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## Reaching the Poorest: Capitalisation of an Experience



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June 2005

Livelihoods, Empowerment and Agroforestry Project

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## ***Foreword***

This capitalisation document describes the first experiences of the Village and Farm Forestry Project (VFFP) working with extreme poor during the year 2003. VFFP ended in early 2004, and was replaced by LEAF, the Livelihoods, Empowerment and Agroforestry Project, which continued the pilot initiatives of VFFP.

## Summary

During its 6th and last phase, the VFFP placed more emphasis on poverty reduction in its interventions, and initiated pilot initiatives in the field of extreme poverty. However, launching these activities took quite a long time and faced some resistance from the project staff. The main reason was actually the absence of experience and lack of confidence in this regard - fear of the unknown - and also a lower interest in and commitment to marginal activities, which required flexibility and creativity.

At the level of partner NGOs, the same types of constraint were encountered. Moreover, the first strategies and activities proposed interventions consisting of raising the awareness of people, training programmes and formation of groups. There was a strong tendency to replicate what they did already, including the mistakes, and to focus on the economic dimensions of poverty.

The first and greatest challenge of tackling poverty was thus to bring about changes in mindsets and approaches of project and NGO staff. It worked well when NGO management and field staff recognised the problems of the poor as being the relevant ones.

Working with extreme poor requires time - particularly with the Adivashi communities - to build relations and trust, and also to provide appropriate accompaniment, which often needs to address the requirements of households or individuals and to be tailor-made. It also necessitates strong social and analytical lems, which can be economic, social or even cultural in nature.

The extreme poor obviously have a high interest in economic activities yielding a quick return, which can be supported by "seed money" - a small loan of sometimes less than 200 taka (3 dollars) without interest or conditions for repayment. The best chance of success - at least at the initial stage - is to support them in what they know already, instead of introducing new activities.

The diversification of economic activities, making the best use of their assets and potential, enables extreme poor families to generate incomes - even small incomes - from different sources, and to minimise the risks linked to the vulnerability of the extreme poor. These additional incomes can decrease the level of dependence on only one major source of income (e.g. day labouring, rickshaw pulling), and enables selection of better socio-economic options.

The first results from the pilot initiatives of VFFP with extreme poor are quite encouraging. They have highlighted the necessity of being creative, flexible, committed and available - in a nutshell, to have strong human qualities. Ready-made models do not work with extreme poor. The experience has also shown that extreme poor can develop entrepreneurship. Once they have passed the threshold of vulnerability, they can be involved in more general development programmes.

## **1. Introduction: why pilot initiatives on extreme poverty?**

The 6th phase of the VFFP marked a reorientation toward greater focus on poverty, and the implementation of activities directly addressing small and marginal farmers. The long-lasting programme for the nursery owners was maintained, but with greater emphasis on reorganising and strengthening their associations.

Along with this focus on poverty, VFFP was asked to also consider the extreme poor, and initiate pilot initiatives in this regard. The idea was to "explore ways to improve the income and employment of the poorest segment of the community using local ecological resources and ensure better representation in village based institutions", which did not really give clear directions on how extreme poverty could be addressed. On the other hand, it was a contradiction for a sustainable land use project to tackle the problems of the extreme poor, who, by nature, are landless.

Besides the lack of direction on how to tackle the issue of extreme poverty and the problem of contradiction, there were two main reasons for the low priority given to this issue:

- At the beginning of the 6th phase, the project was still in line with a classical technical approach, which put more weight on the promotion of trees than the promotion of people;
- The staff were already struggling with innovative approaches such that it had to internalise for implementing the mainstream programme (the small farmer programme), as well as the problem of the disinterest of the nursery owners in their associations.

Those who are optimistic in nature thought that promoting agroforestry amongst the well-off would automatically profit the poorest, but the experience did not prove this. Moreover, the attendance of the extreme poor in the farmers' groups' activities developed with VFFP gradually decreased, since they did not find a direct benefit or interest in the groups' activities.

Actually, although the idea of launching specific activities for the extreme poor arose, there was a tendency to postpone this initiative again and again: people preferred to do what they knew - agroforestry - but had a fear of this unknown area, about which they felt uneasy and ill-equipped to deal with. Eventually, once the two main programmes - small farmers and nursery owners - reached a certain level of routine, VFFP took the bull by the horns and decided to seriously tackle the issue of extreme poverty.

## **2. Tackling extreme poverty: how to start?**

The first step taken was to organise a workshop with the partner NGOs in order to identify what characterised the extreme poor and the poor, and what type of support and activities would be appropriate for each, based on a better understanding of their situations. The participants quickly reached a consensus on the characteristics of poverty and extreme poverty, while they were divided regarding the type of possible interventions, between land-based activities, and activities going beyond this frame. Generally, the initial ideas and proposals were rather general, vague, top-down, and essentially reflected the view of institutions which do not deal directly with extreme poverty. Somewhere, they reflected the lack of capacity and experience in addressing extreme poverty.

This was confirmed by the first proposals of intervention VFFP received from partner NGOs, which were rather stereotyped in their approach and activities. One partner NGO, however, suggested a project for Adivashi communities in the North of Rajshahi Division, which was fundamentally attractive - the Adivashi being discriminated against and usually very poor. The proposal was obviously traditional: awareness building, formation of groups, ready made training programmes in training centres, etc. It took almost six months of negotiating before reaching an agreement on the approaches and the activities, and avoiding the replication of models that were not appropriate for extreme poor. It was finally decided to start a research and action process: discussions with the community to better understand their situation, starting with what they considered as important regarding their poverty, developing trust, trying to experiment with their assets and opportunities, emphasising economic dimensions....

VFFP, encouraged by this first initiative, proposed to two NGOs newly selected for expanding the nursery programme and having certain experience of working with distressed people, to initiate pilot activities regarding extreme poverty.

In order to fully concentrate on the extreme poor, it was decided to select homogeneous groups of extreme poor - basically Adivashi communities and landless people sheltered by the Government on Khas land (land owned by the Government).

## **3. The extreme poor**

Focus group discussions and transects realised by VFFP have shown that most of the extreme poor depend on the sale of daily agricultural labour (often by the women) and activities like rickshaw pulling (male adults and children) for their survival. Most of them live on other people's land or Khas land. Some have one to two decimals of land, including a homestead, and very few have 10 to 20 decimals of land, but cannot utilise it due to lack of capital, time or skills. Almost none of them has savings, or capacity for absorbing shocks. Most of them are normally eligible for a VGD or VGF card . Their yearly income per family is around

The annual household income of extreme poor is around 10,000 taka (USD 150).

