

Research for Action Briefs bring together learning from across the shiree consortium and are based on real time interventions and experience. They are intended to stimulate discussion and action from relevant actors such as NGOs, donors and the government.

What is extreme poverty?

Extreme poor households exhibit a high degree of chronic and severe deprivation. Their low income is linked to a lack of employment and secured shelter, low literacy-rates, inaccessibility to credit and social safety nets, basic services and low community involvement and participation in decision-making. The elderly, the disabled and minority groups are disproportionately high among the extreme poor.

There are two official poverty measures in Bangladesh and both comprise of an upper and a lower poverty line. The Daily Caloric Intake (DCI) measure defines people consuming <2,122 Kcal per day as absolute poor and those consuming <1,805 Kcal per day as extreme poor. The Cost of Basic Needs (CBN) measure defines people with per capita income between less than BDT 30 (urban) and 27 (rural) as absolute poor and those with per capita income less than BDT 25 (urban) and 23 (rural) as extreme poor (HIES 2005).

Targeting approaches of livelihood and social protection programmes can be improved to further include the extreme poor.

Targeting the extreme poor: Some learning from shiree

Key messages

- The extent and persistence of extreme poverty in Bangladesh requires more focused attention and action from donors, NGOs and the government.
- Reaching the extreme poor in the field is challenging but possible. The targeting of livelihoods projects and social protection programmes can be improved to further include the poorest of the poor.
- Learning from shiree-supported NGO projects experiences of targeting holds relevance to those looking to meet the multiple and complex needs of the extreme poor.



Providing extreme poor households with income-generating assets combined with support for improved market linkages can be a catalyst for economic empowerment.

The invisibility of the extreme poor and shiree's response

The extent and persistence of extreme poverty in Bangladesh requires more focused attention and action. Yet the extreme poor are still to be meaningfully reached by many government and non-government poverty reduction and social protection programmes.

The diverse and multi-dimensional nature of poverty, and the continuation of extreme poverty in particular, need to be recognised and made more visible in policy and programmatic responses. Some examples of best practice of focusing on extreme poverty include the DFID-funded Chars Livelihood Programme (CLP), BRAC's Challenging the Frontiers of Poverty Reduction-Targeting the Ultra Poor programme (CFPR-TUP) and the Urban Partnerships for Poverty Reduction (UPPR) programme.

The shiree/EEP project is a UKAID/DFID and GoB-supported Challenge Fund specifically designed to target the extreme poor. shiree has encouraged NGOs to 'push down' the reach of projects to access the most severe cases of extreme poverty across Bangladesh. In practice, this has been challenging, but possible, in the field. Initial errors of inclusion were experienced but overcome with a refinement of methods and approaches appropriate to local contexts and the circumstances of extreme poverty identified on the ground. shiree experiences hold relevance for a wider focusing on the extreme poor.

About NGO projects

Current Scale-Fund NGO partners are Care, DSK, NETZ, PAB, SCUK and Uttaran. shiree also supports 19 unique Innovation Fund projects. The models and ideas across the projects differ, while the overall focus is to facilitate economic empowerment through two key mechanisms: (1) supporting the establishment of income generating activities, largely through the transfer of assets, cash, stipends, and training and support for asset management, and (2) linking beneficiaries with community structures, local services, safety-nets and markets.

Who are the extreme poor?

The latest statistical source on poverty in Bangladesh reports that 25 percent of the population (or 35 million people) live below the lower poverty line (in 2005). Targeted projects are those which select specific groups of the population, in this case, the extreme poor.

shiree's focus on the extreme poor arises from the widespread recognition that despite their severe deprivation, this quarter of Bangladesh's population has been overlooked by traditional development programmes, particularly MFIs, by government safety nets, and by the country's consistent economic growth over the last decade.

Working experiences show that the extreme poor face multiple constraints in trying to lift themselves out of poverty and are scattered across the ecologically and climatically vulnerable and geographically remote areas of the country. This group typically includes, for example, people in rural areas who have no or limited land or assets, families without able-bodied workers, households headed by women, and tribal and ethnic people (adivasis).

