

Background paper prepared for the  
Education for All Global Monitoring Report 2003/4  
*Gender and Education for All: The Leap to Equality*

# **Female secondary school stipend programme in Bangladesh**

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2003

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# **Female secondary school stipend programme in Bangladesh: A critical assessment**

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First Draft May 28, 2003  
Revised July 2, 2003

## **1. Current status of female secondary education**

Most primary school age children in Bangladesh today attend school and the primary school (grades 1-5) enrollment rates have risen dramatically, with girls benefiting relatively more than boys. The gross enrolment rate at the primary level is close to 100 percent, a rise from 46 per cent in 1991 (the net enrolment rate is 85%), of which 47 percent is female. Female enrollment at the secondary level (grades 6-10) has also increased quite considerably, almost doubling between 1990 and 1997 to nearly 3 million girls representing 48 percent of total enrollment (WB 1999, pp 22), although gross enrollment at the secondary level is much lower at only 44.6 percent in 1999<sup>1</sup> (WB 2002, pp4).

Despite the increase in girls' access to basic education, however, only two thirds of all girls enrolled at the primary level finish grade 5 and are eligible for secondary school and of them not all enter secondary school<sup>2</sup>. (The figure of only 30 percent of primary school leavers entering secondary school is probably an underestimation, because the transition rate from primary to secondary, which is the number enrolled in grade 6 as a percent of the number completing grade 5, calculated from national educational statistics collected by BANBEIS was much higher even in 1994 and 1995, see fn 2). The low completion rate at the primary level is a major reason for the relatively low gross enrolment rate for girls in secondary school. Income constraints also restrict access to secondary school for girls' from poor households since costs are higher than at the primary level<sup>3</sup>. Besides, access is restricted in remote and poorer areas, which are underserved because they are less likely to attract good quality public teachers as well as offer little incentive to private providers. Finally, norms relating to early marriage and the increasing vulnerability and lack of security of adolescent girls are strong parental incentives for non-enrolment of girls into secondary school, or if enrolled, the non-completion of secondary school.

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<sup>1</sup> The GER at lower secondary level (grades 6-8) is higher than this average while the GER at grades 9-10 is lower. In 1997 the GERs at the two levels were 44% and 27% respectively (WB 1999).

<sup>2</sup> The transition rate from primary to secondary, which is the number enrolled in grade 6 as a percent of the number completing grade 5, was 79% in 1994, and 83% in 1995, and estimated to be 83% in 1997, from national educational statistics collected by BANBEIS (WB 1999, pp21).

<sup>3</sup> This is because despite stipends provided to all enrolled girls at secondary school most children who pass the Secondary and Higher Secondary Certificate examinations at the end of class X and XII respectively need private tuition that poor parents can ill afford. The likelihood of engaging a private tutor jumps at those ages when children appear for these exams, i.e. ages 16-18, and is also found to be higher in relatively wealthier regions (Adolescent Baseline Survey 2001).

The secondary school system in Bangladesh is a combination of public-private partnership. While secondary schools are overwhelmingly private (95%) government provides 80 percent or more of teacher salaries through subventions. Most of the private secondary schools are managed by a community based School Management Committee (SMC) with broad local power over school affairs, including over the hiring and dismissal of teachers and head teachers. The SMC is not answerable to the government, although government retains some control through the process of accrediting schools fulfillment of criteria for receiving subventions. However, in reality once a school is recognized by government, payment of subvention and girls' tuition (as part of the stipend programme) to the school generally proceeds automatically regardless of performance or community satisfaction.

Secondary education has so far received less attention and investment than primary education but is currently undergoing massive expansion through construction of new schools, particularly in underserved areas where private investment is lagging, and teacher recruitment, and also undergoing significant reform and restructuring.

## **2. History of the programme and aims and stated objectives**

The female secondary school stipend programme began as an experiment in 1982 by a local NGO in a single upazila with USAID financial assistance under the supervision of the Asia Foundation. A second upazila was included in 1984 and several more subsequently, totaling seven by 1992, when NORAD took over support for the programme. The stipend programme continued in the name of FESP from July 1992 to December 1996 as a sub-project under the umbrella of the General Education Project of NORAD. The experience of this pilot project has been described as highly successful since the actual number of stipends provided far exceeded the projected number at the time of inception and the number of awardee schools increased by 12 percent in four years of project life.