1 USD = 60 taka.

47% of Adivashi households have their own homestead land.

The poverty of Adivashi is exacerbated due to the social exclusion they have to live with.

10,000 taka . In the case where 3 members of the family sell their labour (for example both parents and one adolescent), annual income can reach a maximum of 20,000 taka. Many of them cannot afford to have two meals per day all year round, especially during the lean period.

### *The Adivashi.*

A simple base line survey conducted in 11 Adivashi communities revealed that the annual family income is 9,000 taka on average, the main source being the wages of day labourers. Only 33% of the households had access to tube-well water and only 3% had access to a sanitary latrine. 33% of the children were attending primary school. 47% of households had their own homestead land while only 12% of households had a small piece (average 0.5 acre) of agricultural land.

The poverty of Adivashi is exacerbated due to the social exclusion they have to live with. This attitude towards them is due to their nutrition habits, and some customs such as making and consuming alcohol. They are not, for instance, accepted in some shops, and have less access to jobs. They have almost no access to resources and services; preference will always be given to other communities. The women are more often day labourers than men, and are more exploited than people from other communities: the landlords give them a financial advance corresponding to the number of days they will have to work, paid at the lowest wage rate. At the actual time they work, the wages are much higher. The Adivashi do not find jobs as labourers for at least 2-4 months per year. For their survival during the lean period, they indulge in marginal activities such as hunting.

Over the course of time, most of the Adivashi became landless, having been cheated and unable to protect their land from ill-intentioned people. Living on Khas land or land owned by a landlord buying their labour, they are more easily exploited, or are pressurised by local elites who want to access Khas land. Access to food from natural resources - hunting was the main activities of men - became limited over time, and created idleness among male community members, with all its consequences.

The Adivashi usually do not form groups as they have their traditional community structure. Accordingly, they often do not like to work with NGOs and church based organisations. The main reason is that, in the case of NGOs, they do not accept the principle of paying interest on credit, or they simply do not trust NGOs due to stories of so-called NGOs having taken away the savings of groups. Regarding the church organisations, the reluctance of the Adivashi, who are originally Hindu, is due to the principle of receiving support on the condition of converting to Catholicism.

### *Other communities.*

To a great extent, the problems of extreme poor in other communities are similar. However, they suffer less from social exclusion. In the case of selling labour, Muslims will be favoured.



## 4. A few stories to better understand

### 4.1. The Adivashi communities in Thakurgaon District

This story tells how SERP, a partner NGO of VFFP, developed pilot initiatives with seven Adivashi communities in Thakurgaon District. These communities belong to three main ethnic groups: Santal, Oraou and Munda.

#### *Building rapport and trust*

Contact and discussions were made with seven communities in order to better understand their problems and needs before designing any plan of action. The approach of SERP and VFFP was to keep as much flexibility as possible in their interventions in order to provide the most relevant support with regard to their situation.

Although the communities initially expressed their interest to collaborate with the project for their own development, it was felt that they did not completely trust the field staff, Aminul, and both SERP and VFFP, and were deferring the start of the collaboration. One evening, Aminul went to one community and observed that the community leaders were discussing one of their problems: the access road to their graveyard had been blocked by the recently constructed office of a rickshaw van association. Aminul offered his services to help them, and one week later, he accompanied a few community leaders to complain to the union council chairman. The latter committed himself to take the necessary steps for removal of the office from the approach road to the graveyard, and two weeks later he organised a meeting between the rickshaw and van pullers' association and the representatives of Adivashi communities. As a result of the decisions made in the meeting, the association removed their office. From that moment, Aminul became the "friend of the Adivashi", who decided to start collaboration with SERP - trust had been built.

#### *The start of collaboration*

The Adivashi have a traditional community structure, which mainly functions for decision making on worship and cultural issues, and takes little initiative to solve social or economic problems. However, encouraged by the incident facilitating access to the graveyard, they decided to organise themselves to address socio-economic issues, and started sitting every week to discuss them with Aminul.

It took almost two months before they reached initial recommendations for a plan of action regarding poverty - both parties did not know how to tackle the problem. When Aminul was trying to share with them the necessity of personal hygiene and sanitation, the community people were raising some issues which they thought were more important to them, such as the disability of one community member, or the need for surgery on a baby born without an anus.



*Aminul, the "friend of the Adivashi": a trusting relationship....*



**Julius** is disabled, who owned a grocery shop.

"For many years I worked in Dhaka as a typewriting trainer at the Mother Theresa Charity Mission. In 2001 I contracted a disease affecting my nervous system which gradually resulted in my disability. Though the Mission asked me to continue working, I was no longer able to teach as I was crippled, and my job required much demonstration and handling of training materials. I then decided to come back to my village in Thakurgaon. Here, I could survive by helping to educate the children of some of my comparatively richer relatives. Despite this help - which was more like charity - my family's existence was quite miserable. The

community supported me by exposing my problem to SERP, and together we thought of what I could do. They agreed to lend me 1,000 taka interest-free to enable me to establish a small grocery shop. At present my business is running well: I can make 100 taka per day. I keep records of all that I buy and sell. Even Muslim members of the community buy food from me - something I would have never expected to happen. After I became known through my business and the activities supported by SERP, I was appointed as a member of the local market executive committee."



#### **Johan's Surgery**

"My child, Johan, was born with a malformation - the absence of an anus. He was operated on at birth in 2001, but required follow-up surgery in 2002. This was going to cost more than 100,000 taka, which was beyond our means, even with the help of relatives. I raised our problem with SERP, and Aminul supported us in taking the child to the district hospital. Unfortunately the doctors there said that they were unable to perform such an operation. Then one visitor from VFFP advised me to go to the LAMB hospital, which we visited, and were told to contact the Danish Bangladesh Leprosy Mission hospital of Nilphamari. We were so happy when we found out that a Swiss Doctor would be visiting that hospital soon. He agreed to conduct the surgery and it was done successfully. Johan can now live an almost normal life, however he will need a third and final operation which will be done soon by the Mission."

The initiatives taken in this regard (see the stories of Johan & Julius) stimulated further discussions in order to identify general problems of the community and prioritise initial actions. For Aminul, they also triggered a new way of thinking, mainly that there could be great flexibility in the manner of tackling poverty issues. He realised that improving the conditions of Adivashi communities did not depend on only one project or what support he could personally bring, but could be done through linkage, collaboration and alliance with relevant organisations.

