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# Benazir Income Support Program (BISP) - PAKISTAN



**A Case Study**  
**Social Protection Training**  
**Pattaya – Thailand**  
**29-31 Aug 2017**

# PAKISTAN – At a Glance

Population (2017 Census)	=	220 million
Urban <u>v</u> Rural Population	=	35% <u>v</u> 65%
GNI Per Capita	=	\$ 1,510
Literacy rate (10 years above)	=	60%
Life Expectancy	=	66 years
People Below Poverty Line	=	29%
People Living in MP (MPI)	=	39%
Multidimensional Poverty U <u>v</u> R	=	9% <u>v</u> 55%
Human Development Index 2016	=	147 <sup>th</sup> out of 188

# PAKISTAN – Economy (2016)

GDP (Nominal) .....	\$284.2 b
GDP Rank (Nominal) .....	42 <sup>nd</sup>
GDP Growth .....	4.7%
Public Debt as % of GDP .....	62%
Revenues .....	\$33.5 b
Revenue thru Direct Taxes .....	\$9.1 b (30%)
Revenue thru Indirect Taxes .....	\$24.4 b (70%)
Annual Budget (Fed) .....	\$44.6 b
BISP Annual Budget .....	\$949 m
BISP Budget as % of GDP .....	0.3%
BISP Budget as % of Fed Total Budget ..	2%
BISP Budget as % of Revenue thru Indirect Tax.	3.8%

# Constitution of **PAKISTAN**

## Article 38: Promotion of social and economic well-being of the people

The State shall—

- (a) secure the well-being of the people, irrespective of sex, caste, creed or race, by raising their standard of living, by preventing the concentration of wealth and means of production and distribution in the hands of a few to the detriment of general interest and by ensuring equitable adjustment of rights between employers and employees, and landlords and tenants;
- (b) provide for all citizens, within the available resources of the country, facilities for work and adequate livelihood with reasonable rest and leisure;
- (c) provide for all persons employed in the service of Pakistan or otherwise, social security by compulsory social insurance or other means;
- (d) provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment;
- (e) reduce disparity in the income and earnings of individuals, including persons in the various classes of the service of Pakistan;

# Social Protection - Genesis

- 2006:** A Task Force under Planning Commission was constituted to formulate recommendations for a social protection policy/strategy of Pakistan
- 2007:** Based on Task Force's recommendations, a Working Group was formed to prepare a Social Protection strategy, which was subsequently approved as "National Social Protection Strategy" in June 2007.
- 2008:** Benazir Income Support Programme (BISP) was established through an executive order in July 2008
- 2010:** Through an Act of Parliament BISP was created in August 2010 as an 'autonomous social safety net authority' to be governed by a Board of Programme consisting of eleven members to be appointed by the Federal Government from amongst government, non-government, and technical experts.

# National Social Protection Strategy 2007

## The strategy defined social protection as follows:

*‘...a set of policies and programme interventions that address poverty and vulnerability by contributing to raising the incomes of poor households, controlling the variance of income of all households, and ensuring equitable access to basic services. Social safety nets, social insurance (including pensions), community programmes (social funds) and labour market interventions form part of social protection.’*

## Salient Features of Strategy:

- mitigation for risk and uncertainty: the government to address market failures in risk pooling and insurance.
- reducing social inequity through income transfers, asset build-ups and other redistributive interventions.
- countering social exclusion and marginalisation through the promotion of social mobilization of the poor.

