 | 68.37 | 63.32 | 75.83 | 95.10 | 96.31 | 95.27 | 77.19 | 83.82 |
| No. of beneficiaries | 1474918 | 60987 | 59117 | 50083 | 52028 | 47761 | 49356 | 35044 | 1829294 |
| **Rajshahi Krishi Unnayan Bank (since 2000)** | 0 | | | | | | | | |
| Disbursement | 140.40 | 17.97 | 30.73 | 29.23 | 14.99 | 17.71 | 18.03 | 18.61 | 287.61 |
| Recovery | 48.37 | 12.47 | 14.53 | 21.25 | 13.22 | 14.22 | 15.79 | 17.40 | 157.25 |
| Rate of recovery | 34.45 | 69.39 | 47.28 | 72.70 | 88.19 | 80.29 | 88 | 93 | 54.67 |
| No. of beneficiaries | 176078 | 18597 | 47834 | 30033 | 16634 | 15818 | 16239 | 16121 | 337354 |

| Banks | Cumulative up to June 03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | FY 2009-10 | Cumulative up to June, 2010 |
|---|---|---|---|---|---|---|---|---|---|
| **Rupali Bank Ltd.** | 0 | | | | | | | | |
| Disbursement | 23.78 | 5.17 | 15.28 | 16.09 | 11.02 | 16.97 | 16.88 | 22.69 | 127.88 |
| Recovery | 20.99 | 2.05 | 5.27 | 10.15 | 11.95 | 12.16 | 14.79 | 18.89 | 96.25 |
| Rate of recovery | 102.83 | 39.65 | 34.49 | 63.08 | 108.44 | 71.65 | 87.62 | 83.25 | 75.26 |
| No. of beneficiaries | 31550 | 2427 | 5402 | 5431 | 2804 | 4242 | 3458 | 5672 | 60986 |
| **Total** | | | | | | | | | |
| disbursement | 12266.372 | 1050.5 | 1078.61 | 1128.53 | 1281.46 | 1931.45 | 2161.71 | 2646.54 | 23545.17 |
| Recovery | 11139.42 | 824.08 | 686.14 | 879.64 | 1272.21 | 1643.7 | 1569.45 | 1591.2 | 19605.84 |
| Rate of recovery | 90.81 | 78.45 | 63.61 | 77.95 | 99.28 | 85.10 | 72.60 | 60.12 | 83.26 |
| o. of beneficiaries | 5349722 | 235018 | 445568 | 491848 | 415736 | 486875 | 542087 | 601393 | 8568247 |

**Source**: Related Banks

- .
- **Cumulative figure 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 2009, the total number of beneficiaries was 17,28,003 and the cumulative disbursement of credit was Tk. 7,264.08 crore. The status of micro-credit disbursement programme of other commercial and specialised banks is shown in Table 13.15:

**Table 13.15: Micro-Credit Programmes of other Commercial and Specialised Banks**

(Taka in Crore)

| Commercial and Specialised Banks | Number of Beneficiaries | | | Disbursement up to June' 10 (cumulative) | Rate of Recovery (%) |
|---|---|---|---|---|---|
| | Female | Male | Total | | |
| Ansar-VDP Development Bank | 513178 | 219934 | 733112 | 1017.39 | 97.61 |
| Social Investment Bank Limited | 16544 | 24816 | 41360 | 41.72 | 98.00 |
| National Bank Limited | 147 | 8651 | 8798 | 1436.45 | 95.48 |
| Islami Bank Limited | 426650 | 75291 | 501941 | 2810.01 | 99.00 |
| The Trust Bank Limited | 01 | 13642 | 13643 | 236.25 | 85.60 |
| BASIC Bank Limited (up to Mrch'09) | 263289 | 60475 | 323764 | 266.59 | 98.23 |
| *Pubali Bank Ltd. | 40602 | 248 | 40850 | 86.05 | 100 |
| Uttara Bank Ltd. | 5485 | 59050 | 64535 | 1369.62 | 73.28 |
| Total | 1265896 | 462107 | 1728003 | 7264.08 | 93.4 |

Source: Related Banks. *Information of Bubali Bank is upto 2009.

