



Targeting the Extreme Poor: Learning from **shiree**

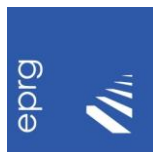
shiree working paper 1



Extreme Poverty Research Group (EPRG)

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The Extreme Poverty Research Group (EPRG) develops and disseminates knowledge about the nature of extreme poverty and the effectiveness of measures to address it. It initiates and oversees research and brings together a mix of thinkers and practitioners to actively feed knowledge into practice through interventions taking place in real time. It is an evolving forum for the shiree family to both design and share research findings.

The data used in this publication comes from the Economic Empowerment of the Poorest Programme (www.shiree.org), an initiative established by the Department for International Development (DFID) and the Government of Bangladesh (GoB) to help 1 million people lift themselves out of extreme poverty. The views expressed here are entirely those of the author(s).

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Abstract

The extent and persistence of extreme poverty in Bangladesh requires focused attention and action. The extreme poor are people living below the lower half of the poverty line in Bangladesh comprising 25% of the population. However, whilst distinguishing the extreme poor from the poor is straight forward on paper using expenditure data, it is much more challenging in the field. The first attempt by the shiree-supported NGO projects to target the extreme poor suffered from important errors of inclusion of the non-extreme poor. These errors of inclusion may lend support to the argument that we should use a less precise, cheaper and arguably more ethical universal poor + extreme poor approach.

However, there is a growing body of research showing there are unique characteristics and causes of extreme poverty. The extreme poor find it significantly harder to climb out of poverty and can be excluded or reportedly non-responsive to ordinary pro-poor interventions such as micro-finance (although our findings show that more information is needed on how the extreme poor are engaging with micro-finance activities). Moreover, by not targeting the extreme poor, they may continue to be excluded politically and practically from donor programmes.

In this paper we discuss what we have learned from our experience refining targeting techniques after an initial attempt which suffered from significant mis-targeting. We find that over specification (one-definition) of one or more criteria or over reliance on one targeting tool could lead to targeting errors and in the diverse contexts of Bangladesh. Instead, a mix of contextually specific criteria and methods had to be applied. It then discusses general learnings from this experience, best practices and an overall 6 stage model for targeting the extreme poor, of relevance to improving the targeting of NGOs, donors and government programmes towards the extreme poor.

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Acronyms

AMADER - Advancement of Marginalised Adivasis Deprived of Economic Resources

BHH - Beneficiary Household

CBOs - Community based organisations

CHT - Chittagong Hill Tracts

CFPR-TUP - Challenging the Frontiers of Extreme Poverty – Targeting the Ultra-Poor programme (BRAC)

CLP - Chars Livelihood Programme

CPRC – Chronic Poverty Research Centre

DFID – Department for International Development

DSK - Dushtha Shasthya Kendra

EEP – Economic Empowerment of the Poorest

FHH – Female headed household

GoB – Government of Bangladesh

HES - Household Economic Security (Save the Children UK)

HH – Household

HDI - Human Development Indicators

KIIs – Key Informant interviews

MA - Management Agency

MFI – Micro-finance Institutions

MDGs – Millennium Development Goals

NGOs – Non-Governmental Organisations

OPR - Output to purpose review

PRA - Participatory rural appraisal

PFP - Pathways from Poverty

Practical Action Bangladesh (PAB)

SCUK – Save the Children UK

SEMPTI - Sustained and Expanded Effort to Lift the Ultra Poor out of Extreme Poverty by Transferring Assets, Cash and Skill in an Integrated Approach

SETU - Social and Economic Transformation of the Poorest

shiree - Stimulating Household Improvements Resulting in Economic Empowerment

UP – Union Parishad

Urban Partnerships for Poverty Reduction Programme (UPPR)

VGd - Vulnerable Group Development

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1. INTRODUCTION

There is growing recognition in Bangladesh that the extreme poor are still to be meaningfully reached by government services, NGO and donor development programmes. Most of the progress in terms of poverty reduction has been concentrated amongst the moderate poor with extreme poverty persisting at a worrying level. This has encouraged new thinking, programmatic responses and research into identifying interventions which work for the extreme poor.

Despite the existence of some social protection provisions which are specifically designed for the extreme poor (such as the VGD cards), the majority survive through informal sources of support from family and neighbours. This exclusion, or lack of focus on the extreme poor, is to some extent linked to an assumption among poverty reduction programmes of donors, NGOs and micro-finance institutions that the extreme poor are 'harder to work with' or graduate out of poverty with much more difficulty than the moderate poor, for a number of reasons. E.g. the extreme poor are less able to make productive use of loans because of having fewer resources such as land, household labour and social capital, as well as them being viewed as less reliable savers and borrowers.

This points towards the need for a greater focus on the extreme poor. However, sophisticated targeting can be time-consuming, difficult and costly. Identifying the poorest cases of poverty can be complicated and challenging in many ways. Debates also continue about whether a universal approach (where both the poor and the extreme poor receive assistance) is more desirable than targeted interventions (which focus solely on the extreme poor) in the long-term. Moreover, it may be argued that universal targeting is more ethical because of the extent of mobility between the category of the average and the extreme poor.

Nevertheless, the apparent complexity involved in both defining and reaching the extreme poor builds a case for a concentrating and targeting of them. Recent research has highlighted that the extreme poor may be qualitatively unique in significant ways from the average poor. They display diverse characteristics, live in more complex situations, face unique vulnerabilities, and experience shocks differently. This makes climbing out of poverty harder and arguably requires a different response.

Earlier work on destitution underlined the qualitatively unique structural economic position of the extreme poor (e.g. Harriss-White, 2002; Devereux, 2003) and research by Green (2003) highlights their distinct experiences of social exclusion in communities. Further to this, research in Bangladesh shows evidence of the extreme poor's exclusion from poverty reduction initiatives, including most notably activities of MFIs. Devine and Wood (2010) describe the extreme poor as a unique group excluded from not only development initiatives but also by local, meso and national

political structures, both drawing attention to and raising the broader question of the long-term responsibilities of state and civil society.

Thus, despite the appeal and need for continued discussion around the benefits of universal targeting, learning about the extreme poor and how best to empower them economically, socially and politically is urgent. In order to do this, it is necessary to reach the extreme poor, and as such, designing suitable targeting methodologies are crucial. Some examples of recent DFID-funded programmes in Bangladesh which specifically target the extreme poor include the CLP, the UPPR and BRAC's CFPR-TUP.

