A Diagnostic Study on Vulnerable Group Development (VGD) Programme of Ministry of Women and Children’s Affairs
# Contents

List of Figure and chart............................................................................................................................ 4
List of Table ............................................................................................................................................. 4
List of Abbreviations................................................................................................................................ 5
Executive Summary ................................................................................................................................. 6
   A. Scheme Design............................................................................................................................. 6
   B. Program Implementation............................................................................................................. 6
   C. Way Forward................................................................................................................................ 8
Chapter-1. Introduction and Backdrop.................................................................................................... 9
   1.1 Backdrop to the Project............................................................................................................... 9
   1.2 Backdrop to the Study............................................................................................................. 9
   1.3 About Report........................................................................................................................... 9
Chapter 2: Methodology....................................................................................................................... 10
   2.1 Primary Survey............................................................................................................................. 10
      2.1.1 Institutional Interviews......................................................................................................... 10
      2.1.2 Field Interviews..................................................................................................................... 10
   2.2 Secondary Survey and Literature Review..................................................................................... 10
Chapter 3: Scheme Design and Implementation................................................................................... 11
   3.1 Scheme Design and Features ....................................................................................................... 11
      3.1.1 VGD – Features, Eligibility and Benefits ........................................................................ 11
      3.1.2 ICVGD – Features and Benefits .......................................................................................... 12
   3.2 Implementation Arrangements .................................................................................................... 12
      3.2.1 Beneficiary Selection Process............................................................................................. 13
      3.2.2 NGO / Civil Society Selection Process........................................................................... 15
      3.2.3 Benefit Delivery Process – Food ...................................................................................... 16
      3.2.4 Benefit Delivery Process – Training ............................................................................... 16
      3.2.5 Benefit Delivery Process – Savings .................................................................................. 16
   3.3 Monitoring and Reporting Process ............................................................................................. 17
   3.4 Budgetary Processes .................................................................................................................. 17
      3.4.1 Budgetary Allocations ......................................................................................................... 17
      3.4.2 Fund Flow ............................................................................................................................ 21
   3.5 Other Similar Schemes in Bangladesh .......................................................................................... 21
Chapter 4: Assessment of the Scheme ........................................................................................................ 22

4.1 Scheme Design .................................................................................................................................................. 22

4.2 Targeting and Selection Process of VGD Beneficiaries .................................................................................. 22

4.3 NGO Selection Criteria and Processes ........................................................................................................... 23

4.4 Delivery of Goods and Services ....................................................................................................................... 23

4.4.1 Food Package .................................................................................................................................................. 23

4.4.2 Training and Services Provided by NGOs .................................................................................................... 24

4.4.3 Savings by VGD Card Holders ................................................................................................................... 25

4.4.4 IGA Support .................................................................................................................................................. 25

4.4.5 ICVGD Scheme ........................................................................................................................................... 25

4.5 Monitoring Processes ........................................................................................................................................ 26

4.5.1 VGD Manual and Formats .......................................................................................................................... 26

4.5.2 Performance Reporting ................................................................................................................................ 26

4.5.3 Grievance Mechanism ................................................................................................................................... 27

Chapter 5: Recommendations and Way Forward .................................................................................................. 28

5.1 Scheme Design .................................................................................................................................................. 28

5.1.1 Greater Emphasis on Sustainability: .............................................................................................................. 28

5.1.2 Redesigning Tenure of the Scheme ............................................................................................................... 28

5.1.3 Forward and Backward Linkages ................................................................................................................ 28

5.1.4 Convergence with Other Departments ....................................................................................................... 28

5.1.5 Targeting ....................................................................................................................................................... 29

5.1.6 Database of Beneficiaries and MIS ................................................................................................................ 29

5.1.7 NGO Selection and MoU ................................................................................................................................ 29

5.1.8 Redesigning of Monitoring Formats ........................................................................................................... 29

5.1.9 Grievance Mechanism .................................................................................................................................... 30

5.2 Implementation Processes ................................................................................................................................ 30

5.2.1 Need for Operational Manual for ICVGD .................................................................................................... 30

5.2.2 Compliance of Operation Manual on VGD .................................................................................................. 30

5.2.3 Process Monitoring ......................................................................................................................................... 30

5.2.4 VGD Quota .................................................................................................................................................... 30

5.2.5 Eligibility and Selection of Beneficiaries ..................................................................................................... 30

5.3 Goods and services .............................................................................................................................................. 30

5.3.1 Food – Quantity, Quality and Cash ............................................................................................................... 30
List of Figure and chart

<table>
<thead>
<tr>
<th>Figure/chart Number</th>
<th>Figure/Chart</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure-3.1</td>
<td>VGD card holder selection process</td>
<td>18</td>
</tr>
<tr>
<td>Figure-3.2</td>
<td>Selection process for VGD program</td>
<td>17</td>
</tr>
<tr>
<td>Chart-3.1:</td>
<td>Food Allocation under VGD Program</td>
<td>19</td>
</tr>
<tr>
<td>Chart-3.2:</td>
<td>Trend in training cost for VGD scheme</td>
<td>20</td>
</tr>
<tr>
<td>Box-3.1</td>
<td>Cash Transfer Modalities and Saving Mechanism.</td>
<td>15</td>
</tr>
<tr>
<td>Box-4.1:</td>
<td>ICVGD – Result-Based Monitoring</td>
<td>30</td>
</tr>
</tbody>
</table>

List of Table

<table>
<thead>
<tr>
<th>Table Number</th>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table-3.1</td>
<td>Monitoring of VGD progress</td>
<td>19</td>
</tr>
<tr>
<td>Table-3.2</td>
<td>Fund allocation under different components of VGD program for last three VGD cycles</td>
<td>21</td>
</tr>
<tr>
<td>Table-3.3:</td>
<td>Cumulative financial allocation for VGD scheme</td>
<td>22</td>
</tr>
<tr>
<td>Table-5.1:</td>
<td>Suggested Micro simulations</td>
<td>37</td>
</tr>
</tbody>
</table>
## List of Abbreviations

<table>
<thead>
<tr>
<th>Acronyms</th>
<th>Abbreviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>VGD</td>
<td>Vulnerable Group Development</td>
</tr>
<tr>
<td>IGA</td>
<td>Income Generating Activities</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>DWA</td>
<td>Department of Women Affairs</td>
</tr>
<tr>
<td>NSSS</td>
<td>National Social Security Strategy</td>
</tr>
<tr>
<td>MP</td>
<td>Member of Parliament</td>
</tr>
<tr>
<td>TNA</td>
<td>Training Needs Assessment</td>
</tr>
<tr>
<td>WFP</td>
<td>World Food Program</td>
</tr>
<tr>
<td>ICVDG</td>
<td>Investment Component of Vulnerable Group Development</td>
</tr>
<tr>
<td>LM</td>
<td>Local Management</td>
</tr>
<tr>
<td>MFI</td>
<td>Micro-Finance Institute</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information System</td>
</tr>
<tr>
<td>SPBMU</td>
<td>Social Protection Budget Management Unit</td>
</tr>
<tr>
<td>VWB</td>
<td>Vulnerable Women Benefits</td>
</tr>
<tr>
<td>VWC</td>
<td>Vulnerable Women Committee</td>
</tr>
<tr>
<td>VfM</td>
<td>Value for Money</td>
</tr>
<tr>
<td>PRA</td>
<td>Participatory Rural Appraisal</td>
</tr>
<tr>
<td>GoB</td>
<td>Government of Bangladesh</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>SPFMSP</td>
<td>Strengthening Public Financial Management for Social Protection</td>
</tr>
<tr>
<td>SGSP</td>
<td>Strengthening Government Social Protection System</td>
</tr>
<tr>
<td>MoWCA</td>
<td>Ministry of Women and Children Affairs</td>
</tr>
<tr>
<td>PFM</td>
<td>Public Financial Management</td>
</tr>
<tr>
<td>ToR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>WFP</td>
<td>World Food Program</td>
</tr>
<tr>
<td>MJF</td>
<td>Manusher Jonno Foundation</td>
</tr>
<tr>
<td>FGD</td>
<td>Focus Group Discussion</td>
</tr>
<tr>
<td>NID</td>
<td>National Identity Card</td>
</tr>
<tr>
<td>UP</td>
<td>Union Parishad</td>
</tr>
<tr>
<td>UWAO</td>
<td>Upazila Women Affairs Officer</td>
</tr>
<tr>
<td>UPZ</td>
<td>Upazila</td>
</tr>
<tr>
<td>AO</td>
<td>Allotment Order</td>
</tr>
<tr>
<td>DO</td>
<td>Demand Order</td>
</tr>
<tr>
<td>TAG</td>
<td>Transfer Assurance Guide</td>
</tr>
<tr>
<td>QPR</td>
<td>Quarterly Progress Report</td>
</tr>
<tr>
<td>PIR</td>
<td>Project Implementation Report</td>
</tr>
<tr>
<td>MTEF</td>
<td>Mid-term Expenditure Framework</td>
</tr>
<tr>
<td>UNO</td>
<td>Upazila Nirbahi Officer</td>
</tr>
<tr>
<td>VGF</td>
<td>Vulnerable Group Feeding</td>
</tr>
<tr>
<td>UPP</td>
<td>Ultra Poor Program</td>
</tr>
<tr>
<td>BRAC</td>
<td>Bangladesh Rural Advancement Committee</td>
</tr>
</tbody>
</table>
Executive Summary

The diagnostic study on VGD scheme is performed as part of the mandates of the SPFMSP project and provides an operational and financial analysis of the existing program. The objective of the assignment was to undertake a comprehensive study to analyse the operations and performance of VGD and ICVGD schemes with a view to promote value for money by improving the program.

A. Scheme Design

The developmental objective of VGD programme is to sustainably enhance the income-generating ability of beneficiaries. Improved capacities of VGD beneficiaries through training will help in sustainable development when food delivery could be considered as opportunity cost (lost) for training. However, the design and implementation of the scheme seem to lay greater emphasis and focus on food distribution rather than generating sustainable livelihoods. More resources are being spent on supply of food rather than training, saving and Income Generating Activity (IGA) as a result of which, the beneficiaries tend to depend on government resources even beyond the VGD cycle of 24 months.

Eligibility criteria of the beneficiaries was fixed 40 years ago and outdated as it does not align with present poverty situation in Bangladesh. It is therefore suggested to revise the eligibility criteria for VGD scheme and align with current poverty context of the country. A more scientific and robust mechanism should be developed for targeting and selecting eligible beneficiaries. While the selection process should comply with Operational Manual, emphasis needs to be given on public meeting to make the selection process more transparent.

VGD beneficiaries generally have limited access to credit and market. The scheme does not have backward (pre-production such as raw material) and forward (marketing) linkages for IGAs as a result of which they are unable to optimize on the training acquired for income generation. Thus, in order to fulfil the objective of sustainability, it is suggested to establish credit linkage for beneficiaries through banks /micro-finance institutions coupled with financial inclusion and literacy.

Government may also consider converting the existing two years scheme into different segments. First segment could provide for food support and skills training to the beneficiaries who would also be required to make savings as per the programme. Next segment may include cash support as seed capital. This segment may or may not be accompanied by food support but seed capital provided to beneficiaries along with individual savings may be used for IGA. In the third and final segment that would start after the VGD Cycle, the NGOs should provide support to the beneficiaries for access to credit, IGA activities, entrepreneurship development as well as support for functions of value chain for another two years. Government may also explore modalities of introducing a low-cost group insurance during all these segments.

Currently VGD only covers a limited number of beneficiaries and lacks mechanism for participation in labour markets. In line with the NSSS recommendations, it is suggested to consolidate the allowance for widowed, deserted and destitute women and the VGD scheme into a new Vulnerable Women's Benefit (VWB) scheme and facilitate their participation in the labour market.

The VGD beneficiaries are not tracked beyond the VGD cycle of 24 months so the government is not aware of economic activities these beneficiaries pursue thereafter. The current design also does not allow the continuation of IGA support to VGD card holders beyond the VGD cycle. The study also identified that the program may require further attention of the Government in terms of providing credit access for income generation, quality of training etc. It is also suggested that a robust tracking system should be in place to track beneficiaries of VGD scheme beyond 24 months cycle for economic activities. Evidence suggests that the VGD program could be more efficient and effective if forward and backward linkages are established with the IGAs. This would also serve the overall objective of sustainability of the beneficiaries. To sustain the development of VGD beneficiaries and graduate them through IGA, greater emphasis is required on needs based training and market linkage. With a focus on training for generating sustainable incomes, food support to VGD card holders should at best, be considered as an opportunity cost (lost) for training.

B. Program Implementation

Evidence from the field suggests that manual and guidelines are not strictly followed for implementing the program. For example, the poverty density criteria are not strictly followed in determining the priorities in allocating resources both, across as well as within Upazilas. There is also a non-compliance of allocation of quotas and eligibility criteria in respect of beneficiaries’ selection. Process of beneficiary selection also lacks transparency as there is no validation process with community. It is therefore suggested that the Quota allocation and Card allotment should strictly follow the criteria of food insecurity, poverty mapping and intensity of poor household in different parts of the country. Similarly, emphasis should be given to comply with Operation Manual, in order
to maintain transparency in selection process and ensuring improved delivery of benefits. The current program
design does not have a mechanism for verification to avoid duplication and double dipping. Thus, there is a need
to establish a digitized database of beneficiaries and a central MIS with sharing it on a common platform to avoid
duplication and double-dipping. Absence of a unified data prevents checking of ineligible beneficiaries. This may
also lead to possibilities of double-dipping and duplication within and outside the scheme and hence a need for a
central database and MIS is felt in the study.

Food is distributed to beneficiaries in hand stitched bags and the existing storage system is vulnerable to pilferage.
There is a need to maintain standardization using machine-stitched bags at factory and for quality assurance as is
being done in ICVGD. The food grain that is distributed under VGD scheme is often of inferior quality and
sometimes found inedible with odour. About 30% of VGD card holders in some areas were found to be selling their
food grain in open market for immediate need of cash. It is suggested that the VGD scheme should have a provision
of distributing fortified rice taking into consideration of nutrition status of poor. It is equally important for the
DWA / Local government officials to create awareness campaign on the benefit of fortified food that provides
nutritional value to poor beneficiaries.

NGOs play a key role in the implementation of the VGD that ranges from imparting training to facilitate savings.
Therefore, the success of the programme largely depends on the quality and effectiveness of the NGOs. The
existing processes for assessing the competence of the NGOs to fulfil the required criteria are inadequate and non-
transparent. Existing system of selection of NGOs is highly centralized and is done without consulting the field
offices and no system also exist for field-validations. Thus, there is a need to develop a robust mechanism for NGO
selection. A decentralised approach including field tests need to be applied prior to selection of NGO. Selection of
NGOs should be made in consultation with field offices. It is also suggested that the NGOs must have a pre-existing
outfit / office in the Upazila where they would operate. As indicated earlier, the NGOs should either have a window
for micro-credit services or they should have an arrangement with MFIs to facilitate access to micro-finance for
VGD beneficiaries.

NGOs are engaged to impart training on IGA as well as life skills. It was found that the NGOs had very little capacity
to conduct Training Need Assessment (TNA) and therefore lacked capacity to impart training tailored to the local
and current context. Due to poor capacity of NGOs most of them were found to be confined to conventional
training module only. Trainers engaged by NGOs also lacked appropriate skills, practical experience and exposure.
It is therefore suggested that current practise of providing generic training may be improved by imparting trainings
on skills which may enhance the income-generating capacities of beneficiaries using suitable customization.
Training should be need based and targeted to achieve the overall objective. Training should have sustainable
integrated business approach where the modules be robust and include skill building for improved income
generation, business and entrepreneurial skills. Most NGOs perform their training program on the day of food
distribution undermining the quality and time devoted for training.

VGD should have convergence with training and capacity development programmes of other Line Departments as
in the case of ICVGD. There has to be strong synergies with relevant Line Departments for cross learning, training
and capacity development. It was observed in the field that the Government officials of different line departments
having expertise in different sectors performed high quality training as in case of ICVGD programmes. It is
therefore suggested that the master trainers of NGOs should be provided extensive training by the Government
Officials.

Savings is an important component of the VGD program where the beneficiaries are supposed to save Taka 200
pm with a purpose that their savings could be used for investment in IGA at the end of the VGD cycle. However,
this savings amount usually falls short in relation to need for investment in IGA at the end of cycle and an
inadequate capital is built due to low saving rate and hence poor investment in IGA activities. It was also observed
that the beneficiaries lack awareness regarding the need, importance and utilization of savings as investment in
IGA. As a result, there is little motivation for mandatory savings.

It is suggested that the monthly savings amount of Taka 200 should increase to equivalent of at least 1/3rd of the
cost of 30Kg rice that each VGD card holder receives free of cost on monthly basis. The prescribed savings rate
should have flexibility to allow beneficiaries for savings at higher rates according to their requirement for Targeted
Investment. Savings should be invested only through individual bank accounts for promoting financial inclusion
and should be accompanied by developing necessary Financial Literacy among the beneficiaries. The government
might want to explore possibilities of encouraging savings by top ups provided by GoB as co-contribution.

Present system of monitoring and evaluation is input based without measuring any outcomes or results hence
prepares measuring sustainability results and competencies gained from training as well as IGAs. It is therefore
suggested to redesign monitoring formats for measuring indicators at Output and Outcomes Levels and introduce
process monitoring.
It is necessary to address some of the issues and challenges being faced by the beneficiaries. The Grievance mechanism currently exists only for beneficiary selection and mostly doesn’t function beyond this and hence requires a revamping. Grievance mechanism should be designed for all levels including delivery of benefits. Grievance mechanism should be linked to a central system which communicates seamlessly with the Government Officials.

The investment component has been added to the VGD (ICVGD) beneficiaries under a pilot project where the selected beneficiaries out of an existing set of VGD beneficiaries, receive an additional benefit of Taka 15,000 for investment. However, evidence from the field suggests that the program requires further improvement in its design as well as implementation. For example, despite an investment component of Taka 15,000, unaccompanied by business plan and other development support by NGOs falls short of fulfilling the objective of sustainable IGA. Also, lack of credit linkage for financial support of entrepreneurship development among the beneficiaries defeats the purpose of the grant. Some ICVGD beneficiaries selected from VGD card holders were found non-eligible as per the present criteria. Saving provision of Taka 200 pm, like the provision under the VGD, is disproportionate with investment component of Taka 15,000 provided under this scheme for IGA / entrepreneurship development. Fortified rice is distributed among ICVGD card holders without any awareness building mechanism on nutrition health benefit in their life.

It is recommended to develop an Operation Manual and guidelines for ICVGD from the knowledge and experience gained from pilot schemes. ICVGD should have provision of increased amount of saving proportionate to Taka 15,000 as a grant for investment component. A robust selection criteria should be adopted and rigorous checks be followed for selection of ICVGD beneficiaries. On the food distribution side, distribution of fortified rice should be coupled with awareness building package among the beneficiaries. It also requires improving accountability in convergence amongst government officials for quality assurance and impact of ICVGD beneficiaries. Payment system should be streamlined with money being withdrawn from Treasury, only when it is due thus allowing no float to the banks.

C. Way Forward

A dissemination workshop was held on the findings and recommendations of the study and the minutes of the meeting were recorded and annexed to this report as Appendix 8. The presentation on the findings and recommendations is also annexed to this report as Appendix 8A. The meeting agreed with the findings and recommendations of the report on the diagnostic study towards improving the design and implementation of VGD program. The comments and suggestions made by the participants of the meeting were duly addressed to finalize this report. The meeting recommended that a costed reform plan will be developed by the SPF MSP project to take forward the implementation of the recommendations made by the study.
Chapter 1. Introduction and Backdrop

1.1 Backdrop to the Project
Maxwell Stamp PLC has been contracted by the UK Department for International Development (DFID) as the Managing Agent for the Strengthening Public Financial Management for Social Protection (SPFMS) project under Strengthening Government Social Protection for the Poor (SGSP) programme.

