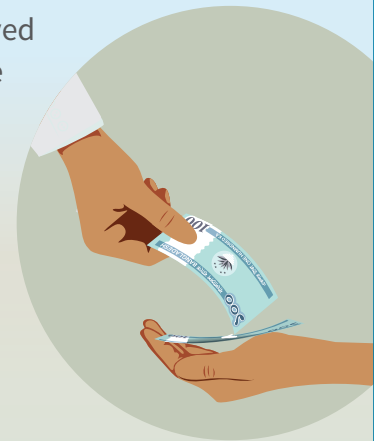


# PROGRAM BRIEF<sup>1</sup>

## Employment Generation Program for the Poorest *Bangladesh*

The food, fuel, and financial crisis in 2007-08 pulled over 4 million into poverty (3 percentage points increase in the poverty rate) in Bangladesh. Many poor households took their children out of school to get jobs and help the family cope with the crisis. A comparatively large share of food in the consumption basket of the poorest meant that their real incomes eroded faster than those of others. Moreover, devastating cyclones like Sidr (2007) and Aila (2009) exacerbated poverty even further. In response, the Government of Bangladesh allocated US\$ 800 million in FY09 to mitigate the crisis, which included the largest public workfare program called 100 Day Employment Generation Program (EGP) by the then Ministry of Food and Disaster Management in partnership with local governments. Over time, the program evolved into the Employment Generation Program for the Poorest (EGPP) implemented by the Ministry of Disaster Management and Relief. This note discusses the main features and achievements of the EGPP, the country's largest workfare program.



<sup>1</sup> The Program Brief series discusses major safety net programs that the Government of Bangladesh implements. The series includes notes on the Old Age Allowance; Allowances for the Widow, Deserted and Destitute Women; and Allowances for the Financially Insolvent Disabled by the Ministry of Social Welfare; Employment Generation Program for the Poorest; Food for Work; Work for Money; Test Relief; and Vulnerable Group Feeding by the Ministry of Disaster Management and Relief; and the Child Benefit Scheme. Many of these programs are supported by the World Bank.

## BACKGROUND

A large proportion of the population in Bangladesh live around the poverty line, which means that a shock can push millions into poverty and still many more into extreme poverty. The food, fuel, and financial crisis of 2007-08 revealed the vulnerability of the poor to shocks in Bangladesh. Many households resorted to coping mechanisms that included cutting back on food consumption and taking children out of school. Such response has serious longer-term implications on nutrition, health and education beyond the crisis, which likely increases vulnerability to poverty and other shocks in the future.<sup>i</sup>

In response, the Government of Bangladesh allocated US\$ 800 million in FY09 to mitigate the crisis, which included the largest public workfare program called 100 Day Employment Generation Program (EGP) by the then Ministry of Food and Disaster Management in partnership with local governments. Bangladesh has had a history of implementing large public workfare programs in rural areas during the agricultural lean seasons and the new 100 Day EGP had the advantage of building on that experience.

In addition, the EGP introduced a few new measures as it placed a greater emphasis on pro-poor targeting, minimizing leakage, high accountability and improved transparency. The program used the upazila level poverty map of 2004<sup>ii</sup> to reach those who needed it the most. To ensure transparency and minimize leakage the program required daily attendance and payment sheets to be signed by multiple officials. At the same time, EGP put in processes to encourage grievance reporting to Union Executive Officers (UNOs) and Deputy Commissioners (DCs).

The program was welcomed by poor individuals especially those who were not able to mitigate the shocks in the labor market. Among those were many poor women who appreciated the temporary work opportunities in local areas as their mobility was limited. Even without any female quota, the female share was as high as close to 30 percent. Many participating households reported increases in food consumption and investment in assets in some cases. Overall, the program heralded a new approach to workfare for the poorest.

