

2011 ANNUAL CONFERENCE



seep

POWERING CONNECTIONS



“A Rising Tide Won’t Lift All Boats”

**From the Differential Needs of the Extreme
Poor to Market Participation**

Economic Strengthening for the Very Poor

- **ES** – from direct interventions and services aimed at strengthening livelihood assets to systemic interventions and policies to bring about social and economic changes that can positively impact the economic capacity of poor household.
- **VP** – people with very low economic capacity, insufficient to meet their daily minimum consumption needs.

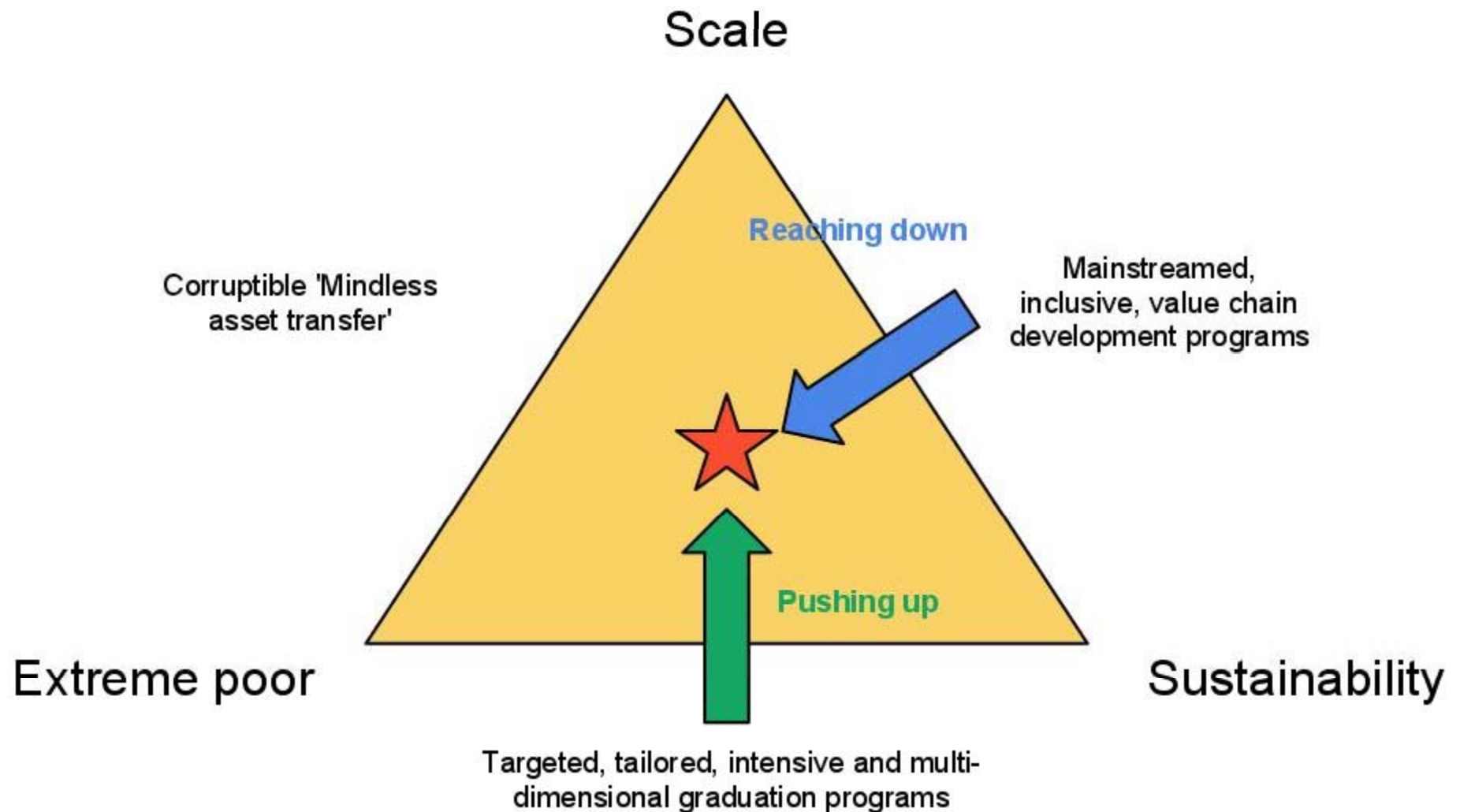


Different Interventions vs. Different Target Groups?

