



Piloting a second tier of core participant households

Background

The second phase of the Chars Livelihoods Programme (CLP) began on 1st April 2010 with the objective of improving the livelihoods, incomes and food security for one million extremely poor and vulnerable island *char* residents in Nilphamari, Rangpur, Lalmonirhat, Pabna and Tangail. It is planned that 67,000 extreme poor families (termed core participants or CPHHs) will receive the CLP core package of support.

Early in the Inception Phase (April-December 2010), the Innovation, Monitoring and Learning Division (IML) conducted a study to principally assess the potential number of CPHHs in the five 'new' districts¹. The study concluded that there might only be about 42,000 CPHHs meeting the current and very strict selection criteria on island *chars* in these five new Districts as well as in Kurigram and Gaibandha²; resulting in a potential shortfall of about 25,000 CPHHs.

The main reasons for the shortfall:

- smaller island *char* population living in the five 'new' districts compared to CLP1 operating areas (Table 1);
- poverty levels are higher in the CLP1 working areas;
- the selection criteria, specifically the asset threshold of 5,000 Taka, developed in 2005 is extremely low and has never been adjusted for inflation meaning that with each annual recruitment of participants, households must be poorer and poorer to qualify.

Table 1: Island *char* population in the NW of Bangladesh

	CLP1 working area	CLP2 working area
Number of island <i>char</i> villages	+/- 650	+/- 260
Number of island <i>char</i> households	+/- 186,000	+/- 76,000

Source: IML study

¹ Kenward and Islam, August 2010, CLP2 Districts: An Assessment of the number of CPHHs and Island Char Villages. Also see CLP2 Inception Report

² Households in Kurigram and Gaibandha meeting selection criteria but not covered during CLP1.

Options to address the shortfall in CPHHs

The CLP Management Team discussed a number of options to address the potential lack of CPHHs, each of which has relative strengths and weaknesses. Possible options include:

- support a second tier of households (with a lower value core package) who are still extremely poor but slightly better off than the first tier households;
- work in additional districts;
- downsize and focus only on those CPHHs that meet the current CLP selection criteria (i.e. approximately 42,000 CPHHs);



CLP raised plinth

Introducing a second tier of CPHH

The CLP and DFID have discussed the possibility of modifying certain criteria but especially that of the asset threshold (especially to account for inflation). Such changes do however need to be introduced slowly to allow lessons to be learnt and field staff to be adequately trained.

DFID agrees that a pilot of 1,000 second tier households can be carried out from January 2011. These households will be selected by the criteria in Table 2 and receive a reduced package of support³. The main differences in selection criteria are that tier 2 can have productive assets up to a value of Tk 15,000 (as opposed to Tk 5,000) and own small areas of land (up to 5 decimals) or share crop (up to 33 decimals)⁴.

³ E.g. 2nd tier households will receive an income generating asset valued at Tk 9,000 as opposed to Tk 15,500 for 1st tier households

⁴ One decimal is approximately 40 M²



Table 2: First and second tier selection criteria

	First tier	Second tier
Residency	6 months on island <i>char</i>	
Land ownership	No land ownership	Up to 5 decimals of homestead and 33 decimals share cropping
Productive assets	Up to Tk 5,000	Up to Tk 15,000 (excluding land)
Credit	No loan from a micro-finance institute	
Assets and income	Not receiving cash/ asset grants from another programme	

In the immediate future, the pilot will essentially test:

- how feasible (and easy) it is to select a second tier of CPHHs and whether the Programme can scale up this approach;
- whether the selection criteria are appropriate;
- how the second tier households compare in terms of socio-economic and nutritional status, with first tier CPHHs.

During the next 18 months first and second tier households will be monitored closely to see how their relative socio-economic and nutritional statuses change over time.



Core Participant with asset

Pros and Cons of a second tier

Each CPHH receives a significant investment from the CLP. The selection is based on households meeting strict selection criteria.

Many neighbouring households are still extremely poor but do not qualify for the investment possibly because they sharecrop a small piece of land or have a small loan outstanding.

Anecdotal evidence indicates that this approach creates tensions and jealousy towards CPHHs and consequently impacts harmony at the village level. By providing a marginally better off segment of the village with a relatively smaller package of support should reduce the animosity and ensure that additional extremely poor households are supported.

There are arguments against introducing a second tier of households. For example, the CLP has developed a tier and tested an approach to identifying and supporting CPHHs. Introducing another set of criteria runs the risk of complicating matters possibly leading to inclusion/exclusion errors.

Another argument against a second tier is that these households are, in relative terms, not as poor as those supported by other UKaid-funded extreme poor programmes such as challenging the Frontiers of Poverty Reduction Programme and the Economic Empowerment of the Poorest Project.

Way Forward

At the time of preparing this brief, the Operations Division of CLP has contracted three IMOs⁵ to select 1,000 second tier CPHHs from Lalmonirhat and Kurigram based on the criteria mentioned above. Socio-economic and nutrition baseline data will be collected from these households and compared with data collected on first tier households. Only then the real distinctions between the two tiers can be shown. It is expected that the CLP annual review, scheduled for February 2011, will provide clarity on whether the pilot can be scaled up.

CLP January 2011

⁵ MJSKS, RSDA, SKS