Despite the positive intentions and developments, the EGP did not fully achieve what it initially envisaged. Poverty map based targeting somehow resulted in very limited coverage of the program (only 5 percent of the poorest households per district). Identification of beneficiaries was entrusted to the community, led by locally elected representatives, but in reality, the selection process was obscure and did not involve participatory processes, resulting in nepotism. Multiple layers of compliance verifications incurred significant administrative costs, affecting the logistics and supervision of the work. Inadequate preparation of the urgent program had repercussions on program delivery and the program was not able to address seasonal poverty. The new grievance mechanisms were hardly used for various reasons including lack of awareness.<sup>iii</sup>

After the first phase of implementation, the EGP was discontinued and replaced by the Employment Generation for the Hardcore Poor (EGHP), under a new democratically elected Government in 2009. The EGHP adapted some of the features of EGP by incorporating some valuable lessons from the implementation of the EGP: (i) Narrow focus on highly vulnerable areas i.e. sixteen districts instead of nationwide coverage (though from the second phase onwards, EGHP reverted to nationwide coverage); and (ii) Female quota of one third.

From 2009 onwards, a few other modifications emerged in the design of EGHP as the World Bank made a commitment to support with US\$ 150 million. The newly named project, the Employment Generation Program for the Poorest (EGPP), would help cover one third of the program cost for three years and include the following measures for effective program implementation: (i) bank account based payment of wages; (ii) introduction of 10-20 percent nonwage material cost; (iii) nationwide targeting using the poverty map of 2010; and (iv) installation of information boards at project sites for improved disclosure. Additional technical support provided by the World Bank project were (i) digitization of beneficiary lists; (ii) independent assessment of the program; and (iii) capacity building of the Department of Disaster Management (DDM) under the Ministry of Disaster Management and Relief (MoDMR) for improved targeting and benefit payment. In

addition, the 100 days program was reduced to 80 days of work per year to accommodate rising real rural wages and help maintain the size of beneficiaries.

At present, the Safety Net Systems for the Poorest (SNSP) Project, supported by the World Bank and implemented by DDM, is extending support for improved administration of DDM’s major safety net programs including EGPP. Along with EGPP, the SNSP covers public works program (Food for Work [FFW], Test Relief [TR]) and humanitarian relief (Vulnerable Group Feeding [VGF], Gratuitous Relief [GR]).

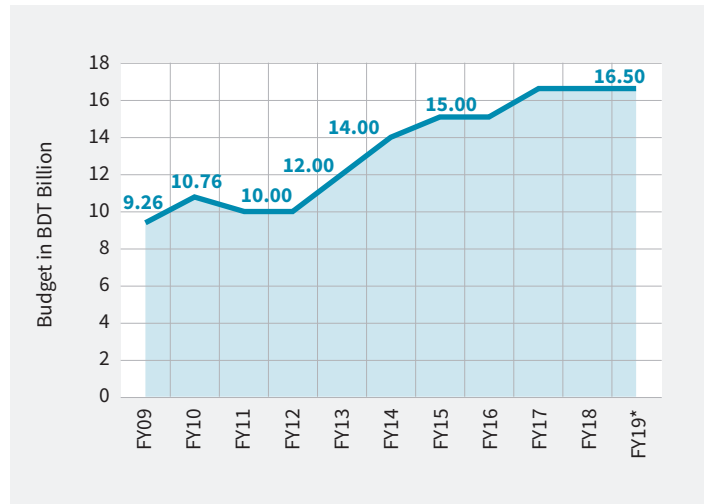
The EGPP aims to create employment for the able-bodied, unemployed poor for 80 days per year in two phases during the seasonal lean period, to reduce poverty and enhance disaster resilience of vulnerable households.