The project has a mandate for performing seven diagnostic studies in order to conduct operational and financial analysis of different social protection schemes of six line ministries. This report pertains to one such scheme, called "Vulnerable Group Development (VGD) program of the Ministry of Women and Children Affairs (MoWCA). The evidence, findings and recommendations from different diagnostic studies along with independently conducted studies on thematic, issue based and exploratory research shall be used towards designing costed reform plans for the Government. The aim of these reform plans is to give options for the improvement of social protection policy-making and programming, build the capacity for analytical decision-making and implementation capacity. This policy-level reform has potential to make impacts across a wide range of categories of the population, particularly the poorest and the most vulnerable groups.

1.2 Backdrop to the Study
The VGD programme has gradually evolved over the years to address the marginalization of the vulnerable poor, including the feminized aspects of poverty, with special attention being given to the food security and nutrition status of the disadvantaged women. The poverty reduction drive in Bangladesh has considered VGD to be a major intervention in addressing extreme poverty since inception.

The objective of the assignment was to undertake an in-depth and comprehensive diagnostic study on the VGD scheme, including the Investment Component of VGD (ICVGD)\(^1\), by performing an operational and financial analysis with a view to recommend improvement in the economy and cost effectiveness of its operations to promote value for money (VfM). The evidence-based findings of this study not only highlight and flag challenges and issues that are observed in its governance and implementation, but also provide a way forward by recommending parametric and systemic reforms to the scheme. Government of Bangladesh may use these recommendations to develop costed reform plans for the Government.

Earlier reviews of the VGD scheme focusing on evaluation and impact have been conducted independently of this project\(^2\). They focused more on outputs and scheme effectiveness, but were neither targeted on improving operational efficiencies nor were written through a public financial management (PFM) lens promoting VfM. However, results from these reviews were useful and considered when formulating recommendations in this report.

1.3 About Report
This report provides an overview of the VGD and ICVGD schemes, focusing on theory (what is it in the policy and manual) and practices (what is it practically done at implementation level), and then identifying gaps and weaknesses in both in terms of VfM and opportunities for improvement in the features included in the design itself. The conclusions are based on institutional interviews and discussions with a variety of stakeholders at the government and local levels, including focus group discussions (FGDs) with participants in both the VGD and ICVGD schemes.

Chapter Two of this report discusses the methodology adopted for the study including the primary surveys. Chapter Three of the report outlines the features and design of the scheme including implementation arrangements. Chapter Four gives an assessment of the scheme that emanates from the secondary as well as primary research conducted during this diagnostic study including the institutional interviews and the observations made at the field level. Finally, Chapter Five focuses on evidence-based recommendations and the way forward including endorsement of a prima facie evidence that suggest this scheme be considered for a costed reform. The detailed Terms of Reference (ToR) for these assignments included at appendix 1. Minutes of the meetings as part of the dissemination of this study is included as appendix B to this report.

---

\(^1\)An improvised version of VGD scheme with an Investment component namely, Investment Component Vulnerable Group Development (ICVGD) was introduced more recently with assistance from World Food Programme (WFP) and is now being funded by the GoB.

\(^2\)Bangladesh Institute of Development Studies 2012 and Rural Development Academy 2012
Chapter 2: Methodology

The review of this scheme was conducted by the team of consultants between the June and December, 2016. The team reviewed secondary documents, conducted several consultations with relevant government officials, held interviews with key stakeholders and conducted focus group discussion in the field with the beneficiaries and non-beneficiaries. The scope of work also provided for a follow-up workshop to discuss conclusions in this report. The methodology broadly followed the approach set out in the Inception Report, including an existing situation analysis, problem definition, and development of solutions.

2.1 Primary Survey

This study used a qualitative methodology approach, which included collecting and analysing primary research. Detailed questionnaires/discussion frameworks were prepared prior to field trips.3

2.1.1 Institutional Interviews

At the Government level, introductory meetings were held with the Additional Secretary and Joint Secretary of the Finance Division, Ministry of Finance, Ministry of Women and Children Affairs (MoWCA) and the Director General of the Department of Women Affairs (DWA). List of officials met is annexed to this report. These meetings covered the broad objectives and features of the two schemes (VGD and ICVGD), and concerns or issues considered important by these policy-level decision makers. More extensive meetings with the DWA were held to understand the institutional and implementation arrangement for the governance and implementation of the VGD including the ICVGD. In the case of DWA, follow up meetings were held to obtain additional details on processes followed by activities such as participant and NGO selection, governance and reporting requirements, the degree of centralised versus local decision making, relevant policies, and to obtain quantitative information such as costing. Similarly, initial findings including early conclusions and the findings from the field were discussed with the two Additional Secretaries of MoWCA as part of the wrap-up meetings.

Meetings were also held with representatives from World Food Programme (WFP), World Bank and Manusher Jonno Foundation (MJF), which has been assigned an advocacy and appeal role (grievance) on behalf of beneficiaries within the scheme.

2.1.2 Field Interviews

While the focus of the study from the ‘supply side’ also included the service providers at the field level, the study would have been incomplete if the ‘demand side’ perspective from the beneficiaries was not considered. Initially, two field visits at two Upazilas (Sub-districts) under two districts, Habiganj and Sirajganj, were conducted in consultation with MoWCA. However, at a later stage, following discussions on findings from the field, the MoWCA suggested to have additional field visits to six more Upazilas under three districts, Sunamganj, Khagrachori and Thakurgaon to strengthen the evidence collected from the previous field visits. Accordingly, the team visited to cover additional Upazilas to gain and strengthen the evidence of diversified data on VGD scheme from different geographic and socio-economic condition of target population. These locations across the country not only provided an opportunity to review implementation of both VGD and ICVGD schemes to ascertain if there were local differences, but also provided an opportunity to visit a rice mill which supplies fortified rice to the ICVGD beneficiaries.

The field trips involved focus group discussions with VGD Committees at all 5 Districts, 10 Upazila and 10 Unions and 8 NGOs entrusted for training, savings and IGA support roles. To learn about demand side, FGD was also conducted with VGD card holders from 2015-16 VGD cycle, non VGD card holders and new VGD card holders selected for 2017-18 cycle totalling an estimate of more than 1000 beneficiaries.

2.2 Secondary Survey and Literature Review

A literature review including previous studies on VGD as well as relevant documents, implementation manual and Government Orders issued by the MoWCA were desk reviewed. A list of such documents is also annexed to this report.

3 A copy of this check list questionnaire is attached in Appendix 3
4 Selection was done in consultation with the Additional Secretary and Deputy Chief, MoWCA who also instructed the DWA for necessary facilitation of the field visit.
Chapter 3: Scheme Design and Implementation

The VGD is the largest safety net programme for female-headed poor households in Bangladesh. It is jointly governed and implemented by MoWCA and Ministry of Food & Disaster Management with assistance from WFP and the help of local NGOs. The ultimate goal of the VGD scheme is to bring sustainable improvement to the lives of ultra-poor, female-headed households by imparting training, food and the opportunity to save to its beneficiaries over rolling two-year cycles. The scheme, which commenced in 1974, is implemented in all 64 districts of the country.

3.1 Scheme Design and Features

There are two different forms of VGD. While the standard VGD program provides for food transfer, training on income generation as well as life skills, an opportunity to save, the ICVGD program is an initiative with the technical and financial assistance from WFP that promotes income-generation in addition to the food transfer, trainings and savings components of the VGD. It was piloted with select VGD beneficiaries and included an additional investment component (IC) of BDT 15,000 as a one-time grant that is used by the beneficiaries for an income-generating activity of their choice.

3.1.1 VGD – Features, Eligibility and Benefits

VGD targets about 750,000 direct ultra-poor participants across the country receive monthly food ration of 30 kilograms (kg) of rice for the household and a development support services (inclusive of life skills and income generating skills training, savings and access to credit) for a cycle of twenty-four months. To ensure sustainability of development results and to provide women with opportunities to further improve their livelihoods, VGD participants are mainstreamed into regular NGO development programme after completing the cycle. It is aimed at uplifting the socio-economic conditions of poor and destitute women in the rural areas of Bangladesh.

The design of the VGD scheme provides for the following benefits package to beneficiaries:

1. In-kind (30 kg of rice/Wheat per month) transfer;
2. Training on income-generating activities (IGAs), including entrepreneurship, for 63 hours;
3. Training on life skills for 63.5 hours to help improve their livelihoods;
4. A compulsory savings scheme requiring VGD beneficiaries to contribute BDT 40 per month over 24 months.

Accumulated funds are returned to the beneficiary at the end of two-year scheme cycle along with earned interest on the deposited fund.

The long-term objective of VGD program is to make *positive and sustainable change in livelihoods of ultra-poor women with attention to protect further deterioration of living condition*. The specific objectives of the program are:

- To assist poor rural female-headed households by providing complementary inputs that aim to improve their nutrition and enhance their livelihoods and self-reliance;
- To overcome existing food insecurity, malnutrition, and lower social status so that the women can graduate out of ultra-poverty;
- To develop skills of the women beneficiaries through training and encourage them to collect initial capital for investment through savings;
- To increase social awareness of best health practices and promote women’s empowerment.

As per the programme manual, there are five main criteria that determine eligibility for the VGD scheme:

1. **Income:** There should be no fixed or regular income of the beneficiary;
2. **Asset:** Owning less than 0.15 acre of land;
3. **Family Status:** Household should be female-headed and the beneficiary should be the only income earner;
4. **Training:** Spread over 21 days during 2-year scheme cycle
5. **Savings Scheme:** Required VGD beneficiaries to contribute BDT 40 per month over 24 months.

---

3 The scheme is being scaled-up to include 1 million beneficiaries in the next cycle starting in January 2017

6 Training is spread over 21 days during 2-year scheme cycle
4. **Age:** Should be aged between 18 and 40 years. The National Identification (NID) card or birth certificate is used to determine the age of the eligible beneficiary;

5. **Capacity:** The beneficiary should be physically capable to work.

The manual also provides for exclusion criteria. The selection of beneficiaries is governed by the following exclusion criteria that make them ineligible:

- Potential beneficiary receiving inputs or financial benefits from another scheme of the government; and/or
- Potential beneficiary being a former VGD card holder during any one of last two cycles of the scheme.

Besides the eligibility and exclusion criteria, the selection of the beneficiaries is also governed by other conditions such as there can only be one VGD card allotted per family.

### 3.1.2 ICVGD – Features and Benefits

As mentioned earlier, ICVGD is implemented within the overall VGD programme\(^8\) and the beneficiaries are selected from within the overall VGD beneficiaries. The program, in addition to the VGD, introduced a BDT 15,000 cash grant for investment and 30 kg fortified rice monthly (instead of regular rice as in VGD scheme).

The aim of the ICVGD is as follows:

- Increase productive assets and enhance household income of VGD women participants and their families through diversified economic activities;
- Ultra-poor VGD women and their families are economically empowered;
- Enhanced food consumption and improved food security and life skills of ultra-poor women.

From the perspective of the selection of beneficiaries, the ICVGD beneficiaries are selected from within the VGD card holders\(^9\), and the programme has the same eligibility requirement as that of VGD. ICVGD is currently being piloted in eight Upazilas in Bangladesh. In Belkuchi Upazila, where one field trip was conducted, there were 1534 VGD card holders out of which 999 were selected as ICVGD beneficiaries in May 2015.

The ICVGD scheme offers the following additional benefits:

- 30 kg of fortified rice, which provides the additional food nutrition benefits;
- A cash grant of BDT 15,000 per beneficiary as a contribution to start-up of a micro enterprise;
- Income-generating training provided by Government officials as specialist trainers;
- The compulsory savings is BDT 50 per beneficiary per month.

### Box 3.1

**Cash Transfer Modalities and Saving Mechanism**

- The cash grant is provided through agent banking supported by Bank Asia.
- All women open their own bank account with the help of the DWA and the partner NGOs at no additional cost.
- They are encouraged to save money each week using this bank account.
- Bank Asia is also looking into providing tailor-made services for ultra-poor people.

**Source:** World Food Program (WFP)

### 3.2 Implementation Arrangements

The scheme has multiple stakeholders who play important roles in the process of implementation. The institutional architecture of the scheme comprises the Government machinery both at central as well as at the field level. It also involves publicly elected bodies and institutions, civil societies / NGOs, other departments of different line ministries, the factories that produce rice, and the institutions responsible for storage and delivery of food. The beneficiary selection process as well selection of the civil societies / NGOs that play key roles on the demand side, are also to be considered in the implementation process.

---

\(^8\)ICVGD is part of the Strengthening Government Social Protection Systems for the Poor (SGSP) programme, funded by DFID; the Netherlands Embassy in Dhaka has provided funds for the rice fortification.

\(^9\)Total ICVGD enrolments in the current cycle (Jan 2015 – Dec 2016) are 14,811.
3.2.1 Beneficiary Selection Process

The selection of VGD beneficiaries is governed by a number of circulars and GOs issued by the DWA. However, the Operational Manual on the VGD programme is the main instrument for implementation of the scheme. Though the pilot initiative of ICVGD does not have any operational manual and only has certain set of guidelines, it has adopted some of the pre-defined practices. As of 2015-16 as many as 750,000 women beneficiaries were selected to participate in the VGD programme. However, in the cycle of 24-month cycle beginning in January 2017, VGD has been scaled up to support one million beneficiaries.

The process for the issuance of VGD cards usually begins with MoWCA issuing a circular four months prior to the start each scheme cycle. The circular includes information on the allocation of VGD cards disaggregated by Upazila (UPZ), the timeline for VGD card enrolment from eligible women and guidelines for selection of VGD beneficiaries. Based on the allotted numbers, DWA then decides the district-wise allocation in consideration with the poverty situation in different districts of the country.
The UPZ VGD committee decides the union-level VGD card allocation in consultation with the Union Parishad (UP) Chairman. The minimum number of cards allocated is 50 per union. Higher VGD cards are issued in the UPZs that are poverty-stricken and where families are living with higher percentage of food insecurity and destitute conditions.

In order to ensure transparency and the selection of eligible beneficiaries, the operation manual has a comprehensive selection process that includes the following:

1. **Facilitation of Union Committee by the Upazila Women Affairs Officer (UWAO):** The UWAO facilitates the selection process on behalf of the Union Committees by issuing a public announcement during open meetings to identify potential beneficiaries who are recommended by communities;

2. **Visiting potential beneficiaries at household level:** A visit to the potential beneficiaries is made to further verify and check the level of poverty and consequently the eligibility in accordance with the selection criteria;

3. **List Compilation:** The visit to the households are usually followed by a compilation of lists of recommended participants by the Union Committee which is then submitted to the UPZ VGD Committee for finalisation;

4. **List Approval:** The final list is then approved by the UP Chairman;

5. **List Display for Transparency:** The approved list is displayed at each UP office for people to be aware of and for promoting greater transparency in the system.
3.2.2 NGO / Civil Society Selection Process
As mentioned earlier, the training and capacity building sub-component of the VGD is catered to by the NGOs that are selected for that purpose. The NGOs who are responsible for the delivery of training and for management of the compulsory savings component under VGD are selected by the DWA using the following procedure:

1. **Public Announcement:** A public announcement is placed in print media at national level to identify NGOs that may be interested in participating in the VGD scheme across the country;
2. **Prescribed Formats:** Interested NGOs fill out a prescribed form which is reviewed and assessed by DWA;
3. **Central Selection:** Based on these application forms, the DWA at the central level decides about the selection of the NGOs and also assigns them the specific UPZs.
In the current cycle (2015-16) of the VGD as many as 248 NGOs are functioning to providing training to the VGD participants.

3.2.3 Benefit Delivery Process – Food
As mentioned earlier, one of the main inputs under the VGD schemes is food distribution in the form of 30 kg of rice per beneficiary per month. The steps outlined in the operation manual for food allocation and distribution is as follows:

1. **MoWCA Level:** MoWCA issues GO to DWA stating quantity of food, numbers of VGD card holders, allocation of carrying cost to distribution points and other related expenses;
2. **DWA Level:** DWA issues Allotment Order (AO) in favour of Upazila officer corresponding to number of VGD card holders and total food quantity;
3. **UWAO Level:** UWAO writes a letter to Upazila food officer issue Demand Order (DO) in favour of each UP chairman;
4. **UPZ Food Office Level:** UPZ food officer issues DO to local food warehouse for delivering food to UP chairman at warehouse gate; 30 kg of rice in each bag for each number of eligible VGD cardholders;
5. **UP Level:** UP chairman or his/her representative receives all packets at distribution point of the Union and distributes packs to beneficiaries on a certain date of the month.
6. **Distribution Level:** Food is distributed in the presence of Transfer Assurance Guide (TAG) officer assigned for the respective union.

3.2.4 Benefit Delivery Process – Training
The selected NGOs are supposed to provide life skills and income-generating training to the VGD beneficiaries in different batches. Life skills training and refreshers courses are conducted for a total of 46 hours and 17.50 hours respectively throughout the two-year VGD cycle. Similarly, income-generating skill development training and refreshers course are held for a total of 42 and 21 hours respectively. ICVGD participant training also includes additional training modules provided by specialised trainers employed by the Local Government.

3.2.5 Benefit Delivery Process – Savings
Each VGD cardholder is also supposed to save an amount of BDT 10 per week/ BDT 40 a month. These savings are recorded in a register book which is maintained by the NGO who is assigned the role of VGD implementation in that area. UWAOs review the register book when he/she attends the monthly food distribution event to see how many VGD cardholders have been maintaining their deposit. These savings get deposited in the banks and are repaid to the VGD beneficiary with interest at the end of her cycle.
3.3 Monitoring and Reporting Process

**Operation Manual:** The operation manual of the VGD scheme has articulated a monitoring and reporting guideline to assess the progress and achievement of the scheme. The field level officer of DWA is entrusted with the responsibility of monitoring the quantity and timeliness of food distribution and regular savings by VGD cardholders. This officer also supervises the progress of income-generating activities and, if necessary, reviews the training package and enrolment of VGD cardholders. WFP provides technical assistance and skills development support to DWA to ensure quality implementation, monitoring and management of VGD scheme.

**Field Visits:** Every month, the District Women Affairs Officer and UWAO are required to visit two to four unions respectively during food distribution and beneficiaries’ training.

**Reporting:** DWA at the field office level and central level is responsible for the monitoring and preparation of monitoring reports on the VGD scheme, food distribution, training, NGO activities, savings program, etc. at different points of time during each two-year cycle. A Quarterly Progress Report (QPR) and Project Implementation Report (PIR) are to be prepared on regular basis. Other significant monitoring and progress reporting by different personnel and institutions include:

<table>
<thead>
<tr>
<th>Monitoring Activities</th>
<th>Agency / Officers Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring Report on Food distribution</td>
<td>District Women Affairs Officer &amp; UWAO</td>
</tr>
<tr>
<td>Monitoring Report on VGD Scheme</td>
<td>District Women Affairs Officer &amp; UWAO</td>
</tr>
<tr>
<td>Training Quality Monitoring Report</td>
<td>District Women Affairs Officer &amp; UWAO</td>
</tr>
<tr>
<td>NGO Activity Report / NGO Performance Report</td>
<td>District Women Affairs Officer, UWAO &amp; NGO</td>
</tr>
<tr>
<td>UP Office Report on Food distribution</td>
<td>UWAO, TAG Officer &amp; UP Chairman</td>
</tr>
</tbody>
</table>

*Source: Vulnerable Group Development (VGD) Programme: Instructions of Implementation. Pages: 09, 10, 14, 15, 17.*

3.4 Budgetary Processes

MoWCA’s budget is covered under Grant Number 25. The medium-term expenditure framework (MTEF) for the Ministry depicts the projections for the next four years with an average of 16.6% budgeted under the Developmental head while the balance 83.4% is allocated to the Non-Development budget.