This paper presents learning from *shiree* and NGO project experiences with targeting the extreme poor over the first year and a quarter of implementation across the different regions of Bangladesh. *shiree*/EEP is a Challenge Fund supported by UKAID from the DFID and the GoB, specifically designed to target the extreme poor, or the bottom 10% of the people living below the lower poverty line. Its goal is to support the GoB to achieve the MDG Target 1 to eradicate extreme poverty and hunger by 2015.¹

The focus of the projects² implemented by *shiree* partner NGOs 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 local services and safety-nets. It has sought to 'push down' the reach of its projects to target the poorest cases of extreme poverty across Bangladesh.³ *shiree*'s Scale-Fund partner NGOs are Care; DSK; NETZ; PAB; SCUUK; and Uttaran. Acknowledging that there is significant space to discuss definitions of extreme poverty and debates around different interventions, this paper focuses on presenting learning from a practice point of view.

shiree has sought to minimise its errors of inclusion (the number of non-extreme poor enrolled in the programme) and exclusion (those who are extreme poor, but are

¹ See MDG Monitor for the specific targets: <http://www.mdgmonitor.org/goal1.cfm>

² 6 Scale-Fund and 12 Innovation-Fund projects while *shiree* is currently contracting NGOs under Innovation Round 3 – *The Marginalised Group Round*. Scale-Fund projects are 'tried and tested' models in reducing poverty that have been scaled-up to meet large numbers of beneficiaries. Innovation Fund projects are new ideas to reducing poverty that aim to meet a smaller numbers of beneficiaries. *shiree*'s Innovation-Fund partner NGOs are Aid Comilla; CNRS; Greenhill; Helen Keller International; Shusilan; Action Aid; MJSKS; NDP; Puamdo; SKS; and Intercooperation (2 projects). Further information about the projects can be found at www.shiree.org.

³Of the Scale-Fund projects, five are working in rural areas while one (DSK) works in the urban slums of Dhaka. Those contracted under Innovation Round 3 have more of an urban focus.

incorrectly identified as not being so). Despite the costs and challenges of sophisticated targeting, *shiree* has found that reaching the extreme poor is possible. In resource-constrained settings like Bangladesh, collecting lessons to improve not only *shiree*'s, but wider efforts to reach the extreme poor, seems pertinent. Its learning holds relevance to NGOs, donors and government programmes wishing to improve their targeting.

2. METHODOLOGY

This paper is based on discussions with *shiree* and partner NGO staff (management to field-level), as well as available documentation and data arising from the projects. It takes a process documentation approach, aiming to learn from the implementation experience of projects from May 2009 to September 2010.⁴

3. TOWARDS AN UNDERSTANDING OF EXTREME POVERTY

The distinction made between those living below the upper and lower poverty lines, and those living in extreme poverty is based on a hypothesis that there is a difference between them: that the circumstances of extreme poverty are unique and therefore the extreme poor are a distinct group living among the large population of poor in Bangladesh.

There is significant room for learning and research on who the extreme poor are. 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). According to monetary analyses, based on 2005 prices, the extreme poor are people with expenditures equivalent to or below 22BDT in rural areas and 26BDT in urban areas, or adjusted to take account of inflation in 2009, 26BDT or 30BDT respectively (per capita).⁵

Experience has pointed towards the general need for an updating of poverty thresholds, and for a greater recognition of the multidimensional experiences of poverty beyond measuring income poverty (something restated in the recent HDI (2010) report and the recent discussions around the multi-dimensional poverty index⁶).

⁴ Discussions with *shiree* staff, Project Directors and operational staff were undertaken by Hannah Marsden (Research Focal Point, Young Professional). Discussions with Field Officers were undertaken by Masud Rana (Nutrition Focal Point, Young Professional) and Shumon Alam (Communications Manager). An Innovation OPR team also spoke with Innovation-Fund NGO partners about their experiences.

⁵ See Jackson, A (2009) and Narayan et al., (2007).

⁶ See <http://hdr.undp.org/en/statistics/mpj/>

It is worth noting that extreme poverty is conceptually different to chronic poverty (defined as someone who is poor for five years or more).⁷ As such, a person may be extreme poor in a chronic way, throughout most of his/her life, or transiently extreme poor, moving in and out of extreme poverty. In contrast, someone may be chronically moderately poor. The case for a greater focusing on extreme poverty gains more weight when thinking about the significant scope for the transfer of extreme poverty to Bangladesh's future generations.

Working experiences show that the extreme poor face multiple constraints in trying to lift themselves out of poverty. They lack access to sources of employment which can act as sustainable steps out of extreme poverty. For example, the kinds of employment opportunities available to them often adversely pull them into economic relationships and low wages which serve to keep them poor (e.g. selling one's labour in advance or receiving low in-kind wages for household labour). In many cases, this adverse incorporation into labour markets is coupled with experiences of distinct forms of social exclusion (as is the case of *adivasi*⁸ labourers or female home workers). In Bangladesh, the extreme poor are also typically scattered across the ecologically vulnerable and geographically remote areas of the country.

Experiences show that the extreme poor in Bangladesh possess heterogeneous characteristics, while some commonly seen features include:

- People in rural areas who have essentially no cultivable land and very little in the way of other productive assets, and depend on uncertain and insecure daily labouring for their livelihoods. They may live in the houses of others (e.g. in recovering from the impact of a disaster).
- People in urban areas living on the streets, temporary shelters or slums, often having little to no security of tenure.
- Households headed by widowed, divorced or abandoned women.
- Families without able-bodied workers (e.g. elderly and disabled people with no family support); and
- Tribal and ethnic people (*adivasis*).

⁷ The work of the CPRC is particularly relevant: <http://www.chronicpoverty.org/>

⁸ *Adivasi* refers to a range of ethnic minorities and tribal groups in Bangladesh.

Snapshot of *shiree*/EEP beneficiaries:

A baseline anthropometric and socio-economic survey of a statistically significant sample (conducted in March 2010) showed that the socio-economic condition of *shiree* beneficiaries is low.

Nutritional status:

- 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.

Social exclusion:

- Nearly 40% of both males and females felt that they did not have people outside their family who they could rely on.

FHHs:

- 40.9% were FHHs (higher than the most recent HIES of 2005, where 10.5% were FHHs).

Very low cash savings:

- Of the 39.1% of households with cash savings, the average was 484BDT (equivalent to around 6.85 US\$ at current 2010 prices).

Low educational involvement:

- 76.3% of household heads had not been to school compared with 50.3% nationally.

shiree (2010).