**Table 1:** Key features of the Employment Generation Program for the Poorest (EGPP) as of FY19

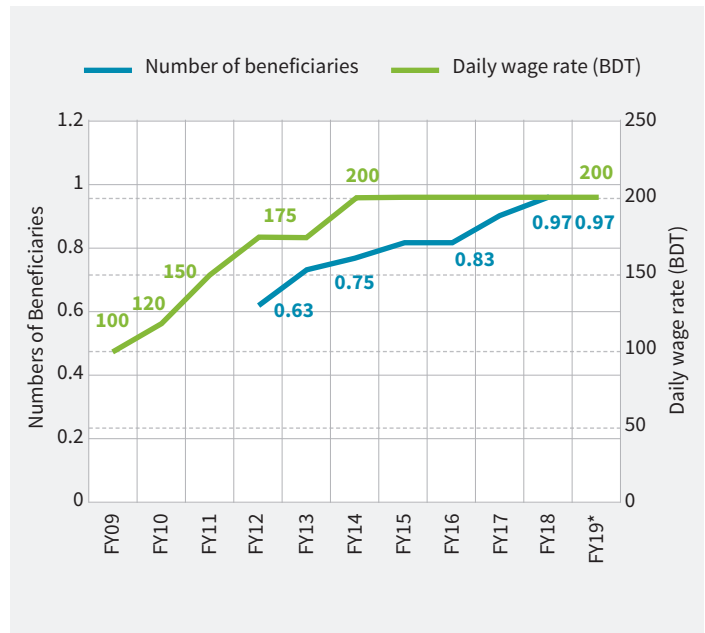
Number of beneficiaries	967,051
Amount of daily wage	BDT 200 (US\$ 2.5)
Eligibility	Means tested; casual labor by occupation and owns less than 0.1 acre of land
Agency	Department of Disaster Management (DDM), Ministry of Disaster Management & Relief

Budget allocation to EGPP has been gradually increasing (figure 1). As of FY18-19, the budget allocation has been about BDT 16.5 billion representing about 0.07 percent of GDP. Excluding Pensions to Retired Government Officials and Honorarium for Freedom Fighters that are not means tested, EGPP is among the largest anti-poverty programs along with the Old Age Allowance (cash transfer for the poor elderly) by the Ministry of Social Welfare.

The allowance has doubled from BDT 100 to BDT 200 and the number of beneficiaries has increased steadily to nearly a million individuals in FY19 (figure 2).



**Figure 1:** Annual Expenditure for EGPP, FY09 – 19 (\*budgeted)  
Source: Budget Archives, Finance Division, Ministry of Finance



**Figure 2:** Growth of beneficiaries and benefits under EGPP  
Source: Budget Archives, Finance Division, Ministry of Finance; Department for Disaster Management; World Bank;

## PROGRAM DETAILS

### 1) Outreach

Inadequate awareness of the available social safety nets, their eligibility criteria, entitlements and procedures for grievance reporting affect beneficiaries’ ability to identify programs relevant to them and claim payments and services they are eligible for. This may also lead to errors in targeting of eligible beneficiaries and create loopholes for inefficiency and leakage.

The program guidelines for EGPP place the onus of awareness generation about the program on Ward Members, banks (as payment service providers) and local elites. Moreover, significant emphasis has been placed on well-thought identification of projects, by Project Implementation Committees (PICs), consisting of five members including Union Chairmen, Ward Members, Female Members and community members, based on the community needs. At the same time, once a project has been identified, a signboard with the details of the project is required to be installed at the project site.

The most popular tools of information dissemination, as revealed by spot checks, include repetitive public announcements through a van that goes around the union (commonly known as ‘mic-ing’), words of mouth through Ward Members, and village guards and information boards at worksites. Based on recent surveys under SNSP, for EGPP, more than 70 percent of the beneficiaries are able to recall the eligibility requirements, entitlement and grievance reporting procedures.

### 2) Targeting

Geographic targeting of safety nets progressed well in Bangladesh between 2005 and 2010 as it was closely correlated with divisional poverty levels. With the aim of improving geographic targeting, in 2013, the Government decided to use the Bangladesh Poverty Map of 2010 for allocations to EGPP based on poverty rates across divided areas.

**Table 1. Upazila poverty rates and budget allocations**

Upazila Poverty Rates	Budget allocations for EGPP
>=40% (A)	45%
29%-39% (B)	25%
19%-28% (C)	20%
<=18% (D)	10%

The performance of geographic and pro-poor targeting has been improving. Increased allocations to areas with higher poverty levels were made with 45 percent EGPP budget flowing into upazilas with poverty rates of 40 percent or higher. Also, EGPP covered over 40 percent of the population in the bottom expenditure quintile; and over 40 percent of program benefits reaching the bottom quintile.<sup>iv</sup> This is in part due to poverty targeted eligibility criteria and EGPP’s self-targeting. According to the eligibility criteria stipulated by the implementation guidelines, an individual (male or female) is eligible if he or she is:

- aged between 18 and 60 years;
- able bodied;
- without over 0.1 acre of land, or a significant number of poultry or livestock;
- earning less than BDT 4,000 (US\$ 47) per month; and
- not receiving benefits from any other safety net programs of the Government.

