

 Early Warning System

ADB-59067-001

Supporting Sustainable Universal Pension Schemes Project



Quick Facts

Countries	Bangladesh
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	B
Borrower	Government of Bangladesh - Ministry of Finance
Sectors	Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	\$ 100.00 million



Project Description

According to the Bank's website, as the key institution for the UPS operation and management, the capacity of NPA needs to be strengthened for the sustainable UPS. The proposed project will hence provide comprehensive support to the NPA in developing and strengthening its (i) institutional capacity, (ii) operational capacity, (iii) governance capacity, and (iv) human resource capacity.

With a population estimated at close to 160 million, Bangladesh is the 7th most populous country in the world. Its population is still relatively young, but the country is experiencing demographic changes. One in every ten citizens will be 60 years old or older by 2025. By 2050, this figure is expected to increase to one in every five citizens, driven by declining fertility rates and rising life expectancy. As demographics in Bangladesh shift with an increase of older population, the country needs to take actions to develop the old age pensions system to remain prepared to provide income security of aging to its population. To respond to this emerging need for the social protection system in the country, the Government of Bangladesh has established the National Pension Authority (NPA) in April 2023, and developed the universal pension schemes (UPS) as its first pension system for all citizens of Bangladesh. The Universal Pension Management Act was enacted in August 2023; and the NPA has commenced the operation of UPS since then.

Although UPS is still on a voluntary basis, it operates four pension schemes to cover all citizens in different working and economic conditions, i.e., (i) Scheme 1 (Pragati) for private sector employees, (ii) Scheme 2 (Surokha) for self-employed or informal sector workers, (iii) Scheme 3 (Probash) for overseas workers of Bangladeshi citizens, (iv) Scheme 4 (Samata) for who are below poverty line. The UPS is a landmark initiative in Bangladesh aimed at strengthening an inclusive and sustainable social protection system by providing schemes of income security for aging in the country. To achieve the purpose of UPS, it is necessary to strengthen NPA's capacity to manage and operate UPS. As the NPA was established less than two years ago with limited resources, its capacity has not been fully developed in key areas, i.e., institution, operation, governance and human resources.



Early Warning System Project Analysis

Environment: B

Involuntary Resettlement: C

Indigenous Peoples: C



Investment Description

- Asian Development Bank (ADB)

The financing amount is \$100,000,000, which will be financed on a loan basis by ADB's ordinary capital resources.



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

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