Graduation models for the extreme poor: Evidence from a food assistance program in Juba

Munshi Sulaiman
BRAC, LSE

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1. Introducing BRAC

2. Graduation model for the extreme poor
   - Basic premises
   - Food transfer as the entry point
   - Asset transfer as the entry point

3. Evaluation of food-for-training in Juba
   - Project description
   - Findings

4. Evaluation of TUP in Bangladesh
   - Program description
   - Findings
Overview of BRAC operations

- Operates with a ‘holistic approach’
- Major programs include microfinance, health, agriculture and livestock, education and adolescent development
- Social Entrepreneurship is central in program design
- Reached over 69,000 villages in Bangladesh by early 1990s
- Started in Afghanistan in 2002
- Currently operates in 9 countries
BRAC Southern Sudan

- Started with microfinance in 2006
- Currently working in 25 counties located in 10 states
- Major programs include microfinance, agriculture, education, health, adolescent girls initiative and small grant window (in SRF)
Experience with the extreme poor

- Launched targeted programme for the extreme poor in 1983 in collaboration with WFP and the Government of Bangladesh
- Reached nationwide with the Income Generation for Vulnerable Group Development (IGVGD) programme
- Launched the ‘Targeting Ultra Poor’ programme in 2002
Need to work on multiple fronts simultaneously

- Narratives of discontinuities, traps and adverse incorporation
- For us, life is like desperately trying to mend an old, tattered quilt. You stitch one hole only to discover another... sometimes, if you are not careful, mending one also creates another... you just feel like giving up... a stitch in time saves nine doesn’t work when you are like us
- We are caught up in a complex knot — other poor people also get caught up from time to time in a knot, but their knots are simpler... you can easily detect the source of the knot and do something about it our knots have many sources... often pulling on one carelessly only makes the knot more complex
Income Generation for Vulnerable Group Development

Source: Matin and Hulme (2003)
Introducing BRAC Graduation model for the extreme poor
Evaluation of food-for-training in Juba
Evaluation of TUP in Bangladesh

Basic premises
Food transfer as the entry point
Asset transfer as the entry point

Targeting Ultra Poor (CFPR/TUP)

Source: Graduation Program, CGAP
Food for Training and Income Generation (FFTIG)

- Participant selection
  - 6 branches in Juba
  - Selection by community
  - Indicators (female headship, housing, dependency ratio)
  - Verification
Food for Training and Income Generation (FFTIG)

- Participant selection
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  - Selection by community
  - Indicators (female headship, housing, dependency ratio)
  - Verification

- Support package
  - Food assistance for 7 months (WFP)
  - Training in income generating activity (CGAP)
  - Access to financial services
Evaluation design

- Randomized control trial
- 1049 potential participants selected
- 500 randomly selected for support
- 549 as comparison households
- Baseline survey in March 2008
- Follow-up survey in March 2009
Targeting performance of FFTIG

![Bar chart showing targeting performance of FFTIG](image-url)
### Balancing check in the baseline

<table>
<thead>
<tr>
<th>Variable</th>
<th>Participant</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received food transfers (%)</td>
<td>91</td>
<td>11</td>
</tr>
<tr>
<td>Household size</td>
<td>5.44</td>
<td>5.38</td>
</tr>
<tr>
<td>Number of children (below 15 years)</td>
<td>1.86</td>
<td>1.85</td>
</tr>
<tr>
<td>Number of working aged male</td>
<td>1.47</td>
<td>1.51</td>
</tr>
<tr>
<td>Number of working aged female</td>
<td>2.06</td>
<td>1.96</td>
</tr>
<tr>
<td>Number of members with disability</td>
<td>0.14</td>
<td>0.17</td>
</tr>
<tr>
<td>Maximum years of schooling in the HH</td>
<td>2.66</td>
<td>2.81</td>
</tr>
<tr>
<td>Male headed households (%)</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Respondents can read and write (%)</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>Age of the respondent (in years)</td>
<td>46</td>
<td>45</td>
</tr>
<tr>
<td>Owns homestead land (%)</td>
<td>66</td>
<td>69</td>
</tr>
<tr>
<td>Owns house (%)</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>Own cattle (%)</td>
<td>6</td>
<td>10</td>
</tr>
</tbody>
</table>
**Impact on per capita annual income**

<table>
<thead>
<tr>
<th>Variable</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment</td>
<td>25.10</td>
<td>14.27</td>
<td>14.32</td>
</tr>
<tr>
<td>(1=Yes, 0=Control)</td>
<td>(0.50)</td>
<td>(0.30)</td>
<td>(0.30)</td>
</tr>
<tr>
<td>Follow-up</td>
<td>-70.36</td>
<td>-67.57</td>
<td>-53.17</td>
</tr>
<tr>
<td>(1=2009, 0=2008)</td>
<td>(1.36)</td>
<td>(1.36)</td>
<td>(1.07)</td>
</tr>
<tr>
<td>Treatment X follow-up</td>
<td>-118.57</td>
<td>-120.63</td>
<td>-130.69</td>
</tr>
<tr>
<td></td>
<td>(1.75)*</td>
<td>(1.84)*</td>
<td>(2.02)**</td>
</tr>
<tr>
<td>Constant</td>
<td>582.59</td>
<td>635.93</td>
<td>609.82</td>
</tr>
<tr>
<td></td>
<td>(16.03)***</td>
<td>(5.52)***</td>
<td>(5.20)***</td>
</tr>
<tr>
<td>Baseline characteristics</td>
<td>-</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Branch dummies</td>
<td>-</td>
<td>-</td>
<td>Yes</td>
</tr>
<tr>
<td>Observations</td>
<td>1,434</td>
<td>1,428</td>
<td>1,428</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.01</td>
<td>0.09</td>
<td>0.11</td>
</tr>
</tbody>
</table>
Impact results

