



Extreme Poverty Policies of Donors in Bangladesh: An Overview

A Desk Study by **shiree**

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1.0 Donor Policies Against Extreme Poverty

This report provides an overview of the main bilateral, multilateral and INGO policies currently targeting extreme poverty, with a particular focus on South Asia and Bangladesh. It begins by briefly discussing the different ways in which these organisations define extreme poverty and subsequently analyses specific approaches and strategies being employed to tackle the problem. In having a better understanding of current practices used to address extreme poverty, **shiree** can keep up to date with timely lessons being learnt.

This report is based on:

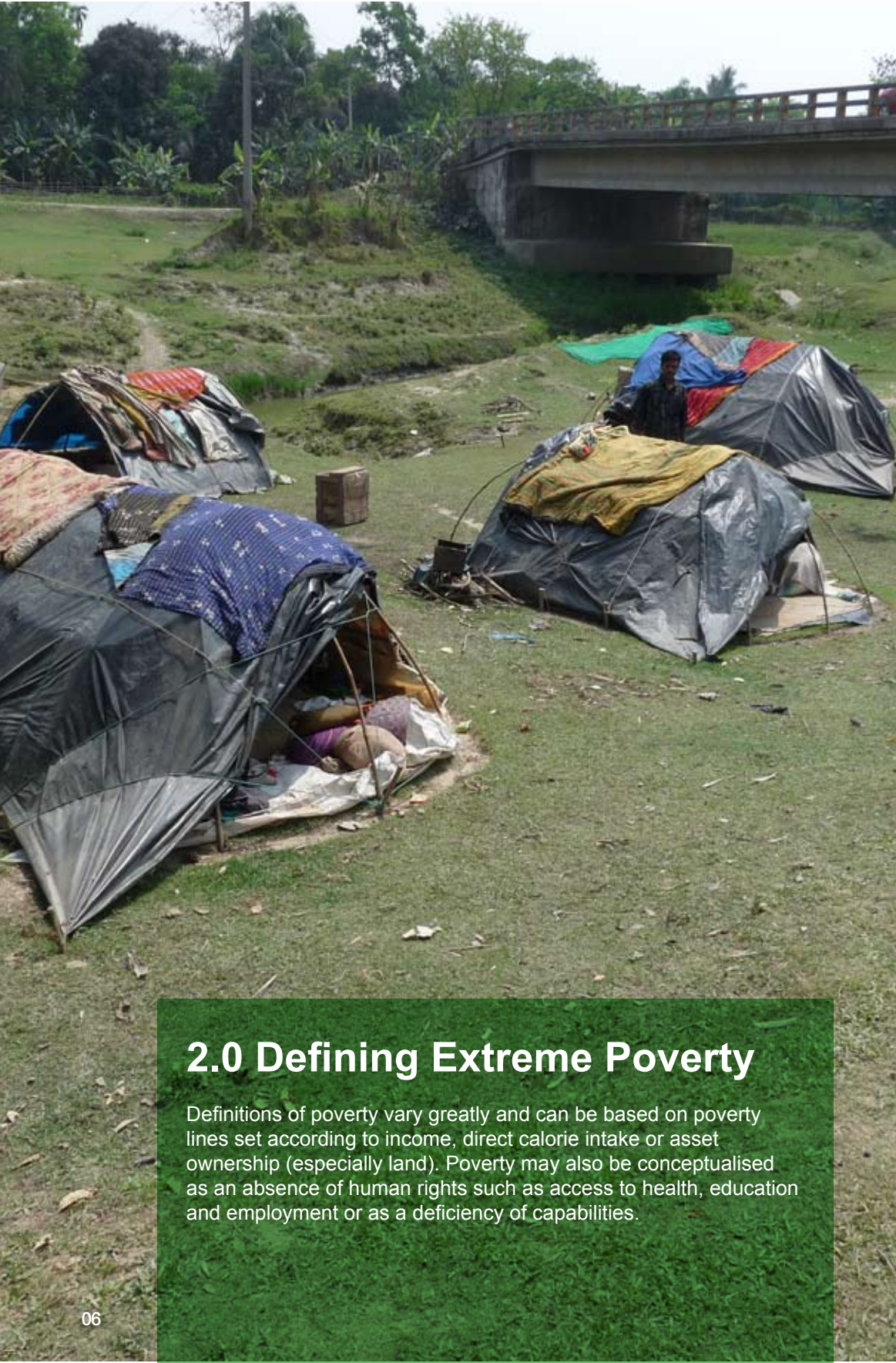
- a review of the mission statements, key policy and programme strategy documents and recent publications available on the websites of 13 bilateral and 7 multilateral agencies as well as 6 INGO's¹.

