

PROGRAM BRIEF¹

Allowances for the Financially Insolvent Disabled

A significant share of people are affected by disabilities in Bangladesh – some studies find that People with Disabilities (PWDs) constitute 7 percent of the population of Bangladesh,ⁱ or almost a third of households have one member or more with disabilities.ⁱⁱ Disability and poverty constitute a vicious cycle, each fueling the other through generations. The country's cost of disability is estimated at about 1.74 percent of its GDP.ⁱⁱⁱ Most PWDs live in rural areas and a majority are women who suffer from additional disadvantages of poor access to suitable services and facilities. Allowances for the Financially Insolvent Disabled aim to provide poor PWDs with cash transfers to improve their socio-economic wellbeing.



¹ 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

Disability is an important dimension of Bangladesh's poverty. A significant share of people is affected by disabilities in Bangladesh and many of them live in poverty with limited means of living. In addition to economic disadvantages, people with disabilities (PWDs) also suffer from social stigma and exclusion. Studies suggest that many people in Bangladesh tend to believe that disability is a curse or punishment for wrongdoings and therefore a cause of embarrassment to the family.^{iv} Stigmatization continues to prevail and affect PWDs' rights and access to education, health care and other basic services and facilities. Disability in young children are often unreported and those of adults are regarded as social burden, having a devastating psychological impact on PWDs.

Women are significantly more disadvantaged. A woman with the same level of disability as a man may be considered more disabled, and her access to education, health care and chance of marriage are much lower. Women and girls with intellectual disabilities are particularly more vulnerable to sexual abuse^v and child marriage.^{vi} Children with disabilities are neglected by families, get less food and clothing than others of the same age, and their education and health needs may be ignored.

In recognition of such daunting challenges, the Government and Non-Governmental Organizations (NGOs) have been implementing some health and education services^{vii} as well as rehabilitation services^{viii} for PWDs. There are advocacy efforts related to co-education among students with and without disabilities, and to develop skilled teachers and disability-appropriate materials (e.g. syllabi, braille content). A number of institutions also work on identifying training and rehabilitation needs as well as developing human resources for working with the disabled.^{ix} At the same time, the Government provides financial support to students with disabilities, through a Disabled Students' Stipends scheme.

A large number of Government, NGOs and private organizations work in the Community-Based Rehabilitation (CBR) approach in

Bangladesh. The approach has increasingly integrated medical and occupational rehabilitation services. For instance, the Ministry of Social Welfare (MoSW) operates 103 physiotherapy facilities which are operated by the Jatiyo Protibondhi Unnayan Foundation (JPUF) and provide physical, occupational, speech therapy; hearing and vision tests; and devices and mobility aids for free. Out of these, 50 facilities were supported by the World Bank (Disability & Children at Risk Project). In addition, the National Forum of Organizations Working with the Disabled (NFOWD) was also formed to promote PWD's rights and provide guidance to organizations working with PWDs. Some Government and NGO initiatives also exist on building vocational skills of PWDs including children affected by disabilities, to help them become contributing members of society.

Despite numerous Government and NGO initiatives, and supportive policies, the quality of services varies, and coverage is very limited. Due to poor accessibility and low awareness, some rehabilitation and health care resort to traditional healers especially in rural areas.^x While all matters related to disability is the responsibility of MoSW (as per the Rules of Business of the Government of Bangladesh), involvement of other ministries including the Ministries of Primary & Mass Education, Education, Health and family Welfare is crucial for better services for PWDs. This requires more efforts for policy coordination.

In addition to the provision of services described above, the Government of Bangladesh also provides the Allowances for the Financially Insolvent Disabled (Disability Allowances [DA]). The Department of Social Services (DSS) under MoSW implements this program alongside other cash transfers – including the Old Age Allowance and Allowances for Widow, Destitute and Deserted Women (Widow Allowance) – which target particularly vulnerable and marginalized groups. The objective of the program is to provide basic income support to PWDs living in poverty.