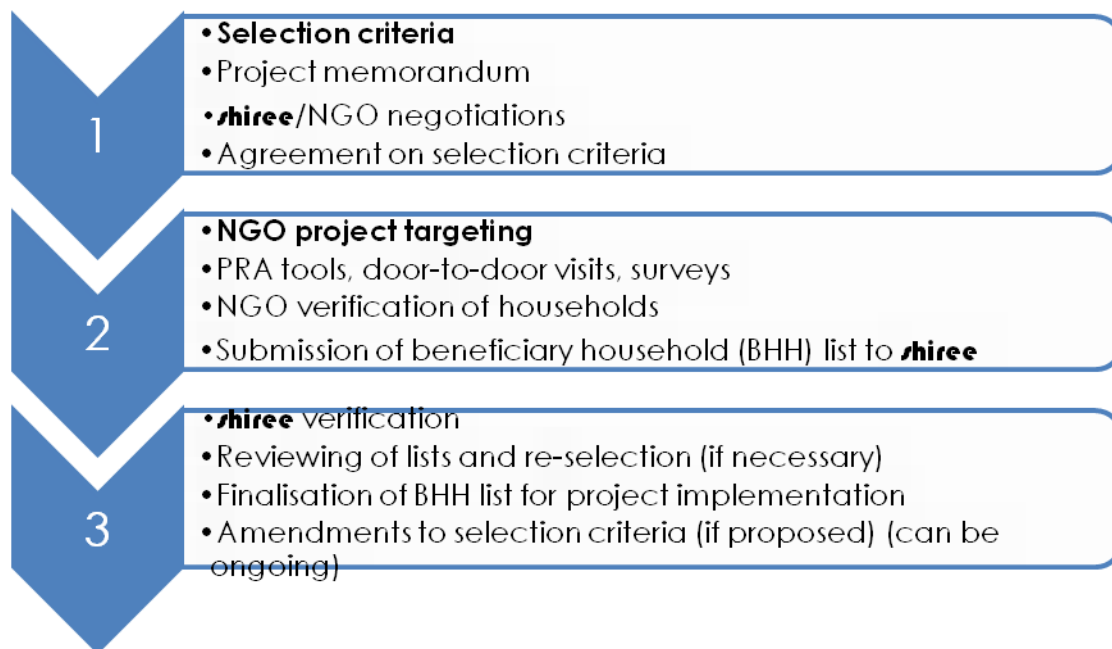
The diverse nature of poverty, and the continuation of extreme poverty in particular, needs to be recognised and made more visible in policy and programmatic responses. Learning so far adds evidence to the case that extreme poverty is qualitatively unique and may require a different response. For example, the characteristics of extreme poverty may be obvious and immediately verify that somebody is extreme poor, or in other words, in a structurally distinct position to someone who is moderately poor (e.g. owning no assets and having no able-bodied members). However, in other cases, characteristics of extreme poverty or the real nature of a person's vulnerability may be subtle or less obvious. Importantly, because we are still learning about the characteristics of extreme poverty and what kinds of interventions might work for them, there is the worry that the extreme poor will 1) continue to be excluded from mainstream poverty reduction efforts and 2) that the differences in their position and vis-a-vis opportunities for climbing out of poverty will become less visible and / or tailored towards in universally targeting programmes. These may also have known or unknown impacts on the relationships and structures which keep people poor (e.g. labour conditions). This also points to the importance of avoiding inclusion errors.

The complexity of identifying the causes and characteristics of extreme poverty is heightened in the diverse social, political and geographic contexts of Bangladesh. Experience so far shows that this complexity needs to be matched by sensitive and context-appropriate targeting methodologies.

4. THE TARGETING PROCESS

The way that EEP is organised as a Challenge Fund means that there are a number of levels under which the targeting process unfolds. The MA refers to a consortium of organisations⁹ within which *shiree* is the implementation approach adopted (being the *Bangla* word for steps as well as an acronym for Stimulating Household Improvements Resulting in Economic Empowerment). The targeting process that *shiree* has undertaken to select extreme poor households, which takes place a number of times throughout project implementation, is outlined in Figure 1 .

FIGURE 1: SHIREE TARGETING PROCESS



⁹ Harewelle International, PMTC International, the British Council, Unnayan Shammanay and the Centre for Development Studies (CDS) at Bath University.

4.1 INITIAL MIS-TARGETING: ERRORS OF INCLUSION AND REVISION OF

FIGURE 2: NGO PROJECTS AND REGIONAL CHARACTERISTICS

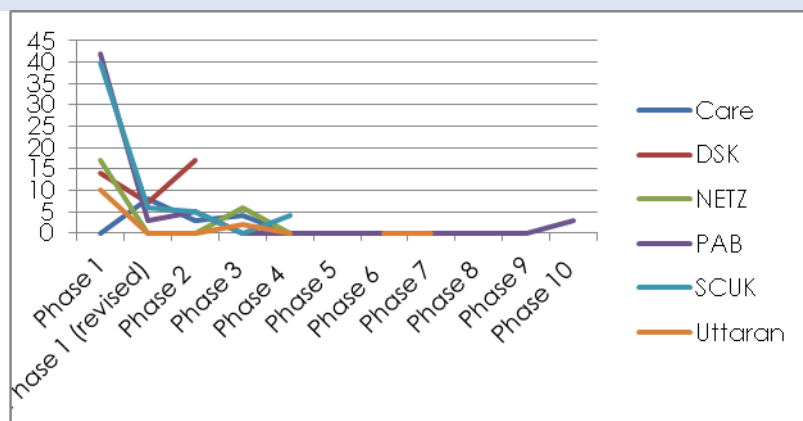
NGO	Region	Ecological characteristics	Social characteristics	Project focus
Care	North-west	Monga-prone River-erosion	HHs often sell labour in advance (particularly pre-harvest)	Community-based approach IGAs and building local governance
DSK	Urban	Cramped living conditions	Households are at risk of eviction	IGAs and skills training Health care
NETZ	North-west	Drought-prone	Adivasis face distinct social exclusion and discrimination Adverse incorporation into local markets	IGAs, savings, and skills training
PAB	North-west	Monga-prone River-erosion	HHs often sell labour in advance (particularly pre-harvest) Vulnerable to land loss and movement	Accessing cultivable land. IGAs, agricultural inputs and use of new technologies.
SCUK	South-west	Recovering from and prone to cyclones, tidal surges and flooding. Land affected by water-logging and salinity	HHs often tied into local political economy of shrimp industry Issues of displacement and resettlement	IGAs and linking with social safety nets. Temporary financial assistance for dependant poor
Uttaran	South-west	Recovering from and prone to cyclones, tidal surges and flooding. Land affected by water-logging and salinity	HHs often tied into local political economy of shrimp industry Issues of displacement and resettlement	Combined approach of land transfer and IGAs

TARGETING APPROACH

Each NGO project has used individual models of targeting to select extreme poor households. *shiree* undertakes verification, intended to be a 'spot-check' of BHH lists to ensure they display characteristics of extreme poverty. Five out of six of the initial lists presented by the Scale-Fund NGOs (with the exception of Care) were requested to be reviewed, with *shiree* verification finding that more than 10% of the sampled households were not extreme poor. This process was followed by re-verification by *shiree*.¹⁰ If between 0 and 10% of the sample are found to be non-extreme poor during *shiree* verification, NGO staff are advised to revisit these households, as well as those with similar characteristics. This process means that lists of potential BHHs are subject to a number of levels of screening at both the NGO and *shiree* levels.

The initial mis-targeting experienced was followed by an immediate realisation that trying to locate the extreme poor is both complex and difficult. It led to a re-thinking and change in strategy among both NGO and *shiree* staff, both around who the extreme poor are, and how most appropriately to target them.

FIGURE 3: PERCENTAGE (%) MIS-TARGETED OF HOUSEHOLDS SINCE INITIAL PHASE 1*



*Note –missing data re. DSK since phase 2

¹⁰ *shiree* originally verified a 10% sample of lists submitted. However, due to time and resource constraints, the size of the sample now varies. Samples were initially chosen through randomly taking the digits of staff phone numbers or family members' birthdays, but a random sample is now chosen through computer software. Households are visited from each working district of the NGO project.

A purposeful sample of households is also visited during *shiree* verification, chosen on the basis that households appear particularly interesting (e.g. disabled household member dependent on the work of children) or potentially do not meet the criteria (e.g. high asset value).

As illustrated, since the initial revisions, mis-targeting has been low across partner Scale-Fund NGOs. In the case of PAB, for example, 41.67% of their phase 1 list was rejected. Since then, very little mis-targeting has been identified (a total of 2.06% from the revised phase 1 to 10). A similar case is SCUK, which saw a total of 40% mis-targeted in its initial phase 1 list. Since re-submission, across 8 phases of selection, 2.14% (on average) have been found to be non extreme-poor.