¹ **Bilateral Donors:** DFID, Irish Aid, USAID, Australian Agency for International Development (AusAID), European Commission Humanitarian Aid (ECHO), EuropeAid (AIDCO), Agence Française de Développement (Afd), Canadian International Development Agency (CIDA), Danish International Development Agency (Danida), Swedish International Development Cooperation Agency (SIDA), Federal Ministry for Economic Cooperation and Development, Germany (GTZ), Norwegian Agency of Development Cooperation (NORAD), Japan. **Multilateral Donors:** World Bank, IMF, UNDP, UNHCR, UNESCO, UNICEF, Asian Development Bank (ADB). **INGOs:** Action Aid, Oxfam International, Save the Children International Alliance, World Vision International, Care International, Caritas International.

- responses to 6 questions emailed to these organisations to determine if they have specific commitments to addressing extreme poverty with particular emphasis on South Asia and Bangladesh.
- information available in the country documents of the key donors operating in Bangladesh – the UK's Department for International Development (DFID), USAID, the Canadian International Development Agency (CIDA), the World Bank, Asian Development Bank (ADB), United Nations Development Programme (UNDP) and the World Food Programme (WFP).

While this study examines key documents at the HQ level, one limitation is that it does not consider all the information available from regional and country offices. By looking at the documents across all the different offices it would be possible to more fully capture the approaches undertaken to address extreme poverty.





2.0 Defining Extreme Poverty

Definitions of poverty vary greatly and can be based on poverty lines set according to income, direct calorie intake or asset ownership (especially land). Poverty may also be conceptualised as an absence of human rights such as access to health, education and employment or as a deficiency of capabilities.

The most widely accepted definition of poverty remains that used by the World Bank; set in 1990 at US\$1 per person per day and updated in August 2008 to **US\$1.25 per person per day, adjusted for purchasing power parity**. This is the poverty line against which the first Millennium Development Goal (MDG1) to 'eradicate extreme poverty and hunger' will be assessed. Despite the fact that this is commonly referred to as the 'international poverty line', with increasing disaggregation of poverty there is now confusion over whether this should be referred to as the 'poverty line' or, in fact, the 'extreme poverty line' as MDG1 seems to imply. Indeed, the World Bank also has a 'median poverty line', currently set at US \$2 per person per day.



Among the organisations reviewed, the majority of multilateral and bilateral donors use the term *extreme poverty* in relation to achieving the MDG1 target; in other words, to refer to people living on less than US \$1.25 per person per day. This is not to say that these donors do not also acknowledge that poverty and extreme poverty are multidimensional. However, none of these organisations maintain a **clear distinction between poverty and extreme poverty** in their documents while the Agence Française de Développement does not give any definitions for these fundamentally different forms of poverty.

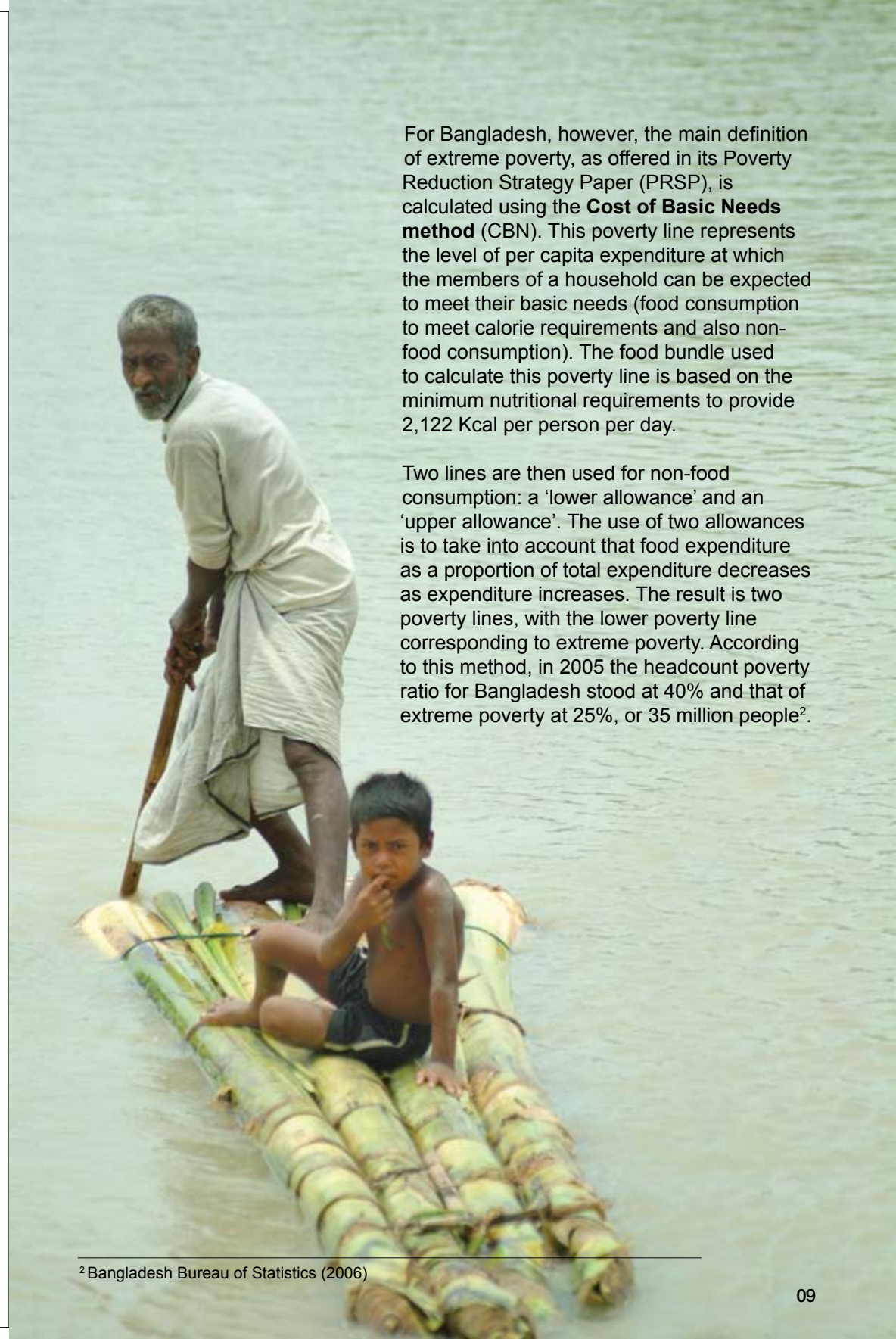
In contrast, for INGOs, whether people are earning less than US \$2 per day or less than US \$1.25 is irrelevant. Instead, they view poverty as well as extreme poverty as an **absence of basic rights and capabilities**. They believe that people who are extremely poor are likely to be women, children and those lacking access to education, health care and education. They are people who are powerless and experiencing multi-dimensional deprivation.