- ‘Livelihood Promotion’ Approach vs. ‘Market Development’ Approach
- Very poor and highly vulnerable vs. poor and less vulnerable
- SEEP Members want to know: what is the role of financial services and market development?
- What type of non-MED intervention and services are needed?



The 'Bermuda Triangle' of economic empowerment programs



Why is there no mention of 'systemic'? 1. Being systemic is a means to two ends: sustainability and scale; 2. We acknowledge that both graduation and value chain programs can be systemic at their best

SEQUENCING

- Livelihood strategies change as people move from extreme poverty to self-sufficiency
- Effective interventions change as livelihood assets, vulnerability and strategies change
- Poverty analysis – categorization – targeted interventions
- TU Case Study: provision --- > protection
- PA Case Study: protection --- > promotion



Trickle Up's case study

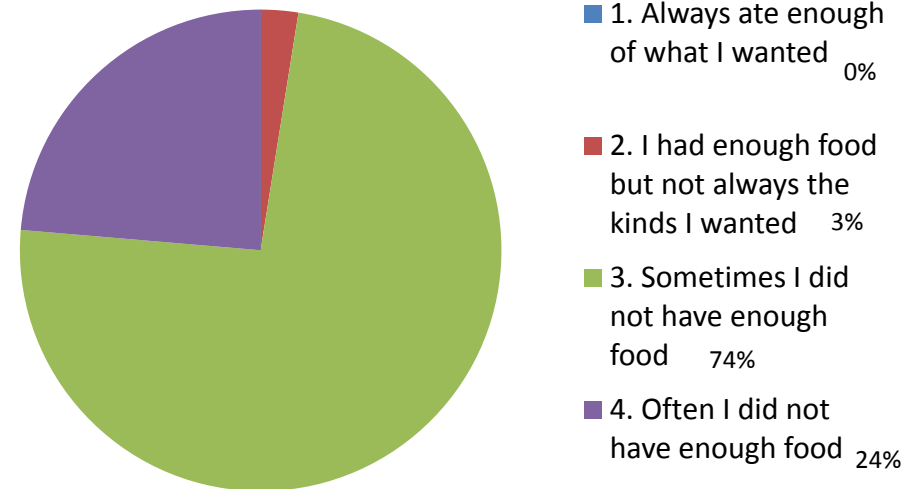
- Targeting the Ultra-Poor pilot project in West Bengal, India; 300 women
- Livelihoods program for ultra-poor women addressing multiple vulnerabilities: livelihoods with education and seed-capital grants, savings-and-credit groups, consumption support during hungry season, health linkages and careful coaching
- After pilot we changed the sequencing and modified the cash transfer support to just during first hungry season



Trickle Up's case study

- Now working with 2,350 women in 3 Indian states
- Extremely vulnerable
 - 75% have assets less than \$45 at baseline—half of those have no assets
 - 42% of participants report migrating each year
 - 82% pursuing itinerate wage labor as primary occupation

Food Security--baseline



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Objective of the Intervention

- **Build capacity of ultra-poor women** to manage multiple livelihoods, improve health status, build skills and link to safety nets
- Establish and strengthen **strong, transparent savings and credit groups** of ultra-poor women
- **Build capacity of local development organizations** to work with ultra-poor people



Assumptions

- The ultra-poor must be actively sought for participation and retaining them in the program requires some effort
- Strengthening their economic base, increasing confidence and reduced vulnerabilities are required before they can actively take part in broader markets



Challenges

- Efforts to improve services and structures that affect the ultra-poor have been challenging
- An approach that targets individuals faces challenges when hoping to affect change on systems (accessing safety nets, health systems)
- A more inclusive approach (not targeted exclusively at ultra-poor) is required for natural resource management and scale



Definitions of Success

No. 1: Less vulnerable to shocks and trends, and more resilient to the hungry season	<ul style="list-style-type: none"> • Buffer stock equaling three months of household expenditure (the equivalent of Rs. 11,800 from savings, livestock, food grains, and other assets)
No. 2: Dignified, Diversified Livelihoods	<ul style="list-style-type: none"> • Engagement in two or more profitable livelihoods beyond those supported with Trickle Up capital • Mastery of best practices for each livelihood activity • Use of an income and expenditure tracking process for livelihoods • Decrease in forced migration
No. 3: A safe means to save and access credit	<ul style="list-style-type: none"> • Active participation in the self-help group • Internal credit rotation ratio of 1:1 • External credit rotation ratio of 2:1
No. 4: Improved access to available basic social services	<ul style="list-style-type: none"> • Institutional delivery • Attendance at ante- and post-natal checkups at public health clinics • MGNREGA job card
No. 5: Better quality of life, including improved food security	<ul style="list-style-type: none"> • Reduced length of the hungry season • Increased amounts of food stock in the household
No. 6: Significant progress toward economic and social empowerment	<ul style="list-style-type: none"> • Active participation in self-help group • Attendance at <i>panchayat</i> planning sessions • Collective action by the self-help group