The guidelines specify that one third of all beneficiaries must be women. In addition, like other public works, EGPP sets wage rates lower than the market rates<sup>v</sup> so those who are in greater needs can be selected into the program.

Compliance to the land ownership criterion has always been very high and EGPP has consistently met and surpassed its gender quota. Surveys have revealed that lighter workload in EGPP and the close proximity of EGPP projects to villages make

it suitable for women; as opposed to other traditional public works in the country (e.g., Food for Work) that are physically more strenuous and suited to able bodied men. At the same time, having a gender quota also helped female household heads and members participate in the program.

### 3) Enrolment

Among individuals who expressed interest in EGPP participation, Ward Members identify beneficiaries, based on their assessment of household poverty. The Union Committee then approves the list of beneficiaries and PIC-identified subprojects, followed by the Upazila Committee. Finally, the approved lists are sent to the DC's office while arrangements are made in the union to inform the beneficiaries, hand out job cards, open beneficiary bank accounts, procure non-wage materials and begin the works.

Following application, beneficiary authentication is a critical step, and EGPP is the only public workfare program to provide enlisted beneficiaries with identity (ID) cards i.e. 'job cards'. EGPP's job cards serve as proof of enlistment as well as ID for withdrawal of benefits from banks. According to the program guidelines of EGPP, the PIC is responsible for updating the attendance information of each beneficiary in her/his job card and sign off on a weekly basis.

### 4) Program implementation

EGPP's implementation (see figure 4 for EGPP implementation process) includes the identification and execution of public works and compliance verification of workers' attendance and participation in works.

Public works undertaken by EGPP includes the following range of sub projects to create seasonal employment for the poorest:

- Excavation/re-excavation of canal for irrigation and alleviating water logging;
- Construction/reconstruction of embankment (upon recommendation by the Water Development Board);
- Excavation/re-excavation of Government/institutional pond for community use;
- Landfill across educational community and religious institutions;
- Construction of latrine;

- Installation of bamboo footbridge;
- Construction/reconstruction of earthen structures as disaster shelters for animals;
- Mobilizing and piling up garbage for biomass;
- Development of helipad;
- Development of drainage for wet markets;
- Construction of reservoir to preserve rain water;
- Repair of rural roads; and
- Any other project recommended by the Ministry of Disaster Management and Relief.

A process review (first phase of FY17) shows that the subproject selection and approval processes tend to cause delays. This often prevents the timely implementation of public works during the lean periods (October –November and March-April) when the need for employment among the poorest is most pressing.

Daily attendance of workers is monitored in over 80 percent cases and mostly by Labor Leaders who report to PIC, as found through SNSP surveys. However, supervision and monitoring capacities of DDM and the local government are low as they are unable to visit each sub project frequently.

### 5) Payment

EGPP payments are made through bank accounts. Household surveys conducted on EGPP note significant reductions in leakage following the shift of payments to banks as opposed to beneficiaries collecting payments from the worksite or the Union Parishad.

According to the EGPP program guidelines, each Union Committee needs to open a 'Child' account for EGPP at a designated bank at the upazila level. A beneficiary should use her/his job card to open a savings account in a bank branch that has the child account of EGPP. The account opening documentation would include the job card, two photos, names of parents, contact number, address, signature or thumb print and a minimum balance of BDT 10 (US\$ 0.12). The BDT 10 account is part of Bangladesh Bank's initiative for financial inclusion, requiring only the minimum balance of BDT 10, and is becoming a standard bank account for poor and vulnerable

individuals. It is the responsibility of the Union Committee and PIC to make sure that each beneficiary opens a bank account and faces no problem in doing so. Based on the PIC’s verification of the attendance information in the job card of each beneficiary, the bank will transfer the amount receivable to that beneficiary’s account from the Child account of EGPP. Each beneficiary must collect her/his payment personally using the job card and check book issued by the bank.