The problems identified by the communities were numerous and touched economic, social and even cultural dimensions: lack of capital and cash, no personal homestead, low wages, unemployment, no musical instruments for celebration ceremonies, access to restaurants and jobs, discrimination, no knowledge on ownership of the land on which they were living...

"I have two wives and two children. Having no specific skills, I depended entirely on day labouring for landlords in order to feed my family. One day, one of my relatives shared with me the technique of fish trading - quite a lucrative activity. But what could I do? I did not have the capital to start such a business. Therefore, as there was no other alternative, I had to continue working as a day labourer. But after being introduced to Aminul, I received a loan of 300 taka in July 2003 and invested 750 taka to start fish trading."

"I buy the fish from the wholesale market at Thakurgaon, and sometimes from the interior villages where the price of fish is cheap, and sell it in Centrehat, Naladangi and Khochabari bazaars. Actually, fish trading is a part-time business which I do mainly during the rainy season. Last season, I earned about 2,000 taka from it."

"Otherwise, I am the leader of a group of labourers for the construction of rural roads contracted with the union council. Moreover, we have developed other supplementary income-earning sources in my family like day labouring for my wives, and rearing and selling ducks, chickens, a cow and a pig. Last year I bought a pig for 300 taka and after rearing it for one year, I sold it for 4,300 taka. With these sources of income, I was able to buy 5 decimals of land at a cost of 6,000 taka."

*Rabin Sharen*



### *Developing income generating activities*

Initially it was hard for both Aminul and the community to identify possible income-generating activities. The first reaction of Aminul was towards activities classically proposed by many organisations, such as paper bag making and pickle preparation. After the organisation of training sessions for developing skills in this regard, and initial activities, it was soon understood that these businesses had no future. With further research, they found that some people had skills and experience of economic activities, but due to lack of capital or discrimination, they were not able to develop or maintain them (see the stories of Budhu, Bablu Rabin and Mantu).

From the project side, the first innovation in supporting the community in developing business was to tackle a large range of activities in which it had no experience: blacksmithing, silver-smithing, fish and vegetable business, van and rickshaw pulling, fuel wood business, chicken and pig rearing, etc. Actually Aminul's role was mainly to encourage the Adivashi to develop their own ideas - a role very different from the classical transfer of technical knowledge he was used to. The other innovation was to provide small amounts of interest-free credit - mainly "seed money" - to those willing to start a business, without such conditions as initial savings requirements or a deadline for repayment. The range of individual credit required ranged from 200 up to 3,000 taka.

The profit made from that credit reached on average 54% of the investment. For non-agricultural activities (van pulling, silver-smith) the return on the investment came quickly (one month), while for agricultural activities, it took 4 - 12 months. The return on agricultural activities could be faster, but it required more running costs (feeding, fertilizers...).

### *Steps towards stopping advance labour selling*

An important issue prioritised by the communities during the process of identification of problems and potentials was the system of advance labour. During mid-March to May, and September to mid-November there is scarcity in the rural job market. Most members of Adivashi communities maintain their life by selling advance labour at a daily rate of 25-35 taka, while during the peak season this wage normally reaches 50 - 60 taka. On average, one household borrows 500 taka from the landlord in the lean season - meaning that they owe the landlord 15 to 20 workdays during the peak season. With this system, they have a loss of profits of almost 500 taka since they provide workdays at the lean season rate.

The communities discussed how to overcome this problem and identified the creation of a joint fund as a relevant solution. Two different steps were taken to create this fund: one was the collecting of weekly savings, and the other was through the development of joint income-generating activities. The communities were flexible regarding the rate and frequency of savings, according to the members' social conditions. Each of the seven communities generated a savings fund of 900 to 1,000 taka. Within a year, 24 households of 78 (7 communities) could escape selling advance labour to the local landlords. This was possible for two reasons: firstly, they created a joint fund and

"I have a wife but no children. I learned how to pull a rickshaw-van, but could not buy one due to lack of money. The only thing my wife and I could do was day labouring. After being introduced to Aminul, I received a loan of 2,100 taka and invested 4,100 taka in purchasing a rickshaw van. After about 2 years I sold the van for 4,200 taka, and bought another for 3,350 taka."

"I pull my rickshaw van in Naladangi and its surrounding areas such as Khochabari, Thakurgaon, Garea, Shibgonj, Pirgonj and Shetabgonj. The peak periods for van pulling are at the harvest times for agricultural commodities like paddy, radish and potato. I can earn 80 taka per day for about 300 days of the year, totalling 24,000 taka a year. My wife is still involved in day labouring, and together we are rearing and selling ducks, chickens and a cow - all additional sources of income that we were able to purchase with the money earned with the van."

"To me, the most significant change in our lives is that we often have fish and meat in our daily meals, and we are no longer dependent on others by working as day labourers."



*Mantu Sharen*

***Budhu*** is a Karmakar, blacksmith

"Previously, I was a renowned blacksmith in our Adivashi community. But one day, I faced financial problems, and due to lack of capital, I was no longer able to buy the raw materials to run my business. I had to stop my business, and I survived on doing small jobs here and there. Aminul understood my problem, and was willing to lend me 200 taka - just to buy charcoal. Knowing that I was ready to restart my business, people came to me to repair their tools. Some came from far away. Depending on the number of clients, I can earn from 30 to 85 taka per day."



made loans to the most needy members of the community; and secondly, most of the community members engaged in additional income and employment generating activities (chicken rearing, vegetable and short term fruit production and sales, seasonal fish and vegetable business, fuel wood and bamboo root business, rickshaw and van pulling etc). The introduction of new crops in this area was also a positive factor with the offer of more job opportunities throughout the year.

### *Increase social acceptance*

At the beginning of the intervention, it was found that Adivashi communities were treated as an untouchable race by other surrounding communities. They were not welcome in any restaurant, and other communities hardly took any goods - especially food - from the Adivashi. The reasons given to explain this discriminating attitude were that the Adivashi drank alcohol and ate "forbidden animals" such as rats, wildcats, etc.

In fact, this social pattern rested more on secular well-established habits and beliefs. It was found that both the Adivashi and the local communities never tried to go beyond this practice. The Adivashi kept themselves in isolation based on the old belief of seclusion. Except for labouring, which maintained them in an employee-employer relationship, they had little access to other types of activities, and lived in their "own world". When most of the Adivashi community members became involved in many other types of economic activities, the situation started to change gradually. Now, people from other communities do not hesitate to purchase goods from the Adivashi.