Trickle Up's Skill Set

- Strong participatory methods for poverty targeting and good record of retention in program
- Good strategies for self-help group strengthening, including flat structure, bank linkage
- Good partner training, support and oversight
- Good record of facilitating links with government programs and structures to promote inclusion of ultra-poor



Practical Action's Case Study

- European Commission-funded **Making Agriculture and Markets Work for Landless, Marginal and Smallholder Farmers in Bangladesh**
- Known internally by the more manageable name **Shomparko**
- 'Shomparko' is the Bangla word for **relationships**



Shomparko

- In response to EC's restricted call for proposals under the **“facility for rapid response to soaring food prices in developing countries”**
- Focus areas: **Sirajganj** and **Rajbari** districts in Bangladesh
- High levels of poverty and low-lying land = only one HYV crop of rice can be grown a year

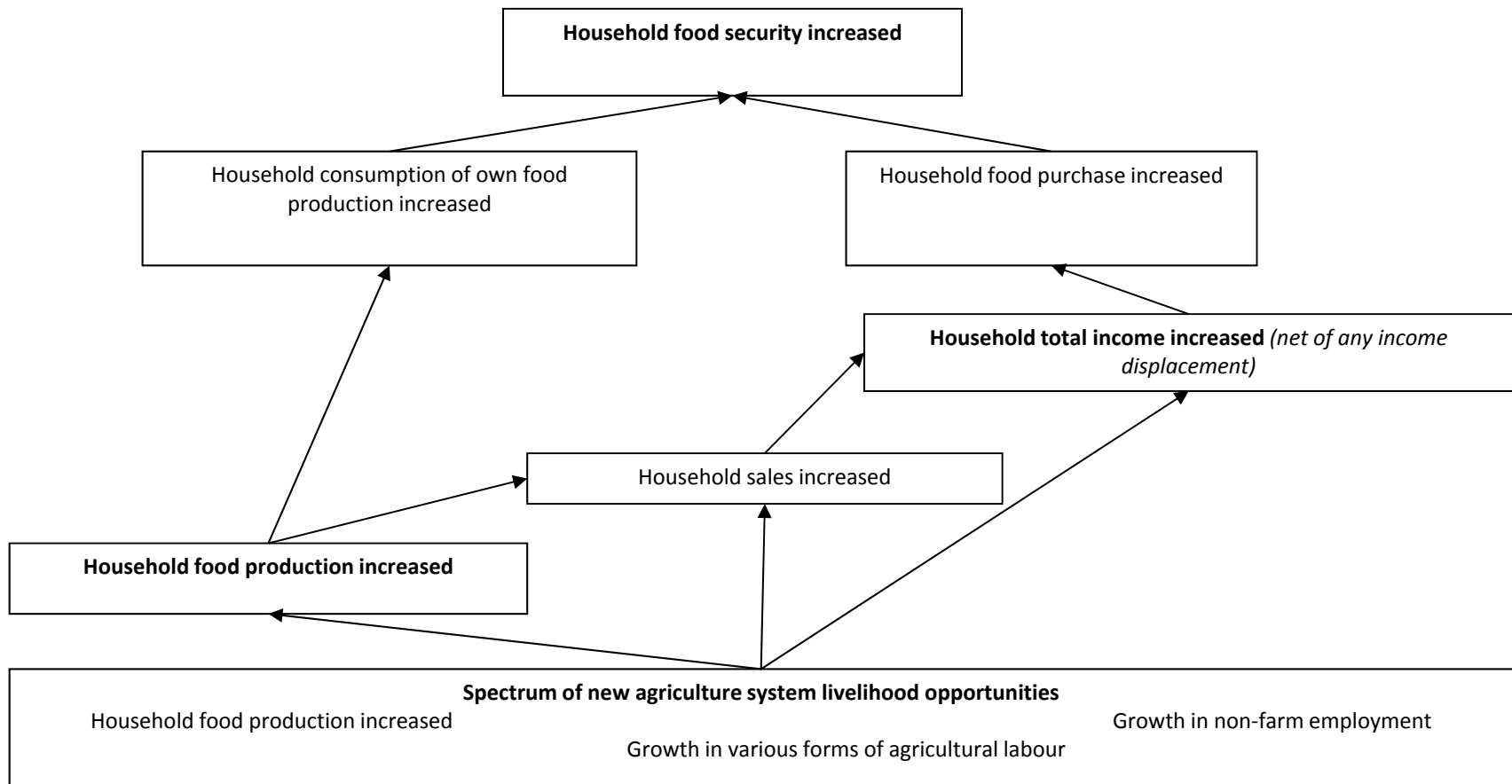


Objective of the intervention

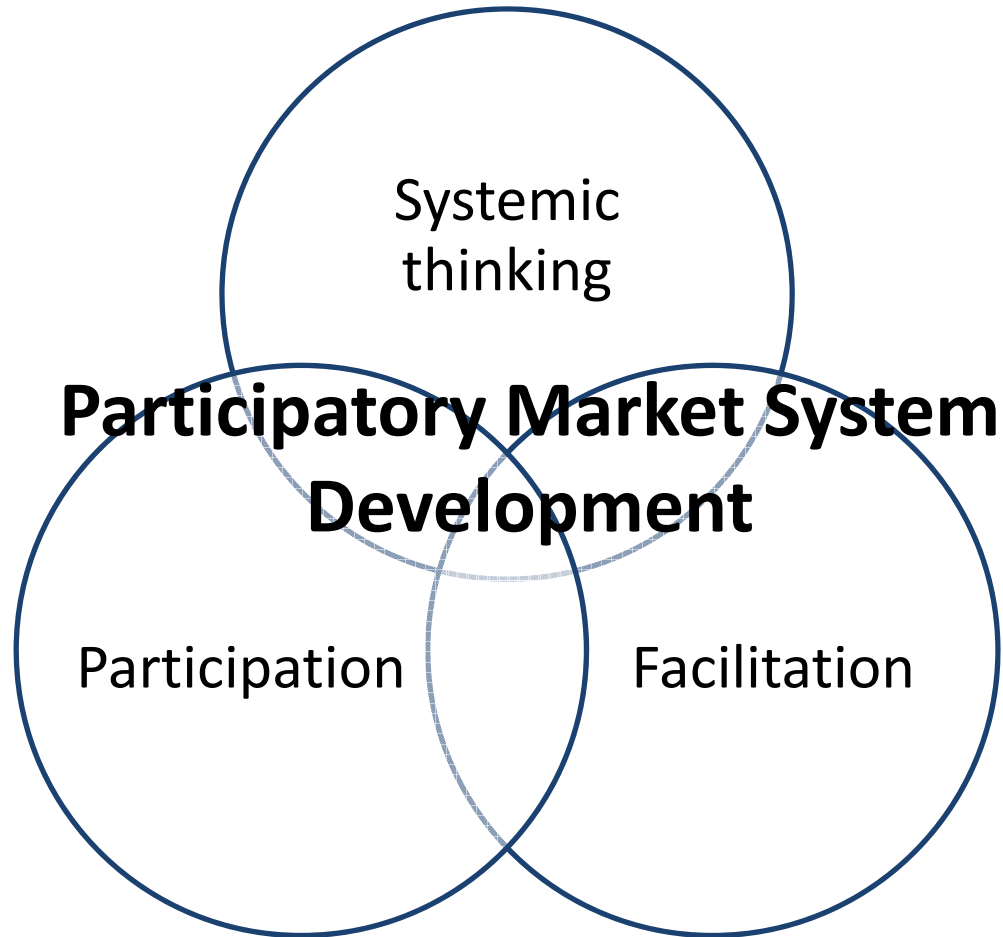
- Vulnerable and marginalised farming households are able to **smooth their income, ensure food security** and adequate nutritional status and have **access to low-risk asset building opportunities**
 - Focus on the poor
- An *adaptive and inclusive market system* where vulnerable and marginalised farming households benefit from strong and lasting relationships between market actors
 - Striving for sustainability and impact at scale



Objective of the intervention (2)



Guiding principles



POWERING CONNECTIONS

Shomparko's additional assumption for **reaching down**

- The 'demonstration plot' model excludes the very vulnerable and marginalised:
 - Need additional hand-holding due to lack of confidence and human capital;
 - Risk to innovation in new practices (let alone new activities) too high;
 - Problems leveraging social capital for economic purposes.