Table 1 (next page) lists the different terms used in key policy documents to describe people living in extreme poverty.

Table 1: Describing the poorest people in key documents

Term	Who uses it	How it is used
Extreme poverty	World Bank, ADB, GTZ, Irish Aid, USAID, AusAID, AIDCO, CIDA, DANIDA, SIDA, NORAD, Japan	In relation to achieving MDG1 Income Poverty – US \$1.25 per person per day at ppp
	DFID	Used in the White Paper to refer to US \$1.25; specific definitions are also given in MDG1 country documents
	Oxfam International	No specific definition – related to rights and capabilities
The hard-core poor	UNDP-Bangladesh	Refers to ethnicity and location – for instance poverty in the Chittagong Hill Tracts
The ultra poor	WorldVision (International)	Specifically defined in relation to food intake and asset ownership
	World Food Programme	Expressed as a food poverty line
Poorest-of-the-poor	UNDP and UNEP	Those facing the most extreme hardship
Most marginalised, the poorest, poorest communities in the world	INGOs including Oxfam International, Care International, ActionAid and Caritas	People with limited rights and capabilities, particularly women and children, the chronically ill and those lacking access to education and health care

Table 1 also includes some of the terms used to describe the poorest households in Bangladesh. UNDP-Bangladesh, for instance, refers to the 'hard-core poor' as particularly disadvantaged ethnic groups and people living in certain locations, in this case the Chittagong Hill Tracts.



For Bangladesh, however, the main definition of extreme poverty, as offered in its Poverty Reduction Strategy Paper (PRSP), is calculated using the **Cost of Basic Needs method** (CBN). This poverty line represents the level of per capita expenditure at which the members of a household can be expected to meet their basic needs (food consumption to meet calorie requirements and also non-food consumption). The food bundle used to calculate this poverty line is based on the minimum nutritional requirements to provide 2,122 Kcal per person per day.

Two lines are then used for non-food consumption: a 'lower allowance' and an 'upper allowance'. The use of two allowances is to take into account that food expenditure as a proportion of total expenditure decreases as expenditure increases. The result is two poverty lines, with the lower poverty line corresponding to extreme poverty. According to this method, in 2005 the headcount poverty ratio for Bangladesh stood at 40% and that of extreme poverty at 25%, or 35 million people².

² Bangladesh Bureau of Statistics (2006)



3.0 Approaches to Addressing Extreme Poverty

The rationale behind defining and identifying the extreme poor is that they are the people who have either failed to benefit from past development assistance or have even been disadvantaged by it. **The extreme poor are not merely poorer than poor people: they face a fundamentally different set of situations.** In other words, different approaches are required to reduce extreme poverty. The complex causes of extreme poverty result in a need for intensive and co-ordinated assistance to fight the problem. Focusing on people living just below the poverty line is simpler than helping those living a long way below it. ActionAid's (2005) 'Real Aid: An Agenda for Making Aid Work' criticises donors for wanting to gain quick results, something not easy to achieve when addressing extreme poverty.