The level of mis-targeting across the Innovation-Fund NGOs has been less than that found for the Scale-Fund NGOs, although it is worth remembering that the number of beneficiary households they targeting is far less.¹¹

5. SELECTION CRITERIA

5.1 ESSENTIAL AND SUPPLEMENTARY CRITERIA

Selection criteria are used firstly by NGOs to validate the information revealed through targeting methods and then additionally during *shiree* verification. A mix of essential and supplementary criteria are used that differ across projects.

- Essential criteria 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'. Households must meet all of the essential criteria to be included into a project.
- Supplementary criteria 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 *shiree* partners include: 'Female-headed Household', and 'Household dependent on the work of a child'.

shiree's first year of operations has been one of learning about who the extreme poor are and what criteria can be most accurately and appropriately used to identify the poorest people living within the bottom 10% cohort, aiming to work from the bottom 2% upwards. As such, it has placed particular emphasis on working with households previously untouched by poverty programmes, government provided safety-nets, or micro-finance and credit activities.

We were aware from the beginning that we wanted to reach the bottom 4% in line with *shiree*'s aims. Field staff took the challenge and exhausted it.

(Project Director, SCUK HES model of Graduating the Extreme Poor Project).

¹¹ For example, PAB are targeting 16,850 households (with a target of 5000 for year 1), compared with an Innovation partner CNRS which is targeting a total of 2000 (1000 in year 1) (all over 3 years).

Uttaran, as shown below, began by including households with zero decimals of land. Once identifying all households meeting this criterion, this increased to 5 decimals (still lower than the government definition of functionally landless at 10 decimals).

FIGURE 4: EXAMPLE CRITERIA USED BY UTTARAN'S SEMPTI PROJECT*	
Essential	Supplementary
HH income under Tk 1500 per month	Living on someone else's land
Landless – no homestead & arable land ("0" decimal)	Female headed house hold with no male earner
No member of financial network or MFI	HH includes person with disability or economically inactive adult(s)
Priority:	Seasonal wage labour
Own no productive asset	Begging (rural areas)
Living on the river/sea side of the embankment	Head of HH is person with disability
Living in someone else's premises	HHs with widow/ divorce/ abandoned woman member
	HHs with child labour contributions (under 17 years)
	Women labour in shrimp gher
	Women working in shrimp depot/processing plant
	Women & children collecting shrimp fry along the coast
	Shrimp fry collecting by boat
	Ethnic minority HHs
	Sundarban dependent HHs (Bawali, Mawali etc.)
	Household affected by water logging

*In March 2010, the household income ceiling was raised to Tk. 2000 a month because of exhausting this criterion and to reflect the extreme poverty threshold.

While most projects agree that having a 'one size fits all' criterion for identifying the extreme poor would be ideal, there is a general agreement that using a combination adds value. Staff have also pointed to the importance of taking into account the physical imagery of a household and its members (e.g. the expression of an extreme poor widow living in Korail Dhaka slum can be very telling of her situation).

5.2 MONETARY-BASED CRITERIA

Monetary-based criteria (enquiring about a household's income and / or expenditure on a per month or per capita basis) has been a source of difficulty, particularly when:

- Households have difficulty in remembering and communicating their earnings and expenditures.
- When households' income or expenditure is forecasted to fluctuate around the availability of seasonal labour.
- When finding households who are just above the stipulated thresholds but who have a high dependency ratio.

A useful way of overcoming difficulties with income and expenditure criteria has been to assess the monetary situation of a household through its income-generating ability. Care's SETU project, for example, look at the number of adult earning members; number of dependant family members (disabled or elderly); the situation of indebtedness; and a households' certainty in gaining work. Doing this is reported to give a better reflection of a household's economic situation.

DSK report asking households to recall what they have spent in the last 24 hours a useful method. Experiences also have pointed to the importance of considering the dependency ratio of households. Using a per capita measure can help overcome this (e.g. NETZ).

It has also been important to adjust income and asset related criteria to reflect inflation. For example, in the case of DSK, it has proved crucial to adjust criteria to account for urban prices for the living costs of rent and electricity.

On the whole, experiences point to the general need for a reviewing of monetary-based poverty thresholds, and highlight space for experimentation with non-monetary or wellbeing-orientated selection criteria which take into greater account experiences of social risks and marginalisation.

5.3 FOOD-BASED CRITERIA

Gaining information on food consumption is reported to be a good reflection of a household's poverty status, with a number of projects reporting this to be their most useful criteria. In using it, the AMADER project of NETZ finds it particularly helpful to enquire about how many times a household intends to or has cooked in the day of visiting. Food-based criteria can nevertheless be challenging (e.g. when eating habits differ across regional contexts).

5.4 ASSET OWNERSHIP

The need to consider the productivity of assets and land has been a key lesson (e.g. In the case of SCUK, there has been necessary to take into account the extent to which households can use land affected by salinity and water logging in certain months of the year, as well as allow for the distinct position of displaced households affected by cyclone Aila in the Dacope and Koyra areas in the South-west).

It has also been important to adapt the asset ownership criterion to reflect the change in value of assets. For most NGOs, this has increased from 3000BDT to 5000BDT, following continued reports that the value of assets had increased because of inflation. Difficulties have also arisen where households have predicted that they will sell their land or assets in the coming months.

5.5 MICRO-FINANCE INVOLVEMENT

The decision to exclude households who are current members of MFIs was built on the assumption that micro-finance programmes have not reached the extreme poor for a variety of reasons.^{12 13} NGOs have consulted with MFIs in their working areas to share lists and check any repetition of households to avoid mis-targeting.

On the one hand, there has been a general validation of the micro-finance exclusion criteria. For instance, in conversations with CNRS beneficiaries, there was widespread agreement that those who had access to micro-finance activities were a little better off and not the poorest members of the community.

On the other hand, however, this criterion has been a source of significant difficulty for NGOs on the ground and an area for continued debate between *shiree* and partner NGOs since the outset. NGOs have reported a heavy MFI presence in their working areas, and of finding households meeting all other criteria, but who have taken micro-finance loans for immediate consumption purposes. In many cases,

¹² The widely held notion that micro-finance works less impressively with the extreme poor in comparison with the moderate poor is based on reports that they 1) have less access to complementary resources such as land, household labour and social capital with which to make productive use of loans; 2) that partly in reaction to this, they are more reluctant to take loans, fearing the inability to repay; and 3) that at the same time, micro-finance suppliers have been reluctant to lend to the extreme poor, sometimes actively excluding them, viewing them as less reliable savers and borrowers (see Alamgir and Mallorie, 2008: 1).

¹³ Those partner NGOs which run micro-finance programmes also agreed that selected beneficiaries for the *shiree* funded project will not become their own clients following the project.

these households are reported to be in a more vulnerable and indebted state than some extreme poor households with no outstanding loans.¹⁴

As such there has been the need to remain open to relax this criterion to allow for cases where loans have been taken during times of household distress for consumption purposes (for health, food and / or dowry expenses, called 'no MFI with exception'). This is the case for a number of the Scale-Fund projects, though in practice field staff have still found it challenging to ascertain that loans have been used towards immediate consumption purposes.