Largely on the basis of the above 'success' the Bangladesh government launched in January 1994 a nation-wide stipend programme for girls in secondary school (grades 6-10) in all 460 upazilas (subdistricts) of the country with support from the World Bank, the Asian Development Bank and the Norwegian Agency for Development Cooperation, known as the Female Stipend Programme. At present stipends are also provided to girls in higher secondary grades 11-12. After the initial emphasis on closing the gender gap in access to secondary education, which constituted the overriding aim of the programme at the beginning, it has now moved into a second phase. The emphasis in the second-generation projects is increasingly on improving the quality of secondary education and on financial sustainability. This programme has been described as 'the world's vanguard program of this type' with significant lessons to be learned about whether the effects of the programme in changing behaviour and norms are sufficiently profound and would be sustained even if the financial incentives were withdrawn (WB 1999, pp17).

This nation-wide programme is implemented through four different sectoral projects of the Ministry of Education (MoE), sharing the overall broad objective of developing and reforming the education sector. These are:

- 1) the government financed Female Secondary School Project (FSSP) in 270 upazilas;
- 2) the World Bank (IDA) assisted Female Secondary School Assistance Programme (FSSAP) from 1994 to 2000 in 118 upazilas, which has completed two phases and is entering into the third phase;
- 3) the Asian Development Bank (ADB) assisted Secondary Education Development Project (SEDP) from December 1993 to June 2000, followed by the Secondary Education Sector Improvement Project (SESIP) in 53 disadvantaged upazilas;
- 4) NORAD assisted Female Secondary Education Stipend Project (FESP) in 19 upazilas, which has completed its second phase from January 1997 to March 2002.

All of these projects contribute to the larger reform efforts of the government in the education sector, with the objectives of improving the quality of education, sustaining improved gender equity achieved at the primary level at the secondary school level, addressing regional and rural/urban inequities in access, improving management capacity of the MoE and improving monitoring and accountability mechanisms at the community level. The stipend programme, which also includes the payment of girl's tuition fees, is seen as one mechanism for improving gender equity and increasing access of girls to secondary education.

The specific objectives with respect to the provision of stipends to girls in secondary school, shared by all the four component of the programme, are summarized below.

- a) increase girls' enrolment in secondary school and retain them in secondary education;
- b) assist them in passing the SSC examination to enhance their employment opportunities as primary school teachers, extension workers, health and family planning workers and NGO workers;
- c) delay girls' marriage.

The long term stated aims are to enhance women's capabilities to participate in the socio-economic development of Bangladesh leading to poverty reduction, to improve women's status and reduce gender disparity and to reduce population growth by delayed marriage and higher contraceptive use by educated girls.

The stated objectives of the GoB FSSP project, in the language of the project document, are as follows (FSSP At a Glance, Third Revision, pp4):

- a. To enhance and retain female students in the secondary stage and thereby promote female education;
- b. To reduce population growth by motivating the stipend clientele group to refrain from marriage till completion of the SSC examination or until the attainment of 18 years;
- c. To increase involvement of women in socio economic development activities;
- d. To increase women's self-employment for poverty alleviation;

- e. To assist in improving the status of women in society; and
- f. To strengthen the Directorate of Secondary and Higher Education through implementation support and capacity building at Upazila level all over the country.

There was an unexpected positive response to the stipend programme initially, as seen from Table 1 below, which shows that there was a doubling of the number of stipend awardees in the first year and more than 50 percent increase in the second year<sup>4</sup>. This created a pressure on government to expand the programme. Although initially in January 1994 the stipend programme was started in 178 upazilas with donor assistance<sup>5</sup>, government decided to expand the programme to the remaining 282 rural thanas. In the interests of 'social justice' the government also decided to extend the programme to all madrasahs (religious schools) in these 282 thanas and in the 7 thanas of the NORAD assisted stipend programme<sup>6</sup> (FSSP at a Glance, pp1).