It seems that the change from discrimination against tribal communities is due more to their economic development than the betterment of their social status: the power of money often influences changes in behaviour more effectively than philosophical reasons.

### *Representation at local governance level*

The process of inclusion developed not only in social life, but also at policy level. Julius, the disabled shopkeeper, has been appointed as a member of the local market executive committee. At present, the leaders of the Adivashi communities contact the UP chairman without the accompaniment of the project staff - something almost unbelievable in the past.

### *Helpful collaboration and linkages - further development*

The needs of the extreme poor, such as Adivashi communities, are so diverse and sometimes so urgent that it is not possible for a project or organisation alone to address all their problems. But good opportunities can be taken when they come, as was the case with Johan.

In the middle of 2003, notice was served on seven households by the land owner requiring them to vacate the land they occupied within fifteen days. Alternatively, they were given the option of paying the price for the land. The household members were at a loss and shared the issue with Aminul, who reported the case to the SERP Office. Fortunately, a VSO staff, Ann Perderson, management advisor, and her husband, took this matter seriously

and raised a small fund from their friends in their home country. This fund was donated to the group for payment to the landlords for the cost of the land and the Adivashi received the title to the land. This has protected them from displacement.

This was perhaps a unique chance which won't happen again - but it was worth a try. More interestingly, this small community of seven households began immediately to plant trees and develop other assets (chickens, pigs) once their land was secured. Chickens and pigs gave quick economic returns, which were kept as savings: with this money in their pocket, they were able to negotiate wage rates with landlords more easily (see the witness of Alam). These landlords are also changing, and they are realising that power relations are changing. Surprisingly, they are quite positive about this evolution.

*Alam is a local landlord.*

"I think that magic is happening in Adivashi communities. Until last year we had to provide them all with loans during the lean season, but this year very few took loans from us. Previously they did not have any say regarding the level of wages for their labour, which were fixed by us. Then they started bargaining for a better rate. Initially we stuck to the lowest rate, thinking that they would take the job when they really needed the money. But the opposite happened: they did not come back to us, and we had to go to them and renegotiate the rate. That was the first time we ever visited an Adivashi community! We discovered the reason why they are less dependent on us. Within a short time they had generated several alternative sources of income: pulling rickshaw vans, small trading, rearing pigs, vegetable production in backyards, etc. Now we cannot engage them whenever we need them and at the rate we wish to offer. This is of course reducing our profit, however we are happy to see the changes in these communities; it seems that they are no longer hopeless. When they themselves step forward for their own improvement then it is impossible for anybody to create an obstacle."



*The importance of land issues and accompaniment process*

Realising how important the issue of land was for the Adivashi communities and the lack of initiatives in this regard, SERP organised a training course regarding land rights for the leaders of the communities. But one day, a few Adivashi leaders came to SERP feeling completely hopeless, because the authorities of a sugar mill claimed that their community was residing on the mill's land and had to vacate it immediately. Accompanied by Aminul, they then went to the land office staff and, surprisingly, discovered that the piece of land was not owned by the sugar mill authority. The next day, they went back to the land office to learn about the land acquisition system. When the people from

After one and a half year, the annual household income increased from 9,000 to 22,000 taka on an average.

the sugar mill authority came to remind the Adivashi to vacate the land, the leaders and the members of the community strongly protested and told them that they had verified that the land was not owned by the sugar mill. The sugar mill authorities also verified ownership of the land, and ceased to bother the Adivashi community. Necessary particulars were collected by the community with the help of Aminul. At present, obtaining the Allotment is about to be achieved.

### *The general impacts on the communities*

After one and a half years of pilot activities, the situation of these Adivashi communities, in which the large majority of members were day labourers, has generally improved. The wages paid by the landlords have increased from a range of 25 - 40 taka per day to 40 - 50 taka per day, depending on the season. The annual household income increased from 9,000 to 22,000 taka on average, due to the increase of wages and diversification of income sources. The families, in their own words, now have "good house, good food, better health". Their attitude towards NGOs and other support agencies is much more positive. Less positive is the raising of expectation of gifts, due to receiving latrines free of charge and grants for buying land. Though there is improvement in this regard, there is still a lack of empowerment.

## **4.2. Extreme poor communities in Rajshahi and Natore Districts**

The activities developed with the Adivashi communities in Thakurgaon followed quite a lengthy process, mainly due to the necessity of building relations and trust. Once the latter was established, emphasis was given to developing economic activities. With diversification in sources of income, the communities depended less on selling their labour, which in return gave them power to negotiate with the landlords, and eventually receive better wages.

In Rajshahi and Natore, the pilot activities with extreme poor started in a more conventional way. VFFP's two partner NGOs, MSP and LUSTRE, selected as an entry point the promotion of agroforestry and the development of income generating activities at group level, rather than at family level as was the case in Thakurgaon. The choice of economic activities was based on emerging businesses, for example the manufacture of paper bags, after the Government ban on polythene bags. Unfortunately, the dreams in relation to these promising businesses did not always come true... However, on a positive note, the failure of initial activities forced the extreme poor involved to develop a sense of entrepreneurship in searching for better opportunities, and diversifying their activities.

Five self-explanatory stories are presented here: that of Amirun, Tajema, Noorjahan, Jamilia, and Agata, all of whom belong to an Adivashi community. The first three women are sheltered by the Government in Adarsagram .

An additional account by Jannat and Shahin, field facilitators of MSP, describes how they proceeded in selecting the poorest people in a community, and started working with them.





*Amirun Begum is the president of Parhalsa Ashroyon Mohila Samity, Natore. The members of her group are landless and live in an "Adarshagram" - a community sheltered by the Government where each household received a small piece of land including a tin-shed house. The group is supported by LUSTRE, a partner NGO of VFFP / LEAF.*

"Previously we did not manage three meals per day all year. Addressing our basic needs was far beyond our capacity. The livelihood of my household depended on the income of my husband, who was a full time rickshaw van puller - which is rather inhuman laborious work. I had no idea how to improve our conditions. In late 2002, Sabina from LUSTRE came to our village and informed me that they would like to support us in improving our livelihoods. She asked me to help her identify the other extreme poor households in the village. We

organised a meeting with the women of those households and 29 of them agreed to form a group in order to collaborate with LUSTRE. I was selected as president of our association."

