Older People’s Clubs (OPCs) Subcomponent in Cash Transfer Modernization Project: World Bank/Bangladesh

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Cash Transfer Modernization Project

PDO
To improve the transparency and efficiency of selected cash transfer programs for vulnerable populations by modernizing service delivery

COMPONENTS

C.1: Enhancement of Cash Transfer Programs
US$ 104 million + EUR 150 million (DLI)

C.2: Modernization of Service Delivery
US$ 20 million (TA)

C.3: Contingent Emergency Response
US$ 166 million (CERC)

C.4: Cash and Innovations
US$ 10 million (TA)

GOVERNMENT PROGRAM

<table>
<thead>
<tr>
<th>Cash Transfer</th>
<th>Annual Budget</th>
<th>Coverage</th>
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<tbody>
<tr>
<td>Old Age Allowance</td>
<td>US$ 350 million</td>
<td>4.90 million</td>
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<tr>
<td>Widow Allowance</td>
<td>US$ 145 million</td>
<td>2.05 million</td>
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<tr>
<td>Disability Allowance</td>
<td>US$ 190 million</td>
<td>1.80 million</td>
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<tr>
<td>Disabled Students Stipend</td>
<td>US$ 10 million</td>
<td>0.10 million</td>
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US$ 695 million | 8.85 million
Rationale of OPC activity

• 5.7 million OAA beneficiaries
• Help Age study found:
  • Not all barriers that recipients face are financial or can be addressed through increased incomes
  • Recognition that cash transfers are not sufficient to address these nonfinancial barriers, but could offer a platform for additional support has brought about the concept of ‘cash plus’
• There is a need to:
  • Improve access to services and care, particularly with demographic and family structures changing
  • Improve overall well being of elderly population
  • Help the poor have opportunities to be more economically productive
• Older People’s Associations could be the “plus” that adds value
  • In just Asia nearly 1 million OPAs...have seen impact in e.g., Vietnam, Thailand in lives of elderly populations
• There are some OPAS (150+) in Bangladesh but
  • Not implemented by government
  • No single policy/manual
  • Not to scale
Objective
To support **Department of Social Services** to provide holistic support for the elderly, particularly through establishment of Older People’s Associations

Key Activity
Initiate first phase (pilot) of roll out of establishing older people’s associations

Geographical coverage
6 Districts

Budget
USD 3.5 million

Time frame
Under 2 years

Beneficiaries
**Old Age Allowance** beneficiaries and other elderly of Bangladesh (60 plus?)

Key indicators
- OPAs established (around 400)
The economic inclusion OPC activities

• Training/capacity building to manage funds to OPCs:
  • Revolving fund
  • Membership fees
  • Fund raising

• Revolving fund of US 5000 provided as seed money for each OPC’s revolving fund

• Productive use of funds – livelihood support to others etc.
Challenges for design & implementation

Policy challenges

- Convincing govt to partner with NGO for implementation
  - Ensuring quality support to OPAs
  - Finding right NGO

- Determining balance of role of govt and NGO in implementation
  - Engaging all levels of government/DSS

- Fund management/flow
  - Digitization of payments
  - Bank transfer for funds requires legal recognition
  - Revolving fund big part of sustainability- high risk

**Complying with WB procedures and requirement**
Operational questions

- Eligible age
- Number of members in OPC
- Balancing prioritization
  - gender, age, poverty for membership of OPC
  - access to revolving fund
- Loan conditions e.g., interest rate in Bangladesh, for elderly, for sustainability
- Modernization without exclusion
  - Bank through fund transfers
  - Digital fund management
Next Steps

• Government to contract a service provider to support implementation
• Development of operations manual
• Start implementation... January 2024?
Thinking about post “pilot”

- Sustainability of OPCs- working to scale
  - Specific OPCs of pilot
  - The OPC model
    - Impact Evaluation
    - Documentation of processes and lessons learned
    - Continuous engagement of government
    - Development of OPA policy/guidelines/registration legislation
  - Ensuring quality support to OPCs in first two years

Do we have enough time to have good results??