When looking at the key literature and policy documents of donors and INGOs, 4 main approaches to extreme poverty can be identified. The different emphases of these approaches are very much related to how extreme poverty is defined and conceptualised.

Approach 1: State That All Funding and Programmes Address MDG1

According to their websites and key documents the majority of bilateral and multilateral agencies approach extreme poverty through the lens of the MDGs. AusAID, for instance, has a clear focus on identifying populations living on less than US\$1 a day. DFID states that its core goal is to 'eradicate extreme poverty'. In line with MDG1, DFID is working to help halve the proportion of people whose income is less than US\$1 a day by 2015, while the German Government is also firmly committed to halving the proportion of people living in extreme poverty over the same time period.

With MDG1 these organisations now have a clear focus on poverty reduction. However, with few exceptions it is unclear whether or not they have changed the way in which they operate, particularly in terms of committing to help the 'poorest of the poor'. Agencies also often fail to make it clear how their own specific funding or programmes will address the MDGs and instead talk in very general terms.

Globally, even if MDG1 is achieved, 800 million people will remain in absolute poverty and these are likely to be the very poorest people, those who are both the hardest to reach and the most difficult to help. Specifically in Bangladesh, 41% of the population lived below the international poverty line in 2000³. How relevant then, are lessons from approaches aiming to achieve MDG1 to a programme such as **dhiree**, which focuses on the poorest 10% of households in Bangladesh?

Approach 2: Develop Policies and Strategies for Each Country That Respond Specifically to the MDGs & PRSPs

While many governments speak in very general terms about how they will address 'extreme poverty' through the MDG framework, some are more specific about what their actual contribution will be and how they will address extreme poverty.

Take Denmark for example. In its country document ('Bangladesh-Denmark Partnership: Strategy for Development Cooperation 2005-2009'), the Danish Government commits to adjust its development priorities to focus directly on the main concerns and goals of poverty reduction laid down in the PRSP.

The PRSP for Bangladesh is geared towards the MDGs but sets more ambitious targets by using 2002 rather than 1990 as a baseline from which to track progress. It states that in order to halve the number of people living in extreme poverty between

³ Given in the World Development Report (2008): Agriculture for Development

2002 and 2015, the economy will need to sustain a real GDP growth rate of at least 7% per year. One key aspect of Denmark's involvement in Bangladesh is to support pro-poor economic growth.

Approach 3: Develop Country-Based Programmes That Meet the Needs of The Poorest People

Some donors and organisations have drawn up country strategies with the aim of reaching the poorest people as they define them.

In addition to using US\$1 per person per day as its extreme poverty line, DFID has also developed country plans and assessments to focus specifically on different extremely poor groups. DFID-Bangladesh builds on the work of the World Bank and Bangladesh Bureau of Statistics to define its threshold for extreme poverty. While the poor are people whose expenditures fall below the upper CBN poverty line, the extreme poor are people whose average daily expenditure is below the level which 10% of households spend. This would mean that in 2007:

The extreme poor are people whose average per capita expenditure for 2007 is below Tk. 16-22 per day, depending on region. This is the equivalent to US\$0.23 - \$0.32 per person per day at current market exchange rates.

The poor are people whose average per capita expenditure for 2007 is below Tk. 27-33 per day, depending on the region. This is the equivalent to US\$0.39-\$0.48 per person per day at current market exchange rates.

This highlights the rationale behind **shiree**'s focus on the poorest 10% of households in Bangladesh (according to their expenditure). **shiree** represents one approach out of a range of DFID programmes designed to tackle extreme poverty in the country.

In contrast, the WFP in its 'Country Programme – Bangladesh 2007-2010' uses the expression ultra poor to describe the poorest as people who:

Spend 70% of their household income on food; have no assets; consume around 1,800 kCal per day in comparison to the recommended daily allowance of kCal 2,100 per day; and suffer from chronic food insecurity and severe malnutrition.

While DFID then, views the poorest groups in Bangladesh in terms of their expenditure, the WFP identifies the poorest people through a combination of income and food security measures. Within this country programme, the WFP has 5 priority areas, one of which is to specifically enhance the food consumption and livelihoods of ultra poor women.

In line with the WFP, World Vision in its 2009-2013 country strategy for Bangladesh also states its commitment to working with the 'poorest of the poor', whom it terms the ultra poor. They define such beneficiaries as:

Those who cannot attain 1600 kCal per day and are without assets, land, shelter, or belongings, have no place to grow food and no capital with which to purchase it.