KEY FEATURES OF THE ALLOWANCES FOR THE FINANCIALLY INSOLVENT DISABLED

The DA began in Bangladesh in FY06 with around 100,000 beneficiaries at a monthly allowance of BDT 200 (US\$ 2.9 as of FY06). As of FY19, the number of beneficiaries is 1 million and the monthly allowance BDT 700 (US\$ 8.5).

Table 1: Key features of the Disability Allowance (DA)

Number of beneficiaries	1 million
Amount of monthly allowance	BDT 700/ US\$ 8.5
Eligibility	Means-tested and disability-based targeting
Agency	Department of Social Services, Ministry of Social Welfare

Since the beginning of the program in FY06, the number of beneficiaries has multiplied almost eight times and the amount of benefit per beneficiary has increased almost four times (figure 1). The pace of increase is much faster than that of other

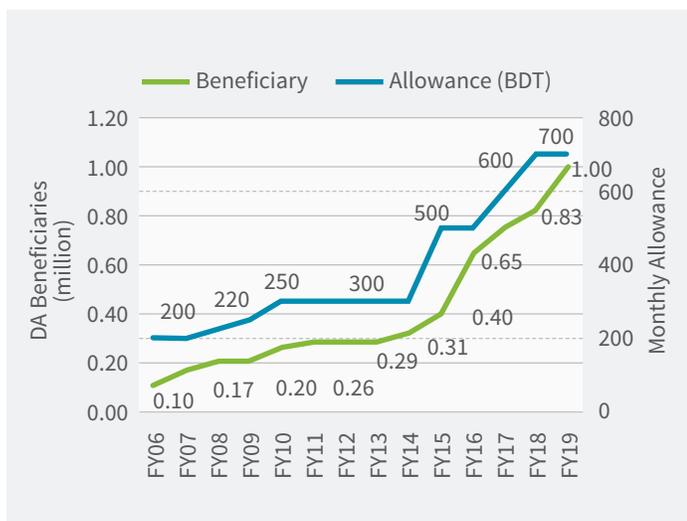
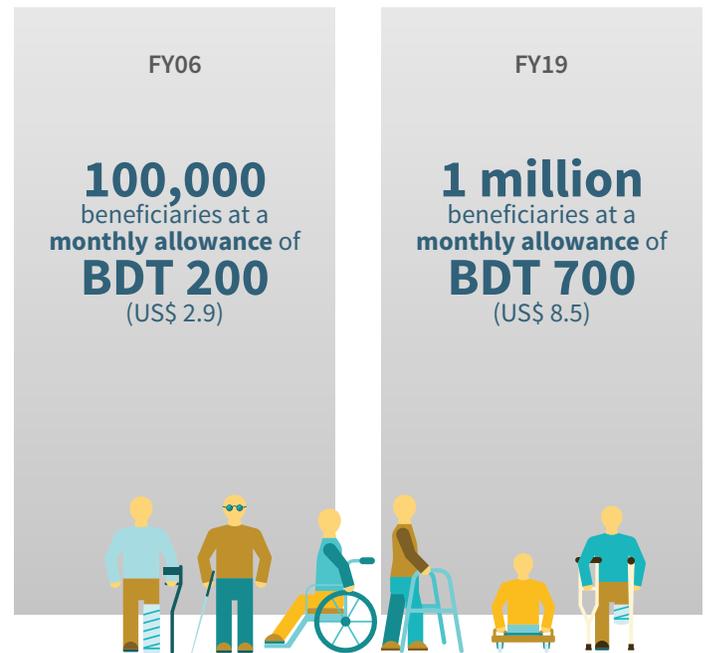


Figure 1: Growth of beneficiaries and benefits under DA

Source: DSS, MSW <http://www.dss.gov.bd/site/page/a8c37128-200f-4cfe-9836-1d1ac7737e91/অসহায়-প্রতিবন্ধী-ভাতা>



cash transfers for vulnerable populations such as the Old Age Allowance (OAA) and Widow Allowance (WA) under the DSS.