Table 1: Year-wise number of stipend awardees under different projects 1994 to 2002

Year	FSEP (2) NORAD			FSSAP (2) IDA			SEDP ADB			FSP GoB		
	No. of schools	No. of awardees	% inc	No. of schools	No. of awardees	% inc	No. of schools	No. of awardees	% inc	No. of schools	No. of awardees	% inc
1994				3391	187320	-		64036	-			
1995				3743	376076	96		139882	118			
1996				4210	554077	51		236671	69			
1997	720	125380	-	4513	655811	18		285411	21			
1998	743	148134	18	4770	805607	23		343942	21			
1999	771	158803	7	4958	875858	9		378336	10			
2000	786	173783	9	5146	931102	6						
2001	811	185256	7	5446	1057212	14						
2002				5743	1068064	1						

Note: Figures for GoB not found  
(I was unable to obtain data for government FSP programme).

Table 2 shows the increase in the numbers of secondary school students nation-wide and also gives the increase in numbers in a sample of schools with the stipend programme as a comparison. The figures show that there was a jump in the female share of secondary

<sup>4</sup> Under the IDA supported FSSAP in 1994 nearly twice as many girls as estimated were attracted to stipend entry points in Grades 6 and 9 in the 59 selected thanas (World Bank 2002, pp3).

<sup>5</sup> NORAD assistance in 7 thanas, IDA assistance in 118 thanas and ADB assistance in 53 thanas.

<sup>6</sup> Madrasahs were covered under the World Bank and ADB programme components but not under the Norad component.

school students from 38 percent in 1994 to 42 percent in 1995, possibly reflecting the introduction of the stipend programme, but since 1997 the rise in female share is not visible. On the other hand, the rise in female share has continued in the sample FSSAP schools, suggesting that the uptake of the stipend programme varies according to the project.

Table 2: Secondary school enrollment nation-wide and in sample FSSAP schools, 1994 to 2002 (in thousand)

Year	National			FSSAP Sample Schools (1826)		
	Males	Females	% female	Males	Females	% female
1994	3008	1876	38.4	284.49	261.67	47.9
1995	3204	2327	42.1	303.06	289.94	48.9
1996	3277	2511	43.4	321.38	314.71	49.5
1997	3239	2718	45.6	321.88	344.75	51.7
1998	3448	2841	45.2	293.94	362.63	61.7
1999	3646	3034	45.4			

The female secondary school stipend programme is not a stand-alone programme for achieving gender parity in education, but supports the mutually dependent goals of universal access and gender equality in the context of improved quality and more relevant secondary education. It therefore supports and in turn relies upon other project interventions for improving access, such as facilities development (new schools and additional classrooms in unserved and underserved rural areas since government cannot force a private school to be located in an underserved or poor area, water and sanitation in schools); improving quality, such as improvement of teaching quality and relevance of education (teacher training and curriculum development, capacity building for academic supervision); and institutional development for monitoring and evaluation. In some projects the stipend programme is the most important component (77% of total cost of FSSAP1 and 70% of estimated cost of FSSAP2) or the only component (FESP), while in SESIP which is more geared to reform and restructuring the stipend component accounts for 20 percent of the total cost of the project.

The provision of financial incentives through stipends and free tuition is justified by donors as a tool for increasing equitable access to better quality and more relevant secondary education and for retaining girls in school, rather than merely for increasing access (and reducing gender inequality in access) to existing secondary schooling. There has already been a shift in emphasis from access to more targeted access and to better quality schooling. Stipends thus form part of the broader effort to develop and restructure the secondary education system into a modern and efficient system that responds to the needs of the marginalized and underserved groups in society. Donors no longer see any justification for the government policy for universal stipends and are inclined towards targeting despite the additional costs of screening and implementing a targeted intervention.

The government, on the other hand, appears to be putting continued emphasis on increasing access per se. The government view about including the more needy girls is by increasing coverage and access of those excluded by the present programme due to insufficient stipend amount by increasing the stipend amount rather than by screening. Quality considerations do not appear to be on the forefront of government concerns in the secondary education sector at this stage.