3.4.1 Budgetary Allocations

The costs of governance and oversight at MoWCA or DWA levels is not currently itemised within the Ministry and Departmental budgets. DWA have 10 staff exclusively allocated to the VGD scheme, from a total of 300 staff. With the exception of NGO costs, and very limited funding for travel and awareness, the cost of local support is not costed against the VGD and ICVGD schemes either. Peak workloads occur at selection time and during supervision of food distribution. Smaller peaks occur during quarterly reporting, and when NGO quality is being reviewed. Officials at both, Sirajganj and Habiganj reported insufficient funding to allow them to exercise adequate supervision at a local level. Budgetary allocation for food is provided through the budget of the Ministry of Foods and no budgetary transfers are provided by the MoWCA.
Chart 3.1

The budgetary allocations clearly depict that on an average, 96.5% of the expenditure on VGD incurred in the past seven years pertains to one single head: ‘Food’. On average, only 2.55% of the overall VGD cost was spent on ‘Training’ component during these years.

Similarly, the component of Training was perhaps the most neglected in terms of money expenditure with just about BDT 216 Million over the last seven years. Even the expenditure incurred over these years was erratic with positive and negative growth.

Chart 3.2

Budgeted and actual expenditure for the VGD and ICVGD schemes for the past 5 years is as follows:
<table>
<thead>
<tr>
<th>SL</th>
<th>Vulnerable Group Development Scheme</th>
<th>2009-2010 Total Participant 7,50,000</th>
<th>2011-2012 Total Participant 7,50,000</th>
<th>2013-2014 Total Participant 7,50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Financial year</td>
<td>Financial year</td>
<td>Financial year</td>
<td>Financial year</td>
</tr>
<tr>
<td></td>
<td>Sector &amp; Code</td>
<td>Allocation</td>
<td>Expenditure</td>
<td>Allocation</td>
</tr>
<tr>
<td>1</td>
<td>Food Allocation (5943)</td>
<td>60904.99</td>
<td>61915.42</td>
<td>70554.28</td>
</tr>
<tr>
<td></td>
<td>265000.00 MT</td>
<td>258258.47 MT</td>
<td>265000.00 MT</td>
<td>263535.00 MT</td>
</tr>
<tr>
<td>2</td>
<td>Training cost (4840)</td>
<td>978.53</td>
<td>390.50</td>
<td>2406.35</td>
</tr>
<tr>
<td></td>
<td>3 Petrol and lubricant (4823)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Transport cost (4846)</td>
<td>360.00</td>
<td>226.81</td>
<td>470.00</td>
</tr>
<tr>
<td>5</td>
<td>Contingencies cost (4899)</td>
<td>50.00</td>
<td>43.28</td>
<td>125.00</td>
</tr>
<tr>
<td>6</td>
<td>Motor Transportation (4901)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>Computer and office accessories (4911)</td>
<td>0</td>
<td>1.00</td>
<td>0.73</td>
</tr>
<tr>
<td>Total Cost</td>
<td>62293.52</td>
<td>62576.01</td>
<td>73556.63</td>
<td>68021.00</td>
</tr>
</tbody>
</table>

ICVGD activities were implemented by WFP in 8UPZs of Bangladesh. Number of beneficiaries 14811.
Table-3.3: Cumulative financial allocation for VGD Scheme  (Amount in Lakh Taka)

<table>
<thead>
<tr>
<th>S.L</th>
<th>Vulnerable Group Development Scheme</th>
<th>2015-2016 Total Participant 7,50,000</th>
<th>Cumulative Participant (2009-2016) 30,00000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Financial year</strong></td>
<td><strong>(2009-2016)</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Allocation</strong></td>
<td><strong>Expenditure</strong></td>
</tr>
<tr>
<td>1</td>
<td>Food Allocation (5943)</td>
<td>98993.87</td>
<td>98097.04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>270000.00 MT</td>
<td>267554.00 MT</td>
</tr>
<tr>
<td>2</td>
<td>Training cost. (4840)</td>
<td>3000.00</td>
<td>2781.64</td>
</tr>
<tr>
<td>3</td>
<td>Petrol and lubricant (4823)</td>
<td>12.00</td>
<td>10.24</td>
</tr>
<tr>
<td>4</td>
<td>Transport cost (4846)</td>
<td>832.25</td>
<td>827.26</td>
</tr>
<tr>
<td>5</td>
<td>Contingencies cost (4899)</td>
<td>950.00</td>
<td>478.37</td>
</tr>
<tr>
<td>6</td>
<td>Motor Transportation (4901)</td>
<td>8.25</td>
<td>4.13</td>
</tr>
<tr>
<td>7</td>
<td>Computer and office accessories (4911)</td>
<td>3.30</td>
<td>3.18</td>
</tr>
<tr>
<td></td>
<td>Total Cost</td>
<td>103799.67</td>
<td>102201.86</td>
</tr>
</tbody>
</table>

Source: Various Documents of Ministry of Women and Children Affairs
3.4.2 Fund Flow
Management of funds under the VGD program is closely aligned to and integrated with national procedures. The Finance Division of MoF is responsible for approval of the MoWCA budget and releases the total funds to the Ministry, subject to any relevant conditions. MoWCA in turn releases funds to DWA in four instalments. DWA has delegated authority to make required payments, except for “starred items” – in the case of the VGD scheme payments such as for training. Payments in these areas require additional documentary support in the form of file notes before final approval to pay is granted. All payments are by cheque, with documents provided to the bank authorising them to release funds. Payments for food are not passed through MoWCA budget. They are processed through a book transfer at the end of the financial year, to the Ministry of Food. No cash transfer is involved. Payments for ICVGD locations receiving fortified rice are managed on a similar basis, but require prior approval from the Finance Division. Food transportation is allocated on a tonnage and distance basis and paid by DWA in four instalments directly to the Upazila Nirbahi Officer (UNO). It is then distributed by the UNO. The District Office has no involvement. Payments to NGOs are made in four instalments after receiving utilisation certificates from the District and UWAO, and central approval (as a ‘starred item”). A detailed list of all 248 NGOs involved in VGD scheme delivery and a requisition is submitted to MoWCA and the Finance Division for clearance to effect the payment. Transportation and similar support costs are met through DWA allocations, under which the allocated budget is distributed to local offices on the basis of the number of vehicles and equipment available to support the VGD scheme. Similarly, publicity and local transport costs are allocated by DWA to local offices. Any under-expenditure must be returned to the Finance Division, rather than being reallocated to areas where there is a shortfall. Based on the discussions with the beneficiaries there seemed no specific delays in delivery of goods and services. Overall, the respondents indicated that all four instalments were generally paid on time; there was no difficulty with late payments but cheque releases from the bank to the client may be a source of delay. ICVGD payments are not part of the regular budget. Payments are released through WFP.

3.5 Other Similar Schemes in Bangladesh
While the social safety nets in Bangladesh comprises more than 140 schemes that are delivered through more than 30 Ministries and / or Agencies, one scheme that offers similar benefits to the VGD is the Vulnerable Group Feeding (VGF) of the Ministry of Disaster Management and Relief. While a diagnostic study on the VGF will be performed independently and at a later stage, the two schemes could be compared and contrasted for the purpose of designing costed reforms, if need be. There is also numerous development programmes that have been implemented in Bangladesh over the years which could provide valuable input towards the improvement of VGD/ICVGD such as the Chars Livelihoods Programme, SHIREE, BRAC’s Ultra Poor Programme (TUP), etc. learning from such schemes could be adopted while designing the costed reform plans.
Chapter 4. Assessment of the Scheme

The VGD scheme has been assessed based on evidence generated by the primary survey conducted by the diagnostic study as well as literature review. While the primary survey included the institutional interviews as well as observations made in the field, the review of literature included the examination of the GOs and Operation Manual. Both methods provided an insight into the regulations and governance related to the schemes. The difference between what is mentioned in the regulations in theory and what was actually observed in the field in actual practices and that helped to conduct gap analysis are also part of the assessment of the study.

4.1. Scheme Design

**Sustainable development:** The developmental objective of VGD program is to enhance the income-generating ability of beneficiaries for sustainable development is not fully achieved. The design of the scheme has Greater focus on food delivery rather than training, savings and IGA support for income generation for sustainable economic development of VGD card holder. Dependency of beneficiaries of VGD scheme is merely reduced on government resources.

**Linkage to credit access:** Beneficiaries have limited access to credit and market. Scheme does not have backward (pre-production such as raw material) and forward (marketing) linkages for IGAs except few scattered micro-credit support from MoWCA to VGD card holders.

**Benefit tracking at post VGD cycle:** Despite registration of 750000 beneficiaries every year, no mechanism exists to track VGD beneficiaries and learn about economic development or whether they economically active at post VGD cycle stage.

**Eligibility Criteria:** Eligibility Criteria developed decades back is now found Obsolete, Archaic and outdated and it does not align with present poverty situation in Bangladesh.

**Tracking for exclusion criteria:** The design does not have tracking mechanism for duplication and compliance with exclusion criteria.

**IGA support beyond the current cycle:** Despite demand created through IGA training and savings that beneficiaries received at end of VGD cycle, but the current design of the scheme neither has neither provision nor allows NGO to continue support for IGA to VGD card holders beyond two years cycle for sustainable economic development.

**Aligning VGD with National Social Security Strategy (NSSS) and developing a life cycle model:** Currently VGD only covers a limited number of beneficiaries. As per NSSS recommendations, VGD lacks mechanism for participation in labour markets.

**Empowerment on Rights and Duties:** Beneficiaries consider the benefits as being bestowed on them out of compassion / sympathy for poor not as rights to government resources where services providers demonstrate poor accountability.

4.2 Targeting and Selection Process of VGD Beneficiaries

**Demand Outpaces Supply:** National statistics indicate that in 2010 a total of 31% of the population, or 47 million people, still lived in poverty in Bangladesh. The underlying data was updated in 2013, and reported in 2014. The total allocation of VGD card for 2015-2016 years’ cycle was 750,000. However, in the next 24-months cycle i.e. 2017- 2018, the VGD scheme expects to reach 1 million rural women. The unfilled demand for places in the scheme is, therefore, still considerably high.

**Criteria of Poverty and Hunger:** As per the Operation Manual, the criteria to be considered for card allotment include level of food insecurity and intensity of poor living in the area. However, it was observed that in most cases, a standard quota (e.g. 50 cards per union) was allotted without consideration of these criteria. Some exceptions were noticed for certain UPZs of the country where an additional number of cards were allotted, but this was likely due to political influence and vested interest rather than genuine intent to target more vulnerable areas.

**Top-Down Approach:** In theory, the District VGD Committee decides the allocation VGD quota in consultation with UPZ VGD Committee. The Upazila VGD Committee under the leadership of the UP chairman uses a top down approach to identify potential beneficiaries and finalise the list of beneficiaries selected to receive VGD card. In reality, the final list of women eligible for VGD cards is prepared by UPZ VGD Committee and approved by the UPZ Chairman of the VGD Committee with due consent from the respective Member of Parliament (though the scheme’s manual does not have such provision in the approval process).
Report on Diagnostic Study of VGD Programme of MoWCA

**VDG Quota:** Poverty Density Criteria in respect Allocation of VGD Cards amongst Upazilas as well as within the Upazila is not strictly followed.

**Lack of Checks for Exclusion Criteria:** One of the areas of concern is the fact that the scheme does not have any method by which the officials can check whether or not selected VGD participants have received or are receiving monetary or in-kind benefits from any other government scheme (which is supposed to make them ineligible for inclusion the VGD scheme). Absence of such system for ineligibility verification of Beneficiaries, e.g. Non-availability of unified data prevents identification of beneficiaries – that emerges possibility of double-dipping and duplication.

**Other Theory versus Practise Deviations:** Some steps and processes for participant selection outlined in the VGD operation manual are not strictly followed. It has been observed that the operation manual of VGD scheme is not adequately followed corresponding to guidelines and procedures which reveal evidence of difference between manual and practices resulting to non-compliances. Some critical observations that hinder quality of VGD scheme have noted below as non-compliance with operation manual:

- The absence of loudspeaker use for announcement of VGD scheme during public meetings;
- The absence of community consultation during public meeting for identifying deserving/eligible women;
- Union VGD Committee rarely visits potential beneficiaries at household level, but rather sends village police to select and call beneficiaries for attending meeting at union office for final list preparation.
- Despite clear guideline is contained in operation manual for Quota allocation and eligibility criteria, but are not strictly followed. A criterion for Selecting Women-Headed Households for VGD scheme is neglected.
- Beneficiaries' selection processes for VGD card lacks Transparency as well as non-compliance with VGD Manual.
- Manual does not have provision for concurrence from MPs / Upazila Chairman but is in practice for Final selection of Beneficiaries- another non-compliance with VGD manual.
- Top down approach from Upazila to Union without validation with community/ people lacks transparency and selecting right beneficiaries.

**Questionable Eligibility under VGD:** Discussions with the ICVGD cardholders indicated that most VGD cardholders had a husband who was economically active and was usually the head income-earner for the family, with incomes ranging from 1000 to 1500 taka per week. This indicates that eligibility criteria are not being rigorously followed and/or verifications are not being adequately performed.

### 4.3 NGO Selection Criteria and Processes

**Criteria:** The existing NGO selection criteria is not adequate corresponding to capacity required for providing training, savings and IGA support. As for example provision of microcredit within the NGO service component is essential for IGA support. But most of the NGOs selected for VGD scheme neither have micro-credit nor have capacity for MFI Linkages to provide credit support to VGD card holders interested for IGA.

**Processes:** Currently top-down approach is used to select and recruit NGOs for VGD scheme for certain location. Therefore Centralized system for selection of NGOs does not allow for local and field level views and suggestions as well as scope of verification of NGO existence, previous working experience with communities in assigned geographic areas, capacity in training and needs assessment for customised training and micro-credit services component. It reveals that existing processes for assessing the Competence of the NGOs to fulfil the required criteria is Inadequate. MoU is a part of assignment process which has limitation in accountability of NGO. The clauses of MOU dominate mostly the administrative matter and the few clauses covers deliverable in quantity but quality of performances complying with certain accountability is missing.

### 4.4. Delivery of Goods and Services

#### 4.4.1 Food Package:

The main element of input support under the VGD scheme is a monthly distribution of 30 kg of rice to each cardholder. The standard food package is 30 kg rice packaged in hand-stitched bags at a government warehouse under the supervision of the Food Department. But those hand-stitched 30kg packed bag is found vulnerable to pilferage at any stage of transportation and distribution at site.

**Quantity:** During field trips, it was observed that the hand-stitched food bags are rarely intact with the correct weight. Quantities of rice in the bags ranged from 29 kg to as little as 25 kg. According to the reports from the
beneficiaries, the food pilferage mainly occurs at the government warehouse while the rice is being packaged and stored, during transportation and sometimes even during distribution to VGD cardholders. The rice bags are transported from the warehouse to local food distribution centres under the responsibility of the UP office, who are supposed to distribute the food at a fixed location and fixed date each month.

**Quality:** The quality of food is considered poor and non-edible by VGD beneficiaries who reported feeding the rice to their poultry or selling it on the market at low prices. Some UP Chairman of different locations visited stated that more than 25 percent of cardholders sell their allotted rice in the open market because of bad smell and sometimes inedible. Another reason for selling of VGD rice in open market is the needs of immediate cash for the family which has been questioning about effectiveness of food support in kind.

**Food Transportation at distribution site:** The transportation rates for food are not rational in terms of distance and cost. Current practise of VGD food transportation and overnight storing at UP office is vulnerable to pilferage. **Fortified rice distribution:** Under ICVGD and in some VGD scheme fortified rice is distributed without any awareness building mechanism on nutrition health benefit in their life. Therefore beneficiaries do not have any knowledge about what additional health benefit and nutrition intake they are availing from this fortified rice.

### 4.4.2 Training and Services Provided by NGOs

**NGO Capacity:** NGOs recruited for the VGD scheme are responsible for the providing beneficiaries with life skills training, skills development training for income-generating activities, entrepreneurship development support, a savings program and beneficiary inclusion in NGO programs for sustaining beyond the VGD cycle. The selection of NGOs to provide training to VGD participants and facilitate their savings is done by DWA Headquarters following the procedure which was outlined in the previous chapter.

**Quality of NGOs:** The study found that a number of NGOs selected by the DWA at the central level did not have adequate capacity, necessary field experiences or the required skills to conduct training, training needs assessment and other services under the VGD scheme in their assigned area. Many of those NGOs recruited by central office do not have previous working experience in their assigned area, nor do they have operations with infrastructure facilities being implemented in their assigned area. This means that apart from their activities for the VGD scheme, there is a limited inclusion opportunity of VGD beneficiaries in an NGO programme in their area which is supposed to enable them to sustain beyond the VGD cycle. The capacities of the NGOs are not enhanced by means of any training or trainers etc. by the DWA. Nor do the NGOs take any concrete measure to enhance and improve their own capacities.

**Training Quality:** The lower of the NGOs has a negative impact. This training ought to be based on a training module developed by DWA and WFP. Each training session usually should last for 3 hours, with a total of 16 days training over the life cycle of the scheme. But most NGOs conduct their training program on the day of food distribution undermining the quality and time devoted for training. Some NGOs do not have even the capacity or required skills to conduct training on income-generating activities. Despite the identified needs for market driven training demanded by beneficiaries, NGOs do not have adequate capacity to conduct training needs assessment and develop customised training module to fulfil such demand. Present support through ToT by DWA and WFP is not found effective to build quality trainers in NGOs as well as NGOs reported that they were advised to conduct training sticking on training module provided by DWA and WFP.

**Training Curricula:** Training curricula are similar for both VGD and ICVGD beneficiaries. However, the latter’s participants benefit from training sessions delivered by specialist UPZ training officers with experience in sectors such as agriculture and fisheries. This brings much more practical experience than the more generic training offered by the NGO for VGD. ICVGD training also includes a module on entrepreneurship development. The syllabus for the life skills training conducted by NGOs are very generic, and unlikely to lead to significant changed impacts in the area of women’s empowerment. Nor does the curriculum do an adequate job of exposing the beneficiaries (all of whom are women) to other organisations that have enhanced knowledge and experience in building confidence and empowerment within the family and community. Also absent from the curriculum are modules on management of household finances. A standard set of modules should be developed and followed by all NGOs, subject to local requirement and specificities.

**Capacity Enhancement:** The absence of a customised training module on IGAs under the ICVGD pilot is a limitation for the quality of training and is a missed opportunity for demand-driven local entrepreneurship development. The entrepreneurship development component of the training is only focused on categorisation and clustering of ICVGD participants based on their interest of trade and sector, and does not seek to enhance the capacity of the participants to develop business plans, rather training on business plan conducted by NGOs was just a statistical prescription for investment and income projection. Similarly, the usefulness of training materials
developed by WFP is limited for such a grass roots level of participant. Neither NGOs nor trainers were found to have developed further training tools and relevant materials as was found necessary for several modules.

4.4.3 Savings by VGD Card Holders

Irregular Savings: Participants' savings, facilitated through the selected NGOs, was found to be irregular due to absence of NGO monitoring. In the sample areas, 80% of VGD participants and 90% of ICVGD participants were saving regularly.