Expenditure on the DA has rapidly increased (figure 2), and currently constitutes 1.3 percent of the country's social protection budget and 0.03 percent of the GDP.

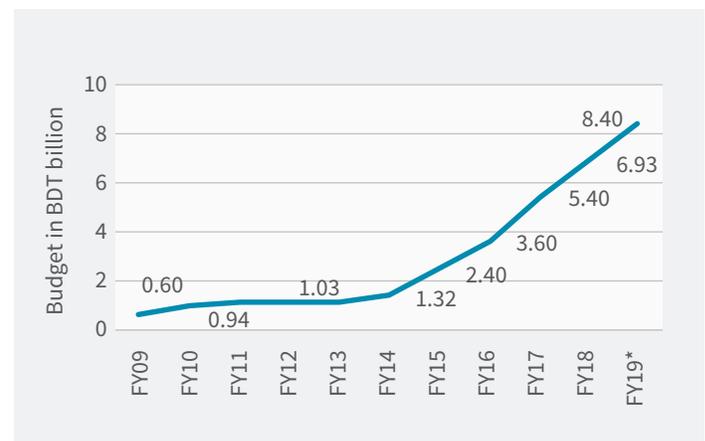


Figure 2: Annual Expenditure for DA, FY09 – 19 (*budgeted)

Source: Budget Archive, Financial Division, Ministry of Finance

PROGRAM DETAILS

The objectives of the DA specified in the Government's policies and rules include:

- To comply with constitutional and legal commitments;
- To promote socioeconomic development;
- To ensure the inclusion of insolvent PWDs under social protection;
- To provide monthly allowances to beneficiaries selected in compliance with implementation guidelines by responsible authorities; and
- To mainstream affairs related to PWDs in the national workplan.

1) Outreach

According to the implementation guidelines of the Program, widespread awareness campaigns should be carried out to invite applications for the DA, and to gather community members and conduct community vetting to finalize the list of beneficiaries. The Upazila Executive Officer (UNO), Assistant Commissioner (Land), Officer-in-charge (OC) of the local police station, local NGOs and mass media are expected to be present as observers at the community gathering. The guidelines are not clear about the frequency of such campaigns. In reality, however, awareness campaigns are limited to announcements through local mosques and some 'mic-ing', if at all, especially ahead of a payment cycle. Awareness campaigns to invite applications are rare, mostly due to the following reasons:

- **Limiting expectations** – The DA continues to be a means-tested, targeted program with budget limitations. Widespread awareness about the Program may invite a large number of applications, every year, beyond the ability of the DA to enroll and provide for. The DA has a list of beneficiaries that continues to be used on a rolling basis year after year until a beneficiary's death is reported or the Government announces an increase in the number of beneficiaries through annual budget increments.
- **Financial** – Dedicated budget allocations for awareness generating activities are largely absent at the union level.

- **Administrative** – DSS has one staff, the Union Social Worker (USW) at the union level, tasked with administering all programs of DSS in that union. Carrying out meaningful awareness campaigns therefore becomes difficult.

In reality, communities gather information on the needs of safety nets from informal channels, including Ward Members (who are locally elected representatives) and villagers acquainted with Government officials. It is noted by evaluations of similar other programs implemented by DSS that greater awareness activities would help improve targeting and reduce scope for leakage.

2) Eligibility Criteria and Intake

As stated in the implementation guidelines of the DA, beneficiaries are selected based on the following eligibility criteria:

- **Registered PWDs:** in accordance to the definition of disability stipulated in the Persons with Disabilities Welfare and Protection Act 2013, and registered as a PWD in the area of residence;
- **Residency:** Permanent resident of the area;
- **Minimum age in years:** At least 6; and
- **Annual income:** less than BDT 36,000 (US\$ 439).

Eligible applicants shall be prioritized if they are:

- among the oldest of applicants;
- affected by multiple disabilities;
- children with intellectual disability or autism;
- women;
- landless (own less than 0.5 acre) and/or destitute; and
- extreme poverty stricken or live in remote areas.