### 3. Project implementation and effectiveness

The present system provides free tuition and stipends to all eligible female secondary school students enrolled in recognized institutions outside the metropolitan areas. To be eligible for a stipend a girl must attend school for at least 75 percent of the days of the school year, she must achieve at least 45 percent marks on her evaluations and examinations and she must remain unmarried. These requirements reinforce the strategic goals of increasing access by paying part of the cost to parents and to schools; improving quality by putting pressure for good performance; and delaying girls' marriage to achieve social and demographic goals.

Stipends are awarded in two installments annually to the girls directly through their accounts in upazila branches of a nationalized bank. If bank branches are more than 5 kilometers from the school, bank officers open temporary booths at the school premises to allow girls to withdraw the stipend money. This bank has obtained the necessary government permission to allow minors to open accounts. Girls open accounts, receive pass books and cheque books and learn how to operate an account. Participating institutions receive tuition fees in two semi-annual installments against each stipend awardee, and three months tuition for all recipients of grade 10 to compensate for the period before the SSC examination.

The stipend amounts are the same for all girls but vary by grade, as shown below. Since there is no selection of stipend awardees the intervention is simple to implement. The payment to girls directly through their own bank accounts is an empowering experience for girls in the male dominated public domain where banks are located. Besides, this system also minimizes leakages and is less likely to have hidden costs since school authority is not directly involved except for certifying compliance with stipend eligibility and performance criteria.

Table 3: Rates of stipend and tuition per month in taka

Grade	Stipend	Tuition		Book allowance	SSC exam fee
		Government	Non-gov.		
6	25	10	15		
7	30	12	15		
8	35	12	15		
9	60	15	20	250	
10	60	15	20		500

The stipend meets only a part of the direct costs and is the same for all girls in each grade. Hence, there is unintended exclusion of the poorest girls because the amount of the

stipend is too low to cover all costs of sending a girl to school, an effect that is contrary to the aim of the programme to increase universal access. It has also failed to reach girls in underserved areas due to poor private investment in educational institutions in those areas. But apart from increasing the amount of the SSC fee to Tk. 500 (from the previous Tk. 250) donors are not considering the option of increasing the stipend amount for the very poor on the grounds of cost escalation and inadequacy of information about why some girls do not get enrolled needed for decision-making regarding targeting the very poor. On the other hand, donors are in favour of withdrawing universal stipends as currently provided and mulling over the justification for targeting stipends to the most needy because of the imperative for cost reduction and financial sustainability.

To ensure availability of sufficient teachers in response to the increase in enrolment the project has supported the recruitment of additional teachers through salary support and emphasis is given on recruiting female teachers to reduce the non-money costs of sending girls to school (under FSSAP1 salary support to 800 teachers was provided but no breakdown by sex is available). In addition, capacity building for project implementation at the upazila level is incorporated in project design for timely and smooth implementation and monitoring of project activities and outcomes, specifically through hiring of project personnel and training of upazila officers. The SESIP also provides for training of SMC chairpersons and school academic supervisors to improve and strengthen school management. But progress in these components has not been according to expectation.

FSSAP phase 1 1994-2001 total cost \$85.8 million of which Bangladesh government contributed 26%, stipend component 77% of total cost (WB 2002a).  
Phase 2 June 2002 to Dec 2007 total cost \$144.62 of which Bangladesh government proposed share is 16%.

NORAD FESP phase 2 Jan 1997 to Dec 2000 total cost Tk. 6000 lacs or NOK 100 million entirely for stipends, no Bangladesh government share.

SESIP phase 2 Dec 1999 to April 2006 \$ 86 million (\$60 million net of taxes, duties and interest) Bangladesh government contributes 30%, stipend component \$17.458 million 20% of total costs and 34% of the cost component for equitable access to secondary education.

