

Definitions:

Given the ultimate objective of the PRSP i.e. to reduce poverty, areas of spending may be grouped in a way to generate a better focus in terms of priority on programs/spending that would benefit the poor, such as: **direct** services, and **indirect** services. This grouping follows the framework of the revised draft of Poverty Reduction Strategy Paper (PRSP).

- 1. **Direct** (targeted) Services addressing income-poverty would include the social safety net programs, income and employment generating programs/projects targeted directly at the poor, i.e. the services that benefit the poor for the most part. Direct services are designed and targeted at the poor and, hence easy to identify and prioritize. However, some activities in this category, though targeted at the poor may not always reach the 'hard-core' poor. Micro-credit programs are examples in hand.

The above noted **direct** services are designed to address **income-poverty**. Generally, social 'safety nets', and other income and employment generating programs are good examples of such services. The other type of direct services help human development, and hence mitigate **human-poverty**. Programs/projects for development of education (primary, secondary, technical/vocational, etc), health, nutrition, and water and sanitation are good examples of direct services addressing human poverty.

Examples

Direct Services (addressing income poverty):

- ❖ Old-Age Allowance Scheme (OAAP)
- ❖ Allowance Scheme for Widowed and Distressed women
- ❖ Rural Maintenance Program (RMP)
- ❖ Rural Infrastructure Development Program (RIDP)
- ❖ Food/cash for works, Test Relief (TR), Gratuitous Relief (GR), Vulnerable Group Feeding (VGF), Vulnerable Group Development (VGD) programs for the hard core poor
- ❖ Food Security Enhancement Initiative (FSEI)
- ❖ Rural Social Service (RSS): micro-credit and training program
- ❖ Urban Social Service: small credit and training program
- ❖ Rural Mother Centre (RMC): micro credit and training program
- ❖ Programs for Acid Burnt Women and the Physically Handicapped
- ❖ Funds to assist victims of natural disasters
- ❖ Honorarium scheme for insolvent freedom fighters
- ❖ Funds for retraining/reemployment of voluntarily retired or retrenched workers
- ❖ Funds for programs to generate employment for people in extreme poverty
- ❖ Salaries and benefits paid out to Grade IV employees
- ❖ All micro-credit programs
- ❖ Spending on programs to generate employment for unemployed youths
- ❖ All programs/activities providing cash assistance, housing for the homeless, etc.
- ❖ All programs/activities *targeted* at poor women and children

Direct Services (addressing human poverty):

- ❖ Primary Education Stipend Program (PESP)
- ❖ Female Secondary Stipend: i) Female School Stipend Project (FSSP); ii) Female Secondary School Assistance Project (FSSAP); iii) Secondary School Development

Project (SSDP); and iv) Female Secondary School Education Stipend Project (FSSESP)

- ❖ Targeted Social Investment Spending
 - ❖ Programs promoting primary and mass formal/informal education
 - ❖ Programs promoting vocational/technical training/education
 - ❖ Spending for sanitation and safe water supply including arsenic mitigation
- 2. **Indirect (growth-oriented)**: Services will include spending on overall infrastructure development including roads/highways, electrification, modern agriculture etc. These services are not directly pro-poor in appearance but, rather **pro-growth** in nature. Some of these services, however, contribute to the alleviation of poverty more than the others. Examples abound. Construction of the road/highway does help all, regardless of the income-class and certainly is pro-growth. An irrigation project, or waiver of interests on agricultural loan may help marginal farmers as well, and landless farmers may benefit to a degree from additional agricultural activity. Since most of these indirect services are growth-oriented, they help alleviate **income-poverty**, e.g. spending for building roads and highways, bridges construction/repair/rehabilitation of river ports/terminals/ferry *ghats*, etc. Some of the indirect services help alleviate **human-poverty**, e.g. spending on construction, repair/renovation of primary/secondary schools flood rehabilitation, etc.

Examples

Indirect Services (addressing income poverty):

- ❖ Building on roads/highways/bridges/structures for public use, including link roads
- ❖ Allocation to local governments for development programs
- ❖ Construction/expansion of building facilities for schools
- ❖ Developing/building/maintenance of rural infrastructure
- ❖ Spending on rail roads/bridges/culverts
- ❖ Flood rehabilitation programs
- ❖ Development of rural/cottage industries
- ❖ All agricultural development expenditures including in agro-forestry, flood protection, high-yield varieties of food grain, char development and horticulture expansion programs, etc.
- ❖ Allocations as development assistance to Upazilas, and Zila-Parishads
- ❖ Construction/repair/rehabilitation of river ports/terminals/ferry ghats
- ❖ Development of ICT infrastructure
- ❖ Construction/expansion of building facilities for schools
- ❖ Construction and repair of water and sanitation facilities, etc.

Indirect Services (addressing human poverty):

- ❖ Spending on construction, repair/renovation of primary/secondary schools
- ❖ Flood rehabilitation programs
- ❖ Programs to combat not-communicable diseases
- ❖ Programs to enhance administrative/institutional efficiency and capacity
- ❖ Allocations as development assistance to Upazilas, and Zila Parishads
- ❖ Spending on disease control activities.