Purposeless Savings: In terms of deficiencies, NGOs dealing with VGD participants also did not provide any orientation/briefing to explain the purpose of the savings fund and its utilisation at the end of the scheme cycle. It was observed that NGOs did not use effective demonstrations nor had they developed supportive and evidential business plan models by which participants are taught to effectively use their savings earned through IGAs. As a result, most of the VGD participants consider the savings they receive back at the end of their cycle as an emergency support. The savings along with the little interest earned is consumed almost immediately once their VGD cycle is over, as the amount saved is not extremely substantial and possibilities for investment are not discussed with the participants. Nonetheless, having a micro-credit program within the assigned NGO still gives an added advantage of delivering financial services and adding value to investment components if participants are able to properly utilise their savings.

Amount of savings: The previous saving amount Tk.50 has now been increased to Taka 200 pm in 2017-2018 VGD cycles but still it falls short in relation to need for investment in IGA at the end of cycle. Beneficiaries are unable to use that little saving for IGA purpose rather is used in immediate family needs after the scheme is over.

4.4.4. IGA Support

Provision of IGA: Despite the VGD scheme envisions for economic sustainability of VGD card holders, but it does not have very specific provision of IGA support to complement IGA training and savings by the beneficiaries. Therefore, NGO either no or little support in facilitating IGA among VGD card holders. Inadequate capital built due to low saving rate and absence of micro-credit services hinders in IGA activities.

4.4.5. ICVGD Scheme:

Pilot ICVGD: The pilot ICVGD pilot scheme has no separate allocation or selection process. Specific VGD cardholders are selected as ICVGD cardholders. It does not have yet any customised guidelines or operations manuals, nor are there any specific targeting mechanisms that differentiate eligibility for inclusion in ICVGD compared to VGD. However, based on the areas sampled, local officials state that for ICVGD they target the poorest of the poor from within the VGD members.

ICVGD Food Distribution: For ICVGD food distribution in the pilot locations, a contract has been signed between WFP and a local rice mill to provide rice fortified with 300 grams of supplements which is packed into machine-stitched 30 kg bags. These bags are then delivered to the distribution centre of ICVGD cardholders. The initial bulk supplies come from the government food warehouse. Each ICVGD cardholder in the sample area visited confirmed that they have been receiving the full quantity of rice with no noticeable pilferage or weight shortage. Beneficiaries reported that the rice is consumed by their households, and the officials reported little or no noticeable selling on the local market.

One such explanation for the continuation of sub-par deliverance of the VGD food supply is that the TAG officer, who is required to be present during the monthly food distribution, does not regularly attend to supervise the delivery of food packages to beneficiaries as this duty is considered an additional responsibility to his/her regular job. In addition, no transportation allowance or daily subsistence allowance is made available for the TAG officers to travel to food distribution centres in the field.

ICVGD Savings: In contrast, for ICVGD participants, the NGO assigned assisted with the preparation of a customised business plan which expanded upon how the savings should be utilised, how savings can generate income and how that money can be used to expand business. In most cases, investments in business were more than BDT 15,000 and, therefore, participants managed additional money either from family members or had to borrow from micro-credit institutes where they have membership. Another observation is noted that saving provision of Taka 200 pm like VGD is disproportionate with investment component of Taka 15,000) provided under this scheme for IGA/Entrepreneurship development.
One of the NGOs\textsuperscript{10} that the team had visited that was assigned for the ICVGD pilot, has its own micro-credit program located in the areas where most of the ICVGD cardholders live, and thus beneficiaries were able to easily borrow additional money. During visits to the field, it was also revealed that a few ICVGD participants were able to make profit by investing money into a revolving fund.

**Operational Manual for ICVGD:** This pilot scheme has several elements that are exclusive and far different than VGD scheme. Despite this ICVGD follows operation manual of VGD scheme when certainly constraints are observed in developing and managing investment component. Absence of customised operation manual or firm guidelines for ICVGD is still a lacking though experience gained so far from this pilot scheme is an opportunity for development of a manual.

### 4.5 Monitoring Processes

A monitoring process has been set up by the DWA under which the field officials are supposed to provide the requisite information in the formats that are provided to them.

#### 4.5.1 VGD Manual and Formats

The VGD Manual includes large number of formats for performance reports in the field. The diagnostic team was informed that the majority of these were not used in actual practice. However, as most of the formats and the reports tend to be input-based, with little measurement of outputs, outcomes or competencies, they need to be revisited.

**Baseline:** It was also found that there was no baseline which could be used to assess existing awareness and skill levels, or customise training content and measure subsequent improvements. The formats of these reports therefore largely capture attendance compliance, and not the competence.

**Input-Based Reporting:** As the existing reporting formats focus on inputs, there is no established outcome-based performance assessment, and because funding structures are not identical, it is not possible to draw any firm conclusions on comparative value for money between the VGD and ICVGD schemes. However, it is possible to say that ICVGD offers additional benefits not available to VGD participants.

#### 4.5.2 Performance Reporting

As mentioned, most of the reporting is input-based; there is a strong need for designing performance-based reporting. Performance reporting also requires action to be taken on a range of possible issues such as the scheme design, training delivery, savings consistency and ongoing support. Without action in these areas where monitoring indicates changing requirements, the monitoring program is merely an academic exercise which adds cost, but not value.

A comparison of reports with actual attendance records indicated inconsistencies. Although local officials prepare NGO performance reviews, they are slightly handicapped due to inadequate budgets and hence unable to travel extensively to the field and frequently meet the NGOs and / or beneficiaries. This reduces their ability to inspect and assess training successes. Also unclear is what constitutes a "successful" course and what these trainings "achieve".

There had been a number of reviews that show widely divergent responses between location, and raise important questions about scheme effectiveness. In particular participants who had completed the previous VGD cycle indicated:

- Those who had successfully entered into income generation ranged from 71\% to 37\%.
- Those reporting improved life skills ranged from 66\% to 26\%.

While there is an existence of VGD committees at District, Upazila and Union level, there is a strong requirement of assigning specific responsibilities to them in terms of monitoring and supervision of training quality and services of NGOs. The one exception of this is the UWAO, who is tasked with visiting and monitoring NGOs as per DWA and NGO contractual agreement and as specified in the operation manual.

**Box 4.1**

\textsuperscript{10}National Development Program (NDP) at Shirazganj
ICVGD – Result-Based Monitoring

- ICVGD has used VGD monitoring checklists with minor modifications.
- The Union and Upazila level VGD Committee meet, as indicated in the guidelines, discuss the monitoring findings, initiate necessary follow-up actions, and submit reports to MoWCA and DWA regularly.
- MoWCA, DWA and WFP are working on improving and modernising the monitoring framework and system.

Source: World Food Program (WFP)

4.5.3 Grievance Mechanism

It is mentioned in the VGD circular 2015-2016 that once the UP notice board has published the list of selected women, any complaint about this list is to be addressed to the UNO in writing and the UPZ VGD committee will investigate it. The UNO, as president of the committee, will form a three-member investigation team which will report in five working days. Finally, the UPZ VGD committee will take the final step to resolve it. However, the grievance mechanism only addresses selection-related complaints and is not functioning as a formal complaints mechanism. Firstly, the protocols and entitlements for complaint is not known, and secondly, for complaints in writing to the UNO, beneficiaries may feel scared which further might get hampered due to delays in delivery system.

Hence, by and large, the VGD scheme generally has a weak grievance mechanism. It exists only for beneficiary selection and mostly doesn’t function beyond this. Manoshur Jano Foundation (MJF), a national NGO as part of its SGSP programme, has been mandated to design a grievance mechanism. This could prove a valuable source of information that identifies concerns of participants. Initial work by MJF has identified a number of themes including bribery and political interference in selection, food quantity (now largely resolved), NGOs not returning savings, and, in many respect very importantly, women unaware of what to do after conclusion of the scheme cycle.
Chapter-5: Recommendations and Way Forward

On the basis of the remarks made earlier and findings from similar studies, this diagnostic study recommends to align the program design and implementation with its overall objectives of sustainability. It also suggests improving cost effectiveness and operational efficiencies of the VGD/ICVGD scheme to promote VfM which can be further taken up in a costed reform plan. The recommendations also align with the National Social Security Strategy (NSSS) of the GoB.

5.1 Scheme Design

At the scheme design level, there is a need to strengthen the VGD and ICVGD scheme so that they attain the ultimate objective and ensure sustainability of development results by providing women with opportunities to improve their livelihoods even beyond the program cycle. At a headline level, it is recommended that a baseline should be established using certain indicator/criteria. Beneficiaries must be tutored so as to consider the Benefits as Rights and Privileges provided by the Government rather than charity by the committees / NGOs / officials who selected them.

For strengthening the supply side, it is recommended that an efficient and effective payment system should be put into operation that would streamline the process of drawing money from Treasury only when it is due. The system should be geared up where the money should be transferred to the beneficiaries as G2P without the money being held up by any bank. There is also a need to explore the evidence for cash vs. food and calculate the cost of transfer/ benefits (VfM).

In line with the NSSS recommendations, it is suggested that MoWCA and MosW may consider the ways to consolidate the Allowance for Widowed, Deserted and Destitute Women and the VGD scheme into a new Vulnerable Women’s Benefit (VWB) and facilitate their participation in the labour market. Special emphasis may be paid to the widows, divorced, destitute, single mother, and unemployed single women and facilitate their participation in the labour market.

5.1.1 Greater Emphasis on Sustainability:

At a headline level, it is recommended that the scheme design ought to pay greater emphasis and focus on training on activities of income generation in a sustainable manner so that the beneficiaries do not depend on the government support in the long term. The opportunity cost lost by beneficiaries while they attend mandatory training should be compensated. The program requires greater emphasis on needs based training and market linkage for sustainable IGAs; improve earning capacities and life skills. In order to have long term impact of the scheme, it is suggested that strong synergies with relevant line departments be established for cross learning, training and capacity development.

5.1.2 Redesigning Tenure of the Scheme

To attain a sustainable development of VGD Card holders and graduate them through IGA, it is suggested to convert the existing two years’ scheme into three segments:
1. First year – Skill training along with food support and a monthly savings by each VGD card holder,
2. Second year – Food support be withdrawn and compensated by cash for skill based IGA initiatives.
3. Two Years Post VGD Cycle – Government in association with MFIs / NGOs to continue its support for availability of credit, IGA activities and entrepreneurship development and functions of value chain.

A tracking and monitoring system should be in place for tracking the economic activities of VGD beneficiaries even beyond 24 months’ cycle.

5.1.3 Forward and Backward Linkages

The program should follow an integrated business approach that is sustainable. Thus, it is recommended that the Government should take initiatives using the supporting NGOs for establishing credit linkage through banks / MFIs. There is also a need to give emphasis on Financial Literacy so as to improve application of scanty resources.

5.1.4 Convergence with Other Departments

Evidence from the study suggest that the ICVGD training provided by the government officials of different line departments are of a very high quality, compared to the training offered under the VGD. It is therefore highly recommended that the possibility of convergence of trainings by Departments be explored. Such a convergence
may lend to greater value for money as there would be a more intense involvement of government officers as lead trainers specialised in different sectors such as poultry, animal husbandry and veterinary, agriculture, irrigation etc. However, issues such as payment of honoraria and travel reimbursements for services to government officials should be resolved. It is also recommended that a suitable incentive package be considered for officials involved in the implementation of VGD.

5.1.5 Targeting

Effective targeting is an important area that this diagnostic study has flagged for improvement. There is sufficient evidence that points to a large inclusion error in the VGD scheme that may also be ascribed to an inefficient geographical targeting process. If the inclusion of ineligible persons in the scheme were reduced, it could increase the efficient allocation of the limited resources. It is therefore recommended that the improvement of the selection process be attained through the use of various tools and techniques such as proxy means test, well-being analysis, wealth ranking, household surveys etc. may be explored. It is recommended that a robust criteria should be adopted without being biased and rigorous checks be followed for selection of ICVGD beneficiaries.

5.1.6 Database of Beneficiaries and MIS

Lack of this central database exposes the scheme to a potential risk of duplication, and even triplication, of benefits to one particular person over the past two VGD cycles. It is therefore recommended that a digitized central database of beneficiaries be developed and verified with their NIDs at a decentralized location. A centralized MIS should be established at the DWA with provision of accessibility at field level. This MIS may also be accessible to the SPBMU of the Finance Division for validation of data prior to any transfers using a common platform to avoid duplicates and double-dipping with other schemes.

Currently there is no system of tracking beneficiaries once their cycle ends. This prevents the Government from identifying whether or not the purpose of the scheme, namely, women's empowerment, has been achieved. It is therefore recommended to introduce a mechanism to track the economic activities of past beneficiaries for a few years following the end of their VGD cycle. It would also help build evidence as to VGD having a sustainable and lasting impact on beneficiaries and their households.

5.1.7 NGO Selection and MoU

There is a need to develop a robust mechanism for NGO selection including seeking opinions from field officers and application of field tests of NGOs. The NGOs so selected must have pre-existing outfit / office in the assigned Upazila and must have proven track record in conducting training needs assessment and development of customised training module on IGA. Similarly, there is a need to revise the MoU with NGOs to include quality assurance and accountability on deliverables for training, savings and IGA. NGOs should be encouraged to have a window for micro-credit services or should have an MOU with existing MFIs to facilitate credit linkage with VGD beneficiaries for accessing Micro-finance even after they move out from the VGD cycle. There is also a need for the NGOs to be equipped with skill sets that are necessary for sustainability of IGA. These skills sets according to the diagnostic study can best be provided by an extensive training to be imparted to the NGOs by the Government officials of different line departments.

It is therefore recommended that the process of NGO selection be reviewed to consider ways in which local stakeholders can be consulted to facilitate the selection of appropriate NGOs.

5.1.8 Redesigning of Monitoring Formats

There is a necessity for redesigning the monitoring formats for measuring indicators at output and outcomes levels; introduce process monitoring and internal control mechanism for training on IGAs. Existing formats only provide for certain input based statistical information about trainings and trainees as well as distribution of food. For instance, they would show the numbers of participants who can describe improved health practices or can demonstrate particular skills that have been taught as part of the income-generation component of training. Similarly, the knowledge or skill sets required should be specified at the curriculum design stage of training. They represent essential competencies.
5.1.9 Grievance Mechanism
Grievance mechanism should be designed for all levels including delivery of benefits. Grievance mechanism should be linked to a central system which communicates seamlessly with the Government Officials.

5.2 Implementation Processes
The processes adopted for implementation are extremely critical for the success of the program. They are further explored at the level of compliance as well as design.

5.2.1 Need for Operational Manual for ICVGD
Despite some unique features in ICVGD and the fact that the program shows positive signs, the operational manual is yet to be developed. This not only hinders the streamlining of various good practices as standards but also prevents building on the widespread sharing of good practices. It is therefore recommended that an Operation Manual and Guidelines be developed for ICVGD.

5.2.2 Compliance of Operation Manual on VGD
It is recommended that a greater emphasis may be given towards compliance with Operation Manual in order to maintain transparency in selection process and ensuring improved delivery of benefits. According to the Manual, there is also an exclusion criteria which may not be followed since it is not known that VGD cardholders are also taking benefits from any other government scheme. The central database / MIS are therefore the only solution to tackle such issues of compliance.

5.2.3 Process Monitoring
It is recommended that a proper monitoring mechanism and regular evaluations may be set up to measure success over lifespan of VGD cycle.

5.2.4 VGD Quota
Quota allocation and card allotment should strictly follow the criteria of food insecurity, poverty mapping and intensity of poor household in different parts of the country.

5.2.5 Eligibility and Selection of Beneficiaries
It is recommended to revise the eligibility criteria for VGD scheme and align with current poverty context of the country as well as in consideration with sustainable economic development. A more scientific and robust mechanism may be developed for targeting and selecting eligible beneficiaries. The Government might want to emphasise using Participatory Rural Appraisal (PRA) tools such as conducting public meeting to improve transparency in selection process.

5.3 Goods and services
5.3.1 Food – Quantity, Quality and Cash
As mentioned in the observations that hand-stitched rice bags do not provide adequate protection from pilferage at various stages of the supply line, it is therefore recommended that machine-stitched of rice bag should become the only acceptable. The private sector rice mill entrusted with ICVGD scheme for rice fortification, 30kg machine-stitched packing, and transportation to distribution centre has demonstrated initial evidence of private sector transparency and accountability for public services. It is therefore recommended that potential private-public partnership in the food production and distribution system under the VGD may be explored further.

As observed there appears to be significant differences in quality of product between the two schemes. Selling of VGD rice in the open market by cardholders is counterproductive to the objectives of VGD scheme --, i.e. reducing food insecurity and improving the nutrition intake of ultra-poor households. It is therefore recommended that the transfer of fortified rice for VGD beneficiaries be explored, and the benefit of cash versus food for beneficiaries be analysed. A review of the benefits of food allocations versus fortified food allocations versus cash transfers, or ‘a balanced portfolio of cash and kind’ could be conducted in order to determine what combination will deliver the maximum benefits to scheme beneficiaries. The DWA or Local government may also look into creating awareness campaign on fortified food that provides nutritional benefits to VGD card holders.
5.3.2 Training
It is recommended that NGO training capacity and training modules be reviewed and improved along with strengthening monitoring and evaluation mechanism. Training modules should be flexible in terms of local specificities to better fit the needs of beneficiaries, especially in the realm of IGAs and economic opportunities prevalent in their area. Training modules on managing household finances and developing viable business plans should also be considered. As mentioned earlier, a minimum standard for selection of NGOs may prove helpful for ensuring quality. NGOs so chosen should be capable of fulfilling the needs of the VGD/ICVGD schemes, i.e. NGOs should be able to provide concrete linkages to local credit institutions, NGO programmes, markets and suppliers. Another option that might be considered could be to deliver all IGA training under the direct responsibilities of government authority; with role of the NGOs limited to community mobilisation as mentioned in the recommendation on design of the program. VGD should have convergence with other Line Departments for training and capacity development as in case of ICVGD. Government officials imparting training should be result oriented showing evidence of utilization of training in IGA by beneficiaries. Training modules should be robust and include skill building for improved income generation, business and entrepreneurial skills and means for credit and market linkages. DWA should have regular training and orientation to master trainers of NGOs as well as capacity development at regular intervals. NGOs should have exclusive training schedule in accordance with provision of VGD manual and shall not be tagged with food distribution dates.

5.3.3 Savings
Under the ICVGD scheme it is recommended to have a higher provision for savings by the beneficiaries which should be proportionate to Taka 15,000 that they receive as a grant for investment component. For both, ICVGD and VGD it is further recommended that there should be a linkage of beneficiaries to financial inclusion and credit facilities so as to improve their access to financial services such as remittances, credit and savings. Also, training modules on what to do with savings after the VGD cycle should be explored.

Other recommendation on Savings and Financial Management include:
- The monthly savings amount of taka 200 must increase to at least 1/3rd of the cost of 30Kg rice that each VGD card holder receives free of cost on monthly basis.
- Prescribed Savings rate should have flexibility to allow beneficiaries for savings at higher rates according to their requirement and ability for Targeted Investment.
- Savings should be only in Individual Bank Accounts for promoting Financial Inclusion
- Should improve Financial Literacy of Beneficiaries and Design Structured Guidelines for Savings
- Explore possibilities of encouraging Savings by Co Contributions / Cash Transfer / Top Ups as co-contribution by GoB
- Explore Modalities of Introducing Low Cost Group Insurance (Accidental Deaths)

5.3.4. IGA Support
As mentioned earlier, IGA support maybe one of the key focus areas for attaining sustainability amongst the beneficiaries. It is therefore recommended to establish credit linkage through banks /micro-finance institutions. The same could be facilitated by the NGOs / MFIs who may also provide greater emphasis on financial literacy. As the IGA should focus on providing sustainable integrated business approach including development of business plan for each IGA initiator, it is recommended that the scheme should have provision of IGA support for additional 24 months beyond the regular VGD cycle.