While the majority of EGPP beneficiaries receive payments through banks, some individuals still prefer receiving benefits from sources outside the bank as revealed through SNSP’s household survey of FY15. Typically, Labor Leaders or other representatives of Union Parishad (UP) or the PIC Chair collect job cards from beneficiaries, withdraw checks or vouchers on their behalf, and disburse the payment in the UP office or worksites. The bank disburses the total amount owed to those beneficiaries upon verification with the muster roll. The reasons of preferring non-bank options listed as below (table 2) suggest areas of improvement in payment through banks:

- **Frequent withdrawals, which beneficiaries prefer, are not often feasible through banks:** EGPP beneficiaries are among the poorest and a majority of them often need money on a daily basis instead of waiting for a week to withdraw wages from the bank. Travelling to the bank on a daily basis

is difficult for most beneficiaries. At the same time, banks may not agree to facilitate frequent payments as it is likely to inflict significant transaction costs.

- **Banks are far from where beneficiaries live:** Banks are usually located in upazilas - almost twice as far and infer 1.5 times the travel time compared to the worksites or Union Parishad offices.
- **Banks have long queues:** Beneficiaries have to spend almost thrice as much time standing in queue at a bank compared to their worksite or the Union Parishad office.
- **Bank payments are delayed:** Nearly half of EGPP beneficiaries reported payment delays in the spot checks of Phase 1 FY17. This points towards delays in the bank-based payment system especially, delay in ‘clearance of bill from the Project Implementation Officer (PIO)’s office’.

## 6) Grievance

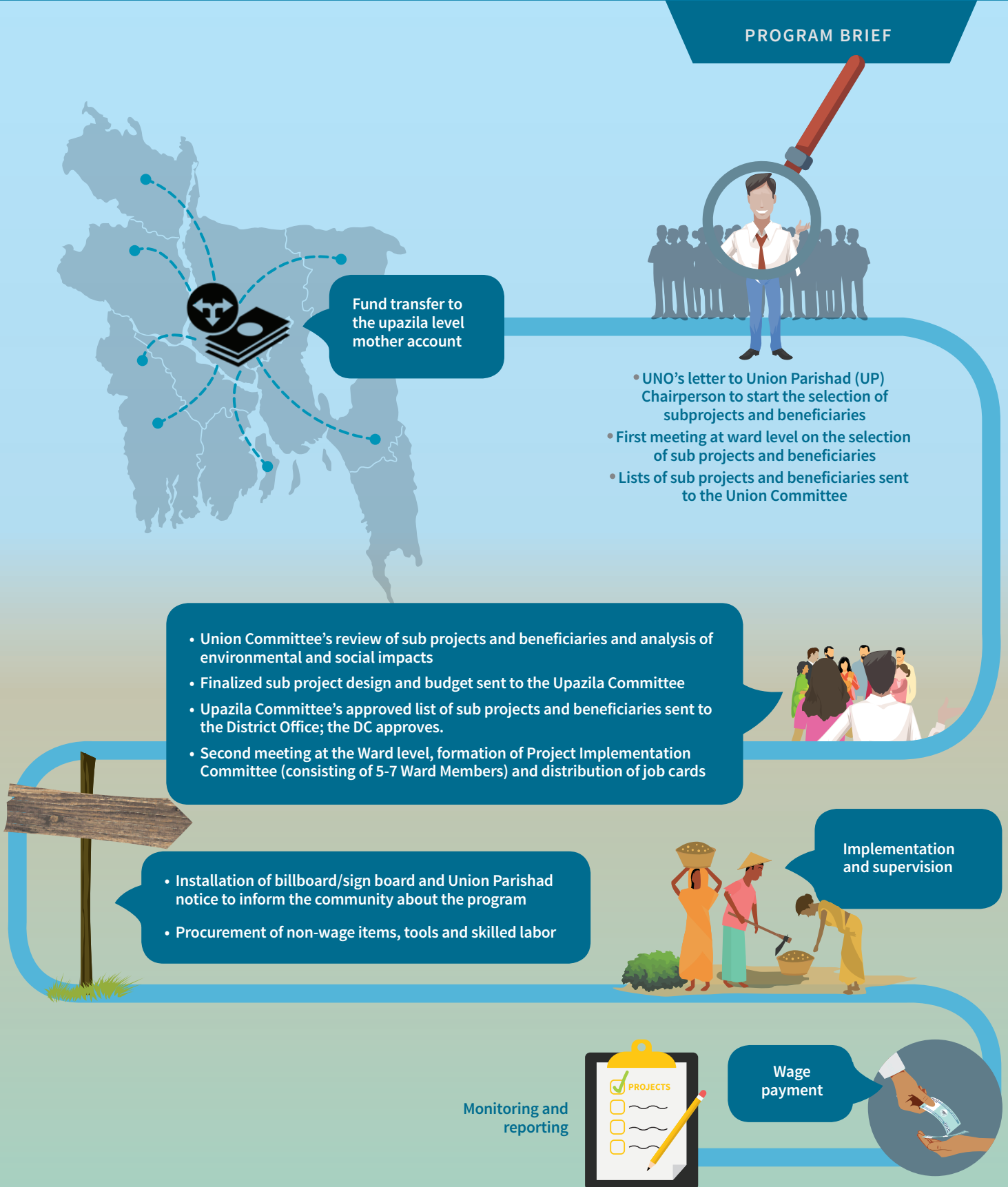
According to the program guidelines, the official grievance desk is at the upazila level with the UNO. However, the guidelines also state that complaints can be filed anywhere in the chain. Eventually, if unresolved, the grievance gets escalated to the district and national levels.