# BISP - Launch

- **BISP started its operations in 2008**
- **A statutory body established under the Act of Parliament – BISP Act 2010**

ACT NO XVIII OF 2010

*An Act to provide for establishment of the Benazir Income Support Programme*

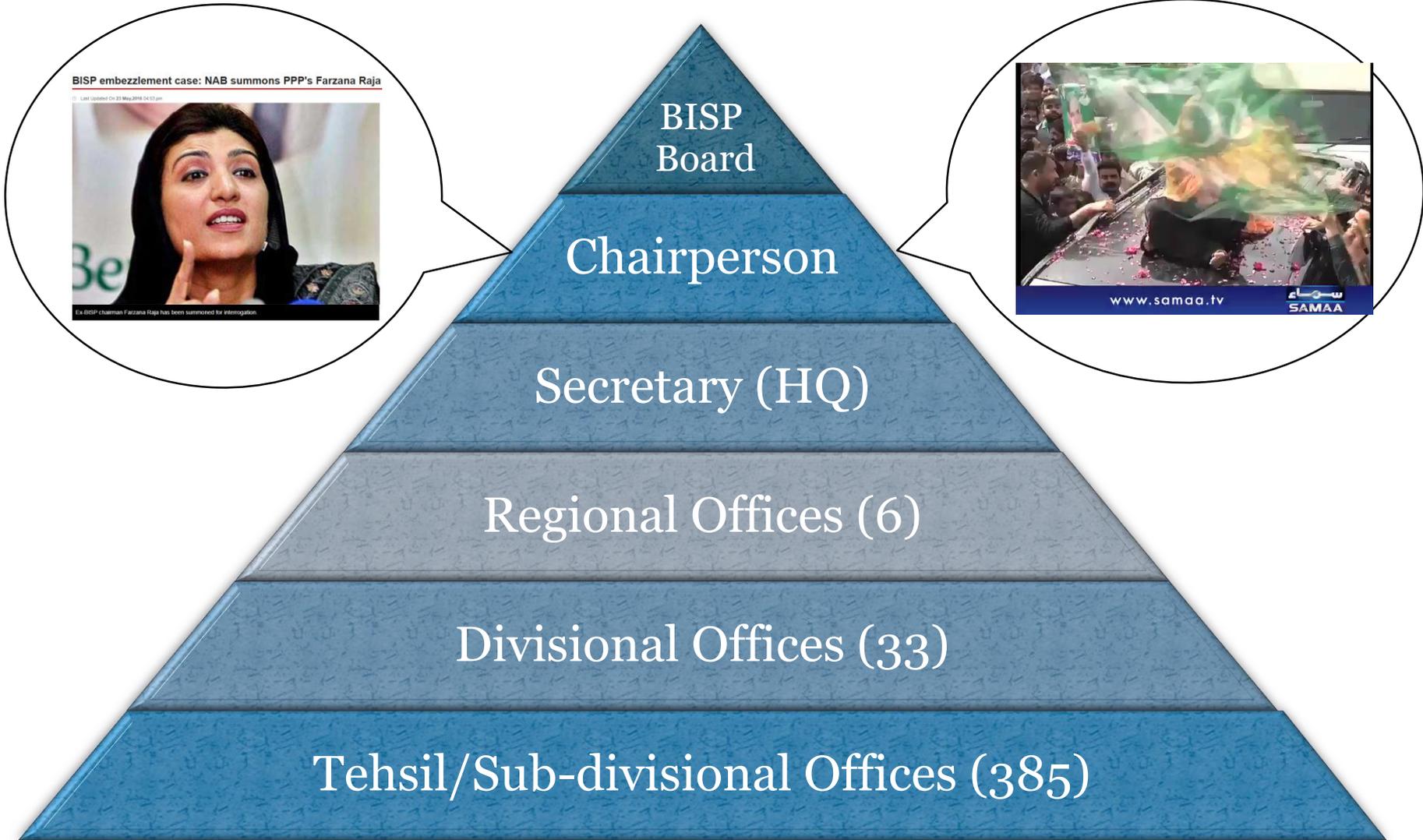
AND WHEREAS it is desirable to provide financial assistance and other social protection and safety net measures to economically distressed persons and families;

AND WHEREAS under the principles of policy as given in the constitution of the Islamic Republic of Pakistan, the State is obliged to promote social and economic well-being of the people and to provide basic necessities of life;

