

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

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Photo: World Bank /Andrea Borgarello

Cash Transfer Modernization Project

PDO

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

COST

US\$ 300 million (IDA) + EUR 150 million (AFD)

DURATION

FY19 – FY25

IMPLEMENTATION

DSS; MoSW

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

Cash Transfer	Annual Budget *	Coverage
Old Age Allowance	US\$ 350 million	4.90 million
Widow Allowance	US\$ 145 million	2.05 million
Disability Allowance	US\$ 190 million	1.80 million
Disabled Students Stipend	US\$ 10 million	0.10 million
	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

OPC Pilot Summary

Objective



To support **Department of Social Services** to provide holistic support for the elderly, particularly through establishment of Older People's Associations

Key Activity



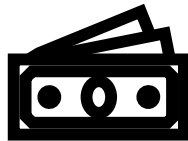
Initiate first phase (pilot) of roll out of establishing older people's associations

Geographical coverage



6 Districts

Budget



USD 3.5 million

Beneficiaries



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

Time frame



Under 2 years

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.



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??