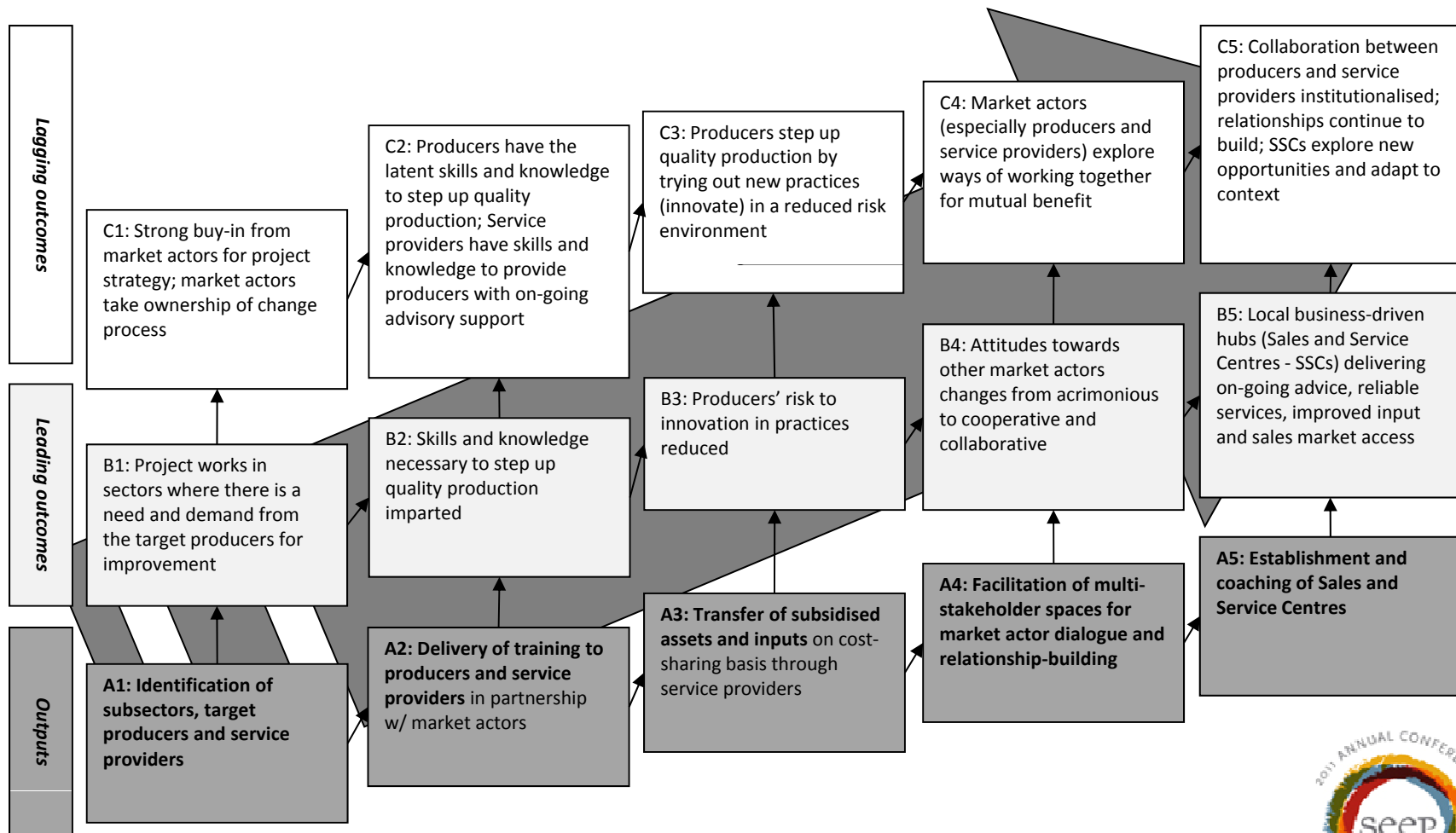


The challenges for Shomparko

- Providing the (more heavy touch) hand-holding, human capital support and risk-reduction **without undermining the sustainability** (driven by the light touch facilitation principle)
- **Reaching down how far?**
- **Harnessing local social capital** for inclusive economic opportunity



What does success look like?



Practical Action's skill set for *Shomparko*

- Selecting **market systems** based both on **economic opportunity and relevance for the vulnerable and marginalised**: agriculture, fisheries and livestock;
- Bringing demonstration plots to every field, every pond and at the end of every rope (**reducing risk to innovation**): facilitating learning sessions and managing smart subsidies and asset transfer;
- **Nurturing improved relationships** and win-win linkages between market actors;
- **Enough scale to create a critical mass for sustainable change**;
- Facilitating light-touch, **adaptive** and **inclusive** market institutions.