AND WHEREAS it is expedient to bring a positive change in the lives of poor and destitute by providing various opportunities to them such as education, special education, vocational training, skill development, workfare programs, livelihood programs, health insurance, accident insurance and access to microfinance for improving their financial status;

AND WHEREAS it is expedient to establish an autonomous social safety net authority to co-ordinate the design and implementation of targeted programmes for the poor;

# BISP ESTABLISHMENT



**Total Employees: 2321 Total Offices: 420**

# BISP INITIATIVES

## Core Initiative

- Unconditional Cash Transfers
- Conditional Cash Transfers (Waseela e Taleem)

## Complementary Initiatives

- Vocational & Technical Training (Waseela e Rozgar)
  - Micro-finance (Waseela e Haq)
  - Health Insurance
  - Life Insurance
- Waseela e Sehet)

**CLOSED**  
in Dec '15

# TARGETING

## Targeting Phase I:

- **Parliamentarian based targeting done in 2008-9**
- **4.2 M forms received - 2.24 M accepted**
- **Rs 64.5 B disbursed**

## Targeting Phase II:

- **Post 2010-11, PMT based Poverty Survey**
- **Covered 155 M population, 27 M HH**
- **Identified 7.7 M families eligible on 16.17 PMT cut-off**
- **As of June 2017, 5.6 M BISP Beneficiaries receiving cash transfer of \$16/month**

## Targeting Phase III:

- **NSER update work launched in June 2016**

# REGION WISE BENEFICIARIES

Region	Active Beneficiaries	Pending	Total
AJK	105,839	16,444	122,283
Baluchistan	240,278	210,299	450,577
Islamabad /FATA	168,980	74,402	243,382
Gilgit Baltistan	48,104	6,854	54,958
KPK	1,156,902	255,964	1,412,866
Punjab	2,055,524	739,424	2,794,948
Sindh	1,937,483	809,010	2,746,493
<b>Grand Total</b>	<b>5,713,110</b>	<b>2,112,397</b>	<b>7,825,507</b>

# STIPEND INCREASE

<b>Period</b>	<b>Quarterly installment (Rs)</b>
Oct 08-June 13	3000
July 13- June14	3600
July 14 -June 15	4500
July 15- June 16	4700
July 16 onward	4834

# TOTAL UCT PAYMENTS

Fiscal Year	PHASE – I		PHASE - II		Total Payments
	No of Beneficiaries	Amount Disbursed	No of Beneficiaries	Amount Disbursed	
2008/2009	1.76 M	15.81 B	-	-	15.81 B
2009/2010	2.23 M	28.55 B	341,083	3.39 B	31.94 B
2010/2011	1.95 M	19.12 B	1.14 M	10.54 B	29.66 B
2011/2012	61,501	653.75 M	3.62 M	40.35 B	41.00 B
2012/2013	16,020	162.44 M	3.72 M	43.14 B	43.30 B
2013/2014	5,433	78.23 M	4.63 M	65.04 B	65.12 B
2014/2015	5,432	94.73 M	5.04 M	88.49 B	88.59 B
2015/2016	5,212	97.97 M	5.35 M	96.42 B	96.65 B
2016/2017	5,210	50 M	5.43M	102.9 B	102.9 B
<b>TOTAL</b>		<b>64.5 B</b>		<b>450.4 B</b>	<b>514.9 B</b>

# **National Socio-Economic Registry (NSER) UPDATE**

- **Need for Up-dating the Registry**
  - **Static Registry**
  - **Changes in Socio-Economic conditions of HHs in last six years**
  - **Minimize Inclusion and Exclusion errors**
- **New Design**
  - **Extensive consultation: Advisory & Technical Committees**
  - **PMT based improved PSC: new variables & weights**
  - **More equitable representation of provinces**
  - **Computer Assisted Personal Interviewing (CAPI)**
- **Implementation**
  - **Phase I: Desk Approach June 2016 – Feb 2017**
    - Door to Door Feb 2017 - June 2017**
  - **Phase II: National Roll out August 2017 to March 2018**