Approach 4: Identify the Groups Most Affected by Poverty & Issues That Cause Poverty in Order to Better Focus Funding & Programmes

This is the approach taken by all the INGOs examined. CARE focuses particularly on women and ActionAid in its 2007-2008 Annual Review identifies **women and girls** as the 'poorest of the poor' in most societies because of the extreme forms of discrimination that persist in many parts of the world. Other groups that are particularly affected by poverty include people living with HIV/AIDS in a country where this is stigmatised and unsupported sex workers. GTZ also identifies the most disadvantaged groups as **people with disabilities, older people and households affected by HIV/AIDS**.

In terms of Bangladesh it is widely recognised that **female-headed households** are overly represented among the poor and extreme poor, with almost all of them (95%) living below the poverty line and 40% being classified as extremely poor⁴. Also over-represented in the extreme poor category are people living in particularly unfavourable environments, such as those frequently affected by flooding.

Oxfam International has a slightly different approach, describing how they address the '**issues**' that are the cause of poverty. Climate change is the organisation's current focus as it poses a threat to the livelihoods of poor people. Oxfam also asserts that poverty and powerlessness sit together and must be addressed together for sustainable poverty reduction. GTZ and SIDA also acknowledge the importance of tackling the root causes of poverty.

If **shiree** is to adopt an approach that focuses on particular groups or particular issues that are at the root cause of extreme poverty, it needs to:

- determine which, if any, groups are over-represented among the 10% of households with the lowest expenditure
- distinguish between the 'extreme vulnerable poor' (marginalised but economically active, such as female-headed households) and the 'extreme dependent poor' (the disabled and elderly)⁵.

⁴ Given in Danida - Bangladesh-Denmark Partnership: Strategy for Development Co-operation 2005-2009. Poverty lines according to the CBN approach

⁵ Distinction given by Wright (2008) in 'Extreme Poverty in Bangladesh: DFID's Perspective'. Presentation given to EEP.

4.0 Extreme Poverty Reduction Strategies

Even though most bilateral and multilateral agencies define extreme poverty in relation to the international poverty line, they all understand this poverty as multi-dimensional and that thematic strategic funding areas are required to address it. The most common of these areas include:

- education
- health
- gender equality
- environmental protection
- trade
- food security
- governance

The German Development Agency states that “MDG1 cannot be achieved purely with measures to reduce poverty directly. More importantly, the structures that are the cause of poverty must be changed.”⁶ All the INGOs studied argue that addressing power structures and inequalities are essential to achieving sustainable improvements in poverty reduction.

Addressing these thematic areas and issues of power are central to many poverty reduction strategies. Research shows, however, that extremely poor people require different strategies. The key question for **shree** then, is how do strategies for the extreme poor differ from standard poverty reduction practices and policies?

In their key documents and policy statements, agencies and organisations make little attempt to answer this question. Among the bilateral agencies studied only DFID, ECHO, DANIDA and GTZ offer specific information on either their funding commitment or specific policies and strategies to address extreme poverty in South Asia over the next 5 years. Among the INGOs, only two provide funding commitments for strategies in Bangladesh in their key documents for 2008:

- CARE International – budgeted US\$36 million for all programmes
- Caritas International – budgeted US\$11.6 million for all programmes

Despite both their pledges to focus on ‘the poorest communities in the world’ (CARE) and ‘the poorest and most marginalised’ (Caritas International) neither give details in their key documents as to the strategies which they will use to help these poorest people. For INGOs in particular, an important part of their activities is ensuring that aid money actually reaches the poorest people through:

► Advocacy – Ensuring Aid for the Poorest

A key strategy adopted in particular by ActionAid and Oxfam International, is advocacy. In the case of Oxfam, this advocacy is for more aid and greater aid

efficiency, with this aid being accountable directly to the communities which they serve. ActionAid has a strong focus on lobbying the World Bank, UN and donor countries to meet their aid targets and to ensure greater co-ordination and improved targeting of aid to the world’s hungry.

All INGOs state that not enough aid gets to the poorest. They advocate that multi and bilateral donor agencies should be far more accountable in terms of identifying who they reach and all stated they would like to see aid donors become more transparent about how aid funding is used. They also all want aid agencies to be more determined to ensure that aid reaches those who need it most.

► Aid Efficiency – Taking Responsibility

Because of the difficulties in reaching and helping extremely poor people, it is essential that the task of reducing extreme poverty is clearly present on the political agenda. One of the reasons behind defining and measuring the number of people living in extreme poverty is that this makes it much more difficult for them to be ignored in development efforts.

With increased aid efficiency in Bangladesh, the UK has now been given the main responsibility of tackling extreme poverty. Under the Joint Strategy, signed by the UK, World Bank, Asian Development Bank and Japan, each agency has agreed in consultation with the Government of Bangladesh on which sector and policy area it will lead. While all of the sectors are related to poverty reduction, it is the UK which has taken on the task of building ‘livelihoods for the extreme poor’. The aim of this strategy is to maximise aid impact by sharing analysis, dividing responsibilities and reducing transaction costs. Table 2 below indicates the main responsibilities of each partner.