An applicant shall be considered ineligible if he or she is employed in a Government or private organization; receives Government pension or regular safety net benefits or grants from the Government, NGOs or any other source. Participation of multiple members of the same household is not specifically limited in the implementation guidelines, and, considering the nature of vulnerability, a multiple-benefit-per-household practice is in place.

The implementation guidelines of the DA delineate the process of inviting applications and selecting beneficiaries as follows (figure 3):

Step 1 Registration

- The Deputy Director (DD) or Upazila Social Service Officers (USSOs) (rural) and District Social Service Officers (DSSOs) (urban) shall register all PWDs living in that district and maintain a registration book.
- The DD, as the Member Secretary of the District Committee will provide ID cards to the registered persons.

Step 2 Application

- Applications submitted to USSO and DSSO, using the designated form.

Step 3 Initial listing of Applicants

- USSOs and DSSOs prepare ward wise lists of potential beneficiaries and present them to the Union Committee and Municipality/City Committee for rural and urban wards respectively.

Step 4 Union (rural) and Ward/Municipal (urban) Committees' approvals

- Union Committee (rural) and Municipal Committee (urban) select potential beneficiaries and send a primary list of eligible beneficiaries from the lists prepared by USSOs and DSSOs to the Upazila Committee.

Step 5 Upazila Committee's (rural)/City Corporation Committee's (urban) approval

- The Upazila Committee (rural) and the District Committee (urban) finalize the list of potential rural beneficiaries, and waitlist of potential beneficiaries and seek approval of the local Member of Parliament. The committee shall also finalize a waitlist.

Figure 3: Process of beneficiary selection of DA

According to the guidelines, the program can set aside up to 10 percent 'quota' for areas affected by natural disasters, extremely poor, hard-to-reach or 'backward' regions and any other emergency.

A few challenges affect appropriate targeting of DA.

- Registration of PWDs:** Following the ratification of the Person with Disabilities Rights and Protection Act, 2013 and the Neurodevelopmental Disability Protection Trust Act 2013, the MoSW identified and registered more than 1.5 million persons with disabilities primarily through the Disability Detection Survey conducted by DSS and subsequently through self-reporting by potential applicants for the DA. Based on the information so far from the Disability Information System,^{xi} the following chart (figure 4) presents the types of disabilities. Physical disability affects almost half of those registered.

Though it is encouraging to note that there are initiatives to identify PWDs, it should be noted that the number of registered PWDs represents a very small proportion of the estimated number of PWDsⁱ in the country. Therefore, there is a risk of huge exclusion errors where those who are significantly disabled, poorest with limited accessibility, and unable to report themselves, may remain unregistered.