Though grievance reporting under EGPP is better than in other programs, evaluations suggest that complaints are few and those filed are usually lodged with Ward Members or Union Chairmen. There is little evidence of their resolution. People are often afraid of complaining against local representatives in fear of being excluded from the program or other negative consequences. At the same time, poor people often lack confidence and have limited access to the UNO or other neutral Government bodies to voice grievances; in many cases, the aggrieved are apprehensive of overstepping the Ward Members or Union Chairmen to lodge a complaint at a higher level of the administration.

**Table 2.** Travel and time costs by payment modality

Point of payment	Distance (km)	Travel time (minutes)	Queue time (minutes)
Bank	4.53 - 5.1	34	79 – 106
Worksite/ Union Parishad	2.31 - 2.47	22	25 – 41

Source: SNSP survey, FY15



**Figure 3: Delivery process of EGPP**

Source: Implementation Guidelines of EGPP, DDM, MoDMR

## PROGRAM ACHIEVEMENTS

Despite challenges, EGPP has managed to yield a number of significant outcomes:

- **Improved household resilience:** More than half the EGPP beneficiary households were found to have savings and many had been able to reduce outstanding loans. Improved consumption is noted in terms of the quality of protein intake as well as investment in health.<sup>vii</sup> Typical coping mechanisms during the lean season including school dropout, loans, and reduction in food intake were not observed.
- **Local infrastructure built and maintained:** Through public works, local infrastructure such as roads and ponds are repaired and refurbished.
- **Poorer households benefit more from EGPP:** This is ensured by setting wages below the market rate so that only the poorest opt to participate in this program.
- **Women's employment:** EGPP has succeeded in providing temporary employment for poor women who have lesser options to migrate during lean periods.<sup>viii</sup>

## CHALLENGES AND WAY FORWARD

- **Targeting:** Due to combinations of geographic targeting, eligibility criteria, gender quota and self-selection, targeting performance of EGPP has been better compared to that of other safety net programs in the country. However, there is room to improve. A more updated and robust mechanism for geographic and household targeting can take place – both are expected to be addressed when the National Household Database (NHD) currently under development with the support of the World Bank is completed.
- **Beneficiary selection:** Influence of local politicians and elected representatives is generally significant in selecting beneficiaries in safety net programs in Bangladesh; and EGPP is not an exception although the program guidelines formally define their roles. This implies that a poor household's access to a local leader affects that household's chances of participation in the program, especially when the program is oversubscribed.<sup>vii</sup> Appropriate safeguards, in line with the targeting discussion, could be considered to minimize the discretion in terms of beneficiary selection in EGPP.