There is some limited evidence to suggest the criterion may be impacting behaviours. During a recent visit to a CNRS working community, for example, one non-beneficiary suggested that she might withdraw from engaging with an MFI to potentially become a beneficiary, while another reported that he had repaid a 3000BDT loan in order to be eligible to join the *shiree* programme. There is also a case for further investigation into the inclusion of potential beneficiaries who fail to meet this criterion due to reasons out of their control (e.g. when loans are taken against someone's name without their recognition).

Overall, working experience shows that the use of a 'no involvement in MFI' criterion alone would not accurately identify the extreme poor. However, its use in combination with others can be valuable. Nevertheless, there is cause for caution and openness to recognising why households have obtained loans. Crucially, more information is needed to fully understand the terms and repayment conditions under which the extreme poor are involved in micro-finance activities.

5.6 GENDER CONSIDERATIONS

In the case of NETZ's AMADER project, transfers are targeted towards the female in the household (where she is recorded as the household head). This is linked to both the project's aim of reducing extreme poverty among women as well as the generally higher status of women in *adivasi* households compared with non-*adivasi* households). In practice, field staff have reported that gender relations in non-*adivasi* households are sometimes constraining women's access to markets, limiting their ability to undertake project activities (NETZ, 2010). Except for those projects which explicitly target FHHs or females within male-headed households (Aid Comilla,

¹⁴ A previous SILPA (*shiree* internal review) reports: 'some Scale-Fund NGOs have considered that irresponsible lending on the part of MFIs has pushed some households deeper into poverty, e.g. in some communities, MFIs have been found to extend coverage without extending programme support, resulting in loan recipients being less informed of how to invest in productive activities, with the consequence that many have used their loan solely for consumption' (Tomlinson, 2009).

MJSKS, Puamdo and HKI), all other projects target the main earner of the households, who may be male or female.

5.7 NEED FOR CONTEXTUAL-SPECIFIC CRITERIA

An overarching lesson is that a mix of criteria is needed, these should be as simple as possible, and that they need to reflect the realities of social and economic vulnerability found on the ground in particular contexts: regional mixes should reflect variations in social, economic and political relations which cause poverty, in asset values/productivities, incomes and livelihood differences, in diets, in gender expressions in different communities, etc. Amendments to criteria have varied across *shiree* sub-projects. Supplementary criteria in the case of DSK, for example, include occupations that have been identified as being largely undertaken by the extreme poor in Dhaka (e.g. female or disabled beggar). The case of Greenhill (working in the CHTs) illustrates the clear need for criteria to be culturally appropriate. For many if not all of the tribal communities living in this region, it is common to eat twice rather than three times a day.

Examples of regional and project specific criteria used in South-west Bangladesh

(Khulna, Bagerhat and Satkhira districts)

Living on embankment, roadside and / or makeshift house since May 2009 due to Aila and its aftermath (essential for Aila-affected areas, SCUK)

Owner of homestead land up to 10 decimal with currently no access to productive land (essential for Aila-affected areas, SCUK)*

Women & children collecting shrimp fry along the coast (supplementary criteria, Uttaran)

Sundarban dependent HHs (Bawali, Mawali etc.) (supplementary criteria, Uttaran)

Household affected by water logging (supplementary criteria, Uttaran)



Debhata, Satkhira – typical landscape in the South-west

*100 Decimals = 1 acre; 33 Decimals = 1 Bigha
1 Bigha = 33 Decimals

6. TOOLS FOR LOCATING THE EXTREME POOR

A number of analyses show that using a mix of targeting methods produces better targeting (Coady et al., 2004: 3). For example, BRAC's CFPR/TUP programme learnt that combining targeting methods and various 'knowledge streams' improved its effectiveness in targeting the extreme poor (Matin and Halder, 2004: 1; also Alatas et al., 2010). In *shiree's* experience, combining selection methods and strategies, and drawing on various knowledge streams unique to each project context has helped to improve targeting results.

Selection strategies: drawing on various 'knowledge streams' for different contexts

1. **Categorical.** Prioritising households that are frequently found to be extreme poor, including, for example, FHHs, households with members who are chronically ill or disabled, and households that are dependent on the work of their children;
2. **Geographic.** Concentrating efforts in the poorest regions, Upazilas, Unions and *paras* (sub-unions) of the country.
3. **Wide stakeholder consultation.** Engaging with a wide range of stakeholders including local elites, UP members, religious leaders, other NGOs and MFIs.
4. **Community-based targeting.** Involving communities in identifying the extreme poor through using participatory methodologies.
5. **Household means test.** Checking that a sample of households are extreme poor using a set of criteria.
6. **Self and peer group certification.** Seeking self and peer group validation that households are extreme poor.

6.1 PROJECT SPECIFIC EXPERIENCES

Overall, the use of participatory methods, involving communities in the selection and validation of households (e.g. in the form of social mapping, wealth ranking and FGDs), has proved valuable and is best practice. This allows communities to define extreme poverty in their own context and for the process to be as transparent as possible. Further, communities often possess knowledge about its poorest members difficult for external workers to obtain without their input. Other studies exploring the efficiency of targeting methods for identifying the poorest of the poor also point to PRAs as generally generating a reasonably good indicator of well-being, serving as a good basis for targeting (Banerjee et al., 2007).

Nevertheless, a key lesson learnt is that it is important to adapt traditional targeting methods to the area, the project intervention, and to the particular characteristics

of extreme poverty in a given area. Across *shiree*-supported projects, there has been some shifting from community-based methods to undertaking KIIs and door-to-door visits, mainly because of project-specific and contextual circumstances.

FIGURE 5: CHANGES IN TARGETING METHODS			
NGO	Original method	Alterations	Reasons
Care	Resource and power mapping of unions; wide stakeholder consultation; community-based PRA approaches (wealth ranking etc.	Refinement of power and contextual analysis.	Learning has shown that extreme poor households are less likely to be living near to primary elites able to direct safety-nets in their direction. ¹⁵
DSK	Participatory wealth ranking and social mapping; Field officers visiting and selecting HHs.	Preference for KII method and visiting HHs door-to-door.	Lack of suitable space to carry out activities in slums; lack of community integration meant that neighbours who did not know each other well could not identify the extreme poor; time consuming; community views sometimes clashed with survey and verification findings.
PAB	Door-to-door survey.	Out-sourcing to consulting firm adopting PRA community-based methods.	Time constraints; households often absent; pressures on field staff.
Uttaran	Wide stakeholder engagement; Participatory wealth ranking and social mapping; Field officers visiting and selecting HHs.	Preference for KII method, transect walks, and visiting HHs door-to-door.	FGDs did not always yield accurate information on the true status of poverty and land holdings of households; time constraints; community views sometimes clashed with survey and verification findings.
SCUK	Participatory wealth ranking and social mapping; Field officers visiting and selecting	No changes.	

¹⁵ Primary elites are hamlets with politically powerful or former powerful formal and informal leaders (UP chairmen, MPs, prominent political party leaders, and so on) (in the Northwest of Bangladesh, unions generally have anywhere between 70 to 100 hamlets with a total population of 35,000 to 55,000). These are considered to have the strongest influence, linkages and networks to not only mobilise votes in Unions but operate at a national level to tap into resources such as funds, state-funded entitlements, advice and support in times of conflict (Care, 2010).