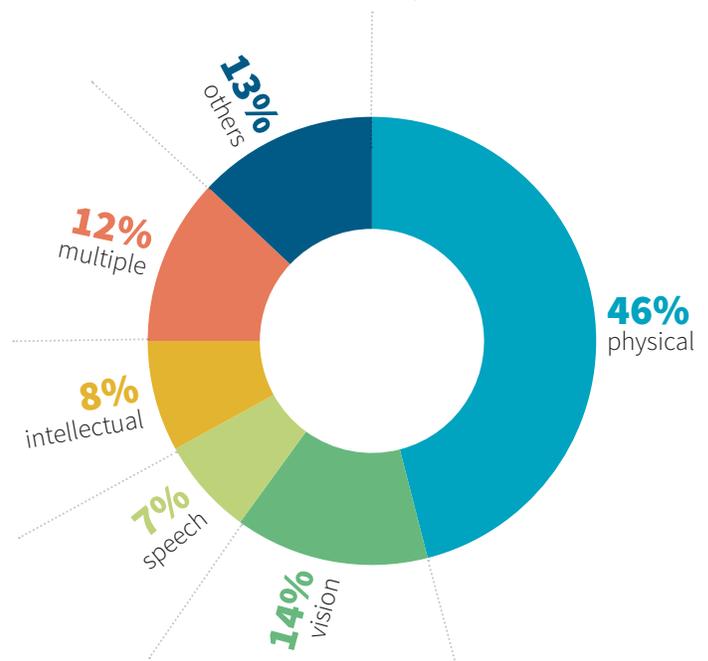
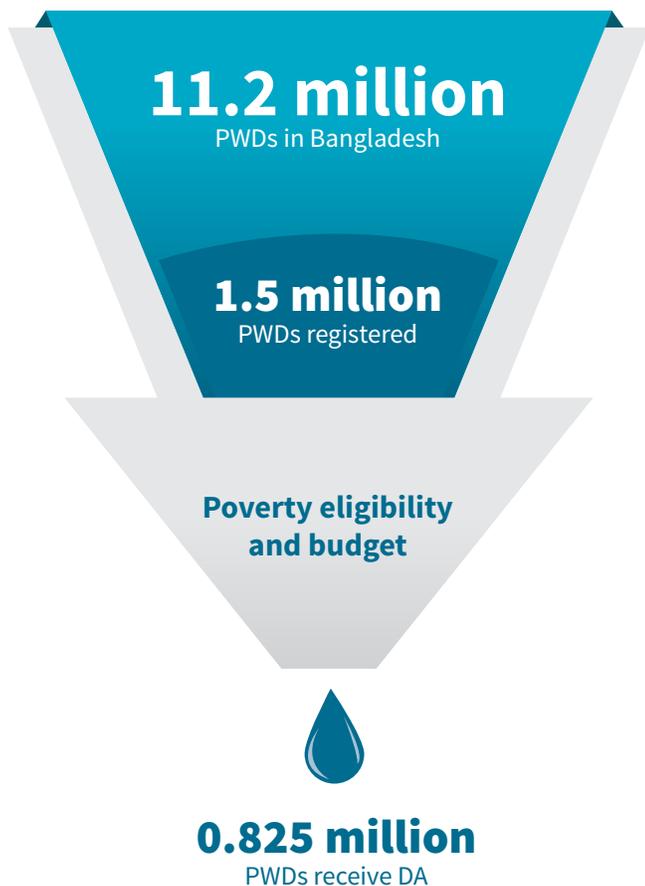


Figure 4: Types of disabilities of DSS registered PWDs in Bangladesh

Source: Disability Information System, DSS, April 2018

The second big challenge in terms of identification is the registration of women with disabilities. While the National Social Security Strategy (NSSS) 2015 suggests that a greater proportion of women are disabled than men, and numerous studies referenced earlier conclude that women’s vulnerability is greater, over 60 percent of PWDs registered are men. This may indicate that women have limited accessibility to registration and therefore are deprived of the allowance and other disability related support based on the statistics of the Disability Information System.



- **Replacement** – While the program continues with the same list, there is however some annual change due to increase in budgetary allocations and the demise of existing beneficiaries. According to DSS, about 10-15 percent of beneficiaries are new due to replacements or additions. The program guidelines have provision for the replacement of beneficiaries with new

ones from the waiting list. However, beneficiaries can only be replaced in case of any of the following scenarios that make them ineligible for the DA:

- Improvement in financial status;
- Improvement in disability status;
- Drawing benefits from other Government or NGO programs;
- Migration from the area;
- Drawing DA from more than one location; and
- Death – replacements will be subject to the approval of the Cabinet Committee on Safety Nets.

The above conditions for replacement, except death, are in most cases very difficult to verify unless self-reported or confirmed by local leaders. These are also often subjective and can be misused as influential people wrongly report change in circumstances of existing beneficiaries to make space for new entrants they want to favor.

Compared to OAA and WA, fewer assessments for DA have been conducted and detailed insights on how well targeting, enrolment and payment functions perform are not documented. However, given that the OAA, WA and DA are similar programs implemented by the same agency in the same context, the DA mostly likely faces similar challenges as discussed further below.