"After the formation of our group, we shared amongst each other what we could do to generate income. Since each of us had an average of 4 to 6 decimals of land, we decided to cultivate vegetables. Our main purpose was to produce food for our families, and then to generate cash from selling the surplus food."

"I sowed Indian Spinach in my homestead, and harvested 110 Kg in four months: my family consumed 30 kg, and I sold 80 kg in the nearby markets. In addition, with the support of Sabina, I planted twelve fruit and timber trees."

"While my Indian Spinach was growing, Sabina proposed that we participate in an exchange visit programme in order to explore ideas related to income-generating activities. Our group accepted the proposal, and we went and visited one village where people were growing a medicinal plant, Aloe Vera, as a cash crop. We realised that it could also be a good business for us. After the visit, 10 of our members, including myself, agreed to begin growing Aloe Vera. I planted 400 saplings at a cost of 240 taka in the middle of January 2003. Unfortunately, they were destroyed by a hail storm in April 2003. I harvested barely 120 Kg of leaves, and since most of them were damaged, I got only 560 taka for this first batch. Fortunately, the plants survived: new stems sprouted one month later, and the business could continue."

"However, selling the harvested leaves was not easy. My husband and I contacted many buyers, but none of them was really interested in buying our products. In fact, each member of the group was facing the same problem: the amount which we produced was too low for them. After a few days, one local seller of Aloe Vera juice introduced us to two outsiders who were interested in small quantities of Aloe Vera, however their demand was below our production level."

"We shared our problems with LUSTRE, and decided that instead of individually growing and selling Aloe Vera, we would plan our production together - taking into account the peak season when Aloe Vera fetches the highest price in the markets - and jointly sell to the traders in order to meet their demand. We also decided not to rely only on Aloe Vera, but to diversify our production in order to face variations in market demand. We regularly collect information on prices from the market, and we have also sought other opportunities."

"For example, I started a business of making Pitha (rice cake) daily to sell in the "Female Corner" of a nearby market. My husband helps me to organise and operate this small trade. I work three hours in the morning and five in the evening and I earn on average 60 taka per day."

"Now, my husband no longer works full time as rickshaw van puller. He helps me in our new business, which is less laborious for him as well as profitable. Earlier our livelihood was totally dependent on my husband's income: when he was sick, we had to face immediate financial problems. Today, we have gradually developed our capacity to generate diversified sources of income, and we believe we have a better future."



*Agata Biswas is a poor woman of an Adivashi Christian community living in the village of Bhugroil, Naohata, Rajshahi. With the help of MSP, a partner NGO, they formed a group of extreme poor women to address their livelihood problems.*

"In our village we have 45 households: most of them are extremely poor. We sheltered here with support from a church. Throughout the year, I had no income or employment opportunities; only my husband could generate income through day labouring. My family did not always have enough food. Though I had free time, I was not able to use it for productive purposes, due to lack of skills and economic opportunities."

"In January 2003, Jannat and Shahin from MSP visited our village. They told us that they were identifying extreme poor households and communities in order to help them. We called on the extreme poor of the village, and after a discussion with Jannat and Shahin, 33 people - 23 females and 10 males - from 33 households showed an interest in collaborating with VFFP and MSP. However after a few months, when some of us realised that there was no scope for getting financial and material grants from VFFP and MSP, 21 members left from our group. Since then, 12 women, including myself, are continuing to collaborate with MSP. We have organised ourselves in a formal group."

"At the beginning, Shahin suggested to us to intensively use our homesteads for the production of vegetables. She supplied the seeds and we reimbursed her later on and she provided training support to us. I used all of the harvested vegetables for my family's consumption, and this activity has now become a continuous year-round process."

"In the meetings we had with Shahin, we discussed how we could generate more income - something I always had in my mind but without any solution. One day, I noticed that near my house, a small piece of land owned by a rich farmer always remained as fallow. This gave me the idea of producing cash crops on that land. I thought that I could suggest to the land-owner that he allow me to use his land. I shared my idea with Shahin, and she encouraged me to contact the landlord. He agreed that I could cultivate the land when I proposed to share some part of the produce with him. On the advice of Shahin, I decided to cultivate green chilli, because there was a local market for it and the required investment was low. In the first week of April 2003, I planted green chilli seedling with technical support from VFFP and MSP. In order to reduce the cost of production, I utilised organic manure from a local source, and utilised my family to help with cultivation - I had only to buy 40 taka worth of seeds. I earned 2,500 taka from the sale of chilli, and gave 500 taka to the landlord. After that I cultivated gourds and earned 600 taka which was again shared with the landlord. In the meantime, I produced 3,000 green chilli saplings using my own seeds. I used 500 - 600 saplings for the next season and I sold the remaining ones. There was also demand for green chilli saplings from some of my neighbours. I eventually earned 400 taka, a bit less than expected."

"The experience of green chilli production on the land of the neighbouring rich farmer opened our eyes and we realised that we could replicate it. In the following rainy season, we cultivated Aman rice on 58 decimals of land of a neighbouring rich farmer. However, I had to take a loan of 500 taka as seed money, though we invested 400 taka of our own. We harvested 400 Kg of rice from that land - which was actually not much because of a flood - and we used it for our own consumption."

"At the beginning of the collaboration with VFFP and MSP, I did not believe that without significant financial help and material grants anyone could improve our living conditions. I have now realised that the availability and permanent support of Shahin, her accurate advice, and a small amount of money made us capable of changing our lives by ourselves."

*Tajema Begum lives in a cluster village of poor in Rajshahi, established by the Government.*

"Previously, I spent most of my time doing nothing in my house. I had a sewing machine and tailoring skills and could earn 10 taka daily, but that was very irregular. My family mostly depended on the income of my husband, who was a day labourer. During the lean period of agriculture - which was about four months - he did not get any jobs. Even with our two incomes, we were not always able to manage three meals daily."

"One day, with the help of MSP, the poor of our village met together in order to identify ways of improving their economic position. Many ideas came up regarding the development of income-generating activities. But we were confused about which one had potential for us. We decided that we needed time to think about what we could really do. One of my neighbours suggested that I trade remnants of cloth, which I could also sew. I shared that idea with Jannat of MSP, who suggested assessing its feasibility, which I did with the help of my husband. The idea of my neighbour seemed to be very relevant! I took an interest free loan of 1,000 taka from MSP as seed money for purchasing the remnants of cloths. I went door-to-door in a village adjacent to mine, and many households purchased them, and asked me to sew them to make clothes. This trade increased my income in two ways: profit from selling the remnants of cloth and profit from sewing. After four months, I repaid the loan in full to MSP."

