In the previous issue (Series No. 6), we described how in the past decade, Bangladesh has made significant accomplishments in economic, social and human development. However, it still faces many hurdles. One of the most pressing challenges is the large number of families that remain in extreme poverty. Children in these families are malnourished and often do not go to school. They are also very vulnerable to natural disasters and economic volatilities. One of the country’s goals is to improve the human development outcomes, specifically the nutrition status and educational achievements, of poor children. Doing so, Bangladesh can prevent inter-generational transmission of poverty and enhance the country’s human capital.

An important question is how to reach these goals. Child development is affected by many factors simultaneously. Nonetheless, typical human development programs usually focuses on one factor at a time. For example, an education program will focus on enrollment and school quality but may not pay adequate attention to other elements that can affect either a child’s ability to learn (such as their nutrition) or how to keep kids in school (such as poor parents’ needs to send their children to work to supplement household income). An integrated approach would provide incentives for poor families to invest both in the nutrition and education of their children and to ensure that children are healthy and educated. The World Bank’s Rapid Social Response Program is funding a pilot project to use such an integrated approach to protect poor households and improve the nutrition status and educational outcomes of primary school-age children. The project will provide cash stipends to extremely poor households in exchange for families meeting certain requirements.

The project will be implemented in both urban and rural areas. In Bangladesh, the majority of social safety net programs are in rural areas. However, with the increase in urbanization, poverty in non-rural areas is becoming a major concern. Families living in urban slums are falling through the cracks. They are seen as temporary dwellers and for that reason appropriate safety net programs have not been developed to suit their needs. Tackling urban poverty poses new challenges. First, little is known about what kind of safety net programs works in non-rural areas. Second, access to schools and nutritional services are limited.

The operational mechanisms of this project including the targeting, conditionality and monitoring have been designed to work within the realities and constraints of both rural and urban areas in Bangladesh.

**Targeting:** identifying and reaching poor households

Targeting is a process of maximizing coverage, or reaching as many extremely poor families as possible, when resources are limited. Good targeting would minimize:

- **Error of exclusion** = the poorest and most vulnerable families are excluded; and,
- **Error of inclusion** = non-poor families who should not be receiving safety net benefits are included.
This pilot project design includes using proxy means testing (PMT) to target extremely poor households in rural and urban areas. PMT uses observable household characteristics such as the location and quality of the dwelling to generate a household score. The household eligibility is then determined by comparing the household score to a predetermined cut-off score. The same targeting mechanism will be used in rural and urban areas.

**Conditionalities: cash transfer programs to improve the education and nutrition of poor children**

The extremely poor families that are selected will first receive a certain amount of money to supplement their income. In this project, this money is referred to as a base of unconditional cash. The families will then receive an additional amount if they fulfill certain requirements with respect to their children’s’ nutrition and education. This second amount of money is referred to as conditional cash transfer (CCT). CCT programs are known to be successful in helping poor families with children in Latin America and other regions. Education and nutrition requirements include the following: attendance at regular local government or non-government primary schools (at least 80 percent of classes) by primary school-age children; regular participation in nutrition-related education sessions (e.g., importance of dietary diversity, exclusive breastfeeding for under six months old, growth monitoring, and how to manage common childhood illnesses) by mothers of children aged 0 to 24 months or other important household care givers (e.g., mothers-in-law, fathers); and, regular health visits for children aged 0-24 months offered by the pilot project. In response to differences in the cost of living, the amount of stipends in rural and urban areas will be adjusted accordingly.

**Implementing and Monitoring: delivering services more effectively through local governments**

In Bangladesh, the central government is usually responsible for implementing social safety net programs while the local governments facilitate their delivery. Complex management structure with multiple layers of government can increase the likelihood of errors and administrative inefficiencies. To reduce the program’s administrative complexity, local governments will be the primary implementers of the pilot. They will be responsible for targeting the poorest and most vulnerable households; motivating and facilitating families to fulfill the nutrition and education requirements; and, monitoring the delivery of the program by having checks and balances throughout the process. Also, due to the lack of nutrition services and schools in the urban area where the pilot will take place, this project will work with a committed urban local government to provide families with access to nutrition services and education.

The Government of Bangladesh is eagerly awaiting the results of the evaluation to see how this program can be expanded to protect poor and vulnerable families from crises throughout the country. The pilot project is expected to be completed by October 2012 and evaluation results shared by January 2013.

Written by Andrea L. Robles, July 14, 2011

This article does not necessarily reflect the views of the World Bank Group, its Executive Directors or the governments they represent. Rapid Social Response Program (RSR) is part of the World Bank’s response to the Food, Fuel and Financial Crisis. Its mission is to help the World’s poorest countries become better prepared to cope with systemic and unpredictable shocks. RSR has been generously supported by the governments of Russian Federation, Norway and United Kingdom. For further information, please visit [http://www.worldbank.org/rsr](http://www.worldbank.org/rsr).

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1 The World Bank team leader for this project is Iffath Sharif (Senior Economist, South Asia Social Protection Unit)
2 For example, there is a cash transfer program that focuses on improving educational outcomes throughout the country’s rural school system.