3) Enrolment

Within seven days of the approval of the final list of beneficiaries, the USSOs and DSSOs are expected to issue a ‘passbook’ to each beneficiary, with the beneficiary’s photo attested by a Government official and beneficiary ID number, and arrange to open the beneficiary’s account with a bank designated to provide payments for DA – currently, Sonali, Janata, Agrani, Bangladesh Krishi Unnayan and Rajshahi Krishi Unnayan Banks. The beneficiary account number shall be labelled ‘Disabled’ for ease of identification. At the same time, the USSO/DSSO shall also maintain a register of the list of beneficiaries of DA and it should be updated every quarter.

4) Payment

The beneficiary payment process under DA has two parts like other cash transfer programs: cash-in (from treasury to individual’s bank account) and cash-out (cash withdrawal from individuals’ bank account). The cash-in process starts with the release of funds from MoSW followed by Treasury allocation to (State-owned) Sonali Bank for the amount of benefit payments budgeted for a quarter. Sonali Bank then transfers the funds to

four other state-owned banks and each of these five banks then transfer funds to their upazila or district branches based on advice from DSS. At the local branches, the funds are deposited in an account, jointly administered by UNO and USSO for rural areas; Deputy Director (DD), Social Services and DSSO for urban areas. Based on the list of beneficiaries received from the USSO and DSSO, the local bank branch then transfers benefits to individual beneficiary accounts. With these layers of processes, the entire cash-in process (figure 5) often takes months every quarter.

The cash-out process involves the physical presence of beneficiaries arriving at the bank branch with their passbooks. In case a beneficiary is unable to come due to sickness, disability or reasons associated with social norms, a nominee can collect the payment, authorized by a locally elected representative for every payment cycle. Following the death of a beneficiary, the nominee can also collect payments for three months (including the month of death) to facilitate funeral expenses.

Even though beneficiaries can draw benefits any day in theory, the practice is not encouraged by local banks to manage transaction schedules and plan workload. They designate specific days to issue payments to beneficiaries, each quarter. The withdrawal date is announced through words of mouth from USSOs, USWs and others involved. However, with a large number of beneficiaries per union (approximately 500 on average), not all beneficiaries queuing up for payment may be served on the same day and many of them have to return the next day, inflicting additional financial costs and physical exertion. Long queues also mean that beneficiaries have to wait several hours with little or no food, and no place to rest, which may be a significant burden to elderly PWD beneficiaries.

Such capacity constraints and manual processes also hamper banks' ability to verify beneficiary details while issuing payments, sometimes resulting in erroneous payments. The timely update of payment records is also lacking, which makes it difficult for beneficiaries to collect allowances for payment cycles they have missed to appear for. Moreover, reconciliation hardly takes place and DSS is not refunded the leftover amount due to banks' inability to account for how many beneficiaries have actually collected payments. Such constraints could create systemic loopholes for leakage and scope for rent seeking by those involved in the payment process.