5.4 Way Forward
Going forward, based on the evidence from the study, it can be concluded that there is a need for systemic and parametric reforms in the scheme design and its implementation. Any reform agenda should essentially be taken up in line with the National Social Security Strategy (NSSS) of Bangladesh which advocates the idea of clustering the VGD with another scheme of the Ministry of Social Welfare, the Husband-Deserted, Widow and Destitute Women Allowance, into one programme: the Vulnerable Women Benefit (VWB). In order to accomplish the tasks and design the costed reforms, it is recommended that the reforms should be designed in a way that is inclusive, and various levels of consultations with different stakeholders. For example, WFP is working towards expanding
the scope and scaling-up the ICVGD scheme while MJF is in the process of designing the grievance mechanism for this scheme.

It is recommended that the costed reform should also look into the micro simulations as these models have played a prominent role in the production of estimates for proposed changes to social welfare programs for a long time. Given the diversity of the populations served by the government programs that are modelled, the complexity of most of those programs, and all of the factors that need to be taken into account in developing an appropriate micro-level comparison of current policy with one or more hypothetical alternatives, micro simulation models inevitably entail a large number of steps. However, for the purpose of costed reforms, a typical micro simulation model that can provide for the quantum of potential savings from improved designs depicted below:

Table 5.1 Suggested Micro simulations

<table>
<thead>
<tr>
<th>Percentage of allocation currently reaching beneficiaries</th>
<th>Portion of transfers consumed</th>
<th>Total allocation for SP Scheme 2015-16 (Tkbn)</th>
<th>Percentage of allocation required to achieve same headcount rate under end line targeting criteria</th>
<th>Difference in Tkbn</th>
<th>Difference in Percentage terms</th>
</tr>
</thead>
</table>

This basic simulation exercise shall indicate that the antipoverty impact of the VWB covered by say VGD, could be increased by 'X' by adopting improvement in some of the key challenges say, targeting and / or change in design and tenure of the scheme. While the absolute effect may not be large due to the small size of the individual program benefits relative to consumption, the increased efficiency of targeting and redesign would however have a significant impact in fiscal terms.

To end the discussion, a dissemination workshop was held on the findings and recommendations of the study. The meeting agreed with the findings and recommendations of the report on the diagnostic study towards improving the design and implementation of VGD program. The comments and suggestions made by the participants of the meeting were duly addressed to finalize this report. The meeting expected that a costed reform plan will be developed by the SPFMSP project to take forward the implementation of the recommendations made by the study. Based on the findings and recommendations of this report, the VGD programme should develop a costed reform plan.
Appendix-1: ToR for the Diagnostic Study on VGD scheme.

Terms of Reference

Diagnostic Study and Recommendations on Vulnerable Group Development (VGD) Scheme Implemented by Ministry of Women and Child Affairs (MoWCA), Government of Republic of Bangladesh

Background

Maxwell Stamp PLC (MSP) has been contracted by the UK Department for International Development (DFID) as the Managing Agent (MA) for the Strengthening Public Financial Management for Social Protection (SPFMSP) project under Strengthening Government Social Protection for the Poor (SGSP) programme. SPFMSP is a 32 months technical assistance (TA) project aimed to support the Government of Bangladesh (GoB) in the area of social protection. The SPFMSP project is a part of a larger five-component DFID-funded Strengthening Government Social Protection for the Poor (SGSP) Programme launched in 2014. The aim of the overall SGSP Programme is to support the GoB establish policies, budgets and plans for a more effective and efficient social protection system. Other parts of SGSP are being delivered by four implementing partners: the United Nations Development Programme (UNDP), the World Food Programme (WFP), the World Bank (WB) and the Manusher Jonno Foundation (MJF), a local Bangladeshi NGO. As such, SGSP covers five specific components:

WB is conducting institutional analysis and assessment of key Social Safety Net (SSN) programmes along with Public expenditure reviews of the social protection schemes.

UNDP is working with the Planning Commission and Cabinet Division on the National Social Security Strategy (NSSS) of Bangladesh.

WFP is engaging with the Ministry of Women & Child Affairs (MoWCA) on the Vulnerable Group Development programme and, to support the Bangladesh Bureau of Statistics (BBS) on the panel survey building on the existing collaboration with BBS and WFP. In addition, WFP will work with the BBS to implement an annual panel survey linked to the national household income and expenditure survey (HIES) and support government to implement reforms in the Vulnerable Group Development scheme.

MJF is establishing an independent platform to facilitate engagement of civil society on the NSSS and building on its experience of engaging civil society organisations in policy dialogues by undertaking research, advocacy, and act as an effective challenge function in monitoring the existing schemes.

MSP is implementing the SPFMSP component, a TA project to the Ministry of Finance (MoF). The objective of SPFMSP is to improve social protection policy-making, strategic planning, financing, implementation and monitoring and to build individual and organisational capacity of the Government of Bangladesh. This support is being provided mainly to the Finance Division (FD), MoF, where a new Social Protection Budget Management Unit (SPBMU) is planned, but will also include six other implementing Line Ministries - the Ministry of Social Welfare (MoSW), the Ministry of Primary Education (MoPME), the Ministry of Women and Children’s Affairs (MoWCA), the Ministry of Education (MoE), the Ministry of Health and Family Welfare (MoH&FW) and the Ministry of Disaster Management and Relief (MoDMR). Overall, SPFMSP aims to ensure that the MoF and implementing line ministries are equipped to deliver their roles in the reform of the social protection programmes in Bangladesh. The underlying objective therefore is to transfer skills and capacity to these organisations.

2. SPFMSP Project

The Government of Bangladesh (GoB) is committed to strengthening the social protection system by ensuring efficiency and effectiveness in the use of resources (Value for Money – VfM) in the Sector. This commitment is clearly reflected in the recently approved National Social Security Strategy (NSSS). The Finance Division (FD) of the Ministry of Finance (MoF) has undertaken the SPFMSP Project, with the assistance of UK DFID and Australian DFAT, to follow through on the VfM commitment.
The TAPP of the Project has been approved by the Government and its implementation has already started. DFID has procured a Managing Agent (MA), Maxwell Stamp PLC, to assist the FD and above six LMs to implement the Project. The major activities of the Project are the following:

Establish and Operationalize a Social Protection Budget Management Unit (SPBMU) in the Finance Division – The SPBMU will lead the implementation of the Project and on completion of the Project it will continue as a permanent unit of the Budget Wing of the FD. The purpose of establishment of the SPBMU is to enhance the capacity of the FD: i) to draw evidence based Social Protection (SP) Budget that responds to efficiency and effectiveness objectives, ii) to improve monitoring of SP expenditure and iii) to analyze existing policies, procedures, systems and commission studies and research to improve/reform the existing systems.

Undertake Diagnostic Studies of Existing Social Protection Schemes – The Project will commission diagnostic studies of 7 SP schemes of the above LMs to bring improvement from the perspective of VFM, better targeting, prevent leakages, avoiding duplication and bringing efficiency in the delivery system including payment of benefits.

Conduct Research – The Project also will commission demand-driven, issue-based, as well as exploratory research with the objective to support the reform of the existing SP system by filling gaps in knowledge and meeting requests for additional analysis.

Assist in Preparing Costed Plans for the Reforms of Priority Social Protection Schemes – The Project will assist the Government in preparing costed plans for SP reforms on the basis of the results of the Diagnostic Studies and research undertaken by the Project.

Establish a Management Information System (MIS) to Track and Evaluate SP Expenditure – The Project will assist the FD in establishing a functional and effective MIS to perform cross-cutting monitoring including expenditure tracking, analysis and evaluation of SP schemes. The system will be piloted in the FD and two selected line ministries.

Provide Training and Capacity Development – The Project will implement a number of Capacity Development initiatives for SPBMU, FD and the six LMs. The major activities in this area will include national and international training programmes for suitable GoB officials in the different aspects of SP relevant to the objectives of the Project and study tours for policy level officials to acquire knowledge on best global practices in SP.

The Project will be implemented by the SPBMU of the budget wing of the FD under the overall supervision of the Additional Finance Secretary (Budget) who will also act as the National Project Director (NPD) for the Project. An Executive Director (ED), who also will act as the Project Director (PD), will head the SPBMU. The Government has approved the organizational set-up of the SPBMU. The Managing Agent has fielded the requisite number of national and international consultants to support the FD and LMs.

The Project will have two governance structures. A Steering Committee will oversee the Project and be chaired by the Finance Secretary with representation from six LMs, UK DFID, Australian DFAT another government relevant ministries/agencies. In addition to the Steering Committee, a Project Implementation Committee, chaired by the NPD with representation from six LMs and UK DFID and Australian DFAT, will monitor the timely implementation of the Project.

3. Overview of the Vulnerable Group Development (VGD) scheme:

Vulnerable Group Development (VGD) is a large scale safety net programme with development orientation aimed at uplifting the socio-economic condition of the poor and destitute women living in the rural areas of Bangladesh. The beneficiaries selected for VGD programme receive a food assistance of 30 Kg of rice/wheat per month combined with the services of a training package (includes training, saving scheme and credit) for a period of 24 months. This period of 24 months is called a VGD cycle. During each VGD cycle 750,000 poor and destitute women in rural areas receive benefits from VGD programme. The implementation of VGD programme is
managed by Department of Women Affairs of the MoWCA and the training is imparted through the services of NGOs selected by DoWA/MoWCA.

The long term objective of the Vulnerable Group Development Program is to make positive changes in the socio-economic condition of the destitute and poor rural women so that they alleviate themselves from their current state of food and income insecurity, malnourishment and lower social status and develop capacity to remain above the poverty level on a sustainable basis. The immediate objectives of the VGD program are:

To increase the income earning capacities of women by:

- providing training in marketable skills;
- encouraging the accumulation of seed capital through savings;
- Providing access to credit.

To increase functional knowledge, including literacy of women through training and participation in group activities.

To increase the food intake of women and their family members.

Proposed Consultancy Assignment

The objective of the assignment is to undertake an in-depth, independent and comprehensive diagnostic study on VGD scheme being implemented by the MOWCA, and perform an operational and financial analysis of the scheme with a view to suggest recommendations that could improve upon the economy and cost effectiveness of its operations and bring in greater efficiencies in terms of targeting, enrolment and allocating resources, improving compliance of guidelines and procedures. The recommendations shall also include and need for re-modelling the size of transfer and improvement in monitoring, maintenance of database / records and benefit delivery system. It shall provide for recommendations so as to improve the operational and financial allocative efficiencies of the scheme to provide stability and sustainability and promote value for money by mitigating fiduciary risks for the exchequer. The Diagnostic study shall be conducted with a view that the report and recommendations shall be used to develop costed reform plans to improve efficiency and effectiveness of the scheme for a greater value for money.

A total of two consultants (hereafter called Service Provider) shall jointly be required to conduct the study. One of the Service Providers shall be an International consultant who will act as the Component Team Leader, while the other shall be a National (Bangladeshi) consultant who together would form a consultancy team. Both the consultants shall have common ToR and deliverables so that both complement and supplement each other and shall jointly work towards attaining the goal of the assignment. It is natural that while the National Consultant shall add value to the local knowledge and information about the scheme, and facilitate discussions with the local stakeholders, the International consultant shall bring to the table, the global experience and knowledge and shall add to the body of knowledge in the sector. As mentioned, the National Consultant shall be reporting to the International consultant who shall be acting as the Component Team Leader for the assignment.

All deliverables and reports including conducting the workshop shall be performed jointly by the two consultants under the guidance of the Team Leader of SPFMSP project.

The international consultant who shall be acting as the Component Team Leader for the assignment and will be responsible for and accountable for achieving the deliverables set out in this ToR. During the inception phase, the team will need to propose more defined ToRs outlined for both consultants with clear roles and responsibilities.
Scope of Services

Specifically, this would include:

Review the relevant literature and documents including assessment and evaluation reports, if any, to formulate an understanding of the present management and administration of VGD with special reference to the fiduciary risk if any.

Review different characteristic features of the scheme including its objectives, product features such as eligibility criteria; exclusion and inclusion errors if any; size, timelines, frequency and volume of benefits; budgetary allocations versus expenditure analysis; flaws in design feature, if any; and suggest recommendations for improvement of the product so that it delivers value for money by improvements in allocative efficiencies and cost effectiveness in delivery. Review of ICVGD scheme including cash transfer mechanism. Process recommendations for distribution of fortified rice and improvement of the supply chain management.

Review the different types of processes adopted for implementation of the scheme including targeting and selection of beneficiaries; training imparted to them, maintenance of their database and individual savings accounts and timely delivery of benefits, payment system (as in ICVGD) and its weaknesses and provide recommendations for improvement at each stage of the value chain so as to improve cost effectiveness and efficiency and promote transparency in the system.

Identify and review the various cost elements at each stage of value chain in the processes and recommend cost effectiveness and efficiencies so as to improve the benefits size and/or number of beneficiaries within the same budgetary allocations.

Review and discuss with implementing actors at union and Upazilla level with few beneficiaries and women who are eligible but not beneficiaries to get their views on 'demand perspectives', improvement in product and processes and scope for further improvements so as to bring in transparency and promote value for money.

Review the process of managing budgetary funds including flow of fund

Review the procedures, processes and management of funds generated from the savings of the beneficiaries and provide recommendations to improve recordkeeping, transparency and accountability.

Explore the modalities of forward integration of the scheme for keeping a track of the beneficiaries including their income generating activities even after they move out of the scheme so as to judge the larger impact of the scheme on livelihoods and improvement in quality of lives of the beneficiaries.

Review and suggest measures for improvement of management and governance structure of the scheme in view of VfM and improved financial management practices from national to community level, especially the effectiveness of the role of the MOWCA and the Civil Societies and the Local Government representatives in the various committees for VGD implementation.

Review the process of community involvement and also accountability framework that could lead to cost reduction and an improved impact.

Recommendations so provided should be further bifurcated into Short Term Implementation Plans (Within One Year) as well as Long Term recommendations.
Deliverables and Output

The consultants shall be reporting to the Team Leader of SPFMS Project at Dhaka office and shall be required to perform various tasks in order to deliver the following:

First Deliverable – Short Inception Report including Understanding of Tasks, Work Plan and Timelines. A Research Methodology including the application of different tools and techniques shall also be a part of this deliverable. (08 Days).

This shall include but not limited to, orientation on assignment with SPBMU and MSP; literature review and briefing; pre-arranged meetings with Finance Ministry, Line Ministry, Line Directorate and development partner agencies; designing a research plan including tools and techniques; a short presentation and finalization of the work plan.

Second Deliverable – Draft Report on Findings and Recommendations (16 Days)

This shall include field visits to two districts/Upazilla including meetings at district, Upazila and union Level and with those of Beneficiaries. Data and information gathering and processing; further discussions and fact findings if any and submission of Draft Report to the SPFMS Project Team Leader.

There shall be a gap of time before the next activity. This time period shall be utilized by the SPFMS Project and Government stakeholders to provide comments and opinions on the draft report.

Third Deliverable – Conduct Half Day Stakeholders’ Workshop on Findings and Recommendations (03 Days)

Consultants shall be responding/incorporating the suggestions received from the SPFMS Project, and conduct a Stakeholders’ Workshop in Dhaka. This shall involve the second travel to Dhaka.

Fourth Deliverable – Submission of Draft Final Report based on opinions/comments/recommendations from the Workshop within the next three days. (03 Days)

Schedule of Deliverables and Outputs

<table>
<thead>
<tr>
<th>Deliverables</th>
<th>No. of Days</th>
<th>Output</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed Joint briefing with Executive Director, Project Team Leader and other team members’</td>
<td>08 (Dhaka)</td>
<td>Inception Report Submitted</td>
<td>10th June</td>
</tr>
<tr>
<td>Literature Review of Available Documents and Reports.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meetings with Ministry of Finance (MoF), Line Ministry and Line Directors in consultation with the Project Team Leader.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepare a Research Plan and Tools &amp; Techniques. Presentation to SPFMS Project and finalize the Inception Report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Field Visit to Two Districts Upazilas, Unions and Meetings with Service Providers and Beneficiaries</td>
<td>16</td>
<td>Draft Report Submitted</td>
<td>24th June</td>
</tr>
</tbody>
</table>
Report on Diagnostic Study of VGD Programme of MoWCA

<table>
<thead>
<tr>
<th>Data and Information Processing and Submission of Draft Report</th>
<th>(Field in Bangladesh and Dhaka)</th>
<th></th>
</tr>
</thead>
</table>

Incorporation of Suggestions and Presentation of Findings and Recommendations to Stakeholders at Dhaka 3 (Dhaka) Workshop Conducted Return Date in August + 3 days

Draft Final Report to the Project Team Leader & DFID Bangladesh 3 (Dhaka) Final Report Submitted Return Date in August + 6 days

Total Days 30

Note:

It is assumed that both the consultants shall be reporting to the project at Dhaka on Wednesday, 2nd of June.

The consultants shall be required to work in Dhaka / Bangladesh for a total period of 30 Days of which 24 days shall be spent during the first tenure and 06 Days in the second tenure.

International Consultants shall be provided with Two Return, Economy Class Tickets from the Home Office to Dhaka and Travel arrangements from Dhaka to Field.

Indicative Sources of information for Desk Review

Implementation Guidelines for VGD issued by the MOWCA

Vulnerable Group Development (VGD) Emerging challenges and New opportunities arranged by World Food Programme BY Dr. Husain Zillur Rahman and Nazma Sabina, 2013


Medium Term Budgetary Framework (MTBF) – Ministry of Finance, Government of Bangladesh.

Indicative list of Stakeholder for meetings and interviews:

Following is an indicative list of government officials and other stakeholders that consultant shall be required to meet.

In Dhaka

At the Ministry Level: Secretary / Additional Secretary (VGD) / Relevant Joint Secretary / Other Key Officials

At the Line Directorate Level: Director General Women Affairs (DGWA), Director VGDand Other Key Officials.

Relevant Officials of DFID

Key Officials of WFP and other relevant Development Partners
Civil Societies / NGOs associated with VGD Programme including BRAC (ICVDG sector)

Other relevant experts / knowledgeable persons in VGD programme

At District Level

Deputy Commissioner, District Women Affairs Officer, District Controller of Food

Civil Societies / NGOs associated with VGD Programme

Upazila and Union Level

Upazilla Chairman / Vice Chairman

Upazilla Nirbahi officer

Upazilla Food Controller and Upazilla Women Affairs Officer

VGD Selection Committees

Local School teacher

NGO Representatives

Field Level

Meeting with a few selected beneficiaries and women who were eligible for VGD but not included

Civil Societies / NGOs Implementing VGD Programme

Initial Briefing and Field Visit

It is expected that the consultant shall begin their work with a short orientation on the programs and tasks and shall meet the SPFMS team and its members within the first week.

Dhaka (Inception Phase)

Orientation on Assignment with SPFMS and Literature Review

Meetings with Officials of Line Ministry and their Directorate

Formulating Methodology including Tools and Techniques

Preparing Work Plan

Presentation on the Inception Report

Finalization of the Inception Report.

At the end of the Inception Phase, the service provider is supposed to be ready with the knowledge and information on the policy as well as strategy perspective. After his / her meetings with relevant government officials and MSP team as well as secondary literature review would equip her / him with the objectives and questions as well as an approach to be adopted for the study.

Field Visit:

The service provider is expected to be in the field and would begin from the district headquarter meeting the relevant officials including district officials of the line directorate. The consultant will also discuss with the relevant officials of the upzila and union level. They will also have consultations with the beneficiaries and other important stakeholders as indicated above. Field visit shall be undertaken where two or more upazillas (to be decided later) should be covered by the service provider. Depending on the work requirement as agreed between
the service provider and the Team Leader of the SPFMSP, only one district could be chosen and program modified accordingly.