Government expenditure on the stipend programme is financed through the annual development programme (ADP) budget. In 1998-99 government expenditure for the stipend programme including donor supports accounted for 14.5 percent of total secondary education budget and 6 percent of total education budget (WB 2002, pp47). Of the total amount allocated for stipend and tuition in that year (Tk 2847.6 million) government funded FSSP accounted for 59 percent indicating the government's strong commitment to increasing girls' access to secondary education.



Table 4: Allocation to female stipend project under different programmes (million takas)

Programme	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
FSSAP (IDA)	380.0	409.9	584.0	697.1	811.2	868.1
FSSP (GoB)	642.4	950.0	1401.4	1535.0	1690.0	1799.0
FESP (Norad)	45.5	47.5	46.6	160.0	100.0	165.0
SEDP (ADB)	44.9	100.7	170.3	207.7	246.4	277.0
Total	112.8	1508.1	2202.3	2599.8	2847.6	3109.1

Source: WB 2002

It is estimated that the female stipend projects would require US\$ 539 million (or taka 30.794 billion) during the six fiscal years from 2001 to 2007 of which IDA funded FSSAP would provide 26% (WB 2002).

Table 5: Public secondary education expenditure

Fiscal Year	Revenue/recurrent expenditure		Development expenditure	
	Total education exp as percent of GDP	Secondary education as percent of total education exp	Total education exp as percent of GDP	Secondary education as percent of total education exp
1991-92	1.14	36.8	0.21	10.7
1992-93	1.34	40.6	0.47	20.4
1993-94	1.30	41.1	1.06	34.1
1995-96	1.30	42.5	0.83	34.9
1996-97	1.30	42.9		
1997-98	1.39	46.0	0.73	33.7
1998-99	1.35	47.6	0.08	29.5
1999-00	1.37	48.4	0.84	33.4

Source: WB 2003

Government expenditure on secondary education has increased steadily during the 1990s, both as proportion of recurrent as well as proportion of development expenditure on total education. The share of the female stipend programme as percent of government education development expenditure has remained around 16% and has not increased since 1997.

Table 6: Annual expenditure on female stipend programme

	FY 97	FY 98	FY 99	FY 00
Expenditure in billion takas	2.2	3.7	4.0	3.9
Expenditure as percent of education development expenditure	15.0	17.7	16.5	15.7

Source: WB 2003

The main donor concern regarding financing is the fact that recurrent costs currently financed by donor funds need to be transferred to the government revenue budget.

#### 4. Project effects

Isolating the effect of the stipend programme is difficult since other non-stipend project components and interventions are simultaneously provided, except for the NORAD supported FSESP. Impact assessment studies are rare, and so far there has been only one assessment (reported in March 2001) of the NORAD pilot project of 780 girls who received stipends during 1986-1992. Other impact assessment studies are planned under the ADB project.

According to project completion reports there has been significant increase in girls' enrolment at the secondary level reducing the gender gap in access and in some areas girls outnumber boys in secondary school. Under the SEDP in 53 project upazilas female enrollment at the secondary level increased to 43 percent and under the NORAD FSESP the number of awardees in 19 upazilas increased from 125,380 in 1997 to 791,356 in 2001, a five-fold increase. Under the current ADB project the gross enrolment rate for girls in secondary school in 1999 was 44.6 percent, higher than the rate of 41.26 for boys. In 2002 the repetition rate in grades 6-9 was under 4 percent for all students and 3 percent for girls, exceeding the target of lowering the repetition rate to less than 5 percent. Attendance rates in grades 6-10 were 65 percent for both boys and girls. Female students constituted 48 percent in grades 6-10 but only 13 percent in grades 11-12. However, a disturbing trend has been the declining performance in examinations. The SSC pass rate for girls dropped from 52 percent in 1998 to 45 percent in 2002, while the HSC pass rate fell from 37 to 27 percent. In both examinations girls' performance is poorer compared to performance of boys. Moreover, drop out rates in grades 6-10 continue to be very high (46%) and higher relative to boys (39% total).