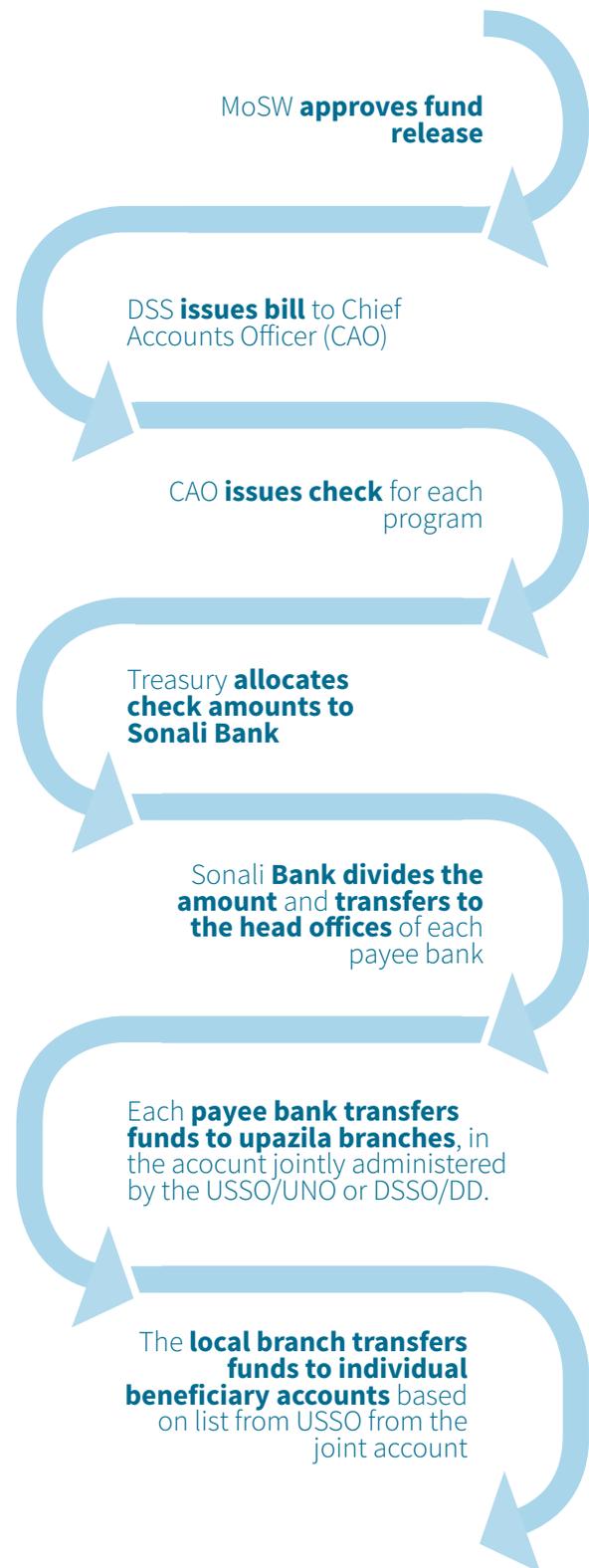


Figure 5: Payment (cash-in) process of DA

5) Grievance

Complaints – typically regarding eligibility criteria and payment accuracy and timing -- can be filed with the Union Committee. However, this indicates a serious conflict of interest given that these committees are the ones that undertake the primary selection of beneficiaries. If the Committee fails to come up with a mitigation measure, the grievance shall escalate sequentially upto the central level; though the implementation guidelines do not define specific procedures. Anecdotal evidence suggests that complaints are few and those filed are usually lodged with Ward Members or Union Chairmen with little evidence of their resolution.

PROGRAM OUTCOMES

It is expected that similar to OAA and WA, the DA would help poor households improve consumption of food and health care, as well as social esteem. Anecdotal evidence suggests that access to DA also leads to other types of disabilities support including the use of disability centers. However, the investigation of the impact of DA on beneficiaries' wellbeing remains as an important area of future research.

CHALLENGES AND WAY FORWARD

The DA has been an important initiative towards supporting insolvent PWDs and has most likely yielded some outcomes despite the low level of benefit. Nevertheless, certain challenges continue to affect program's outcomes as summarized below:

- The identification of PWDs depends on self-reporting by PWDs which may eliminate many due to poor access of the most vulnerable ones, including women and the severely disabled and old, to the Social Services Offices. At the same time, children with disabilities aged under six years fail to benefit from the program.
- The insolvency eligibility assessment has scope to be more objective and pro-poor.
- The payment process has scope for more efficiency and transparency, to enhance the convenience of the PWDs, by

increasing the number of payment access points, closer to where beneficiaries live; and also to be a more accountable and secure system including a more trustworthy and convenient nomination process. In case of digitized payment systems, biometric authentication may be a challenge if the specific disability has implications on authentication (e.g., finger print authentication of a beneficiary who has no hands), and thus customized provisions must be worked out.