"Later, three of my neighbours and I started a joint small business in production and marketing of Chanachur (small snacks). VFFP provided us with training for this venture and MSP provided us with a machine: we had initial capital of 50 taka to buy the ingredients. With that venture, our initial capital increased to 200 taka after a few months. In the meantime, our skills developed significantly and we then decided to go ahead individually. We decided that we would share the machine that we got from MSP."

"I also initiated a new activity - the production and marketing of Kumra Bori (a rice cake). The investment needs only a small amount of cash, but the business requires time - something I still have. With the help of MSP, I understood that in order to ensure a certain level of total household income I needed several single sources of income - that is the best way to ensure a flow of income all year round."

"At the end of 2003, all my dreams suddenly vanished when my daughter had to be hospitalised for treatment of a severe bone disease, obliging me to spend all the money I had been able to save as capital."





*Noorjahan lives in Aliganj Adarsagram and was identified as one of the poorest in this community. She is supported by MSP, a partner NGO of VFFP.*

"We were not extreme poor in the past. My husband, by nature, is not really a laborious man. We had some land, but my husband gradually sold it off to meet the family's expenses. In the meantime, our family grew to six children - five girls and a boy. We had to sell our last piece of land, including the house, to settle the marriage of our eldest daughter. My husband, seeing no other alternative, started pulling a rickshaw van in order to maintain the family. Thankfully, in the early 1990's, my husband got an allotment of 5 decimals for constructing a house in a village established by

the Government. Since my husband had never had a regular source of income, I decided to take the initiative to earn money myself. I started an egg business, but due to lack of capital, I could not really make a profit."

"I met Shahin from MSP in 2002, and after discussions with her, we decided to form a group of 14 extreme poor women in our Adarsagram. After receiving training, we started a joint business of paper bag making and selling. Although it was profitable in the beginning, we could not find a market for it at a later stage. Once, I shared with Shahin my plan of baking and selling vapa pitha (a rice cake) and the need for an initial capital of 200 taka. This activity was very profitable: everyday, I earned on average 100 taka. But after only a few days, some others in the village started the same business. Shahin advised me to sell my pitha on a road near our village. However, the competition followed me, and I could only maintain a profit by moving again and again to new places. I lost hope when I could not sell any vapa pitha after the winter season. I started selling pancakes made of pulse flour on the advice of Shahin. Within a year I raised 5,000 taka capital. I rented a small shop by the road and I am continuing the pancake and pitha business all year round. Although we are not yet solvent, we are no longer extreme poor. We can meet the family's expenses with my husband's and my income. We have sent our children to school. My daughters run the shop at lunchtime, while I cook for them at home."

"Gradually, the number of customers at my shop is increasing. In order to keep up my business, I shall have to provide seats for my customers - that will require some more investment. Last year I had to spend some money from my capital on reconstructing our house. I shared this with Shahin and she asked me to contact MSP's credit staff about getting a short term loan."

*Jamila Begum is a dynamic lady living in Dottopara village, Natore. She and her two children were abandoned by her husband many years ago. She is the president of Asar Alo Mohila Samity - a female group consisting of extreme poor.*

"Once I was a member of a credit group organised by a big NGO and I took a loan of 10,000 taka for leasing some land for crop production, as well as to develop a tailoring business. Unfortunately, I lost all the money when I was on my way home after receiving the cash from the NGO office. A few months after that incident the field staff of that NGO pressured me to pay back the loan. I sold all my furniture, the tin from the roof of my house, and other household items to pay back the principal amount of the loan along with the service charge of 3,000 taka. Bearing in mind that bitter experience, I promised that I would never take a loan in future. When I was still facing the consequences of such a shock, one of our village elite claimed that my father had sold our homestead land to him many years ago and he evicted us from our home. My two sons and I were homeless and became distressed about our future. Then we took shelter on a cousin's land."



"To maintain us daily, I started to work in a food processing company as a day labourer. The wages were 25 taka for working 10 hours per day. Moreover, I earned about 400 taka per month from sewing clothes. On that income, we lived a life of hardship and I was unable to manage three meals per day all year round for myself and my two children."

"With the help of Sabina from LUSTRE, we formed a group of 26 women from the poorest households of our village. We started our activities by saving cash - 5 taka per week each. Our group members also saved a handful of rice from each meal every day and managed money from the saved rice. With the savings, we rented 15 Katha of land from an old lady in our village who needed money for urgent medical care. Joint vegetable cultivation, with shared responsibilities, turned out to be profitable, and we repeated the experience the next year, by doubling the land. Our rule was that if all of our members worked together, we did not receive any wages. Sometimes we assigned some of our members to do irrigation work, and in that case our group paid these members 15 taka for three hours work."

"Earlier, in our village, the wage rate for a female agricultural labourer ranged from 15 - 20 taka per day. The commercial vegetable producers were obviously interested in utilising us - poor and accepting everything in order to survive. Five months after our group was formed, we discussed this issue among ourselves and decided to go on strike. We also included other women labourers in our locality who were not our members. We organised a strike programme during a peak vegetable harvesting season. The local commercial vegetable producers were obliged to negotiate with us and fixed a new wage at 35 taka - almost double. This success made the women conscious of a fair wage rate, and confident to bargain for higher wages. As a result, the wage rate for women labourers in our area has gradually increased and now stands at 40 - 45 taka. You could say this is success through the unity of poor women."

"The above successes were only possible due to receiving correct advice and close accompaniment support from VFFP and LUSTRE. If you come to our area now, you will see how confidently our women members are fighting against poverty."

*Shahin and Jannat work for MSP, a partner NGO of VFFP, as field facilitators.*



*Shahin*

"We identified the community of Aliganj Adarsagram as a possible area for intervention regarding extreme poverty, since there were many landless and very poor people living there. After a while, we realised that this Adresagram had been established twenty year ago, and that not the whole community was poor. Some of the extreme poor had left the community a few years ago and had sold their houses to richer people. In order to make sure we could work with the poorest, we organised a meeting with three villagers' organisations that were formed by other NGOs. We asked who were the poorest amongst them, according to their own criteria. There were in general 3 - 6 per group of 25 - 30 members. In the next meeting, we requested them to identify the other extreme poor of the village, who were not members of the three organisations. Eventually, we came up with a list of fourteen households, with whom we started to work."