To what extent these effects can be attributed to the stipend programme is unclear without a rigorous impact assessment study. Even if some of these trends are seen as the consequence of the programme, it is clear that the effect on school participation of girls has been mixed. While enrolment and attendance at the lower secondary level has significantly improved for girls, both in an absolute sense and relative to boys, retention in school and performance have been poorer. Moreover, both enrolment and performance have been much lower at the higher secondary level. These trends suggest that the programme has been able to mitigate the direct money costs of sending girls to school, as well as some non-money costs, but that the improvement in education quality is not sufficient to mitigate the costs of keeping girls in school or providing an alternative to early marriage. The programme has also not been able to meet other costs such as the costs of private tutoring needed to pass examinations. Increased access at the lower secondary level has not translated into increased enrolment at the higher secondary level. These trends also point to the need for situating the stipend programme within a broad set of interventions that address quality issues and indirect costs of girls' secondary schooling. Finally, the pressure for early marriage remains a powerful force that shapes the alternatives girls have and constrain their access to secondary education, a factor that has not been important in the case of increasing girls' access to primary education.

The cumulative numbers of stipends provided under the various projects are: FSSAP1 925,000 by 1999, FESP 650,629 by 2000 and SESIP 1,350,000 by 2003. Under the SESIP 2 project the number of stipends provided (1,350,000) far exceeded the number targeted (765,000) but no impact assessment studies have yet been undertaken to inform about the real effects of the stipend programme in increasing enrolment. Donors expressed serious concern about this 'disproportionate allocation of resources into a component that does not contribute to the systemic and institutional improvements and is not sustainable' (ADB 2003, pp 11). This view is increasingly becoming dominant and donors are hinting at the non-availability of funds for future stipend programmes unless stipend criteria are made more stringent (e.g. stipends only for those who enroll in grades 6 and 9 and only for the poorest girls) and unless government complies by proposing estimated costs of a targeted stipend programme and implementation mechanisms for such an intervention.

The impact assessment study reports a wide range of positive impacts of the stipend programme on girls' lives, such as increase in age at marriage, greater birth spacing, positive attitude to smaller family size, and higher employment and earning levels (Pathmark Associates 2001). However, these impacts should be cautiously interpreted since project placement is likely to be non-random, in other words, project upazilas are likely to be more developed and have greater access to services than non-project upazilas.

The programme appears to have created a positive attitude among community leaders and the general population towards female secondary education. This is indeed an achievement in a patriarchal society that values women's seclusion and in an economy where private returns to secondary education have not been very high. However, the positive attitude to girls' secondary education may have been augmented by other changes in the economy that are also likely to have a positive impact on these two factors, such as expansion in employment opportunities for women with some schooling in export oriented industry in urban areas (especially garment manufacturing) and by the increased opportunity for self employment due to greater access to credit in rural areas.

There is an expressed concern that boys of poor families should also be included under the stipend programme and the belief is common that boys' enrollment in secondary school is actually declining. This concern has been voiced in the impact evaluation survey, where all participants in 14 FGDs held at the thana level agreed that poor meritorious boys should also get the stipend to allow them to continue schooling (Pathmark Associates 2001). A study using econometric analysis has concluded that the stipend programme has raised girls' schooling at the cost of boys<sup>7</sup> (Khandker et al 2001). Boys in poor households are likely to be worse off because the female advantage in enrollment growth is relatively greater in poor households compared to non-poor households.

Government reflects this concern and is actually considering whether the stipend should be extended to boys from poor households on equity grounds. The pressure to include

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<sup>7</sup> One additional year of programme duration increases secondary enrollment rate of girls by 29% but decreases that of boys by 8% (Khandker et al 2001).

poor boys under stipend coverage is not very great, however, probably because the private returns to boys' secondary schooling are still quite small and lower than the returns for girls' schooling<sup>8</sup>. It is quite noteworthy that a stipend for programme for secondary school girls could be implemented and was in fact enthusiastically received in a patriarchal Muslim society like Bangladesh without any resistance. A major deterrent to including boys, apart from the financial implications, is that it has to be efficiently targeted (poor meritorious boys) which is also costly. Donors, in fact, favour the continued investment on girls' education, especially at the lower secondary level, because of higher long-term payoff in terms of social returns, and the belief that boys consistently benefit from programmes that target girls even if resources are not directly channeled to them because of other investments in improving school infrastructure and quality of education. They argue quite strongly that including boys would decrease girls' access and jeopardize the gains made so far.