# **NSER UPDATE (Phase-I)**

- **Desk Based Approach**
  - Tested in 4 districts: Haripur, Bahawalpur, Sukkur & Nasirabad
  - 192 sites established; more than 711,000 HHs registered (89% of Caseload)
  - Completed in March 2017
- **Door-to-Door Approach**
  - Initially to be implemented in 12 districts:  
Mohmand Agency, Mirpur, Gilgit, Killa Saifullah, Kech, Lakki Marwat, Charsada, Thatta, Jacobabad, Chakwal, Faisalabad, Layyah
  - Survey and Operations Review by Independent Firms
  - Time period: Feb 2017 to July 2017
  - More than 1.8 million household already surveyed

# CURRENT USE OF NSER

- **Unconditional Cash Transfer, Co-responsibility Cash Transfer and other initiatives of BISP**
- **Other Federal and Provincial Government programs**
  - Prime Minister's Health Insurance Program
  - Prime Minister's Interest Free Loans
  - Punjab Khidmat Card
  - Punjab Local Government Department
  - Khyber Pakhtunkwa Insaaf Card
  - Balochistan Food Department for Food Subsidies
  - Sindh Finance Department and Sindh Education Foundation
  - Gilgit Baltistan Secretariat
- **NGOs/INGOs**
- **Research Purposes**

# **TECHNOLOGY BASED PAYMENTS**

- **Total unconditional cash grant disbursement of Rs. 461 billion**
- **Initially payments through Pakistan Post**
- **Gradually shifted to technology based payment mechanism that included the following:**
  - **Mobile banking (converted to biometric system in September, 2016)**
  - **Smart card (converted to biometric system in June 2016)**
  - **Debit Cards (9 districts converted to biometric system since September, 2016)**
- **Plan for expansion of biometric based withdrawal throughout Pakistan in a phased manner by Dec 2017 through a competitive bidding process.**

# ADB FINANCED SOCIAL PROTECTION DEVELOPMENT PROJECT

## Loan 3049-PAK: Basic Data

Approval Date	Signing Date	Effective Date	Closing Date	Closing Date (Revised)	Elapsed Time	Project Rating as of 31 Dec 16
22-Oct-13	25-Nov-13	24-Jun-14	30-Jun-19	–	56%	
Approved Amount	Net Loan Amount	Financing	EA/IA	Project Officer	Project Analyst	
430.0	390.20	ADF	BISP	M. Abro	I. Memon	On Track

## Loan Financial Progress (As of 31 Dec 2016)

Contract Award (Cumulative)	Un-contracted Loan Balance	Contract Award Performance %	Contract Award for 2016	
			Projections	Actual
232.11	158.09	59.48%	112	151.39
Disbursements (Cumulative)	Un-disbursed Loan Balance	Disbursement Performance %	Disbursements for 2016	
			Projections	Actual
296.72	93.48	76%	112	181.43

## Project Components

1. Cash Transfer Component
2. Skills Development
3. Health Insurance
4. Strengthening Financial Management of BISP

# **GRADUATION OF BISP BENEFICIARIES**

## **OLD INITIATIVES**

- **TVET Initiative**
- **Microfinance**
- **Health Insurance**
- **Life Insurance**

## **NEW INITIATIVE BY ADB**

- **Two graduation pilots to be designed and piloted**
  - **Hybrid of BRAC of NRSP (CC-EP and CIF approach)**
  - **Inclusive Business approach**