- The grievance process can be strengthened to be more accountable and provide reassurance to potential complainants about timely resolution and minimal chances of backlash.

According to the NSSS, the Government's schemes for PWDs, including the DA, a scheme for injured Freedom Fighters and some special schemes for autistic children and disabled girls, cover only a small number of eligible people. While disability affects a very large number of working age population, the existing schemes are not sufficient.

The NSSS envisages that the MoSW will consolidate existing programs in the near future for improved support to PWDs and better alignment with the life cycle approach, and recommends the following:

- A Child Disability Benefit for all children with disabilities, up to 18 years of age – where approximately 350,000 children with disabilities will be supported and the cash will be provided to the female care giver of each child. A holistic support system including helping street children with disabilities will be developed around this scheme.
- A Disability Benefit for all adults with severe disabilities, aged 19-59 years – where approximately 1.15 million PWDs will be supported. A significant expansion of the current scheme i.e. DA, is envisaged under this, but the scheme will be directed to those with severe disabilities only. The scheme will also work towards improved access of PWDs to the labor market including access to vocational skills, jobs and finance to invest in small business.
- Transition to the OAA once a PWD benefiting from an existing disability scheme reaches the eligible age for the OAA.

WORLD BANK SUPPORT

The World Bank supported the Disability and Children-At-Risk Project up until June 2016. The Project provided assistance to the Government of Bangladesh to establish and operate 50 Disability Service Centers (DSCs), as well as equip additional 53 DSCs. These facilities provided access to counseling, diagnostic, and treatment services to 150,000 PWDs, among whom about 40 percent were female. Upon the closure of the Project, DSCs and mobile van therapy services were mainstreamed under the MoSW alongside services financed by the revenue budget.

The World Bank continues to support MoSW, in recognition of the need to strengthen the administrative aspects of DA. In this regard, the Cash Transfer Modernization Project was approved by the Bank's Board of Executive Directors in January 2018.

The Project aims to improve the transparency and efficiency of DA and other major cash transfer programs for vulnerable populations by modernizing service delivery. The Project provides technical assistance to DSS and financial support for the OAA.

¹ Household Income Expenditure Survey (HIES), 2016

² National Social Security Strategy, 2015

³ Ali, Zulfikar, Bangladesh Development Studies, Vol. XXXVII, December 2014, No. 4, Economic Costs of Disability in Bangladesh

⁴ Haque, Shahidul, and Shahnaz, Begum. Feelings on Disability Issues in Bangladesh. Dhaka: SARPV. 1997; Unicef, 2014, Situation Analysis on Children with Disabilities in Bangladesh

⁵ Danish Bilharziasis Laboratory, for the World Bank, May 2004, Disability in Bangladesh: A Situation Analysis

⁶ National Grassroots and Disabilities Organization (NGDO), National Council for Women with Disabilities (NCDW) & Bangladesh Legal Aid and Services Trust (BLAST), 2015, Current status of Rights of Persons with Disabilities in Bangladesh: Legal and Grassroots Perspectives

⁷ 7 schools for the hearing impaired, 5 for the visually impaired, 1 for the intellectually impaired run by the Government; National Center for Special Education (NCSE), Society for the Welfare of the Intellectually Disabled, Bangladesh

⁸ Impact Foundation Bangladesh, BNSB, CRP, ABC, BDF, Pangu Shishu Niketan (Disabled Children's Home), Bangladesh Protibandhi Kallyan Somity (BPKS), AWDP, HICARE, DRRRA, CDD and VHSS

⁹ National Center for Special Education (NCSE), Centre for Disability in Development (CDD)

¹⁰ Japan International Cooperation Agency, March 2002, Planning and Evaluation Department, Country Profile on Disability

¹¹ <https://www.dis.gov.bd/en/>



For more information:

<https://bit.ly/2RM7hXi>
<https://bit.ly/2stPrtU>

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/2TWVx9>

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