* shiree's NGO partners divide indicators into two strands of selection criteria:

Essential criteria: These are indicators that are prevalent for all extreme poor people in the area (or of the targeted beneficiary group). They often centre on underlying themes like food security or ownership of assets. Examples from shiree partners include 'Household income of less than 1500BDT/month' and 'Owns less than 5 decimal of land'.

Supplementary criteria: These are additional indicators, which help to expand on the contextual understanding of extreme poverty in the area. They are not essential for selection, but will apply to a number of households, and reflect the vulnerability of households. Examples from Uttaran working in the South-west include: 'Women & children collecting shrimp fry along the coast' and 'Households with child labour contributions (under 17 years)'.



A well-being analysis undertaken during a community session led by Care's Social and Economic Transformation (SETU) project in North-west Bangladesh.

How improved targeting can help us reach the extreme poor:

Increasing evidence shows that poverty is experienced in a multidimensional way. The UNDP's Multidimensional Poverty Index (MPI) (a new measurement tool which monitors 10 deprivations including years of schooling, child morbidity and mortality and living standards (including assets, water, fuel and toilet facilities) finds that in Bangladesh people are more likely to be multidimensionally poor than income poor (57.8% of the population live below the MPI poverty line, 46.6% below the \$1.25 a day line, and 40.0% below the national poverty line). What is the situation of the extreme poor? A baseline anthropometric and socio-economic survey of a statistically significant sample (conducted in March 2010) showed that the socio-economic condition of shiree project beneficiaries is extremely low from a variety of angles:

- **Gendered extreme poverty:** 40.9% were female-headed households (FHHs) (higher than the most recent HIES of 2005, where 10.5% were FHHs).
- **Limited education:** 76.3% of household heads had not been to school compared with 50.3% nationally.
- **Little savings for the future:** Of the 39.1% of households with cash savings, the average was 484BDT (equivalent to around 6.85 US\$ at current 2010 prices).
- **Poor child nutrition:** Just under half of the under 5 year old children were stunted (48.9%) or underweight (45.9%) and nearly a quarter (22.8%) were wasted.
- **Few support networks:** Nearly 40% of both males and females felt that they did not have people outside their family who they could rely on.

Errors of inclusion: the number of non-extreme poor enrolled in the programme.

Errors of exclusion: the number of extreme poor who are not included in the programme but should be.

Example template to targeting the extreme poor in Bangladesh*			
Step	What is expected in the Step	Tools	Participants
Step 1 Develop location specific criteria	Project planning: -Consider the dynamics of extreme poverty in the area. What is distinctive about extreme poverty here?	-Local knowledge -Stakeholder consultations. -Resource and power mapping of Unions (e.g. Care's SETU model).	Project staff and stakeholders.
Step 2 Identification of extreme poor through FGDs and KIs	-Identification of extreme poor households. -Keeping of basic profile/survey of the extreme poor identified.	- Group based exercises (social mapping, wellbeing analysis, participatory wealth ranking and focus group discussions (FGDs)) -Key Informant Interviews (KII). -Engaging stakeholders.	-Community members (extreme poor households, non-poor, women, men, children) in groups. -Identified key informants and stakeholders.
Step 3 Validation process and profiling	-First level validation of the extreme poor household situation. -Further validation of the extreme poor households profiles/survey findings in detail.	-Transect walk. -Door-to-door visit.	-Project field team along with community members. -Project field team, extreme poor household members, at their residence / location.
Step 4 Further validation with local institutions	-Validation of the extreme poor households with the local government, NGOs and MFIs (both included and excluded).	-Interviews with local government, NGOs and MFIs using checklists and a review of documents.	-Field team, with local government members, NGO and MFI representatives.
Step 5 Verification and final profiling	- Independent (if possible) verification of a sample of households. -Final profiling/surveying for including households in the project. -Updating of databases.	-Selection criteria -Household profile/survey – check list for ensuring validation.	-NGO field team or independent verification team.
Step 6 Tailor project plans for household to household capabilities and vulnerabilities	-Project-specific development of household level plans for project implementation.	-Project-specific household planning formats -Sub-categories of the extreme poor.	-Field team with each of the extreme poor households with all its members (project-specific).

