Challenging the Frontiers of Poverty Reduction (CFPR) BRAC Graduation model to reach the poorest in Bangladesh

By
Sagarika Indu
BRAC SriLanka
September 2010
BRAC

• Building Resources Across Communities
• Established: 1972
• Employees: 100,000
• Core Programs & Coverage:
  • Microfinance: 6 million borrowers
  • Education: 34,000 non-formal primary schools
  • Health: 110 million people
  • Social Development
  • Human Rights & Legal Services
Targeting the Ultra Poor

**Extreme Poverty: Bangladesh Record**

- Head count poverty decreasing: from 70% in 1973-74 to 40% according to current poverty estimate. (2200 k.cal.)

- About 20% still remains below the lower poverty line: daily per capita calorie intake of 1805 k.cal. (BBS 2003)

- The Ultra Poor spend 80% of their income on food

- Still fail to reach 80% of their recommended calorie intake.

- Ultra Poor are largely remaining left out of the mainstream development programmes.
# Extreme Poverty: Bangladesh Record

<table>
<thead>
<tr>
<th>Variables</th>
<th>HIES 2005</th>
<th></th>
<th>HIES 2000</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>National (%)</td>
<td>Rural (%)</td>
<td>Urban (%)</td>
<td>National (%)</td>
</tr>
<tr>
<td>Upper poverty line head count (CBN method)</td>
<td>40.0</td>
<td>43.8</td>
<td>28.4</td>
<td>48.9</td>
</tr>
<tr>
<td>Lower poverty line head count (CBN method)</td>
<td>25.1</td>
<td>28.6</td>
<td>14.6</td>
<td>34.3</td>
</tr>
<tr>
<td>Less than 2122 kcal/person/day</td>
<td>40.4</td>
<td>39.5</td>
<td>43.2</td>
<td>44.3</td>
</tr>
<tr>
<td>Less than 1805 kcal/person/day</td>
<td>19.5</td>
<td>17.9</td>
<td>24.4</td>
<td>20.0</td>
</tr>
</tbody>
</table>

Source: Household income & expenditure survey 2005 (BBS 2007)
Targeting the Ultra Poor

Background of CFPR

- In 1985, BRAC started its first focused programme for the ultra poor – Income Generation for Vulnerable Groups development (IGVGD)

- Many of the poorest never manage to get the food ration.

- Various research studies found that about 65%-67% of those who join BRAC’s microfinance programme through the IGVGD route manage to graduate to the mainstream development activities.
Targeting the Ultra Poor

- Research studies find that those who drop out are among the poorer and most vulnerable.

- Most often the conventional microfinance program view the ultra poor as high risk group.

-Generally the disciplines of microfinance do not suit the livelihood pattern of the ultra poor.

- 1998-2000 BRAC Research Study on “Developmental needs of the extreme poor in Bangladesh” indicated for more rigorous and comprehensive support for the ultra poor.
Targeting the Ultra Poor

Research studies find that those who drop out are among the poorer and most vulnerable.

Most often the conventional microfinance program view the ultra poor as high risk group.

Generally the disciplines of microfinance do not suit the livelihood pattern of the ultra poor.

1998-2000 BRAC Research Study on “Developmental needs of the extreme poor in Bangladesh” indicated for more rigorous and comprehensive support for the ultra poor.
Targeting the Ultra Poor

Therefore,

CFPR is –

A “Pushing Down” strategy to combat ultra poverty

and

A “Pushing Out” strategy to combat broader social constraints
Targeting the Ultra Poor

Pushing down BRAC interventions to reach the ultra poor effectively

Objectives

- Assist the ultra poor to overcome their miseries by achieving positive economic, social and mental changes

- Assist the ultra poor get access to the mainstream development programmes
Targeting the Ultra Poor

Definition of the Ultra Poor

- Households with < 10 decimals of land.
- Those who earn livelihood as beggar, day laborer, domestic aid.
- Households with no productive assets.
- Children of school-going age taking up paid work.
- No adult active male member in the household.
Program coverage

Year 2002 – 2006

District covered: 27
Household covered: 100000 (STUP)
Household covered: 500000 (OTUP)

Year 2007 – 2011

District covered: 40
Household covered: 300000 (STUP)
Household covered: 500000 (OTUP)
### Program intervention

**Specially Targeted Ultra Poor (STUP)**
- a) EDT
- b) Asset Transfer
- c) Subsistence Allowance
- d) Health Support
- e) Social Support

**Others Targeted Ultra Poor (OTUP)**
- a) EDT
- b) Soft Loan
- c) Subsistence Allowance
- d) Health support
- e) Social supports
A Brief Overview of HH Identification Process

A. Geographical Area Selection:
   - Poverty Map consulted.
   - NGO Survey conducted.
   - Specific villages with high ultra poverty concentration identified.

B. Household Selection:
   - Participatory Rural Appraisal conducted following 3 steps:
     * Rapport building
     * Social Mapping
     * Wealth ranking
   - Door to door mini survey
   - Verification
Some Special Features of Enterprise Development Training Programme

- 3-5 day class-room training and monthly/quarterly refresher courses.