So, when extreme poverty is put on political and economic agendas, how can the funds allocated for its reduction be effectively spent?

Table 2: Lead Responsibilities of the Joint Strategy Partners in Bangladesh

UK	Poverty monitoring, livelihoods for the extreme poor, access to justice, strengthened human security, public expenditure and financial management reform, participatory governance
World Bank	Trade, labour force, banking sector, microfinance, agriculture, environment, health, water and sanitation, justice system, tax, procurement, local governance
ADB	Power, ports, roads and railways, urban infrastructure, primary education, Anti Corruption Commission.
Japan	Rural infrastructure, indigenous people, private sector development.

Source: DFID (2007).

⁶ BMZ Information Material (2005) Germany’s Contribution to Achieving the Millennium Development Goals. Pg. 25.

Despite the limited information available on websites and in key documents, some themes do emerge about strategies which donors and INGOs either believe will work or have been successfully used to address extreme poverty. The following subsections, mainly based on work in Bangladesh, give an overview of these strategies.

I. Concentration of Activities in Areas of Greatest Need

Starting from the basis that single-sector activities are insufficient to address ultra poverty, one of the guiding principles of the Bangladesh Country Plan 2007-2010 of the World Food Programme (WFP) is to focus its activities geographically. Using Vulnerability Assessment and Mapping (VAM), WFP prioritises its activities and resources in the areas of greatest need. The analysis gives estimates of the proportion of people below the lower poverty line (food consumption of less than 1,805 kCal per person per day) at the *upazilla* level. Based on this research, it has prioritised 6 areas of Bangladesh;

- **Northwest** – subject to frequent natural disasters and high in-country migration by household heads
- **North-central chars** – characterized by unstable land, high levels of functional landlessness and frequent flooding
- **Drought zone** – area north of the Padma river
- **Haor basin** – region frequently flooded and prone to waterlogging
- **Coastal zones** – where land is washed away by tides and flooding
- **Chittagong Hill Tracts** – this region remains unstable with concentrations of internally displaced people and indigenous groups

Within each of these areas the WFP focuses its nation-wide Vulnerable Group Development Programme (VGD). This combines food with training in income-generation, rights, literacy, savings programmes and microcredit for ultra-poor women. It does, however, acknowledge that there may be different priorities in different areas. The WFP works closely with government as well by improving its technical and institutional capacity to manage food programmes, believing this is essential to enable sustainable exit from poverty for people living in these unfavourable areas.

Other donors in Bangladesh also adopt a geographical approach with 5 of the 6 priority areas identified by the WFP being the focus for different programmes. Table 3 lists the different programmes which are geographically focused. More specific information about these programmes is given in table 4 at the end of this document.

From a geographical perspective then, there are several high-profile programmes operating specifically to address extreme poverty in 5 of the 6 priority areas identified by the WFP. It initially seems that both the northwest and north-central chars are well covered by these programmes with there being fewer activities in the coastal zone, haors and drought zone. When targeting interventions geographically however, it needs to be remembered that many very poor people who do not

Table 3: Selected extreme poverty programmes by region in Bangladesh

Region	Extreme Poverty Programmes
Northwest	This region is the focus of one of DFID's programmes in its portfolio of activities to reduce extreme poverty; The Challenging the Frontiers of Poverty Reduction (CFPR) of BRAC operates in 15 districts in the north of Bangladesh, particularly focusing on those in the northwest where there is seasonal hunger or <i>monga</i> .
North-central chars	This region is the focus of another of DFID's extreme poverty programmes: The Chars Livelihoods Programme (CLP) specifically targets the poorest households living on island chars, providing women with over £100 worth of investment capital, a monthly stipend for 18 months, raised homestead plinths, latrines and access to tube wells. CARE-SHOUHARDO, a USAID-funded programme involving asset transfer, also operates in the region.
Haor basin	This area is also an operating region for CARE-SHOUHARDO.
Coastal zones	Both CARE-SHOUHARDO and 'Sustainable Livelihoods for the Ultra Poor', a CIDA-funded project, operate here. This second project works exclusively in Chandpur District, at the confluence of the Padma and the Meghna rivers. It aims to help 33,000 poor households improve their livelihoods, increase income and achieve food security through a combination of initiatives in early childhood development, basic healthcare and rural development.
Chittagong Hill Tracts	Both UNDP and DANIDA have significant involvement here. DANIDA points to access to safe water as a potential development entry point, noting that 200-300 people often share a single water source. Water treatment is often needed because of high levels of salinity and arsenic contamination. At the same time, awareness of the link between hygiene and health is low and contributes to deaths of children under the age of 5. Access to other basic services including education, health and sanitation facilities is also essential to address extreme poverty.

necessarily live in 'poor areas' will be overlooked by this type of assistance. This consideration is particularly pronounced when deciding whether to focus on urban or rural areas. All the programmes mentioned above either explicitly or implicitly have a rural focus.

