

## ***Synthesis of UN agency key inputs to the consultation on the National Social Protection Strategy***

The following provides a summary ten point synthesis of UN Agency responses to the first draft of the National Social Protection Strategy (NSPS). It is underlined that this list is not comprehensive and that the individual agency submissions (supplied separately) should also be taken in consideration by the drafting team. Indeed, these provide a rich and detailed analysis of the text.

The United Nations Country Team (UNCT) also congratulates the NSPS development team and the Government of Bangladesh for producing such a well-supported and impressive document. Notwithstanding the points made below and in the attached agency submissions, we believe the proposals, and the development process itself, mark a significant step on the road to effective and lasting reform of the social protection system. The UNCT remains committed to assisting the Government in any way it can.

- 1. Articulation of key principles and Human Rights underpinnings:** While the UN agencies welcome the strategy's adoption of a longer term vision linked to national planning objectives, we believe the choices which follow from it need to be more strongly rooted in human rights principles. This is particularly relevant to the substantial consolidation envisaged and how this impacts on minority and vulnerable groups. Although not inevitable, there is a danger that the most at risk, such as those living outside family units, the socially excluded and stigmatized, the disabled, and the indigent, would be left outside seven headline programmes identified. These concerns are also very pertinent to targeting and identification methodologies, particularly *Proxy Means Testing*. We urge inclusion of a stronger rights focus and activist mechanisms to ensure inclusion (i.e. above and beyond redress and complaints procedures). We also note that it is important that civil society be harnessed in this area to provide effective check and oversight of the system.
- 2. Dangers of too radical and rapid rationalization of existing programmes:** We note that the proposals are ambitious in their rationalization (the reduction from 95 to eight headline programmes) and a rapid timescale (a lead in period of three to five years). Yet we find that this presents problems in two key respects. First, allied to point 1 above, there is a real danger that specific needs will be missed as the menu approach and space for innovation allowed for by the current system is radically reduced. We feel this might be ameliorated through specification of the headline programmes as umbrella rather than prescriptive schemes. Second, the institutional proposals – the reconfiguration of a Ministry of Social Development (MSD) and the setting up of a National Social Security Agency (NSSA) – are very considerable undertakings and raise operational and of value for money considerations. We have concerns about the impact on management of the system and loss of governance capital, if the transition is not well executed. Overall we would argue for greater time (possibly, a ten-year time horizon) and some reworking of programme rationalization proposals.
- 3. Importance of a continuing focus on graduation:** While we understand and welcome the move to a system rooted in a life cycle approach and the building of broad resilience, we also consider a rapid reorientation away from poverty targeting as premature. Bangladesh has excelled and led the world in the use of graduation-based programming. While there remains a significant level of absolute poverty (affecting some 30 per cent of the population) we believe it right this focus be maintained. Moreover, as poverty becomes more localized the use of targeted

interventions would seem to be more, not less, important. We also consider that specification of the EGPP as the only employment-based programme will not fill this lacuna, and that the *adult stage* of the life cycle is generally underserved in the text. The UN agencies therefore suggest that the current catch-all transitional programme be reformulated in terms of poverty graduation and held in place so long as these pressing needs exist. Equally, in the medium term, this and the employment scheme be crafted to offer more credible adult (working life) stage coverage.

4. **Climate event risk reduction:** Echoing the point above, the same arguments can be made in relation to climate and broader environmental risks, which have a particular relevance in the Bangladesh context. While the draft strategy proposes the transfer of the current disaster targeted programmes (including many food-based schemes) to a different budget category, the proposals are not clear on which would be affected (and retained elsewhere) and the fiscal consequences. Additionally, it is vital that synergies with the mainstream social protection system be retained. Covariant risks of this type still lie at the heart of the challenges faced in Bangladesh. The UNCT would argue, here again, that more time be allowed for and greater attention given to linkages.
5. **Importance of nutritional support and food-based programmes:** The text proposes a radical abandonment of all but one of the current food-based programmes. While the UN agencies understand and to an extent accept the arguments made, there is a danger, given the weaknesses of nutritional outcomes in Bangladesh, that this may make the situation worse, not better. Indeed, the evidence continues to show a disconnect between incomes and nutritional choices; furthermore, that a move to cash-only transfers has not yielded the benefits claimed. Further issues are the value of behaviour change communication and the provision of nutritional supplements. There are also important operational considerations to take on board vis a vis the rotation of rice buffer stocks. The UNCT would urge some tempering of these proposals, with further analysis and thought being given to the local context in how this transition is managed.
6. **Access to social service and supply side issues:** We find insufficient attention has been given to a series of supply-side issues, which would need to be resolved if a life cycle, cash transfer system is to succeed in satisfying the current complex set of needs. This specifically relates to health, education and nutrition. There are two dimensions here - the ability of recipients to make balanced and informed choices, and the basic availability of supply at the right quality. On the former, the UNCT recommends a stronger emphasis on information, guidance and counselling; and on the latter, some form of appraisal of local supply conditions. It is also worth underlining, that the report makes no real mention of the use of behavioural conditionalities. These merit consideration and also would have to be linked to effective supply of services being in place at localities.
7. **Informal sector and other biases:** The UN agencies are particularly concerned that the proposals tend to assume, for a number of programmes, stronger formal sector participation than what is the case. Moreover, we feel the envisaged system does not map well to Bangladesh's ongoing high level of informality. This issue has both rights-based and operational dimensions, and is an unrealistic assumption if coverage of over 60 per cent of the population is to be met. A number of agencies have also expressed some concern regarding the presence of other (typically urban

centric) biases. We argue the focus on the formal sector requires further examination, and where necessary, the development of innovative solutions to allow access to informal sector workers.

- 8. Governance issues and the dangers of loss of NSPS institutional capital:** While the UNCT welcomes the draft's engagement with governance and management issues, the proposals lack clarity in a number of areas. Particular concerns relate to the role and function of MSD and NSSA and other line ministries. Yet a more immediate concern is the impact on the structures which have been established to develop the NSPS – the Cabinet Division Inter-ministerial Committee and the GED NSPS Secretariat. There is danger the governance capital which has been built-up over the last two years might be lost. UNCT recommends a review of the proposed governance arrangements and provision of greater clarity.
- 9. Fiscal Space and Affordability:** We strongly welcome the considerable attention given to affordability of the proposed system and the headline programmes. However, there remain several issues to be addressed and we are keen that the fiscal case is made watertight. These are in respect of the justification of the 64 per cent coverage target, and the economic growth and revenue assumptions. We note that the implication of proposed fiscal scenario is that some 25 per cent of any new resources generated by the economy would be channelled to social protection. While laudable, this seems an ambitious target given the other spending priorities Bangladesh will face. The UNCT would urge a thoroughgoing review of the fiscal case (potentially by external experts) and some consideration of the coverage target in the light of political realities.
- 10. Strength of supporting arguments and analysis:** Overall, the UNCT finds the text is well supported by the foregoing background research, analyses and argumentation. However, a number of agencies do pick up points where corrections and clarifications are required (details are given within individual submissions). In addition, we would recommend in general, greater referencing to key source to strengthen the arguments and allow for quick resolution of any questions raised in later consultation and approval processes.

***United Nations in Bangladesh, 30<sup>th</sup> November 2014***