	HHs.		
NETZ	Participatory wealth ranking and social mapping; Field officers visiting and selecting HHs. Community-validation of lists.	No changes.	

The 'Moving from Extreme Poverty through Enhancing Economic Empowerment' project, implemented by DSK in two slum dwellings Korail and Kamrangirchar in Dhaka, found that using some PRA tools to identify the extreme poor proved very difficult in an urban context (e.g. locating suitable and large-enough environments to carry out activities such as wealth ranking exercises). In addition, a lack of community integration, in comparison with that reported to be present in rural areas, limited the information gained (e.g. FGDs did not accurately reveal the extreme poor where neighbours did not know each other well). The sudden migration or eviction of households on occasion also required staff to repeat the selection processes. To overcome these challenges, the project is now carrying out KIs throughout the slums and visiting households door-to-door. This has enabled the field staff to more accurately identify the poorest households and save time and financial resources.

As a project facilitating the transfer of *khas*¹⁶ land to beneficiaries, the SEMPTI project implemented by Uttaran has identified extreme poor households living on available *khas* land. Some difficulty has consequently been experienced in matching the two (households need to be physically living on the land, but not owning the land, and be extreme poor). Uttaran also moved from carrying out FGDs with communities to undertaking KIs, transect walks and visiting households door-to-door. With information about land holdings and asset ownership sometimes proving inaccurate, it has been necessary to witness their living condition, land status and informally speak to them, revealing the lesson that it is important to visibly verifying the physical possession of land and assets.

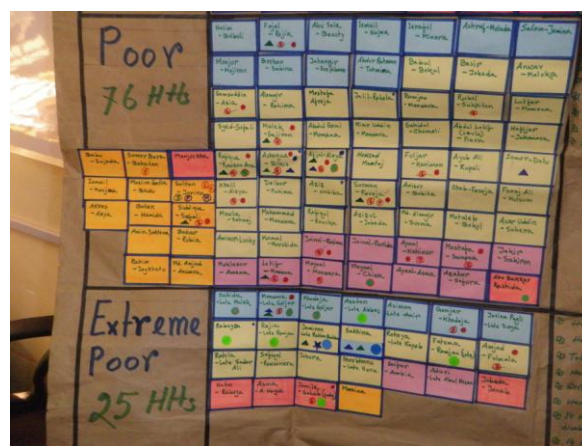
In addition, Uttaran drew on its previous lists of known landless people and continued to contact with a variety of stakeholders such as political and religious leaders and CBOs, highlighting the value in triangulating information with other sources.

There is a reported methodological issue when community definitions of extreme poverty have differed with those of NGOs or shiree during verification. This was partly a reason for the shifting to KIs in the cases of Uttaran and DSK. This is an area for further exploration. Alatas et al (2010) discuss a similar phenomenon in Indonesia when community concepts of poverty differ to means testing.

¹⁶ Government-owned land which is frequently grabbed and occupied by influential elites.

PAB's PFP project, seeking to identify the extreme poor affected by river bank erosion along the embankments of the Tista and Jamuna, first identified the poorest communities and then carried out door-to-door surveys. This is reported to have proved both time consuming and challenging, particularly when household members were absent. In contrast to the other projects discussed here, the PFP project is trying to overcome this by moving to a community-based wealth ranking and PRA approach with the assistance of a consulting firm. This shift is reported to have enabled the identification of beneficiaries who may otherwise be out working, and the out-sourcing is serving to effectively lessen the pressure on field staff previously combining tasks of selection and intense project (largely agricultural) support.

For Care's SETU project, targeting has involved a contextual analysis of the working area which is reported to have been integral to planning project activities. Over time there has been little amendment to the model, which is informed by the project's overall governance framework (used with other Care Bangladesh programmes). Working knowledge has served to further inform its power analysis component, particularly the mapping of elites in Unions and the extreme poor to the *para* level, which is the model's first step in identifying the poorest pockets of poverty. Elites are categorised into 1) Primary (Union level elites who are very powerful), 2) Secondary (elites who control a lot of the work opportunities in the area) and 3) Tertiary (those who are powerful in their communities). The extreme poor have been found in areas concentrated with tertiary elites (often working for them). Confirming that the poorest communities are least likely to be situated near primary elites has proved critical to identifying the most disadvantaged communities and subsequently the extreme poor within them.



A well-being analysis undertaken during a community session led by Care's SETU project

Projects of NETZ and SCUUK are continuing into the second year of operations using their original targeting models. The AMADER project, implemented by NETZ and local NGO Ashrai, works specifically to empower *adivasi* households and has built on its previous experience of identifying extreme poor households through prioritising

the involvement of communities, UP members as well as *Manjhi/Mondals*¹⁷) by actively involving them in the process. Intending to minimise any conflict which may result from prioritising *adivasis*, 80% of benefits are targeted towards *adivasis* and 20% towards non-*adivasis* (NETZ, 2009a).

6.2 OTHER EXPERIENCES

In general, experience shows the importance of communicating with key informants. SCUK's *shiree*-supported HES model positively report that encouraging children's participation in the identification and verification of households' added value to the process (e.g. showing field staff a parent's MFI participant book).

Most projects reported problems associated with households hiding information and objects (e.g. assets or household items) during both community-based exercises and *shiree* verification in order to be selected. There is, however, also evidence that households have sometimes not wanted to admit their true states of extreme poverty. For instance, PAB report people feeling embarrassed and manifesting this by frequently referring to their previous situations (e.g. the fact that they previously owned land and a house now lost through river bank erosion). Field staffs have tried to overcome these challenges by behaving sensitively and talking informally with households.

Experience points to the need for improved statistical sources. The most recent data of HIES (2005) and poverty mapping exercises (World Bank et al., 2009) served as a starting point to some projects, and also informed *shiree*'s decisions to focus some of its funding towards certain pockets of extreme poverty (e.g. *Innovation Round 2: the Monga Round*). Experience however suggests that there is the need for an updating of statistical poverty mapping sources with new HIES data (when available). While *shiree*'s model begins with a period of background investigation and planning, it has in reality often involved drawing on local NGO knowledge physically looking for extreme poor households. Conducting transect walks and KIs in the early stages of the targeting process has therefore proved valuable. There is also the need for caution when following such sources too rigidly in planning selection processes. For example, it is important to remain aware that the extreme poor are living within those areas reported to have less overall numbers of extreme poor (e.g. throughout the *haors* of Sunamganj).

¹⁷ Tribal leaders.



Landscape in the North-eastern haors region

7. GENERAL LEARNING

7.1 STAKEHOLDER RESPONSES

A central lesson has been that the consultation with a broad range of stakeholders, including local elites, local government and UP members, other NGOs and MFIs has helped identify the most extreme poor households (e.g. it can also be important in when these have directed field workers to specific areas and households and through such individuals and organisations proving to be important gatekeepers into communities). It has also helped to avoid geographical overlapping. In addition, this practice has importantly comprised local level advocacy. It has helped to raise awareness of extreme poverty among communities themselves and with influential elites where these have visited communities and endorsed households' inclusion.