Counterpart Staff Availability

The service provider shall be reporting to the Team Leader of the SPFMSP project as well as the Project Manager and Project Director of Maxwell Stamp. All deliverables are required to be essentially approved by the Project Team Leader. If necessary, the counterpart staff shall also be accompanying the service provider during the field visits and shall facilitate meetings and discussions. The service provider shall be provided a working space at the office of the SPFMSP in Dhaka, however they are expected to have their own laptops and / or other equipment to perform their tasks.

Location of Assignment

The consultant will undertake work in Dhaka and at least two selected Upazillas / Unions as the case may be, where the VGD scheme is being implemented.

Essential Qualification of the Service Provider

International Consultant:

Master's or higher degree in Social Sciences or in a relevant field.

Substantial, relevant work experience in Government Social Protection including experience of program / project review. Previous work on diagnostic studies of social protection schemes in general and women development issues in particular will be an advantage. Experience in Asian region in general and Bangladesh in particular shall be an added advantage

Fluent in spoken, written, and reading abilities in English; Speaking and understanding Bangla will be an additional qualification;

National Consultant:

Post-graduate or Graduate in Social Science or relevant field

Substantial, relevant experience of working in social protection in general and women development in particular with familiarization in GOB's Social Protection Systems.

Familiarization with GOB's Public Financial Management (PFM) systems will be an advantage.

Strong oral and written communication in Bangla and English
## Appendix-2: Checklists/Questionnaires for meeting and consultation with different stakeholders in the fields:

### Meeting with DC and District VGD team:

**Date and Time:** __________   __________   Place_____________________   **Total Participants:** ____

<table>
<thead>
<tr>
<th>Checklist/Questionnaire</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the policies, procedures do district office and committee follow on VGD program?</td>
<td></td>
</tr>
<tr>
<td>Does DC and committee have own procedures set for VGD program?</td>
<td></td>
</tr>
<tr>
<td>- What is the specific budget for VGD at district level and its break-down?</td>
<td></td>
</tr>
<tr>
<td>- How is the budget received by district office in one lot or in installment in different frequency?</td>
<td></td>
</tr>
<tr>
<td>- How this budget spending is monitored and reported?</td>
<td></td>
</tr>
<tr>
<td>- What numbers of staff engaged in VGD program at district level?</td>
<td></td>
</tr>
<tr>
<td>- What % of their time is engaged in VGD program?</td>
<td></td>
</tr>
<tr>
<td>Selection procedures</td>
<td></td>
</tr>
<tr>
<td>- Describe your practices in selection process of VGD beneficiaries in every 2 years.</td>
<td></td>
</tr>
<tr>
<td>- How do you select from equally eligible applicants?</td>
<td></td>
</tr>
<tr>
<td>- What sort of percentage of applicants get accepted out of total applicants?</td>
<td></td>
</tr>
<tr>
<td>- Does your recommended selections get amended, and, if so, why?</td>
<td></td>
</tr>
<tr>
<td>- How do you know they are not in other government schemes, or not poor?</td>
<td></td>
</tr>
<tr>
<td>- Is there much in the way of drop outs?</td>
<td></td>
</tr>
<tr>
<td>- What controls do you have to ensure they are fully participating (attending training and savings)?</td>
<td></td>
</tr>
<tr>
<td>- Do you have any mechanism to assess impact of VGD program and poverty reduction?</td>
<td></td>
</tr>
</tbody>
</table>

### NGO Selection and Monitoring:

- Processes followed including decision making authority for final selection.
- Criteria used in selection (Get copy).
- Any training received on how to make good selection?
- Do you inspect the training syllabus, and, if so, what are you looking for?
- How do you know whether training is proceeding on schedule?
- How do you check whether beneficiaries are getting the necessary skills?
- Does training happen at NGO premises? If so, do you inspect these premises?
- What training have you received in selecting NGOs?
- Are there many applications from NGOs?
<table>
<thead>
<tr>
<th>questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is applicant NGO's expected to demonstrate experience with training and savings schemes?</td>
</tr>
<tr>
<td>Is applicant NGO's expected to demonstrate experience with microfinance?</td>
</tr>
<tr>
<td>Are NGOs expected to produce evidence of bank deposits related to individual beneficiaries?</td>
</tr>
<tr>
<td>How do you judge and measure the performance of NGOs?</td>
</tr>
<tr>
<td>Are you involved in any other M&amp;E apart from routine reports?</td>
</tr>
<tr>
<td><strong>NGO Reports</strong></td>
</tr>
<tr>
<td>What reports are received? (Get copy)</td>
</tr>
<tr>
<td>What do they do with them?</td>
</tr>
<tr>
<td>How much time is required to do this?</td>
</tr>
<tr>
<td>What feedback do they receive from DWA or other organizations?</td>
</tr>
<tr>
<td>How do you assess the quantity and quality of food?</td>
</tr>
<tr>
<td>How do you monitor and assure quality of NGO services: Training, savings?</td>
</tr>
<tr>
<td>As you do have trainer, how much do they get involved in training on VGD?</td>
</tr>
<tr>
<td>What reports do you send to DWA?</td>
</tr>
<tr>
<td>How frequently you contact DWA and other concern department and who are they?</td>
</tr>
<tr>
<td>What are the budgetary constraints at district level for VGD program management?</td>
</tr>
<tr>
<td>What budget is felt to you surplus?</td>
</tr>
<tr>
<td>What do you see missing in budget and other resource allocation like HR/logistics?</td>
</tr>
<tr>
<td>What are your major observations in food distribution, training and savings program?</td>
</tr>
<tr>
<td>What changes would you like to see in VGD program.</td>
</tr>
</tbody>
</table>
Meeting with UNO and Upazila VGD team:

<table>
<thead>
<tr>
<th>Date and Time: ____________  __________  Place_____________________  Total Participants: ____</th>
</tr>
</thead>
</table>

Checklist/Questionnaire | Responses |
|---|---|

What are the policies, procedures do Upazila office and committee follow on VGD program.  
Does UNO and committee have own procedures set for VGD program?  
- What is the specific budget for VGD at Upazila level and its break-down?  
- How is the budget received by Upazila office in one lot or in installment in different frequency?  
- How this budget spending is monitored and reported?  
- What numbers of staff engaged in VGD program at Upazila level?  
- What % of their time is engaged in VGD program?  

Selection procedures  
- Describe your practices in selection process of VGD beneficiaries in every 2 years?  
- How do you select from equally eligible applicants?  
- What sort of percentage of applicants gets accepted out of total applicants?  
- Does your recommended selections get amended, and, if so, why?  
- How do you know they are not in other government schemes, or not poor?  
- Is there much in the way of drop outs?  
- What controls do you have to ensure they are fully participating (attending training and savings)?  
- Do you have any mechanism to assess impact of VGD program and poverty reduction?  

NGO Selection and Monitoring:  
- Processes followed including decision making authority for final selection.  
- Criteria used in selection (Get copy).  
- Any training received on how to make good selection?  
- Do you inspect the training syllabus, and, if so, what are you looking for?  
- How do you know whether training is proceeding on schedule?  
- How do you check whether beneficiaries are getting the necessary skills?  
- Does training happen at NGO premises? If so, do you inspect these premises?  
- What training have you received in selecting NGOs?  
- Are there many applications from NGOs?
- Is applicant NGO's expected to demonstrate experience with training and savings schemes?
- Is applicant NGO's expected to demonstrate experience with microfinance?
- Are NGOs expected to produce evidence of bank deposits related to individual beneficiaries?
- How do you judge and measure the performance of NGOs?
- Are you involved in any other M&E apart from routine reports?

**NGO Reports**
- What reports are received? (Get copy)
- What do they do with them?
- How much time is required to do this?
- What feedback do they receive from DWA or other organizations?

- How do you assess the quality and quantity of food?
- How do you monitor and assure quality of NGO services: Training, savings?
- As you do have trainer, how much do they get involved in training on VGD?

- What reports do you send to DWA?
- How frequently you contact DWA and other concern department and who are they?

- What are the budgetary constraints at Upazila level for VGD program management?
- What budget is felt to you as surplus?
- What do you see missing in budget and other resource allocation like HR/logistics?
- Whether any transportation cost/allowance allocated for TAG officers and other officers for field monitoring and visit during food distribution and training?
- Whether any allowance and incentives are allocated for VGD committee members attending the meeting?
- What are your major observations in food distribution, training and savings program?
- What changes would you like to see in VGD program?
**KII with Individual officers:**

*These checklist/questionnaires will be used as a guiding tool for KII with District and Upazila Women Affairs Officer and partially for Upazila food officer when notes from consultation with District and Upazila VGD committee will also be referred, if any.*

**Meeting with UP chairmen and UP VGD team:**

| Date and Time: __________ | Place __________________ | Total Participants: ____ |

<table>
<thead>
<tr>
<th><strong>Checklist/Questionnaire</strong></th>
<th><strong>Responses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy and procedures:</td>
<td></td>
</tr>
<tr>
<td>- What policy and procedures do you follow for VGD program?</td>
<td></td>
</tr>
<tr>
<td>- What is it on VGD/Social safety net program in your UP manual?</td>
<td></td>
</tr>
<tr>
<td>- What are the important rules and procedures that are missing in current policy and procedures?</td>
<td></td>
</tr>
<tr>
<td>Targeting:</td>
<td></td>
</tr>
<tr>
<td>- How did you make aware/inform general audience about VGD scheme?</td>
<td></td>
</tr>
<tr>
<td>- How did you identify potential beneficiaries for VGD program?</td>
<td></td>
</tr>
<tr>
<td>- How did you finally select the VGD beneficiaries?</td>
<td></td>
</tr>
<tr>
<td>- How many VGD card did you get allocation during last two cycles?</td>
<td></td>
</tr>
<tr>
<td>- What is the budget allocation for public information and selection process, and is that sufficient for public information and selection process?</td>
<td></td>
</tr>
<tr>
<td>- If you spend more than budget, what is your source of fund?</td>
<td></td>
</tr>
<tr>
<td>- How much time/when do you receive budget fund for the VGD scheme and from where?</td>
<td></td>
</tr>
<tr>
<td>- What are the budget heads for VGD scheme?</td>
<td></td>
</tr>
<tr>
<td>- Whether there is any government monitoring mechanism for public awareness and selection processes?</td>
<td></td>
</tr>
<tr>
<td>Food distribution</td>
<td></td>
</tr>
<tr>
<td>- How do you transport food from government warehouse?</td>
<td></td>
</tr>
<tr>
<td>- Do you store for a while?</td>
<td></td>
</tr>
<tr>
<td>- If yes, how do you transport food from your store house to distribution center?</td>
<td></td>
</tr>
<tr>
<td>- Do you distribute food on a fixed date and fixed place of a month?</td>
<td></td>
</tr>
<tr>
<td>- How do you manage non-VGD card holders if they come during food distribution?</td>
<td></td>
</tr>
<tr>
<td>- What is the transportation cost and how do you manage this cost?</td>
<td></td>
</tr>
<tr>
<td>- What labour cost is involved for transportation and distribution and how do you manage?</td>
<td></td>
</tr>
<tr>
<td>- Who are the government representatives attending during food distribution?</td>
<td></td>
</tr>
</tbody>
</table>
### Training monitoring:
- What is your role in NGO training?
- Do you know/are you informed about NGO training schedule?
- How do you check quality of training?
- Where is the NGO training venue and does it meet the standard of training venue?
- What % of VGD beneficiaries did you see attending training on Life oriented skills and IGA?
- If less attendance, do you know why?
- Have you ever been able to assess training impact on VGD beneficiaries?
- What is your observation about training cost utilization per beneficiaries?
- What are the observations/challenges you noticed in training?

### Savings monitoring:
- How many of VGD beneficiaries are participating in savings scheme?
- If less, what are the reasons?
- Do you have any experiences from past cycle that beneficiaries have been effectively use savings for IGA – received training?
- What are the challenges and observation about savings scheme?

### UP budget for VGD + DWA budget
- Whether UP has its own budget for VGD scheme for different activities in addition DWA budget?
- What are the key elements of budget for VGD scheme?
- Whether this budget is sufficient and timely received as per schedule, if no why?
- Is that DWA budget on the basis of # of cards?
- What are challenges and observation in budget?

### UP resource involvement
- Other than money what resources are involved from UP in VGD program?
- What are the cost implication of those resource involvement and mobilization?
- What are the community resources are engaged for VGD scheme?
# FGD with VGD card Holders:

**Date and Time:** ____________  __________  **Place:** ________________  **Total Participants:** __________

<table>
<thead>
<tr>
<th><strong>Checklist/Questionnaire</strong></th>
<th><strong>Responses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Selection for VGD, distribution of food grain, quality of services received from NGOs, change in life and health,)</td>
<td></td>
</tr>
<tr>
<td>Information about VGD program:</td>
<td></td>
</tr>
<tr>
<td>- How did you know about VGD scheme.</td>
<td></td>
</tr>
<tr>
<td>- Did you attend any meeting, discussion on VGD program?</td>
<td></td>
</tr>
<tr>
<td>- Whether you noticed any public announcement for VGD scheme?</td>
<td></td>
</tr>
<tr>
<td>- Whether you saw any citizen charter on VGD scheme?</td>
<td></td>
</tr>
<tr>
<td>- What were the challenges and observation in getting information about VGD scheme?</td>
<td></td>
</tr>
<tr>
<td>Selection for VGD</td>
<td></td>
</tr>
<tr>
<td>- What did you do to enlist for VGD program?</td>
<td></td>
</tr>
<tr>
<td>- How were you selected by UP for VGD cards?</td>
<td></td>
</tr>
<tr>
<td>- How long did it take to select you.</td>
<td></td>
</tr>
<tr>
<td>- What were the challenges and observation you have on selection process?</td>
<td></td>
</tr>
<tr>
<td>- Did you see any government officials during selection process?</td>
<td></td>
</tr>
<tr>
<td>- What is your observation/challenge on selection process?</td>
<td></td>
</tr>
<tr>
<td>Receiving food package</td>
<td></td>
</tr>
<tr>
<td>- How much food do you receive every month?</td>
<td></td>
</tr>
<tr>
<td>- What is your opinion about the quality and quantity of rice?</td>
<td></td>
</tr>
<tr>
<td>- Whether you food packets are machine stitched or hand stitched?</td>
<td></td>
</tr>
<tr>
<td>- Do you receive food from the same center and same date every month?</td>
<td></td>
</tr>
<tr>
<td>- Did you notice any government officials during food distribution?</td>
<td></td>
</tr>
<tr>
<td>- Whether you eat that food or sell for cash in hand?</td>
<td></td>
</tr>
<tr>
<td>Participation in training and quality of training</td>
<td></td>
</tr>
<tr>
<td>- How many of you attended the training</td>
<td></td>
</tr>
<tr>
<td>o Life oriented skills development</td>
<td></td>
</tr>
<tr>
<td>o IGA training</td>
<td></td>
</tr>
<tr>
<td>- If you did not attend why?</td>
<td></td>
</tr>
<tr>
<td>- What is your opinion on training venue and quality of trainer with training tools and materials?</td>
<td></td>
</tr>
<tr>
<td>- What do you feel about training useful to you and why?</td>
<td></td>
</tr>
<tr>
<td>- What have you learnt from the training on life oriented skill?</td>
<td></td>
</tr>
<tr>
<td>- How do you find useful of IGA training for your livelihood?</td>
<td></td>
</tr>
<tr>
<td>- Did you see any government and/or UP personnel come to see training?</td>
<td></td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>What are the observations and challenges for you to attend the training?</td>
<td></td>
</tr>
<tr>
<td>Participation in savings and anticipated plan to utilize the savings:</td>
<td></td>
</tr>
<tr>
<td>- How many of you are participating in saving scheme?</td>
<td></td>
</tr>
<tr>
<td>- Whether you have saving card recorded your savings on regular basis?</td>
<td></td>
</tr>
<tr>
<td>- What is your plan to use this savings and is that sufficient according to your plan?</td>
<td></td>
</tr>
<tr>
<td>- Whether you have other savings in addition to this VGD scheme?</td>
<td></td>
</tr>
<tr>
<td>Observation on UP and VGD committee:</td>
<td></td>
</tr>
<tr>
<td>- Do you know about UP VGD committee and who are they?</td>
<td></td>
</tr>
<tr>
<td>- Whether the UP VGD committee has right representation?</td>
<td></td>
</tr>
<tr>
<td>- Did you find their roles useful to VGD and what are they?</td>
<td></td>
</tr>
<tr>
<td>- What is your observation on VGD committee?</td>
<td></td>
</tr>
</tbody>
</table>
## FGD with non-VGD card holders:

**Date and Time:** ___________  ___________  **Place:** ___________________  **Total Participants:** _____

<table>
<thead>
<tr>
<th>Checklist/Questionnaire</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeting and selection:</td>
<td></td>
</tr>
<tr>
<td>- Did you have the information about VGD scheme and from where?</td>
<td></td>
</tr>
<tr>
<td>- Did you participate in the VGD scheme selection processes?</td>
<td></td>
</tr>
<tr>
<td>- What are the reasons for which you are not selected?</td>
<td></td>
</tr>
<tr>
<td>- Whether you consider that all selected beneficiaries are eligible for VGD card and why?</td>
<td></td>
</tr>
<tr>
<td>- Any observations you have in VGD beneficiaries selection process</td>
<td></td>
</tr>
<tr>
<td>What are your observations on distribution of food?</td>
<td></td>
</tr>
<tr>
<td>What are your observation on NGO training and NGO saving programs?</td>
<td></td>
</tr>
<tr>
<td>What do you feel and compare yourselves with VGD card holders in terms of your development?</td>
<td></td>
</tr>
</tbody>
</table>
**NGOs**