II. Strategies for the Poorest Households

VGD, CFPR, CLP, CARE-SHOUHARDO and Sustainable Livelihoods for the Ultra Poor all—as well as focusing on particular geographical areas—target specific households within those areas. These households are largely selected according to asset and food security-based poverty lines drawn up by the different organisations. Some also place particular emphasis on female-headed households.

The effectiveness, or ineffectiveness, of targeting as a strategy in development programmes is widely debated. ADB⁷, for instance, in a review of projects in China, Malaysia and Vietnam argues that targeting funds to particular regions and particular households is not effective in lifting poor people out of poverty. This is largely due to the fact that the solution to persistent poverty, in remote and poorly endowed regions in particular, lies outside those regions. ~~shire~~ may well have to engage with such debates about programme targeting. Here again, the key issue remains that extremely poor people have largely been missed or not helped by traditional strategies for poverty reduction. It is clear that eliminating extreme poverty requires a different approach.

III. Strategies for the Poorest Groups

A slightly different strategy is to focus on particular groups who are over-represented among the poorest of the poor, rather than on households selected according to a particular extreme poverty line or based on where they live.

Strategies for particular groups include:

Women - Gender is a central theme in the UNDP's poverty reduction strategy with women being a key focus of poverty needs assessments as well as poverty strategies and policies. Women are also at the heart of CARE's international community-based efforts to improve basic education, prevent the spread of HIV, increase access to clean water and sanitation, expand economic opportunity and protect natural resources. In 2007 ActionAid established a 'Women's Rights Co-ordinator' in each post in order to **ensure that women gain a voice** in decisions which affect their lives. For all these organisations, **gender is a key cross-cutting issue**.

Working Children - Though not explicitly an 'extreme poverty' programme, CIDA in Bangladesh has a project, Basic Education for Working Children, targeting 200,000 urban children who are engaged in work which prevents them from attending school. In particular, it aims to focus on **children who are engaged in hazardous labour** and provides **basic education** and livelihood skills training.

Disabled People – GTZ in particular has a focus on **disabled people**, arguing that they should have equal rights in development initiatives. In Chile, for instance, GTZ is encouraging the government to admit disabled children from poor backgrounds into pre-existing schools. To what extent can the situation of extremely poor people be improved within and as part of, existing poverty reduction strategies?

⁷ ADB (2006) Pathways out of Rural Poverty and the Effectiveness of Poverty Targeting. Asian Development Bank Special Evaluation Study.



IV. Pro-poor(est) Economic Growth

Stating that it will place emphasis on 'poorer' and female-headed households, DANIDA expresses support for the acceleration of pro-poor economic growth in Bangladesh, focusing particularly on **rural areas** where poverty is most widespread. It will do this through the **development of both agriculture and non-farm economic activities**. DANIDA will also support the private sector to expand employment opportunities in the non-agricultural areas of Bangladesh⁸.

V. Social Protection Systems

On its website, GTZ states that globally 'more than a billion people live in extreme poverty'. In this case, it appears to be referring to the US \$1 a day poverty line. GTZ asserts that in order to protect these poorest people from risks and uncertainties it is necessary to provide them with social security systems in order to restore their self-help capacity. In particular, it points to the value of **social health insurance** schemes and **basic security systems** in order to cover groups which have previously been **excluded from social protection**. Social health insurance can help extremely poor households, as well as those vulnerable to poverty, from falling into the 'illness poverty trap'.

GTZ believes that social protection systems should be able to incorporate all population groups. This means that they can help households experiencing acute economic and social crises (such as illness, loss of employment or income) as well as those which it terms the 'most deprived', which includes people with disabilities.

⁸ Bangladesh-Denmark Partnership: Strategy for Development Co-operation 2005-2009

5.0 Conclusions

This study suggests that very little consideration has been given by bilateral and multilateral donors to ensure that the very poorest receive at least proportionate aid support. Not only that, there are very few clear examples of the strategies used to tackle extreme poverty even when funding is committed to its reduction. Instead, very general statements are put forward about how it is desirable to reduce extreme poverty, particularly in relation to the MDGs.

With most donors using extreme poverty to refer to the 'international poverty line' of US\$1 per person per day, it is difficult for **shree** to distinguish between those approaches and activities which are really aiming to help the 'poorest of the poor' and those which refer to standard poverty reduction strategies. It is now accepted, though, that the alleviation of poverty for the very poorest requires a different approach. **shree** needs to work out the lessons which it can gain from poverty reduction strategies and those which need to be tried, tested and even modified for the successful reduction of the poverty of the poorest 10% of the population of Bangladesh.