There are nevertheless reports of attempts of local elites trying to capture and direct the selection process. An SCUK field worker, for instance, reported that powerful members of communities have tried to influence PRA sessions by providing incorrect information. Furthermore, there are reports from Uttaran of facing difficulties with local government officials and land grabbers in Khulna and Satkhira, when trying to identify *khas* land, highlighting the often contentious nature of undertaking such work:

Some corrupt government officers and land grabbers caused hindrances in the selection process as they were worried that they might also have to lose their *khas* land (Uttaran field organiser, July, 2010).

Union Chairmen tried to influence the selection process. In one case, the elected chairman tried to force us to accept the list of his selected extreme poor. When we went to check we actually found that one household had their own brick house, were well off and having lunch with beef and chicken on a normal day. There was no way that we could accept this type of household as a beneficiary. We had to

explain our selection criteria again and again to make him (the Chairman) understand our target and limitations (Uttaran field organiser, July, 2010).

In overcoming this, experience points to the importance of the strong facilitation skills of field staff. Care's SETU project, for example, highlights the value of training staff and of the possession of these skills in terms of creating and maintaining a space in which the extreme poor can be both located and heard.

At the beginning, some field staff lacked understanding...Now with experience and training field staff are able to identify the extreme poor (Community Facilitation Officer, Care SETU project).

This has also been of importance in explaining to communities why some households have been included and why others have not, and working with both communities and elites in explaining the project's aims and limitations. E.g. some participants would argue that 'if this person is extreme poor, then so I am I.' Involving community participants in validating the status of households as extreme poor is good practice (e.g. NETZ). Field workers and *shiree* verification teams often find it useful to illustrate the physical differences between households (e.g. this household has few clothes or this household is more vulnerable as they have no able-bodied worker). Following this, there are reports that communities have understood and validated NGO decisions, suggesting again that advocacy and a raising of awareness of extreme poverty has been a by-product of targeting exercises. Remaining sensitive and aware to the potential impact of the selection process to community dynamics and support systems remains key.

7.2 RECOGNISING DIVERSITY AMONG THE EXTREME POOR – FROM TARGETING TO INTERVENTION

Defining and monitoring sub-categories of households living in extreme poverty has helped projects to 1) conceptualise varying degrees of vulnerability in the selection process and 2) to inform intervention decisions for tailoring project support towards households accordingly (e.g. if an elderly member is unable to work). This is in line with the purposes of the overall project intervention.

As an example, SCUUK, define and monitor beneficiaries along 3 categories of extreme poverty (based on SCUUK, 2010):

- 1) Hardcore poor (bottom 4%). Characteristics include: living in other people's houses, FHHs, elderly headed, disabled, have no earning capacity, suffer from chronic illness, no social safety net. Project support includes: temporary financial support, assistance linking with safety-nets, possible local employment (e.g. home based).
- 2) Vulnerable Extreme Poor – Assetless (bottom 8%). Characteristics include: asset-less, limited access to safety-nets, have earning member, severely affected by disaster. Project support includes: employment - food/cash for

work, through common infrastructure projects, few skills and asset transfers, linkages for nutrition and basic services.

- 3) Vulnerable Extreme Poor - Few assets (bottom 12%). Characteristics include: limited assets / low production; unable to maintain position; vulnerable to shocks and disasters. Project support includes: asset and skills transfer, enterprises and employment, stipend to improve staying power, savings and linkages with market, services, and nutrition support.

7.3 VULNERABLE OR TRANSIENT EXTREME POOR

Recognising the need to include households who are vulnerable to falling into extreme poverty, or the potentially transient extreme poor, *shiree* has tried to consider such households on a case-by-case basis during verification. They are often included with recommendations that they receive less intensive project support or 'softer' benefits, such as skills training to assist them out of such a vulnerable state. Nevertheless, drawing the line for exclusion is reported to remain a considerable challenge to both *shiree* and NGOs throughout the complete targeting process. Here there is scope to improve efforts to include such households into government safety-nets (with less stringent criteria) (e.g. in the case of Bangladesh, the Ektee Bari, Ektee Khamar programme).

7.4 RESOURCES

It has not been possible to record the exact financial costs of the targeting process (due to the way in which budgetary allocations are structured), while selection processes have been carried out within appointed budgets. Financial resources are required for PRA tools (ground mats, pens etc.) but the greatest costs for *shiree* and NGOs are felt when BHH lists need to be reviewed, requiring a re-visiting, re-selecting and re-verifying households.

Time costs are also a product of the location of the extreme poor and the geographical landscape of Bangladesh, or their reportedly scattered nature across the country. For example, in SCUK's working area in Khulna, it can take up to three hours to reach a household, which is also likely to require using a number of different kinds of transport (jeeps, rickshaws, boats and by foot). During selection, the work load on field staffs is heavy, working long days, for example, (e.g. SCUK staff report starting at 6am and finishing at 11pm). Random sampling during verification also means that this can be a lengthy and logistically difficult process.



The time needed to effectively select beneficiaries is a major reason behind PAB's decision to partner with a consulting firm specialising in poverty projects. As this unfolds, it will become clearer as to whether this is more efficient from a monetary perspective. And indeed, there is a case for more thoroughly scrutinising the targeting process from an efficiency and value for money perspective.

8. BEST PRACTICES: WHAT WORKED?

As mentioned, each NGO project has undertaken slightly different approaches to selecting extreme poor households. The below model includes an overview of the process, involving 6 steps (Figure 6). The sequence, detail and time devoted to each step may vary depending on the project intervention and working area. Best practice learnings have been identified at each of these steps and hold relevance for wider application (Figure 7)

FIGURE 6: 6-STEP MODEL TO TARGETING THE EXTREME POOR IN BANGLADESH

Step	What is expected in the Step	Tools	Participants
Step 1	Project planning: -Consider the dynamics of extreme poverty in the area. What is distinctive about extreme poverty here? Develop a list of location-specific, culturally/locally applicable and implementable selection criteria.*	-Local knowledge -Stakeholder consultations. -Resource and power mapping of Unions (e.g. Care model).	Project staff and stakeholders.
Step 2	-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	-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	-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	- 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	-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).

FIGURE 7: BEST PRACTICE LEARNING

Step 1	Project planning Develop location specific criteria	<ul style="list-style-type: none"> • In identifying areas for selection draw on working knowledge, available information sources on geographic distribution of extreme poverty, and from staff's observations from looking for the extreme poor. • When selecting working areas, consider time and resource costs, and plan around these. Plan the targeting process in relation to project cycles and graduation models. • Conduct community analysis activities with field officers and other stakeholders to them to identify the common characteristics of the different income quartiles of their communities.
Step 2	Identification Identification of extreme poor through local FGDs and KIIs	<ul style="list-style-type: none"> • Provide adequate training to staff on extreme poverty and targeting methodologies. Strong facilitators are necessary to lessen the potential for power holders to grab the process, and to reduce any tension between community members. • Encourage the use of participatory approaches (and involving children). Conduct transect walks and door-to-door visits to verify or investigate the possession of physical assets and land. Undertake KIIs with identified respondents. • Consider and respect community and gender dynamics. Create an environment where the selection process and criteria, and project limitations, are transparent and clearly communicated to participants.
Step 3	First level NGO validation Validation processes and profiling	<ul style="list-style-type: none"> • Make sure essential and supplementary selection criteria reflect local circumstances. • Maintain sensitive behaviour and display respect when questioning households. Adopt a style of natural conversation rather than interrogation.
Step 4	Wide stakeholder engagement Further validation with local institutions	<ul style="list-style-type: none"> • Triangulate 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.
Step 5	Independent verification against the	<ul style="list-style-type: none"> • An independent (if possible) verification of a random sample of households against selection criteria.