**KII and FGD with NGO engaged in VGD service delivery:**

<table>
<thead>
<tr>
<th>Checklist/Questionnaire</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Look at service deliveries and results:</td>
<td></td>
</tr>
<tr>
<td>- Training, training quality in terms of demand and supply and training capacity.</td>
<td></td>
</tr>
<tr>
<td>- Effectiveness of training</td>
<td></td>
</tr>
<tr>
<td>- Savings and tracking/record keeping</td>
<td></td>
</tr>
<tr>
<td>- NGO roles and support for savings and end use of money for IGA</td>
<td></td>
</tr>
<tr>
<td>- NGO selection procedures</td>
<td></td>
</tr>
<tr>
<td>- NGO roles monitoring and performance assessment.)</td>
<td></td>
</tr>
<tr>
<td>How long the NGO is working in VGD program</td>
<td></td>
</tr>
<tr>
<td>- How many staffs are engaged in VGD program?</td>
<td></td>
</tr>
<tr>
<td>- What their roles and responsibilities are</td>
<td></td>
</tr>
<tr>
<td>- Do they have job descriptions?</td>
<td></td>
</tr>
<tr>
<td>- What experiences do those staff have in training and savings program</td>
<td></td>
</tr>
<tr>
<td>- NGO for what they are entrusted to and what they actually do.</td>
<td></td>
</tr>
<tr>
<td>- What kinds of full ranges of services they offer/provide to VGD beneficiaries.</td>
<td></td>
</tr>
<tr>
<td>What packages of training NGO offer/provide to VGD beneficiaries for</td>
<td></td>
</tr>
<tr>
<td>- Life oriented skills development</td>
<td></td>
</tr>
<tr>
<td>- Income generating/livelihood enhancement.</td>
<td></td>
</tr>
<tr>
<td>- Does the NGO use its own course curricula or is provided by DWA?</td>
<td></td>
</tr>
<tr>
<td>- Does NGO have any TOT on course curricula provided by DWA?</td>
<td></td>
</tr>
<tr>
<td>- Does NGO use its own venue and logistics or conduct training on hired venue?</td>
<td></td>
</tr>
<tr>
<td>- What % of VGD beneficiaries are attending training on</td>
<td></td>
</tr>
<tr>
<td>- Life oriented skills</td>
<td></td>
</tr>
<tr>
<td>- Income generating/livelihood skills.</td>
<td></td>
</tr>
<tr>
<td>- How does NGO keep attendance record</td>
<td></td>
</tr>
<tr>
<td>- How does NGO evaluate the effectiveness of training to VGD beneficiaries?</td>
<td></td>
</tr>
<tr>
<td>- What types of document does NGO submit to DWA for approval of training</td>
<td></td>
</tr>
<tr>
<td>- What types of report and document does NGO submit to DWA at post training?</td>
<td></td>
</tr>
<tr>
<td>- Does the NGO have previous experiences in life oriented skills and IGA training?</td>
<td></td>
</tr>
<tr>
<td>- Does NGO receive feedback/does it have approval process to receive payment?</td>
<td></td>
</tr>
<tr>
<td>- Any specific observation/challenges are faced by the NGOs in savings?</td>
<td></td>
</tr>
<tr>
<td>- Does the NGO have micro-credit program or have associated/linkage with micro-credit program?</td>
<td></td>
</tr>
<tr>
<td>- What are means and ways to collect and keep record on VGD beneficiaries' savings?</td>
<td></td>
</tr>
</tbody>
</table>
| - Does NGO need to submit periodic report on Beneficiaries savings?  
  - Whether each beneficiary has saving record card?  
  - What % of beneficiaries is unable for savings and reasons?  
  - What are the tracking and record keeping mechanism of individual savings and interests?  
  - Whether any advisory package/services offer by NGO to make use of savings for income generations?  
  - Whether any study conducted to assess market demand for certain IGA.  
  - Give some documentary evidences on savings, bank reconciliation, and interest records for individual, evidence of re-payment to beneficiaries, etc?  
  - Any specific observation/challenges are faced by the NGOs in savings?  
| - What are the sequences or frequency for NGO to receive payment from DWA.  
  - What are the key head of payment that NGO receive?  
  - Whether any delay in payment to NGO and why. Does it affect on training schedule?  
  - Is payment release subject to training quality/satisfaction of management?  
  - Your identified challenges and bottlenecks in receiving payment from DWA.  
  - What changes would NGO like to seek. |
# Appendix-3: Comparative Summary of Draft Findings and Suggestions

## A. Scheme Design

<table>
<thead>
<tr>
<th>Existing Provisions</th>
<th>Issues / Challenges</th>
<th>Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater focus on food delivery rather than training for income generation.</td>
<td>The developmental objective to enhance the income-generating ability of beneficiaries is not fully achieved. This may weaken sustainability of income and dependence on Government is not reduced.</td>
<td>Greater emphasis and focus on training on sustainable income generating activities (IGAs). Improve earning capacities and life skills of beneficiaries through training component. Food delivery could be considered as opportunity cost (lost) for training.</td>
</tr>
<tr>
<td>Linkage to credit access.</td>
<td>Beneficiaries have limited access to credit and market. No backward (pre-production such as raw material) and forward (marketing) linkages for IGAs.</td>
<td>Credit linkage through banks / micro-finance institutions. Emphasis on financial literacy. Provide sustainable integrated business approach.</td>
</tr>
<tr>
<td>Absence of any mechanism for tracking of beneficiaries' economic activities after the VGD cycle.</td>
<td>Once members are out of VGD cycle there is no tracking if they are economically active.</td>
<td>Proper evaluation mechanisms should be put in place to measure success over lifespan of project and afterwards.</td>
</tr>
<tr>
<td>Eligibility Criteria Needs Revision</td>
<td>Eligibility Criteria is Obsolete, Archaic and outdated and does not align with present poverty situation in Bangladesh</td>
<td>Eligibility criteria to be updated taking into view the consideration of objective of VGD scheme and present improvement of poverty level.</td>
</tr>
<tr>
<td>Data Availability at Field Level</td>
<td>Absence of a mechanism of Identification of Duplication and Benefit Tracking.</td>
<td>A centralized MIS with access at Union level for tracking and checking to avoid duplication or multiple benefits by VGD card holders. (First round of Validations)</td>
</tr>
<tr>
<td>Limitation in IGA support beyond the current cycle</td>
<td>Current design does not allow NGO to continue its support for IGA to VGD card holders who gain skills and capacity during VGD cycle</td>
<td>Scheme should have provision of IGA support for additional 24 months beyond the regular VGD cycle</td>
</tr>
<tr>
<td>MOU between NGO and DWA</td>
<td>MOU has limitation in accountability of NGO. Only covers quantity and is silent on quality of performances</td>
<td>The present MOU with NGO needs to be reviewed and improved with necessary terms and conditions to make accountability for quality assurance</td>
</tr>
</tbody>
</table>

**Overall comment on design of the scheme:**

To attain a sustainable development of VGD Card holders and graduate them through IGA, it is suggested to convert the existing two years scheme into three segments:

- **a)** First year for food support and skills training along with monthly savings by each VGD card holder,
- **b)** Second year with no food support but compensated by cash for skilled base IGA and savings
- **c)** NGOsto continue its support for availability of credit, entrepreneurship development and functions of value chain beyond 24 months.

## B. Product Features

<table>
<thead>
<tr>
<th>Existing Provisions</th>
<th>Issues / Challenges</th>
<th>Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply of food grain in bags</td>
<td>Hand-stitched bags found to</td>
<td>Machine-stitched bags at</td>
</tr>
<tr>
<td>Process</td>
<td>Issues / Challenges</td>
<td>Suggestions</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Stitched by hand (Except ICVGD)</td>
<td>Be vulnerable to pilferage.</td>
<td>Factory be used to maintain standardisation.</td>
</tr>
<tr>
<td>Supply of food grains without quality assurance.</td>
<td>It may lead to supply of inferior quality of food grain.</td>
<td>Put quality assurance mechanism in place. Fortified rice may be provided under VGD like ICVGD for improving nutrition.</td>
</tr>
<tr>
<td>Supply of food grains.</td>
<td>Cost of transfer, leakages, and value for money.</td>
<td>Explore the evidence for cash vs. food and calculate the cost of transfer/ benefits (VfM).</td>
</tr>
<tr>
<td>Training on IGAs and life skills.</td>
<td>Generic training may be improved to enhance the income-generating capacities of beneficiaries. Training should be Need Based and targeted to achieve the overall objective.</td>
<td>Training modules should be robust and include skill building for improved income generation, business and entrepreneurial skills and means for credit and market Linkages. Training should be adaptable to regional requirements. Needs NGOs’ competency in training needs assessment (TNA) and development of customised training module for market driven IGA.</td>
</tr>
<tr>
<td>Utilization of Savings Provision.</td>
<td>Mandatory savings are not regularly maintained. Inability of beneficiaries to use the savings for an IGA purpose.</td>
<td>Need for financial literacy and structured guidelines for savings so that savings are maintained regularly.</td>
</tr>
<tr>
<td>Quantum of Savings</td>
<td>The present savings is only 200 taka per month totalling 4800 taka maximum which is too small amount for IGA investment at the end of VGD cycle.</td>
<td>The monthly savings amount of taka 200 must increase to at least 1/3rd of the cost of 30Kg rice that each VGD card holder receives free of cost on monthly basis. To encourage savings, the scheme should have a provision of cash transfer as top-ups (co-contribution) from the side of the GoB.</td>
</tr>
<tr>
<td>Selection / Existence of NGO in assigned Upazila</td>
<td>Most of the NGOs assigned for VGD scheme at a particular Upazila did not have pre-existence</td>
<td>Must have pre-existing outfit/office in the upazila where they are assigned to provide services under VGD scheme.</td>
</tr>
<tr>
<td>NGOs facilitating micro-credit services/linkage</td>
<td>Most of the NGOs assigned for VGD scheme do not have MFI Linkages to provide credit support to VGD card holders for IGA</td>
<td>Should have a window for micro-credit services or have MOU with micro-credit service providers for financial services to VGD card holders under special package.</td>
</tr>
</tbody>
</table>

**C. Processes**

<table>
<thead>
<tr>
<th>Existing Provisions</th>
<th>Issues / Challenges</th>
<th>Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographical quota for selection of beneficiaries.</td>
<td>Standard quota (50 cards per Union) is allotted.</td>
<td>Quota allocation and Card allotment should strictly</td>
</tr>
<tr>
<td><strong>Targeting and final selection of beneficiaries.</strong></td>
<td>However, eligibility criteria is not strictly followed.</td>
<td>follow the criteria of food insecurity and intensity of poor as per guidelines / poverty mapping.</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>--------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Top-down approach from Upazila VGD Committee / UP Chairman.</td>
<td>A more scientific and robust mechanism may be developed for targeting and selection of beneficiaries. Emphasis needs to be given on public meeting to make more transparent in selection process. Selection process should comply with Operational Manual.</td>
<td></td>
</tr>
<tr>
<td>In practice, consent of MP and Upazila Chairman is taken despite no such provision in the Manual.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Checks for ineligible beneficiaries using exclusion criteria.</strong></td>
<td>Non-availability of unified data prevents identification of beneficiaries. Possibility of double-dipping and duplication.</td>
<td>Creation of a central MIS database of beneficiaries and sharing it on a common platform to avoid duplicates and double-dipping.</td>
</tr>
<tr>
<td><strong>Inclusion errors – targeting for ICVGD</strong></td>
<td>Few non-eligible participants receive ICVGD benefits.</td>
<td>Robust criteria should be adopted without being biased and rigorous checks be followed for selection of ICVGD beneficiaries.</td>
</tr>
<tr>
<td><strong>Selection process for NGOs.</strong></td>
<td>Centralised process does not involve views of local officials.</td>
<td>Views and opinions of District / Upazila Women Affairs Officers should be considered for NGO Selection. Robust and decentralised approach including field tests be applied.</td>
</tr>
<tr>
<td><strong>Lack of effective capacity development and training to the NGOs.</strong></td>
<td>Provisions for capacity development are not effectively followed. NGOs have low capacities and little or no training.</td>
<td>Orientation and training for NGOs (master trainers) as well as capacity development and initial support for NGOs by the DWA. Master trainers should be trained by DWA and LMs at regular intervals.</td>
</tr>
<tr>
<td><strong>Training provided by NGOs in case of VGD and Government Officials of different Line Departments for ICVGD.</strong></td>
<td>Training imparted by NGOs lack appropriate skills, practical experience and exposure.</td>
<td>VGD should have convergence with other Line Departments for training and capacity development as in case of ICVGD. For IGA training government officers specialised in different area of skills should be mobilized to conduct training as well as train the master trainers of NGOs. NGO also continue to organise and manage trainings. (Process)</td>
</tr>
<tr>
<td><strong>Input-oriented monitoring process.</strong></td>
<td>Prevents measuring results and competencies gained from training as well as IGAs.</td>
<td>Build a beneficiary baseline. Redesign formats for measuring indicators at output and outcomes levels.</td>
</tr>
</tbody>
</table>
# Introducing process monitoring, internal control mechanism for training on IGAs.

**Payment Process under ICVGD**
- MoWCA opens and maintains a Bank account and transfers bulk money into it. Based on recommendations from field offices, beneficiaries are paid in their account.
- Payment system should be streamlined with Money being withdrawn from Treasury, only when it is due. No float be allowed to any bank.

**Grievance mechanism.**
- Exists only for beneficiary selection and mostly doesn’t function beyond this.
- Grievance mechanism should be designed for all levels including delivery of benefits. Grievance mechanism should be linked to a central system which communicates seamlessly with the Government Officials.

---

## C. Implementation

<table>
<thead>
<tr>
<th>Existing Provisions</th>
<th>Issues / Challenges</th>
<th>Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Operational Manual for ICVGD</td>
<td>Therefore, ICVGD Lacks firm guidelines and officials often refer to the VGD Manual.</td>
<td>Develop Operation Manual and guidelines for ICVGD.</td>
</tr>
<tr>
<td>Fortified rice distribution</td>
<td>Neither DWA nor local government had any awareness building mechanism on the distribution of fortified rice that enriches nutrition intake by HH of VGD card holders,</td>
<td>The DWA and local government system must have promotional activities using IEC materials during distribution of fortified rice that should be able to provide additional benefits to health and nutrition of VGD card holders and their families. (Product)</td>
</tr>
<tr>
<td>Training schedule for VGD card holders</td>
<td>Most NGOs schedule training on food distribution day disrupting quality of training</td>
<td>The NGO should have an exclusive training schedule which should not be tagged with food distribution dates.</td>
</tr>
<tr>
<td>Fortified rice distribution for better nutrition intake.</td>
<td>Under pilot scheme fortified rice is distributed in some upazila with a purpose to improve nutrition condition of the family holding VGD card. But Neither DWA nor Local government any intervention that help building knowledge and awareness about nutritious value and health impact from fortified rice.</td>
<td>The DWA and local government system must have promotional activities using IEC materials during distribution of fortified rice that should be able to provide additional benefits to health and nutrition of VGD card holders and their families.</td>
</tr>
<tr>
<td>Accountability of other LMs</td>
<td>Convergence lacks accountability amongst government officials,</td>
<td>Government officials imparting training should be result oriented</td>
</tr>
</tbody>
</table>
showing evidence of utilization of training in IGA by beneficiaries.

### E. Others

<table>
<thead>
<tr>
<th>Potential Areas</th>
<th>Issues / Challenges</th>
<th>Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aligning VGD with National Social Security Strategy (NSSS) and developing a life cycle model.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Currently VGD only covers a limited number of beneficiaries.  
As per NSSS recommendations, VGD lacks mechanism for participation in labour markets.   | Reforms on VGD should incorporate and align itself with the NSSS recommendations that advocates for Vulnerable Women Benefits (VWB). Designing and implementing a programme of financial support to vulnerable women (widows, divorced, destitute, single mother, and unemployed single women) and facilitate their participation in the labour market. |
| Empowerment on Rights and Duties       | Beneficiaries consider the benefits as being bestowed on them out of compassion / sympathy for poor                                                                                                                  | Beneficiaries must be tutored so as to consider the Benefits as Rights and Privileges provided by the Government rather than charity by the committees / NGOs / officials who selected them.                                      |
## Appendix 4. Lists of Officials Met

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms. Mahmuda Sharmeen Benu</td>
<td>Additional Secretary, Development, MoWCA</td>
</tr>
<tr>
<td>Md Azizul Alam</td>
<td>Ministry of Finance Joint Secretary</td>
</tr>
<tr>
<td>Manzoor Alam Bhuiyan</td>
<td>Joint Secretary and SPFMSM Executive Director</td>
</tr>
<tr>
<td>Mr. Shakil Akhter</td>
<td>Deputy Chief, MoWCA</td>
</tr>
<tr>
<td>Nurul Islam Talukder</td>
<td>Additional, Director, VGD, DWA</td>
</tr>
<tr>
<td>Md. Abul Kashem</td>
<td>Deputy director, VGD DWA</td>
</tr>
<tr>
<td>Md. Manjur Alam</td>
<td>Assistant Director, VGD DWA</td>
</tr>
<tr>
<td>Md. Mojibur Rahman</td>
<td>Assistant Director, VGD, DWA</td>
</tr>
<tr>
<td>Masing Newar</td>
<td>Sr. Programme Officer (VGD), Project Planning and Implementation Support (WFP)</td>
</tr>
<tr>
<td>Aneeka Rahman</td>
<td>World Bank Senior Social Protection Economist</td>
</tr>
<tr>
<td>Emily Wylde</td>
<td>SPFMSM Consultant</td>
</tr>
<tr>
<td>Karishma Zaman</td>
<td>DFID</td>
</tr>
<tr>
<td>Ataur Rahman</td>
<td>Deputy secretary, Deputy Director, SPFMSM Project</td>
</tr>
<tr>
<td>Md Shareful Hassan</td>
<td>WFP Monitoring Specialist VGD Reform</td>
</tr>
<tr>
<td>Narul Islam Talukder</td>
<td>DWA Additional Director, VGD Program</td>
</tr>
<tr>
<td>Naved Chowdhury</td>
<td>DFID Poverty and Social Protection Adviser</td>
</tr>
<tr>
<td>Rezaul Karim</td>
<td>WFP Head, Programme Planning and Implementation Support</td>
</tr>
<tr>
<td>Shahin Ahmed Chowdhury</td>
<td>DWA Director General, Joint Secretary</td>
</tr>
<tr>
<td>Sumana Sultana Mahmud</td>
<td>MJF Program Manager – SP</td>
</tr>
<tr>
<td>Md Alamgir Hossain</td>
<td>Deputy Chief, MoWCA</td>
</tr>
</tbody>
</table>
Appendix 5. Districts and Upazilas Visited:

<table>
<thead>
<tr>
<th>Name of district</th>
<th>Name of Upazila</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hobiganj</td>
<td>Madhabpur</td>
</tr>
<tr>
<td>Sirajganj</td>
<td>Belkuchi</td>
</tr>
<tr>
<td>Sunamganj</td>
<td>Bishamvarpur</td>
</tr>
<tr>
<td></td>
<td>Chatak</td>
</tr>
<tr>
<td>Khagrachori</td>
<td>Dighinala</td>
</tr>
<tr>
<td></td>
<td>Ramgar</td>
</tr>
<tr>
<td>Thakurgaon</td>
<td>Baliadanga</td>
</tr>
<tr>
<td></td>
<td>Pirganj</td>
</tr>
<tr>
<td>5 Districts</td>
<td>8 Upazilas</td>
</tr>
</tbody>
</table>
Appendix 6. Committee/Beneficiaries met/consulted during Field Visits:

<table>
<thead>
<tr>
<th>Committee/team/person met</th>
<th>Location</th>
<th>Total persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>District VGD committee</td>
<td>Hobiganj, Sirajganj, Sunamganj, Khagrachori, Thakurgaon</td>
<td>28 members of district VGD committee</td>
</tr>
<tr>
<td>Upazila VGD Committee</td>
<td></td>
<td>86 UZ-VGD committee members</td>
</tr>
<tr>
<td>Union VGD Committee</td>
<td>Upazila</td>
<td>79 UP VGD committee members</td>
</tr>
<tr>
<td>NGO staffs engaged for VGD scheme</td>
<td>7 NGO staffs at eight upazilas</td>
<td>57 NGO staffs</td>
</tr>
<tr>
<td>Old VGD card Holders</td>
<td>At all eight Upazilas</td>
<td>242 beneficiaries from 2015-2016 VGD cycle</td>
</tr>
<tr>
<td>New VGD card holders</td>
<td>Do</td>
<td>376 beneficiaries from 2017-18 VGD cycle</td>
</tr>
<tr>
<td>Non-VGD card Holders</td>
<td>Do</td>
<td>128 non VGD card holders</td>
</tr>
</tbody>
</table>
## Appendix 7. Documents Referred

<table>
<thead>
<tr>
<th>Bibliography</th>
<th>Brief</th>
</tr>
</thead>
<tbody>
<tr>
<td>- VGD Operation manual.</td>
<td>Operation manual for VGD program operation and management</td>
</tr>
<tr>
<td>- Government circular/Gazette notification at different time.</td>
<td>Government order and notification on periodic change in rules and procedures relating to VGD scheme</td>
</tr>
<tr>
<td>- A review of Vulnerable Group Development Program (VGD) for protection and promotion of poor HH.</td>
<td>A study conducted in 2014 by two external consultants.</td>
</tr>
<tr>
<td>- Social Audit report on VGD program-2011 by BITA (an NGO).</td>
<td>A program audit report on sample area of VGD scheme of 2011-12 cycle.</td>
</tr>
</tbody>
</table>
Appendix 8. Minutes of Dissemination Workshop

Governments of the Peoples Republics of Bangladesh
Ministry Women and Children Affairs
Planning and Development Wing
Bangladesh Secretariat, Dhaka.