- Hands on training through weekly home visit for 24 month period to ensure:
  - Technical support and input supplies to run the enterprise successfully.
  - Building confidence.
  - Education on future planning.
  - Changing the mind set.
Targeting the Ultra Poor

Some Special Features of the Asset Transfer/Special Investment Component

- Value of asset : Average US$ 100
- Support in kind
- Weekly stipend for short term income support
- Close supervision for 24 months
- Soft Loan with grace period and less interest rate.
- Weekly stipend for short term income support
- Close supervision for 12 months
Targeting the Ultra Poor

Tailor Made Health Interventions for the Ultra Poor Members

First strategy: service delivery
- Health education
- Basic curative services by health volunteers
- Water and sanitation
- Panel Doctors
- Health ID card
- Create linkage with GoB and other service providers

Second Strategy: financial assistance
- Financial Assistance For Mild and Severe morbidity
- Community mobilization
Targeting the Ultra Poor

Tailor Made Social Development Programme for The Ultra Poor Members

- Social Awareness Education
- Community Mobilization (Village Poverty Reduction Committee)
- Confidence building training
Tailor made Social Development; Community Mobilization for The Ultra Poor Members

9-11 member Village Poverty alleviation committee formed to:
- provide social security, resolve social conflicts
- install tube well, Sanitary latrines through locally mobilized funds and resources
- repair/rebuilt houses for the ultra poor members through locally mobilized resources
- support the ultra poor during illness
- help ultra poor families to enroll their children in school
Targeting the Ultra Poor

Advocacy and Social Communication

• National, district and Upazila level workshop for relevant GoB departments, NGOs and civil society to generate their commitment and support towards the need of the ultra poor
• Social communication forums to sensitize the prominent social actors such as religious leaders, local elites in order to generate their supports
• Create linkage with media
• School quiz programme to introduce country development scenario the future citizens
• Youth advocacy for College and university students
• Advocacy outreach for professional
Graduation from the Program

Å Two concepts of graduation
1. the positive social and economical changes from the use of different support packages provided by the programme
2. graduating into mainstream development programmes
Indicators:
Å The household has at least 3 sources of income
Å Having two meals a day
Å The household is drinking safe drinking water and using sanitary latrine
Å Have one tin roof house
Å Immunization and birth registration of children 0-5 yrs of age
Å All school going children are going to school
Targeting the Ultra Poor

Monitoring and supervision of the Programme

• Monitoring by Programme unit

• Monitoring by BRAC’s Central Monitoring Department

• External Monitoring and Review

• Internal and External Audit
Some Base Line Information: 2002

For Selected Ultra Poor Households (HH):

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male Headed HHs</td>
<td>59.8%</td>
<td>Female Headed HHs</td>
</tr>
</tbody>
</table>

- Only 2.6% of the ultra poor household reported ever participation in development programmes
- 53.7% completely landless
- 70% depend on irregular day labour for income source
- 48% of household cannot afford two meals a day
- 83% ultra poor have no fixed place for defecation

www.brac.net
CFPR Repeat survey 2005 by BRAC RED reveals:

<table>
<thead>
<tr>
<th>Description</th>
<th>2002</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanitary latrine used</td>
<td>2.32%</td>
<td>78.36%</td>
</tr>
<tr>
<td>Non latrine</td>
<td>94.82%</td>
<td>19.33%</td>
</tr>
<tr>
<td>Have savings</td>
<td>8.13%</td>
<td>98.44%</td>
</tr>
<tr>
<td>Loan to invest in IGAs</td>
<td>7.62%</td>
<td>27.91%</td>
</tr>
<tr>
<td>Could not eat for the whole day</td>
<td>62.10%</td>
<td>14.86%</td>
</tr>
</tbody>
</table>
Highlights of CFPR external review findings 2003

- The targeting of the ultra poor for the STUP components is accurate and the PRA methodology is robust and replicable.
- The distribution of assets to beneficiaries reflects their needs and demand.
- The economic returns from the asset transfers to the STUP beneficiaries are producing adequate returns.
Highlights of CFPR external review findings 2004

• The SIP component was found to provide a good return on its investments, and to be relatively cost-effective way of achieving its purpose
• A very high proportion of the STUP women noted the benefits of skill training, indicating it was relevant and well delivered
• STUP diets representing at least two and often three meals daily were well above destitution standards. Access to good water and sanitation was almost universal
Highlights of CFPR external review 2005

- Around 80% of the 2003 STUP women can recall their legal rights with respect to marriage registration, legal age of marriage, dowry and divorce.
- A propensity to save and accumulate assets after the initial STUP cycle.
- CFPR health interventions are thus supported by a health system that is unique in its coverage and impact.
- GDBCs interviewed were providing social safety net.
- 98% of all new marriages from BRAC members and their children are registered properly. 66% of BRAC members and their children are getting married at legal age.
Highlights of CFPR cost benefit study 2006

The SIP component was found to be highly cost-effective, generating a benefit to cost ratio of 5:45. Cost-benefit analysis conducted by external consultants on the first cohort (2002-03 intake) concluded that investments made in CFPR were highly productive and that the SIP represents an extremely productive use of development funds for the benefit of ultra-poor families in Bangladesh.
Some of the Key Lessons Learned

- Ultra Poor are not homogeneous group

- Special efforts needed to change the “mind set at all levels”.

- Close follow-up model is ‘a must’ for any program for the ultra poor.
Targeting the Ultra Poor

Â Educating/assisting the ultra poor on making their future plan is critical

Â Social mobilization is necessary to create an enabling environment for the ultra poor

Â Facilitated access to formal health care services is necessary

Â Sensitization of the society to the plight of the ultra poor
What makes the programme work

- Thoughtful program design taking past experiences of BRAC
- Careful staff recruitment and development process
- Effective monitoring and supervision
- Close Coordination
- Continuous research
- Enormous support from development partners
Replication

The program model has been replicated in others country:
Å India
Å Haiti
Å Pakistan
Å Yemen
Thank You.