	<p>selection criteria</p> <p>Independent verification and final profiling</p>	<ul style="list-style-type: none"> Take into account the productivity of assets owned, as well as inflation and the costs of living in a given area.
Step 6	<p>Profiling and development of household specific interaction</p> <p>Tailor project plans for household to household capabilities and vulnerabilities</p>	<ul style="list-style-type: none"> Consider households' abilities to engage with project inputs, and different levels of vulnerability to falling further into extreme poverty, and tailor support accordingly.

9. OVERCOMING MIS-TARGETING AND REACHING THE EXTREME POOR

Following the initial rejection of Scale-Fund household lists, *shiree*, NGOs and partner NGOs engaged in discussion to overcome the communication and information gap reported to exist between *shiree* and NGO project staff. This involved a re-thinking and re-conceptualisation about extreme poverty and the project's focus. For example, project staffs were advised to re-visit those households which had been both accepted and rejected, and reflect on the differences. Among *shiree* and NGO staff, this has not only resulted in a greater understanding of extreme poverty, but also built confidence in the selection procedure. A key lesson learnt is therefore that targeting effectiveness can be enhanced through orientating staff on the characteristics of extreme poverty and on the different targeting methodologies. Despite the challenges faced throughout the initial attempts to reach the extreme poor, projects are working in remote areas which in some cases have not previously been reached by communications, infrastructural developments and other poverty projects.

Our confidence is now high (Project Director, SCUK Household Economic Security (HES) model of Graduating the Extreme Poor Project).

The selection process has been time-consuming. It is a cumbersome, stringent and complex process. [Targeting the extreme poor] is the plus point to this project. It is challenging because they are scattered and not clustered together and so we have not followed the usual way of operating (Project Director, SCUK HES project).

We struggled at first with a large work load but there are benefits now (CARE SETU project Team Leader).

An OPR (external review) in November 2009 states:

Successful identification and targeting of extreme poor: The MA (*shiree*) has performed well in identifying 6 different projects, all of which touch on the boundaries of extreme poverty. The overall impression of the review team is that the extreme poor are harder to reach and in the past NGOs have tended to work with the 'active poor' and the extreme poor and marginalised have been left behind. The MA must therefore be credited with pushing the boundaries of extreme poverty and ensuring that the targeting by the NGOs is in line with this objective. While there a number of challenges and issues concerning this targeting, the MA has nevertheless ensured that the primary objective of *shiree* has been addressed (Smith et al., 2009: 7).

Verification remains a key activity and value addition provided by *shiree* in ensuring that projects are targeting the extreme poor. Efforts have, and continue, to be made to ensure verification exercises are independent and sensitive towards households (e.g. *shiree*, 2009).

This [first] *shiree* verification enlightened all staff on how mis-targeting occurred, and how it could be avoided. In addition, a common understanding of extreme poverty and the application of targeting criteria were established (NETZ, 2009b).

At the beginning, there was a gap of understanding between *shiree* and PAB. This was overcome, however, through training sessions between *shiree*, PAB and partner NGOs and visits to the field together. Now there is little difference in the understanding of extreme poverty between *shiree*, PAB and partner NGO staff. We are getting more confident in the selection process. There is now a greater common understanding and more regular sharing of experiences between *shiree* and PAB. The verification process has positively helped us to get to the most vulnerable beneficiaries (Manager of Operations, PAB Pathways from Poverty Project).

This has been a learning process on extreme poverty. We had worked on poverty, but not absolutely with extreme poverty. It has been a learning process and will help us in the future to choose the right beneficiaries in the right order (Project Director, PAB Pathways from Poverty Project).

The initial rejection was taken positively and seriously by Uttaran, and has informed following selections (Programme Manager, *shiree*).

Positively, and adding to the evidence that targeting can also constitute local-level advocacy, a field worker of Uttaran explained how relationships with local government officials, after a difficult start, eventually improved:

After joining this project, we were given an orientation to get to know the area. Then we started introducing ourselves to the local government, political leaders and government officials. As we intended to work with/for the landless and distribute *khas* land among the extreme poor landless people, we were supposed to have a good relationship with the government officers in the land office, UNO's office, DC (Deputy Commissioner) office and related offices. At the beginning they were very suspicious of our motive and critical of our activities, but now, after working for almost two years, the ice seems to be melting and the situation is much better (Uttaran field organiser, July, 2010).

10. CONCLUSIONS

This paper has documented the targeting process and lessons learnt from the first year and a quarter of *shiree*-supported NGO projects. There is growing work which suggests that the extreme poor are a qualitatively unique group who face distinct challenges in climbing out of poverty. As such, different responses are arguably required. To learn and further improve interventions which work for this group, designing suitable and sensitive targeting methodologies are crucial.

Experience confirms the complexity involved in both defining and reaching the extreme poor, and points towards multidimensionality in experiences of extreme poverty across the country. This in itself serves to build a case for a further focusing on them. By not targeting the extreme poor, there is the worry that they may continue to be excluded politically and practically from poverty reduction efforts.

shiree and partner NGOs have had to work hard within time boundaries to reduce inclusion errors, while remaining realistic about the costs of sophisticated targeting. Early learning shows that selection strategies need to be context specific and recognise diversity in a country like Bangladesh. Over specification (one-definition) of one or more criteria or over reliance on one targeting tool could lead to targeting errors and in the diverse contexts of Bangladesh. Instead, a mix of contextually specific criteria and methods had to be applied.

Feedback from partner NGOs appears to be in agreement that the overall process has facilitated an orientation towards the *real* extreme poor, and positively altered NGOs' tendency to work with the better off amongst the poor in Bangladesh. Though costly in terms of time, the process so far has informed the programme's conceptual and contextual understanding of extreme poverty, and helped to modify and improve interventions.

Debates continue about the appropriateness of universal versus targeted interventions. Alongside this, the unique position of the extreme poor needs to be more widely recognised and no longer overlooked or lost within wider responses. As such, there are opportunities for a greater focusing on the extreme poor, to further include and make them more visible in poverty reduction efforts. While there remains room to continually refine targeting practices, from learning so far, *shiree*'s model holds relevance to improving the targeting of NGOs, donors and government programmes towards the extreme poor.

This paper nevertheless opens up a number of remaining questions and areas for further investigation, including:

- Comparing universal and targeted interventions to reaching the extreme poor.
- Comparing the costs of different methods and approaches.

- Experimentation with non-monetary or wellbeing orientated selection criteria which take into greater account experiences of social risks and marginalisation.
- Ethical considerations to excluding the average poor, particularly those who might be transiently extreme poor.
- The extent to which community perceptions and decisions as to who the extreme poor are, are the same or different to those made by externally (i.e. benefits of a combined approach).
- Impacts of the selection process on community support mechanisms (on which the extreme poor previously or may still rely).
- Exploring the affordability of improved government targeting.

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