Scinerio of micro credit sectors (According to Microfinance Survey 2009) is presented in the table 13.16.

**Table 13.16: Development of Microfinance Sector in Bangladesh**

(Tk. in crore)

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

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

### Micro Credit Programmes of Administrative Ministries/Divisions

The Government has been allocating funds to implement micro-credit programmes for poverty alleviation by different administrative Ministries/ Divisions/Departments. The cumulative credit disbursement till_June 2010 stood at Tk. 66,232.311 crore of which Tk. 63,258.08 crore was recovered. In order to sustain the micro-credit programme for poverty reduction, the Government emphasises on developing small entrepreneurs. The Finance Division in cooperation with the other ministries is working together in this direction.

## Table 13.17: Status of Micro-Credit of Administrative Ministries/Divisions

(Tk.in Crore)

| Ministry/Division | Agency/Division | Cumulative up to June' 03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | FY 2009-10 | Cumulative up to June'10 |
|---|---|---|---|---|---|---|---|---|---|---|
| Ministry of Finance | **Banking division (RAKUB) (since 2000)** | | | | | | | | | |
| | Disbursement | 140.40 | 17.97 | 30.73 | 29.23 | 14.99 | 17.71 | 18.03 | 18.61 | 287.61 |
| | Recovery | 48.37 | 12.47 | 14.53 | 21.25 | 13.22 | 14.22 | 15.79 | 17.40 | 167.25 |
| | Rate (%) | 34.45 | 69.39 | 47.28 | 72.69 | 88.192 | 80.29 | 87.59 | 93 | 75 |
| Rural Development & Cooperative Division | **BRDB** | | | | | | | | | |
| | Disbursement | 3372.21 | 419.44 | 654.86 | 683.77 | 862.73 | 796.06 | 691.19 | 674.44 | 9142.34 |
| | Recovery | 2895.24 | 380.35 | 474.18 | 720.04 | 887.07 | 680.52 | 677.58 | 634.01 | 8154.70 |
| | Rate (%) | - | 91 | 89 | 94 | 93 | 94 | 94 | 93 | 94 |
| | **BARD** | | | | | | | | | |
| | Disbursement | 77.75 | 7.07 | 3.11 | 1.45 | 0.15 | 0.23 | .661 | 1.58 | 92.001 |
| | Recovery | 73.36 | 9.00 | 5.25 | 1.77 | 0.14 | 0.22 | .43 | 1.61 | 91.78 |
| | Rate (%) | | 127.3 | 168.01 | 122.3 | 96.1 | 99.99 | 65.09 | 98.05 | 99.75 |
| | **RDA** | | | | | | | | | |
| | Disbursement | 8.26 | 1.43 | 1.94 | 1.99 | 2.26 | 3.57 | 6.19 | 5.60 | 31.24 |
| | Recovery | 7.86 | 1.22 | 1.39 | 1.98 | 2.16 | 2.69 | 4.38 | 5.09 | 26.77 |
| | Rate (%) | | 85.31 | 71.62 | 99.58 | 74.46 | 81 | 83 | 74 | 92 |
| Ministry of Women and Children Affairs | **Dept. of Women** | | | | | | | | | |
| | Disbursement | - | 11.13 | 23.99 | 27.65 | 17.38 | 46.81 | 46.92 | 54.09 | 227.97 |