- Income declines by about 20%
Impact results

- Income declines by about 20%
- There is no structural change in participant’s earning activity
Impact results

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- Decline in child labour and small improvement in enrolment
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- Improvement in housing condition
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- No major change in household assets
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- Improvement in housing condition
- No major change in household assets
- Private transfers receipt does not decline
Impact results

- Income declines by about 20%
- There is no structural change in participant’s earning activity
- Decline in child labour and small improvement in enrolment
- Improvement in housing condition
- No major change in household assets
- Private transfers receipt does not decline
- Participants are more likely to give out transfers
### Components of Targeting Ultra Poor (TUP) program

<table>
<thead>
<tr>
<th>Component</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated targeting methodologies</td>
<td>Effective targeting of the extreme poor</td>
</tr>
<tr>
<td>Income generating asset transfer</td>
<td>Build economic asset base</td>
</tr>
<tr>
<td>Training and regular refreshers</td>
<td>Ensure good return from asset</td>
</tr>
<tr>
<td>Technical follow-up of enterprise</td>
<td>Ensure good return from asset</td>
</tr>
<tr>
<td>Provision of inputs</td>
<td>Ensure good return from asset</td>
</tr>
<tr>
<td>Weekly stipends</td>
<td>Reduce opportunity cost</td>
</tr>
<tr>
<td>Health support</td>
<td>Reduce costly morbidity</td>
</tr>
<tr>
<td>Social development</td>
<td>Awareness of rights and justice</td>
</tr>
<tr>
<td>Mobilizing local elite support</td>
<td>Create an enabling environment</td>
</tr>
</tbody>
</table>
Targeting effectiveness

Poverty outreach of TUP in 2005 and in 2007
Key thrust is enterprise development

- Building enterprise
  - Asset transfer as grant
  - 3-5 day class-room Training and monthly/quarterly refresher
  - Hands on Training throughout 24 month period
  - Technical support and input supplies
  - Weekly stipend for short term income support
Key thrust is enterprise development

- Building enterprise
  - Asset transfer as grant
  - 3-5 day class-room Training and monthly/quarterly refresher
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- Health supports to avoid distress sales of assets
  - Promotive, Preventive
  - Limited curative care
  - Financial Assistance For mild and severe morbidity
Key thrust is enterprise development

- **Building enterprise**
  - Asset transfer as grant
  - 3-5 day class-room Training and monthly/quarterly refresher
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- **Health supports to avoid distress sales of assets**
  - Promotive, Preventive
  - Limited curative care
  - Financial Assistance For mild and severe morbidity

- **Social Development**
  - Social awareness for attitudinal change
  - Community mobilization assists asset protection
Trend in average per capita annual income

Per Capita Annual income

- STUP
- Comparison

<table>
<thead>
<tr>
<th>Year</th>
<th>STUP</th>
<th>Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>2005</td>
<td>4000</td>
<td>3500</td>
</tr>
<tr>
<td>2008</td>
<td>7000</td>
<td>6500</td>
</tr>
</tbody>
</table>
Sustainability of Impact on Income

Per capita Annual Income (in 2002 price)

2005 (3 Years from programme)
2008 (6 years from programme)

DiD
DiD controlling for initial differences
Sustainability of Impact on Calorie Intake

- Per capita Annual Income (in 2002 price)
- 2004 (End programme)
- 2006 (4 years after programme)

DiD

DiD controlling for initial differences
Community based ‘Change Ranking’

<table>
<thead>
<tr>
<th>Groups</th>
<th>Change Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rich</td>
<td>0.8</td>
</tr>
<tr>
<td>Non-poor</td>
<td>0.2</td>
</tr>
<tr>
<td>Moderate Poor</td>
<td>-0.2</td>
</tr>
<tr>
<td>Ultra Poor</td>
<td>-0.6</td>
</tr>
</tbody>
</table>

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Community based 'Change Ranking'

- Rich
- Non-poor
- Moderate Poor
- Comparison (NSUP)

Change score
Replication/pilot of the model

- Bandhan - India
- Fonkoze - Haiti
- ODEF and Plan - Honduras
- Pakistan Poverty Alleviation Fund Partners - Pakistan
- Asociacion Arariwa and Plan - Peru
- Relief Society of Tigray - Ethiopia
- SKS - India
- Trickle Up - India
- Social Fund for Development and Social Welfare Fund - Yemen
Discussion

- FFTIG may have had nutritional impact, which we could not assess
- It did not have any apparent ‘developmental’ impact
- Cost of both models are similar
- Enrolment of participants’ children is an issue