"In the beginning we were not confident of how we could help them. Since we had been working with VFFP for years, we naturally proposed the cultivation of vegetables and planting trees. But these activities were not sufficient to give them a quick financial return. At that time the market for paper bags was flourishing, and we promoted this activity in connection with a woman who was involved in the business. Soon we noticed that due to the competition, it was no longer profitable. From that moment, we tried to be creative and looked for any economic opportunity, even the very unusual. During a meeting with the group, we collected many individual proposals of small income generating activities: chanachur (snacks) making, paddy business, puffed rice, fish business, rice cakes, pancakes, small scale grocery business, clothes, pickle-making, etc. We had thorough discussions to learn a bit more about their knowledge of these businesses, the required skills, the market outlet, demand, etc. We only encouraged the people who had some basic ideas of a trade. We found that each of them needed seed money for starting a business: the requirements varied from 200 - 1,000 taka. We arranged interest-free loans for the 14 extreme poor households from our MSP's credit programme. Within a year most of the borrowers repaid their loans. We found that with the exception of chanachur and pickles, all the trades were profitable and sustainable."



*Jannat*

"Our experience with the extreme poor is very exciting. But to be effective and reach a minimum level of self-reliance, we estimate that it requires at least two years of intervention."

## 5. The lessons learnt

These first pilot initiatives brought to light the many lessons learnt at four levels:

- The approaches
- The project's partners
- The project itself
- The local context

### 5.1. Approaches

People have a general tendency to replicate what they know (including mistakes!), and, particularly in the field of rural development, to apply classical methods, often based on transfer of technology and on "what is good for the poor". This does not work with the extreme poor, who quickly lose interest because this type of approach does not consider their critical concerns and priorities. Working with the extreme poor requires entering into the community with virgin eyes and an open mind, and considering any type of problem felt by the community and individuals as "crucial" from their point of view. This attitude - the recognition of "their" crucial problems - is vital to inducing a trusting relationship, and represents a good starting point for collaborating with the extreme poor. For example, starting to solve the problem of access to the graveyard for the Adivashi community was the factor that really triggered the process of collaboration.

The extreme poor obviously have a high interest in quick return economic activities. Starting with their current activities - what they know and what they do (but could do better) - has more chance of success than introducing and promoting new activities. However, the field staff often have the tendency to promote what they know themselves. Again, this requires a change in attitude, and capability in adapting, including the ability to deal with many and unknown subjects.

However, once the first activities are running, it is possible to suggest and introduce new economic activities, while paying attention to the following aspects:

- Those who intervene at field level often have the tendency to promote "ready made models" of economic activities, like the preparation of pickles or paper bag making, without consideration of the local market.
- Even in the case of promising activities, like the production of Aloe Vera or paper bags, careful assessment of the market, including its possible evolution, should be done in order to make sure the products can be sold: quality, quantity, possible saturation.
- Extreme poor are not prepared to access large markets, because of their isolation, the quality and quantity of produce, and weak negotiating powers.
- It is however possible to access these markets if a link is ensured with a permanent outlet, as is the case for some specific products.

While development interventions usually address specific social groups (farmers, women, men...), the extreme poverty pilots generally targeted the whole family. The simultaneous involvement of men and women, young and adults, even in different types of

The recognition of the crucial problems of extreme poor is vital to inducing a trusting relationship.

The extreme poor have a high interest in quick return economic activities.

The simultaneous involvement of men and women, young and adults, even in different types of activities, generally led to higher effects and impacts.

A large degree of flexibility is required for addressing the problems of extreme poverty.

Support will often have to be provided at individual level.

The diversification of income sources within the same household constitutes a very important strategy for the extreme poor.

Seed money is a more appropriate system of funding to improve livelihoods than the conventional system of credit.

activities, generally led to higher effects and impacts - the activities being treated as a concern of the whole family.

A large degree of flexibility is required for addressing the problems of extreme poverty, and to move away from the usual models and ways of working. Even though progress has been made in this regard, there is still a tendency to mainly consider the economic dimensions of poverty, and place less emphasis on rights or culture, for example. Flexibility also has to be ensured in the modalities of collaboration and type of support with the extreme poor, for example no conditions on accessing credit, no predefined targets, sharing the risks, etc.

The classical organisation of "training modules" (skills development, information on rights) does not suffice - and sometimes does not work at all - to bring about changes. There is also a need for developing analytical and negotiation skills, linkages with relevant organisations and markets, technical (and sometimes financial) support for developing a project. Developing the same type of activity in a group of extreme poor does not always work and should not be considered as an entry point.

In many cases, support will have to be provided at individual level. The support given to individuals must take into account their specific conditions, and often needs to be tailor-made. This assumes an important investment in terms of human resources and their availability for supporting them, as well as diversity and flexibility of intervention. Aminul of SERP, for example, had to deal with many types of projects: goldsmith, blacksmith, shop-keeper, pig trading, flexible credit for buying rickshaw, fuel wood trading, fish trading, bamboo shoots trading, chicken skin trading.

The diversification of income sources within the same household constitutes a very important strategy for the extreme poor. A better use of existing assets - for example skills, time, or land - generates small amounts of income which when added together significantly increase the family's income. For example, the additional incomes of the Adivashi day labourers released them from the vicious circle of dependence on landlords.

Seed money is a more appropriate system of funding to improve livelihoods than the conventional system of credit. Specifically targeted, small amounts, without the pressure of repayment, conditions of access and the weight of interest, it is utilised as a lever that generates immediate returns, for example immediately scaling up a very small business. For example, one woman was able to multiply by four times her business of rice trading with "seed money" of 200 taka - actually the equivalent of the capital the woman was able to afford initially. In most cases, adopting the approach of using "seed money" leads to fast repayment of the loan.

There is a belief that helping the extreme poor is often a question of money. A linkage with a relevant support organisation sometimes proves far more cost-effective than providing money to solve a problem or develop an activity. For example, sending Johan to a district hospital supported by a charity organisation cost 20 times less than using a local hospital. Of course, this approach requires curiosity, capacity of networking, personal engagement and initiative.