| | Recovery | - | 10.34 | 13.30 | 25.08 | 17.27 | 27.64 | 25.71 | 31.72 | 151.06 |
| | Rate (%) | | 92.92 | 55.43 | 90.71 | 9.8.00 | 67 | 54.80 | 58.64 | 517.5 |
| | **Jatiyo Mohila Sangstha** | | | | | | | | | |
| | Disbursement | 20.47 | 0.66 | 5.26 | 3.58 | 2.95 | 1.99 | - | - | 34.91 |
| | Recovery | 20.23 | 1.04 | 4.22 | 3.33 | 1.73 | 1.25 | 3.64 | - | 35.47 |
| | Rate (%) | | 157.58 | 80.26 | 93 | 58.64 | 57.97 | - | - | 101 |
| *Ministry of Social Welfare | **Dept. of Social Welfare** | | | | | | | | | |
| | Disbursement | 517.56 | 54.88 | 44.59 | 61.86 | 41.02 | 67.54 | 64.83 | 68.18 | 665.17 |
| | Recovery | 472.56 | 49.60 | 40.30 | 53.54 | 32.33 | 52.41 | 28.79 | 56.26 | 497.31 |
| | Rate (%) | | 73 | 90 | 75 | 79 | 81 | 95 | 89 | 74.76 |
| **Ministry of Fisheries and Livestock | **Dept of Fisheries** | | | | | | | | | |
| | Disbursement | - | - | 2.50 | 2.00 | - | 0.0 | - | 27.13 | 27.13 |
| | Recovery | - | - | - | | 1.02 | 2.08 | - | 13.01 | 13.01 |
| | Rate (%) | | | | | 68.97 | 71.50 | - | 47.95 | 47.95 |
| | **Dept of Livestock** | | | | | | | | | |
| | Disbursement | 18.44 | 23.93 | 18.81 | 5 .49 | - | 0 | 32.97 | 32.98 | 32.98 |
| | Recovery | 12.68 | 2.30 | 4.66 | 5.61 | 10.74 | 16.71 | 13.94 | 15.68 | 15.68 |
| | Rate (%) | 68.76 | 9.61 | 24.80 | 12.60 | 25.40 | 41.50 | 42.28 | 47.54 | 47.54 |
| Ministry of Industries | **BSCIC** | | | | | | | | | |
| | Disbursement | 157.67 | 29.22 | 25.94 | 22.07 | 13.71 | 4.32 | 4.32 | 5.78 | 255.02 |
| | Recovery | 126.75 | 27.46 | 23.26 | 22.71 | 19.67 | 10.57 | 6.80 | 13.92 | 221.98 |
| | Rate (%) | | 93.98 | 89.67 | 102.89 | 143.47 | 243.54 | 163.27 | | |
| | **SERWTCI** | | | | | | | | | |
| | Disbursement | 14 | 7.64 | 9.75 | 9.41 | 9.26 | 3.64 | 7.33 | 7.85 | 69.65 |
| | Recovery | 12.09 | 4.11 | 6.36 | 8.33 | 8.31 | 3.5287 | 7.256 | 8.24 | 57.18 |
| | Rate (%) | | 53.80 | 64.96 | 89 | 90 | 96.95 | 98.997 | 105 | 82 |
| Ministry of Agriculture | (Agricultural credit) Disbursment | 12104.24 (since 1999) | 4048.37 | 4956.78 | 5496.21 | 5292.51 | 8580.66 | 9284.46 | 11116.88 | 53688.48 |
| | Recovery | 12650.13 | 3135.32 | 3171.15 | 4164.35 | 4676.00 | 6003.7 | 8377.62 | 10112.75 | 45654.57 |
| | Rate (%) | 104.51 | 77.446 | 63.98 | 75.76 | 88.35 | 69.97 | 90.23 | 90.96 | 85.03 |
| | **Cotton Development Board** | | | | | | | | | |
| | Disbursement | 3.3 | 0.263 | 0.264 | 0.213 | 0.2942 | 0.3382 | 0.341 | 4.29 | 9.29 |
| | Recovery | 3.48 | 0.28 | 0.25 | 0.22 | 0.31 | 0.3512 | 0.2594 | 4.4 | 9.56 |
| | Rate (%) | | 105.70 | 101.6 | 101.6 | 104 | 104 | 76.07 | 102.56 | 102.91 |
| | **Dept ofAgr Ex** | | | | | | | | | |