As well as this, the very different ways in which bilateral and multilateral agencies and INGOs conceive of extreme poverty makes it difficult to decide whether a particular project or programme is an extreme poverty one or not. For instance, INGOs focus on particularly vulnerable groups such as women and children. Because these groups are over-represented in the poorest 10% of households as measured by expenditure, does this mean that these programmes represent strategies for reducing extreme poverty? Which are the other groups over-represented in the poorest 10% of households as measured by expenditure? Can the definition of extreme poverty used by **shree**—setting the extreme poverty line with reference to households—work alongside strategies aiming to reduce the poverty of particular groups?

Other key concerns include whether or not the same strategies can be used to reduce the poverty of the extreme vulnerable poor and the extreme dependent poor? How many of the poorest people in Bangladesh do not live in the poorest areas? What should the balance be between strategies aiming to reduce extreme rural poverty and those to reduce it in urban areas?

Importantly, **shree** needs to make sure that it co-ordinates with other extreme poverty programmes to avoid excessive geographical overlap. Where different programmes are working in the same area, **shree** should have the flexibility to adjust its approach, particularly in terms of beneficiary targeting.

Table 4: Multilateral and bilateral agency and INGO perspectives on extreme poverty, particularly in Bangladesh				
Organisation	Term	Definition	Approach	Strategy
USAID/ Care Shouhardo Programme	Very poor	Per capita income less than Tk. 2000 per month. Have not eaten meat or chicken during the last week. Condition of the dwelling house is bad or needs repair. Use open space or hanging latrine for defecation. Do not own land (self/husband)	Geographical targeting of the northern chars, middle chars, haor basin, eastern coastal zone and 5 islands in the south Household targeting particularly of women and children within the household.	<ul style="list-style-type: none"> Asset transfer Basic education Raising homestead plinths
World Vision Bangladesh	Ultra poor	Those who cannot attain 1600 kCal per day Without assets, land, shelter or belongings Have no place to grow food and no capital with which to purchase it. Given in '2009-13 Country Strategy for Bangladesh'		
DFID-Bangladesh Extreme Poverty Portfolio	Extreme poor	Households targeted according to proxies for an expenditure below the extreme poverty line of Tk.16-22 per person per day The proxies used vary across programmes	CLP – household and geographical targeting CFPR – household targeting Urban Partnership for Poverty Reduction shree	<ul style="list-style-type: none"> Asset transfer Healthcare Basic education Raising homestead plinths
CIDA (Bangladesh)	Extreme poverty	Most efforts do not directly link to extreme poverty reduction. However, some do have implications for the extreme poor, in	particular a programme enhancing the quality of basic education by supporting government and civil society and another improving the delivery of health care services	
	Ultra poor	Unclear	A development project which helps selected households, including some which are ultra poor. To build household incomes	<ul style="list-style-type: none"> Skills building Asset building Basic education Health services Disaster preparedness Water and sanitation
World Bank (Bangladesh)	Extreme poor	Upper and lower poverty lines drawn using the CBN method	Poverty and extreme poverty reduction to be tackled together by improving service delivery through enhancing voice, participation and strengthening governance and accountability.	Supports investments in health, education, microfinance, strengthening local government and water and sanitation.
Asian Development Bank	Human development approach		Efforts in Bangladesh do not distinguish between poverty and extreme poverty. Poverty reduction efforts include boosting the productivity of the rural poor and supporting the government to provide maternal and child health care services in rural areas.	
UNDP-Bangladesh	Human development approach		Even though it refers to the 'hard-core' poor in terms of the Chittagong Hill Tracts in Bangladesh, UNDP does not distinguish between different severities of poverty in its poverty reduction efforts.	
WFP Bangladesh	Ultra poor	People who cannot attain 1600 kCal per day Without assets, land, shelter, or belongings, Have no place to grow food and no capital with which to purchase it.	Geographical targeting using Vulnerability Assessment and Mapping at the Upazilla level Household targeting using a strict definition of ultra poverty Aim to include women from ultra poor households	24 month package of: <ul style="list-style-type: none"> fortified wheat flour or rice training in health, legal rights, literacy and income-generating activities personal savings programmes micro-credit
DANIDA	Extreme poor	People living on less than US\$1 a day	No clear distinction between poverty and extreme poverty in terms of particular approaches and strategies. Both can be partly addressed through pro-poor economic growth in line with the PRSP for Bangladesh.	
GTZ	Extreme poor	People living on less than US\$1 a day	The extreme vulnerable poor, the extreme dependent poor and people who are vulnerable to entering poverty can all be helped under the same social protection system.	<ul style="list-style-type: none"> Social health insurance Basic security systems