The linking of the stipend programme to overall development and reform of the secondary education sector has both positive and negative aspects. The advantage of is that stipends will increase access and reduce inequality more effectively if other non-money costs of schooling are also reduced through improvements in school and education quality and better management of provision. Stipends alone may not be sufficient to generate demand for girls' secondary schooling, so linking stipends to broader structural change and efficiency of delivery will make stipends socially more sustainable. The negative aspect is that the other changes are more difficult to achieve as is already evident, so the stipend programme itself becomes undermined by lack of achievement in the reform process. In addition, if access to stipends is to be increased to include more underserved areas and girls from poor households, then non-money costs that restrict access, such as availability and quality, must be addressed simultaneously.

Government, however, appears less concerned with reform and restructuring, partly because these are often political decisions. Tying future donor support to the stipend programme to government's performance with restructuring (decentralized school management, privatisation of publication of textbooks for grades 9-10, reforming the public examination system) may be counterproductive. Discontinuation of a programme that has generated widespread encouragement for girls' education and has been received with genuine enthusiasm and may even have created some dependence will be difficult. Donor insistence on targeting the stipend programme to poor students only and students in underserved areas may have a negative effect on girls' enrolment, not to mention the costs and effectiveness of targeting.

## **5. Sustainability**

Sustainability of the recurrent costs of the stipend programme is one of the main financial issues of the programme and a major concern of the donors. The most important issue relating to financial sustainability is of continuance of the stipend programme with government financing after completion of projects under donor funding. There is a

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<sup>8</sup> Estimates of rates of return based on the 1995-96 Household Expenditure Survey data show that each additional year of schooling for boys yielded about a 11% return on the earnings foregone to the household and 19% for girls schooling (WB 1999).

general consensus among both the donor community and government that the programme is ‘very beneficial but not sustainable in its present form’, referring to the existing heavy reliance on donors (WB 2002). The financial sustainability concern is compounded by the fact that with increased female students completing primary school and entering the secondary level government will have less and less funds to invest in efforts to improve the quality of secondary education. The lack of sustainability was recognized even at the design stages of all projects and it was agreed that the programme would be ‘reviewed and reoriented to ensure its sustainability and to ensure its priority to the needy students’ (ADB 2003). Hence, all donors have insisted upon midterm reviews of the stipend programme to consider possible strategies to reduce programme cost.

One such strategy may be the introduction of targeting policies and mechanisms under the programme, an option that had been considered at the outset but dropped in view of the high political and administrative costs of targeting. However, the feasibility of introducing targeted interventions including the financial and management costs of such strategies will be tried and evaluated during implementation of the IDA and ADB supported projects. The possibilities for targeting and drawing lessons for future targeting will be explored in the context of the ‘outreach’ sub-component of this project, which is designed to provide secondary schooling to those girls not enrolled in existing project upazilas (selected on the basis of low female literacy and school attendance levels) set up new schools in poor areas<sup>9</sup>. Since the assumption is that government will be unable to continue to fund the programme in its present form, donors believe that it will provide a very useful experiment for exploring future options and for drawing lessons that may be applied elsewhere, especially as the success of the IDA funded FSSAP has ‘spawned a second generation of stipend/scholarship projects that may face similar challenges as programs mature’ (WB 2002, pp19).

The major concern regarding targeting is that it will be difficult to implement once the intervention has been offered to all. This appears to be an area where government and donor priorities are likely to differ quite strongly, a difference that may eventually affect the programme. Government does not appear to be considering the option of targeting at all. It is not clear whether the greater administrative costs of targeting are a factor in this decision. Given that the stipend programme was first initiated during the previous tenure of government of the present political party it appears to be primarily a political decision to consolidate popular support. Government justifies its position more visibly on the grounds of ‘social justice’ and gender equity. In fact, almost in defiance of donor wishes, government has very recently extended the stipend programme to cover girls enrolled in classes XI and XII<sup>10</sup>, even when it is known that this intervention is even less likely to be

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<sup>9</sup> It is assumed that the outreach component will be able to identify factors that cause girls to remain out of school and restrict access, and how community participation (through SMCs and PTAs) can encourage girls to attend.