| | Disbursement | 159.07 | 147.46 | 69.77 | 27.82 | 35.38 | 31.15 | 18.43 | 1.13 | 490.21 |
| | Recovery | 116.46 | 99.53 | 52.25 | 20.38 | 34.00 | 48.16 | 37.17 | 0 | 407.95 |
| | Rate (%) | | 67.53 | 75 | 73 | 96 | 154.61 | 201.68 | 0 | 83.22 |
| | | | | | | | | | | |
| Ministry of Land | Disbursement | 68.43 | 0.00 | 8.70 | 10.14 | 5.50 | 8.76 | 4.33 | 5.25 | 111.12 |
| | Recovery | 55.43 | 0.00 | 7.22 | 6.37 | 3.82 | 5.60 | 3.11 | 3.18 | 84.73 |
| | Rate (%) | 81.00 | 0.00 | 82.99 | 62.82 | 69.45 | 63.93 | 71.67 | 60.59 | 76.25 |
| Local Govt. Division | **Local Govt.** | | | | | | | | | |
| | Disbursement | 54.85 | 1.33 | 3.37 | 6.00 | 16.32 | 31.95 | 93.13 | 57.04 | 263.99 |
| | Recovery | 22.72 | 1.03 | 2.66 | 3.31 | 9.28 | 21.8 | 85.09 | 47.46 | 193.38 |
| | Rate (%) | 47.26 | 77.44 | 96.00 | 88.89 | 98 | 84 | 94.63 | 95.66 | 88.5 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Ministry of Youth and Sports | **Dept. of Youth** | | | | | | | | | |
| | Disbursement | 511.63 | 34.65 | 62.87 | 77.77 | 60.02 | 61.75 | 44.72 | 53.61 | 912.68 |
| | Recovery | 427.97 | 33.27 | 44.98 | 57.37 | 74.46 | 61.16 | 56.37 | 37.28 | 748.48 |
| | Rate (%) | 83.65 | 96.01 | 71.54 | 73.76 | 124.06 | 100.67 | 126.05 | 69.53 | 82.01 |
| Ministry of Textile and Jute | **Bangladesh Handloom Board(BHB)** | | | | | | | | | |
| | Disbursement | 21.58 | 8.07 | 9.16 | 4.68 | 3.31 | 0.60 | 47.698 | 49.72 | 144.82 |
| | Recovery | 7.01 | 3.62 | 3.12 | 3.60 | 4.08 | 2.34 | 24.893 | 28.54 | 77.20 |
| | Rate (%) | - | 44.86 | 34.06 | 55.11 | 57.95 | 43.41 | 333 | 55.30 | 53.30 |
| Ministry of Liberation war Affairs | | | | | | | | | | |
| | Disbursement | - | - | 10.16 | 3.86 | 8.60 | 2.08 | 1.58 | 7.03 | 33.31 |
| | Recovery | - | - | 0.41 | 1.97 | 2.82 | 2.82 | 2.71 | 2.84 | 13.57 |
| | | | | 27 | 38 | 42 | 42 | 32 | 40.40 | 40.34 |
| **Total** | **Disbursement** | **17249.86** | **4813.513** | **5942.554** | **6475.193** | **6386.3842** | **9659.1582** | **10367.13** | **12191.19** | **66232.311** |
| | **Recovery** | **16813.16** | **3670.38** | **3814.58** | **5097.52** | **5755.15** | **6887.8099** | **9249.2784** | **10985.93** | **63258.08** |

Source: Concerned Ministries and Bangladesh Bank. * disbursement is only under 'Rehabilitation of acid burnt and disable' programme and the rest of disbursement is cumulative revolving fund. **according to M/O Fisheries and Livestock, data of 2010 is cumulative.

♦ Rate of recovery has been calculated in Tables 13.13, 13.14, 13.15, 13.16 and 13.18 as follows: Rate of recovery = (Recovery/Disbursement) x100