Save the Children UK's Household Economic and Food Security (HES) model in Khulna and Bagerhat, South-west Bangladesh

Methodology and best practices

The sequence, detail and time devoted to each step varies depending on the project intervention and working area. Some projects found it necessary to limit the time spent on Step 2, moving more quickly to Step 3. For example, in Uttaran's case, identifying landless households, it was necessary to visibly verify landlessness, and in DSK's case, the conditions and social relationships in slums meant that there was less space to carry out PRA activities and neighbours were less able to identify extreme poor households. Nevertheless, based on best practice learnings, some major recommendations for replication include:

During Step 1, conducting community analysis activities with field officers and other stakeholders to identify the common characteristics of the different income quartiles of their communities works to increase capacity and knowledge of extreme poverty in the field.

During Step 2, encouraging the participation of children in community discussions and analyses. Carrying out transect walks and door-to-door visits have been valuable in verifying the possession of physical assets and land, and undertaking KILs with identified respondents has provided key information. Throughout the entire process, projects have reported the need to remain sensitive to community and gender dynamics.

During Step 3, making sure essential and supplementary selection criteria reflect local circumstances has saved time and mitigated inclusion errors.

During Step 4, triangulating findings with other sources (e.g. previous lists of landless peoples) through consulting with a broad range of stakeholders including NGOs, MFIs, local government representatives, local elites, religious leaders, and community members has been critical in validating inclusion decisions and has

constituted local level advocacy.

During Step 5, taking into account the productivity of assets owned, as well as inflation and the costs of living in a given area, has proved necessary to reflect the experiences of extreme poverty in real-time.

During Step 6, a key learning has been the importance of considering households' different levels of vulnerabilities to falling further into extreme poverty (e.g. those who might be transiently extreme poor, or those more vulnerable by being dependant on others through being elderly or disabled) and tailoring project support accordingly from the outset.

Moving forward

Mis-targeting among shiree-supported projects has declined with the refinement of approaches and an increase in understanding of extreme poverty in different parts of Bangladesh. There still remain practical questions over the extreme poor's engagement with microfinance activities (projects have found a high prevalence of extreme poor using micro-finance towards immediate consumption needs such as dowry or health costs), suggesting that more information on how the extreme poor are engaging with micro-finance activities is needed. There are also ongoing debates about the comparative advantages of universal methods. Nevertheless, in order to include the extreme poor in the country's overall progress in poverty reduction, there is a strong case for a stepping-up of action towards the extreme poor. shiree's learning holds relevance to improving the targeting of NGOs, donors and government social protection programmes.

Research for Action Briefs bring together learning from across the shiree/EEP consortium. They are intended to stimulate discussion and action from relevant actors. This brief was written by Hannah Marsden (Research Focal Point at shiree). She can be contacted at hannah@shiree.org. This working paper is available at: <http://www.shiree.org/content/working-papers-extreme-poverty-bangladesh>

About shiree

The Economic Empowerment of the Poorest programme is a partnership between the UKaid and the Government of Bangladesh to achieve the United Nations Millennium Development Goal 1 - to eradicate extreme poverty and hunger - by stimulating household improvements resulting in economic empowerment (**shiree**). **shiree** is also the Bangla word for 'steps', reflecting the approach of the programme to create economic opportunities that allow households to climb out of extreme poverty. **shiree** works with NGOs around the country and creates learning and advocacy platforms to build and share knowledge about extreme poverty. www.shiree.org

About Partners

Scale-Fund projects are 'tried and tested' models in reducing poverty that have been scaled-up to meet large numbers of beneficiaries. Partners include Care; DSK; NETZ; PAB; SCUK; and Uttaran. Innovation Fund projects are new ideas to reducing poverty and target a smaller numbers of beneficiaries. shiree's Innovation-Fund partner NGOs as of February 2011 are Aid Comilla; CNRS; Greenhill; Helen Keller International; Shusilan; Action Aid; MJSKS; NDP; Puamdo; SKS; and Intercooperation (2 projects); Action for Disability and Development (ADD); Save the Children USA; Plan Bangladesh; Concern Worldwide; Gono Unnayan Kendra (GUK); Shidhulai Swanirvar Sangstha (SSS); and Bangladesh Organisation for Social Service (BOSS). Further information about the projects can be found at www.shiree.org.

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The six step model was originally derived from Save the Children's UK project proposal and adapted with learning across partners.
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