**WASEELA E TALEEM**  
**(CCT for Primary Education)**  
**WB and DFID Financed**

- **For enrolling BISP beneficiaries' children (age 5-12) in primary schools**
- **Financial incentive of Rs. 250 child/month for sending and retaining their children to school**
- **Initiative, extended to 32 districts**
- **1.6 million children admitted in schools by June 2017**
- **Enrollment Target: 2 million by December 18**
- **Payment to WT Beneficiaries since 2012: Rs 4.6 billion**

# IMPACT EVALUATION

Oxford Policy Management (OPM) has conducted Baseline in 2011 and three follow-up rounds in 2013, 14 and 16 :

- **Primary Impacts:**

- Increase of Rs. 187 in per adult equivalent monthly consumption expenditure
- Results in decrease in poverty incidence amongst BISP beneficiary households by 7% points
- Reduced malnutrition amongst girls (aged 0-59 months) as measured by wasting
- Increase of Rs.69 in per adult equivalent monthly food consumption
- 76% of the beneficiary women have full control over cash received
- Increased proportions of women likely to vote in beneficiary households (from 40% in 2011 to 70% in 2016)

- **Further Impacts:**

- **Current enrollment in children between ages of 5-12 has increased by 10% points**
- **Proportion of multidimensional poor in BISP HHs reduced from 31% in 2013 to 23% in 2016**
- **Proportion of beneficiary women who can visit market alone has gone up from 25% in 2011 to 37% in 2016**
- **Proportion of beneficiaries who paid a 'fee' to collect last transfer reduced from 40% in 2013 to 22% in 2016**
- **Overall 96% of beneficiaries are very satisfied or somewhat satisfied with their experience in how they collected the cash transfer.**
- **Decrease labor participation of vulnerable household members (old and sick)**
- **BISP reduces the proportion of boys who engage in child labour**
- **Increase in the proportion of men who are self-employed**
- **A slight increase in the propensity to save (from 9% in 2011 to 13% in 2016)**

# SOURCES OF FUNDING

- Government of Pakistan (90%)
- Funding by Development Partners (10%)
  - World Bank
  - Department for International Development (DFID)
  - Asian Development Bank (ADB)
  - United States Agency for International Development (USAID)

# PROGRESS IN LAST THREE YEARS

	<b>June 2013</b>	<b>June 2017</b>
Active beneficiary	4.78 M	5.6 M
Beneficiary paid	3.78 M	5.4 M
BDC issued	3.46 M	4.8 M
Service Charges (Mobile & SC)	4%	2.75%
Service Charges (BDC)	3%	2.75%
Benefit /quarter/family	Rs.3000	Rs.4834
Budget allocation	Rs. 70 B	Rs.115 B
Budget Spent	Rs. 50 B	Rs. 102 B
Total UCT disbursed	Rs.161.6 B	Rs.461 B
WeT Enrollment	23,000	1,316,509
WeT Stipend Paid	Nil	Rs. 2.94 B

# CHALLENGES

- **Development of a dynamic database**
- **Consolidate partnership with the provinces for better integration of federal and provincial social protection programs**
- **Further refinement of complementary initiatives**
- **Facilitate Government in using BISP Registry for provision of targeted subsidies and elimination of non-targeted subsidies.**
- **Strengthen interface at grass root level- social mobilization**
- **Lack of Bio-metric payment set up in all parts of country**

# **FUTURE PLANS**

- **Up-dation of National Socio-economic Registry**
  - **Self Registration & Census Approach**
  - **Moving from static to dynamic Registry**
- **Hiring of new payment agencies**
  - **Bio-metric based payments**
  - **Real time reconciliation**
- **Extension of Waseela e Taleem in 16 more districts**
- **Graduation through collaboration**
  - **Health Insurance, Micro-finance through PM's Programs**
  - **Provincial collaboration**
  - **Collaboration with NGOs, INGOs, Corporate Sector**
- **Information driven management**
  - **Dashboards**
  - **Payment Verification Interface**
- **Tehsil office's up gradation**
- **Establishment of Vigilance Mechanism**

**Thank You**