- **Implementation and monitoring capacity** needs significant support in terms of manpower, division of roles and responsibilities as well as coordination between field officials and elected bodies. This is an ongoing process and DDM plans to undertake rigorous training of PIOs and Sub Assistant Engineers (SAEs)<sup>ix</sup> and orientation to elected representatives to improve capacity and strengthen field communication to improve coordination.
- **Payment:** Bank based payments is one step forward from the existing informal hand-to-hand payments. As the country gradually moves towards electronic modes of payment, biometrically authenticated digitized payment systems are being piloted at various levels using multiple channels: agent banking, postal cash cards, mobile banking and potential national payment platform. DDM has begun to pilot digitized payments to enhance efficiency, accountability and transparency besides catering to beneficiary convenience in terms of distance and cost to reach payment points and frequency of withdrawal.
- **Access to information** remains an area with scope for improvement especially with regard to grievance redressal systems. Improved awareness would be a critical instrument to strengthen the 'demand-side' that would help enhance 'supply-side' measures of SSNs including focus and coverage as well as stronger systems and accountability across beneficiary targeting, payments and grievance reporting and redressal systems.

## WORLD BANK SUPPORT

The World Bank has been providing financial and technical support to the DDM of the Ministry of Disaster Management and Relief from 2009 to present. Initially the design and implementation of the EGPP program was supported, and later, the program coverage was expanded to other safety net programs under DDM as part of the SNSP Project.

The SNSP Project aims to enhance efficiency and transparency of EGPP and other major public works and humanitarian relief programs under DDM with modernization of systems and business processes. Apart from support to the implementation of the safety net programs, the World Bank provides support to the Bangladesh Bureau of Statistics to construct the NHD which would contain key information on household's socio-economic wellbeing. Once completed, the NHD would enable various anti-poverty programs to use various targeting methods for objective eligibility and beneficiary selection criteria and procedure.



<sup>i</sup> EGPP Project Appraisal Document, World Bank, 2009

<sup>ii</sup> World Bank and World Food Program

<sup>iii</sup> BRAC, 2009, Study on the first phase of the 100-Day Employment Generation Programme

<sup>iv</sup> Household surveys of Safety Net Systems for the Poorest Project

<sup>v</sup> The market wage rate in agriculture is estimated about BDT 250 a day based on the Labor Force Survey 2016. The wage rate of EGPP (BDT 200 per day) is also lower than that of other traditional workfare programs (8 kg of rice, equivalent to BDT 256 per day).

<sup>vi</sup> PIOs are upazila level employees for the supervision of all DDM programs.

<sup>vii</sup> Cho, Yoonyoung; Ruthbah, Ummul; 2018; Does Workfare Work Well? The Case of the Employment Generation Program for the Poorest in Bangladesh

<sup>viii</sup> Sharif, Iffath; Ruthbah, Ummul; 2017; Politics, Public Works and Poverty Evidence from the Bangladesh Employment Generation Programme for the Poorest

<sup>ix</sup> SAEs were recruited under the SNSP Project and support PIOs in technical supervision of DDM programs.

### Impacts of EGPP:

**Cho, Yoonyoung; Ruthbah, Ummul.** 2018. Does Workfare Work Well?: The Case of the Employment Generation Program for the Poorest in Bangladesh. Policy Research Working Paper; No.8395. World Bank, Washington, DC.

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#### For more information:

<https://bit.ly/2TOa2Vb>

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#### Overview on Bangladesh's safety net program:

World Bank. 2016. Bangladesh Social Protection and Labor Review: Towards Smart Social Protection and Jobs for the Poor. Bangladesh Development Series, no. 33;. World Bank, Dhaka, Bangladesh. © World Bank.

<https://bit.ly/2TWWx9>

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