Memo No-32.00.0000.061.001.(part-2,VGD).2015-24/1
Date: 15/03/2017
Sub: Minutes on Dissemination of Findings of Diagnostic Study on Vulnerable Group Development (VGD).

Date and Time: 9th March, 2017 at 03.30 PM
Venue: Conference Hall, SPFMSP Project, ShegunBagicha, Dhaka.

The meeting was chaired by Ms. Mahmida Sharmin Benu, Additional Secretary, (Development & Planning), MoWCA. The key officials of MoWCA and DWA related with VGD program, consultants and management of Maxwell Stamp, SGPS partners, Representatives from World Food Program and Manoshur Jeno Foundation attended the meeting (list of participants is placed at Annexure 1).

The purpose of the meeting was:

- To discuss the findings and recommendations proposed in the diagnostic study of the VGD Programme.
- To get the feedback, comments and suggestions from the Ministry of Women and Children Affairs and Department of Women Affairs, WFP, MJF etc. to finalize the draft report.
- To identify and reach to a consensus on way forward on the VGD Reform Programme.

Discussion:

The Team Leader, SPFMSP Project Mr. Siddiquar Rahman Chowdhury, provided a brief on SPFMSP project activities. He mentioned that, the Government of Bangladesh (GoB) is committed to strengthening the social protection System by ensuring efficiency and effectiveness in the use of resources (Value for money- VfM) in the sector. This commitment is clearly reflected in the recently approved National Social Security Strategy (NSSS). The Finance Division (FD) of the Ministry of Finance (MoF) has undertaken the SPFMSP Project, with the Assistance of UK, DFID and Australian DFAT, to follow through on the VfM commitment. He mentioned that project is working in the following areas:

1. Diagnostic study on identified schemes
2. Research which shall be based on issues, themes and exploratory.
3. Capacity development including National and Global courses as well as study tours.
4. MIS.

He also mentioned that the SPFMSP project has the mandate to perform diagnostic studies of seven schemes, of which two schemes, VGD and MA/MA are being implemented by the MoWCA. The Terms of Reference for the VGD diagnostic study were developed in consultation with MoWCA. The findings were discussed with MoWCA on 18th December, 2016 and it was
suggested by MoWCA that at least six more upazilas should be visited by the consultants in order to strengthen the evidence from the study. This was also meant to further confirm the findings before finalization of the draft report. Accordingly, the team had visited six additional upazilas under three districts spread across the country as suggested by the ministry.

Dr. Kavim V.Bhatnagar and Kazi Nabiul Hoque jointly presented the findings and recommendations from the study. They provided the backdrop including the objectives and aim of the study. They presented the findings and proposed evidence based recommendations from the study. The slides for the presentation are placed at Annexure 2.

The Chair agreed with the findings and recommendations of report and mentioned that Government of Bangladesh was implementing various programs to eliminate the poverty of the country, with special focus on Women and the VGD program was one of them. She mentioned that while now the beneficiaries may be poor but are not the poorest of the poor and that their socio-economic condition was improving almost every day. She also informed that the MIS activities have already started for the VGD programme and a database is being developed. She felt that the information hub existing under Jayti Mohila Shangstha (JMS) should have linkage with this database being developed for VGD scheme.

On the issue of training under the VGD and the study findings regarding high quality of training being imparted by the government officials of different line departments, she informed the meeting that the government has already made provision for engaging government officials to impart training for VGD as it is done in case of ICVGD. She also mentioned that forming of VGD groups under each cycle has been started where beneficiaries were organized on the basis of different types of IGAs.

The Chair appreciated the recommendation regarding greater emphasis on effective and productive income generating activities that would promote sustainable livelihoods and empower women in the long term. Hence they would be keenly waiting to see the final report and the subsequent reform plan as this report would be an important and useful document for the government to improve upon their operations and implementation.

Mr. Shakil Akhter, Deputy Chief of MoWCA agreed with the findings and recommendations of the study and emphasized its timely relevance. The recommendations of the study may go a long way in improving the design and implementation of the program. He also laid emphasis on the importance of MIS and developing a database of beneficiaries for the VGD program. He also mentioned that the MoWCA as well as the SPBMU MIS will be helpful to them for monitoring the implementation. He opined that the sustainability factor was more effectively visible in the ICVGD where emphasis was paid on training and improved IGA and hence the government should consider extending the ICVGD to the whole of the country.

Md. Nurul Islam Talukdar, Additional Director (VGD), DWA, expressed that if VGD card holder women are organized in a group, the group may last even beyond the VGD cycle. He also suggested that if an organization such as a ‘Women Development Bank’ could be established, it could prove out to be very effective and useful for organizing these women groups in terms of sustainability even beyond the VGD cycle.

Md. Abul Kashem, Deputy Director (VGD), DWA, informed that government has already authorized different rates of transportation cost for different location like hills, haer and plain
land. However finding of this report with recommendation for fixing transportation rate with seasonal variation and flexibility could be considered by the government.

Mr. Manjurul Alam, Assistant Director (VGD), DWA, further endorsed suggestions and recommendations made by the Additional Director and the Deputy Director (VGD) of DWA.

Masing Newar, Sr. Programme Officer (VGD), World Food Program mentioned that the WFP was in direct engagement with the MoWCA for the VGD program. However, after 2010 WFP ended its direct engagement, but continued its involvement by providing technical support to strengthen DWA, especially the capacity of the VGD unit. Now WFP is supporting MoWCA with the Investment Component of the VGD in the form of ICVGD project in selected Upazilas. She mentioned that with the assistance from WFP, Dr. Hossain Zilfur Rahman conducted a capacity gap assessment of VGD program in 2013. The Capacity gaps which were mentioned in his report continue to exist till now and are also being reflected in the SPFMSP diagnostic report. However, the SPFMSP report has also identified some more gaps and irregularities that are currently present. WFP would be keen to see that in line with report of Hossain Zilfur Rahman and recommendations from the diagnostic study conducted by the SPFMSP should be implemented at the earliest. MoWCA and DWA should take initiatives to resolve the issues of the capacities as identified in both the studies to resolve the existing challenges being faced by the VGD.

Mohashin Kabir, Deputy Programme Manager, MJF mentioned that the main activity of the MJF was to inspect the activities of the program and provide feedback on the grievances. He agreed with the issues and challenges highlighted by the report and observed that they should be addressed.

To wrap up the discussion, Team leader of SPFMSP project Mr. Siddiquir Rahman emphasised that recommendations provided in the study should be taken to next step where a reform plan may be developed in consultation with the MoWCA / DWA for VGD. Assistance from the WFP may also be taken to design the reform plan. He apprised the meeting that the SPFMSP project is mandated to develop such a reform plan. The proposed reform of the VGD program should bring in greater Value for money (VFM) by better targeting, preventing leakages, avoiding duplication and bringing efficiency in the delivery system. After a threadbar discussion, the following recommendations have been taken in the meeting.

**Recommendations:**

1. SPFMSP will develop a costed reform plan along with strategies of design and implementation of VGD programme on the basis of comments and suggestions made by the participants in the meeting.

The meeting ended with a vote of thanks from the Chair.

[Signature]

Mahmuda Shamsunn Banu
Additional Secretary (Dev & Planning)
Ministry of Women and Children Affairs
Annexure 1.

Name and Title of Participant

1. Mahmuda Sharmeen Benu, Additional Secretary, Development, MoWCA.
2. Duncan King, Project Director, MSP.
3. Siddiquur Rahman Chowdhury, Team Leader, SPFMSP Project.
4. Treema Watson, project Coordinator, MSP.
5. Ataur Rahman, Deputy Secretary, Deputy Director, SPFMSP Project.
6. Mr. Shakil Akhter, Deputy Chief, MoWCA
7. Nurul Islam Talukder, Additional, Director, VGD, DWA.
8. Md. Abul Kashem, Deputy director, VGD DWA.
9. Md. Manjur Alam, Assistant Director, VGD DWA.
10. Md. Mojibur Rahman, Assistant Director, VGD, DWA.
11. Dr. Kavim V Bhatnagar, Social Protection Economist, SPFMSP Project.
13. Masing Newar, Sr. Programme Officer (VGD), Project planning and Implementation Support, WFP.
14. Mohashin Kabir, Deputy Programme Manager, MJF.
15. Shoma Datta, Deputy Programme Manager, MJF.
16. Naheed Sultan, Social Protection Specialist for CB & ID, SPFMSP.
17. Dr. Rowshan Ara Begum, Specialist for MOWCA at SPFMSP project.

Annexure 2. Presentation
Appendix 8. A. Presentation at Dissemination Workshop:

Overview of Presentation

• Backdrop to the Diagnostic on VGD
  – Objective and Approach
  – Methodology
• Findings from the Study
  – Features and Processes – As per Books (Manual, Rules, Guidelines, GO etc.)
  – Implementation – Ground Reporting from 10 Upazilas
• Principles Behind Recommendations
• Recommendations
  – Scheme Design, Product Features, Processes and Implementation
  – Generic
• Way Forward

Backdrop

• SPFMSP is required to perform diagnostic studies on Seven Schemes to develop Reform Plans
• Analysed 29 Major Social Protection Schemes of 6 SPFMSP Line Ministries
• Out of Selected Seven, VGD is One, on the basis of 20 Parameters spread across Importance, Size, Impact and Challenges
• ToR for the study developed in consultation with MOWCA
• Findings and Recommendations discussed and agreed with MoWCA (December, 2016)
• Additional field visits to Six more Upazilas (Three Districts) undertaken as suggested by MoWCA to further confirm the findings before finalization of the draft report
Major Objective

• **Operational and Financial Analysis**
  – Design, Product Features and Implementation (Book V/s Field)
  – Greater efficiencies in terms of **targeting, enrolment and allocating resources**, improving compliance of guidelines and procedures.

• **Suggest Recommendations**
  – Improving upon the **efficiency, economy and cost effectiveness** of its operations
  – Providing **stability and sustainability** and Promoting **value for money**

• **Way Forward with Evidence and Recommendations**
  – Develop **costed reform** plans to improve efficiency and effectiveness of the scheme

• **Focus on Strengthening**
  – **Supply Side** (PFM), Institutional Design and Delivery
  – **Demand Side** (Beneficiaries) Empowerment and Sustainability to reduce future burden on Exchequer

---

Analysis Approach

**Frontend Processes**
- Selection of Beneficiaries
- Methods of Targeting (Different Selection Committees)
- Inefficiencies of Exclusion / Inclusion Errors

**Backend Central Recordkeeping**
- Individual Database Records (Fixed Profile and Dynamic Transactions)
- MIS

**Delivery System**
- Payment System for Cash Transfers (Bank, Mobile Bank, MFS Post Office)
- Assets / Goods / Food Transfer Training Services (NGOs / MFIs)

---

Eligible Women

Beneficiary Women

G2P
G2P
G2P
G2P
Methodology

• Methodology Adopted
  – Primary Sources
  – Discussions with MoWCA, DWA, FD, DFID, WFP, MJF, UNDP Visit to 10 Upazilas, 10 Unions in 5 Districts
  – Meetings with VGD Committees at all 5 Districts, 10 Upazila and 10 Unions
  – Civil Societies / NGOs 8
  – FGDs with VGD Card Holders and Non Card Holders as well as Newly Selected VGD Card Holders for 2017 – 18
  
  – Secondary Sources
  – Review of Reports, Past Studies, Guidelines, Implementation Manual etc.

Analysis of Scheme

• Ultimate Goal ‘to bring sustainable improvement to the lives of ultra-poor households.’
• Aims at increasing the earning potential and social empowerment of the most disadvantaged rural women
• Focus on helping poor women graduate out of poverty
• Elements of the VGD Program
  – Supply of Food to Beneficiaries
  – Training of Beneficiaries on Life Skills and Income Generating Activities (IGA)
  – Savings by Beneficiaries to be used for IGA Initiatives
  – IGA Support – Credit Access, Facilitation of Technology Support, Marketable Skills, Follow Ups
  – Investment Component (ICVGD)
• Institutional Stakeholders
  – Government – MOWCA / DWA / Ministry of Food
  – Officials of Other Line Departments
  – Local Government Institutions
  – Civil Societies / NGOs / MFIs
Literature Review – Secondary Sources

- Success of VGD Program is Reflected in
  - Beneficiaries able to improve their socio-economic condition
  - Positive impact on income, food consumption and access to safe housing
  - Positive changes in the quality of life of the members as reflected through better access to clothing, health care and school enrolment.
  - Positive changes in income earning opportunities, land ownership, utilization of sanitary toilets, non-land asset ownership, saving habits, school enrolment for children and empowerment of women.
- However, Reports on Selection Bias, Mistargeting, Nepotism are Common
- Most Studies are on Impact Analysis and Focused on Existing Beneficiaries
- No Tracking / Impact Analysis on Economic Activities of Past Beneficiaries

Summary of Findings
**Issue of Targeting**

- **VDG Quota**
  - Poverty Density Criteria in respect Allocation of VGD Cards amongst Upazilas as well as within the Upazila is not followed.

- **Beneficiaries Selection**
  - Criteria for Selecting Women-Headed Households is NOT followed
  - Selection of Beneficiaries Lacks Transparency and VGD Manual is NOT followed.
  - Concurrence by MPs / Upazila Chairman in the Final selection of Beneficiaries is NOT supported by the provision of Manual

- **Exclusion Criteria**: Absence of a system for ineligibility verification of Beneficiaries
Observations on NGO Selection

- **NGO Selection Processes:**
  - Centralized system for selection of NGOs does not allow for local and field level inputs

- **NGO Selection Criteria:**
  - System for Assessing the Competence of the NGOs to fulfil the required criteria is Inadequate

Food Package

- **Food packaging:** Hand-stitched bags found to be vulnerable to pilferage.
- **Transportation at distribution site:** The transportation rates for food are not rational in terms of distance and cost. Current practise of VGD food transportation and storing is vulnerable to pilferage.
- **Quality of food grain:** Old food stock from government godown supplied for VGD scheme found with odour and sometimes inedible.
- **ICVGD Fortified rice distribution:** In some areas, fortified rice is distributed without any beneficiary awareness about its nutrition value.
- **Sales of VGD food:** Poor quality of food grain and need for immediate cash force some (30%) of the beneficiaries to sell food in the market.
Training

• NGO Capacity
  – Poor capacity and therefore confined to conventional training module only.
  – Lacks capacity to impart training tailored to local context.
  – Very little capacity to conduct Training Need Assessment (TNA)

• Training Schedule
  – Most NGOs perform their training program on the day of food distribution undermining the quality and time devoted for training.

Savings and IGA

• Savings Provision:
  – Raised recently to Taka 200 pm from Taka 50 pm still falls short in relation to need for investment in IGA at the end of cycle
  – Lack of awareness amongst beneficiaries regarding need, importance and utilization of savings as investment in IGA

• Provision of IGA
  – Inadequate capital due to low saving rate and hence poor investment in IGA activities
  – Absence of NGO support in IGA activities
Principles Behind Recommendations

- **Evidence Based** with Emphasis on Value for Money in Terms of Economy, Efficiency, Effectiveness
- Promotes **Sustainability** – Empowerment and Graduation from Poverty
- **Harnessing Existing Structures** with No Reinventing of Wheel
- **Optimization** of Human-ware, Hardware and Software
- Unified **Central Coordination and Decentralized Supervision**
- **Greater Convergence** with Relevant Line Ministries
- Extensive Use of **National ID** for Data Validation
- Plugging Loopholes in Existing Procedures Using Systemic Approaches
- Compatible MIS Plugging into the SPBMU MIS.

Recommendations on Design (I)

**Systemic and Parametric**

- Greater Emphasis on Sustainability
  - **Focus on Training on Sustainable IGAs**. Improve Earning Capacities and Life Skills
  - Food delivery could be considered as an opportunity cost (lost) for Training
  - **IGA Support for Beyond 24 Months**
  - **Tracking of Beneficiaries Beyond 24 Months** Cycle for Economic Activities
- Forward and Backward Linkages
  - **Credit linkage through banks / MFIs**, Emphasis on Financial Literacy
  - Provide Sustainable **Integrated Business** Approach
- **Strong Synergies** with Relevant Line Departments for Cross Learnings, Training and Capacity Development
- Selection and **Database of Beneficiaries**
  - Revise the Eligibility Criteria and Align with Current Poverty Context
  - A centralized MIS with access at Union level (First round of Validations)
**Recommendations on Design (II) Systemic and Parametric**

- **NGO Selection and MoU**
  - Develop a Robust Mechanism for NGO Selection including seeking opinions from Field Officers and Apply Field Tests of NGOs
  - NGOs must have pre-existing outfit / office in the assigned upazila
  - Revise the MoU with NGOs to include Quality Assurance and Accountability on Deliverables
  - NGOs to have a window for micro-credit services or and MOU with MFIs to Facilitate
  - NGOs should be provided with Extensive Training by the Government Officials Orientation and Training for NGOs (Master Trainers)
- **Beneficiary Data Base and MIS**
  - Creation of a Central MIS Database of Beneficiaries and Sharing it on a Common Platform to avoid duplicates and double-dipping at SPBMU
- **Redesign formats for measuring indicators at Output and Outcomes Levels; Introduce Process Monitoring; Internal Control Mechanism for Training on IGAs.**
- **Inline with the NSSS recommendations, consolidate the Allowance for Widowed, Deserted and Destitute Women and the VGD scheme into a new Vulnerable Women’s Benefit (VWB) and facilitate their participation in the labour market.**

**Recommendations on Product Features**

- **Training**
  - Robust and include Skill Building for Improved IGA, Business and Entrepreneurial Skills and means for credit and market Linkages.
  - Training should be adaptable to Local Requirements
  - Conduct TNA and Develop Customised Training Modules for Market Driven IGA
- **Food**
  - Maintain Standardization Using Machine-stitched Bags at factory and Provide for Quality Assurance mechanism.
  - Fortified rice may be provided under VGD for improving Nutrition.
  - Explore the evidence for Cash vs. Food Cost of Transfer/ Benefits
- **Savings and Financial Management**
  - Prescribed Savings rate should allow the option to beneficiaries to save at higher rates according to their requirement for Targeted Investment
  - Savings should be only in Individual Bank Accounts for promoting Financial Inclusion
  - Improve Financial Literacy of Beneficiaries and Design Structured Guidelines for Savings
  - Explore possibilities of encouraging Savings by Co Contributions / Cash Transfer Top Ups by GoB
  - Explore Modalities of Introducing Low Cost Group Insurance (Accidental Deaths)
Recommendations on Processes and Implementation

• Compliance with Rules / Manual
  – Quota allocation and Card allotment should strictly follow the criteria of food insecurity and intensity of poor as per guidelines / poverty mapping
  – Emphasis needs to be given on public meeting to make more transparent in selection process.
  – Selection process of Beneficiaries should comply with Operational Manual.

• A more scientific and robust mechanism may be developed for targeting and selection of beneficiaries such as Participatory Rural Appraisal (PRA)

• Payment System under the ICVGD – Financial Propriety
  – Payment system should be streamlined with Money being withdrawn from Treasury, only when it is due (No Bank Account to be Opened by MoWCA)
  – No float be allowed to any bank.
Published on August 2017

The report on the Diagnostic Study on Vulnerable Group Development (VGD) Programme of Ministry of Women and Children’s Affairs was prepared by Strengthening Public Financial Management for Social Protection (SPFMSP) Project under Finance Division, Ministry of Finance, Government of People’s Republic of Bangladesh funded by UK DfID and Australian DFAT.