<sup>10</sup> If anything government is even considering whether the stipend should be offered to boys as well on equity considerations. However, including boys does not seem to find any support from donors since the belief is strong that investments in girls education have high long-term pay-off and that government cannot afford a doubling of costs because the number of girls receiving stipends cannot be reduced to accommodate boys.

pro-poor. The fact that GoB bears almost 60% of the cost of the stipend programme may have helped to strengthen government's position against targeting.

Donors also believe that sustainability of project interventions largely depends on the willingness and commitment of the government for incorporating incremental recurring costs (new schools, new staff) into the revenue budget. These costs are now met from a block grant to the Annual Development Plan and should ideally be transferred to the government's recurrent budget well before the completion of individual projects. This transfer will reduce uncertainty of jobs under these projects and will have a positive impact on outputs.

The other sustainability issue is whether parents can continue sending daughters to school if stipends are withdrawn. This issue has received less attention from donors, but is perhaps the underlying reason for government to push the stipend programme for all.

Quotations from case studies (Pathmark Associates 2001):

1. Rehana, received stipend when she was in class 6, daughter of a poor farmer.

“My job (in a business firm) is a symbol of prestige in the society.

2. Tahmina, very good student who was to be married but was able to continue school because of Norad stipend. After her HSC examination she got a job in a nearby office.

“Due to the stipend programme women are accepted in different jobs, their decision making capacity has increased”

3. Hasina, wife of a marginal farmer who had to drop out of school in class 8 for marriage. But two of her daughters are now setting stipend.

“This stipend was not only a financial support, it was a symbol of encouragement and recognition of women's right to get educated’.

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Table 1: Number of schools and students receiving stipend and tuition subsidies, 1994-2001

Year	No. of schools or madrasahs	% annual increase	No. of stipend awardees	% annual increase	Annual disbursement (million takas)	% annual increase
1994	12713	-	70886	-	297.1	-
1995	14119	11.06	1409382		894.4	
1996	16722	18.44	2300062		1459.2	
1997	17847	6.73	2825350	20.88	2065.1	24.27
1998	18721	4.90	3198559	19.80	2409.9	21.42
1999	18788	0.36	3564404	11.63	2668.6	11.33
2000	19919	6.02	3961194	3.30	2770.8	3.83
2001	21027	5.56	4191058	9.07	3034.5	16.21

Table 2: Number of schools and students receiving stipend and tuition subsidies under different projects, 1994-2001

Name of project	Funded by	No. of upazilas	Year	No. of schools or madrasahs	No. of stipend awardees	Annual disbursement (million takas)
FSSAP	IDA & GoB	118	1999	4958	875858	681.99
			2000	5258	931102	741.00
			2001	5556	973407	737.09
FSSP	GoB	270+ 19(only Madrasah)	1999	11819	2148266	1600.78
			2000	12559	2424813	1630.00
			2001	13206	2564577	1849.68
SESIP	ADB & GoB	53	1999	2011	381477	277.01
			2000	2112	431496	297.99
			2001	2265	467818	314.80
FESP	Norad	19 (only schools)	1999	771	158803	108.78
			2000	786	173783	101.70
			2001	811	185256	132.84



Table 3: Growth of secondary school students by sex

Year	Number of students enrolled		% girls	% increase all students
	boys	girls		
1970	1103531	249169	18.4	-
1975	1472132	492020	25.0	45.2
1980	1778012	627045	26.1	22.4
1985	1742505	840806	32.6	7.4
1990	1977985	1015745	33.9	15.9
1995	2712677	2402784	47.0	70.9
2000	3626648	4020237	52.6	49.5
2001	3690913	4196097	53.2	

Source: Statistical profile on education in Bangladesh, BANBEIS Publication No. 350, November 2002.