To conclude this chapter, it can be said that approaching extreme poverty often requires the following sequence of events:

1. Approaching the community to identify the common interests
2. Approaching individuals, and focusing on quick-return economic activities
3. Undertaking general actions of development based on long-term views

## **5.2. Partners**

Partner NGOs often have the tendency to follow the conventional types of intervention in their project proposals. The classical model follows five steps: conscientisation of people (awareness building), formation of groups, global needs assessment (in reality, often done by the NGO, and then induced in the groups), training programme (often ready made) for skills development and rights, optional: traditional credit programme, formation of federation of groups. This approach rarely addresses extreme poverty and is deeply rooted in the mind: it takes time to negotiate alternatives.

Actually, most NGOs do not have much experience of working with extreme poor for development purposes. It is thus normal that what they can propose are traditional types of intervention - actually, a replication of what they did for other donors or projects.

Partners are however accommodating in changing their minds and adopting new approaches. But despite this openness, they often apply conventional approaches during the implementation of the activities. For example, it was realised after one year that the elderly in Adivashi communities were not concerned with the pilot activities, because usually when NGOs form credit groups, they exclude them. A close monitoring and backstopping system thus needs to be put in place from the beginning of the interventions.

The devotion of the NGO Director - personal engagement, interest, development of thought and support to the field staff - is a determinant in the progress of interventions, as well as the degree of interaction he has with the project. His or her personal relationship with other local support organisations and key individuals also represents an important asset for helping in the development of the initiatives. For example, Johan, the child born with a malformation, was operated on thanks to a chain of personal relationships.

Since the activities related to extreme poverty require a high level of creativity and flexibility, as well as dealing with many different individuals and subjects, the devotion and commitment of field staff is also a determining factor in this regard. The selection of staff should be done more on human qualities rather than technical competences. On the other hand, helping the extreme poor is exacting, requiring concentration and full support. If the staff are involved in other activities which are not related to extreme poverty, despite the interest in extreme poverty, the level of achievement tends to be lower. Since the extreme poor often have a time constraint - many of them work as day labourers - most of the meetings with them have to be organised at night, which presents a problem for female staff.

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Helping the extreme poor is exacting, requiring concentration and full support.

The project staff engagement and personal interest played an important role

The lack of experience, and subsequently of confidence, as well as the number of other activities have often lowered the degree of attention and level of priority given by project staff to extreme poverty initiatives.

Very close interaction between the project and the NGO partner must take place from the initial development of ideas, as well as throughout the whole process of implementation, in order to ensure that approaches are understood and internalised in the same way, and implemented accordingly. Permanent coaching of the NGO staff is needed to avoid bias, misinterpretation and the influence of ingrained habits. Joint monitoring is a must in this process.

Capacity for reporting and documenting the activities from an analytical point of view is often weak, and hampers the monitoring needed in such processes of action-research. Mistakes or misunderstanding in the implementation of the approaches are often noticed late because of lack of feed-back, such that it becomes difficult to re-align the initiatives in the correct way. Sometimes, opportunities can also be lost as a result.

### **5.3. Project**

The fact that VFFP was a land-based programme also induced bias during the conception and inception of the pilot initiatives on extreme poverty, and often limited the scope of intervention. Many project staff were not mentally prepared for going into activities beyond the field of agroforestry production and processing, and were trying to promote these activities rather than to understand extreme poverty and take into consideration the priorities of the extreme poor.

If the progress of the extreme poverty pilots and the level of achievement depended on NGO staff quality, the project staff engagement and personal interest also played an important role in this regard. In particular, the analytical and conceptual capability to monitor the activities and to advise the NGO partner was found to be critical. The changes in the activities - both positive and negative - sometimes happen very quickly, and require the ability to react accordingly either to correct an action or to seize a good opportunity which suddenly arises.

The lack of experience, and subsequently of confidence, as well as the number of other activities have often lowered the degree of attention and level of priority given by project staff to extreme poverty initiatives. Accordingly, monitoring and coaching were neglected, hampering the progress of activities: in one instance, it took more than six months after the selection of the beneficiaries to start the activities.

On the other hand, the pilot initiatives on extreme poverty, while developed with full concentration, have provided adequate food for thought on what to do with the extreme poor included in farmers' groups of the mainstream programme of the project.

### **5.4. Local and specific context**

In the case of tribal communities (Adivashi), the interventions in one village are more easily replicable to another one, with people having relatives in neighbouring villages and thus forming a kind of large community. The fact that they are a minority community also eases exchange of information and interaction between the villages.

The extreme poor, even those who live in communities (tribal communities and adarsagram i.e. people sheltered by the

Government), can present a high degree of heterogeneity between families, between men and women, within families, between individuals, that has to be taken into account. It is quite impossible to do the same for all, or to expect the same level of achievement for all. Some women can have entrepreneurship, and then progress quickly with little support, while others will give up quickly and passively accept their fate. Extreme Poverty does not mean "cohesion" and "solidarity" - initial groups can evolve and split into smaller groups that compete between each other. In certain cases, it was found that men having a daily job, even if very poorly paid, e.g. garbage collectors, considered themselves as "local elite" - having a permanent job was for them a social status - and they were not interested in other economic activities.

One has to be conscious of the approaches practised by other organisations working with the same populations, which could hamper their own approaches and activities. Certain organisations working with tribal communities intervene more with relief and charity - though with specific conditions, and establish in these communities the expectation that other organisations should do the same.

On the other hand, local organisations or Government institutions can be very responsive, and efficiently contribute to the actions for extreme poverty.

## **6. Conclusion**

The first extreme poverty pilots initiated by VFFP, and at present continued by LEAF, show that it requires time for tackling the issue because of many factors. Amongst these, one could cite the lack of experience and lack of confidence of organisations and staff involved - with the tendency to always postpone the start of activities since nobody really knows how to proceed; the personal interest and engagement; and the ability to deal with the unknown and new challenges. The weight of classical and usual approaches; the analytical capabilities to understand extreme poverty; the capacity of taking into consideration the priorities of the extreme poor; and the capacity of being flexible and able to deal with several subjects are other major factors that influence the effectiveness and impact of the actions.

Despite these many initial constraints, the pilots have shown that extreme poverty can be effectively addressed by starting with the most important or crucial problems raised by the extreme poor. Economic activities with quick returns, and critical and specific actions in the field of social rights or even cultural issues are a good entry point, rather than the conventional sector approach. To be really effective, the support must be tailor-made and consider specific familial situations. Starting with what the extreme poor already know or do increases the chance of success of the intervention. The use of seed money - a flexible form of credit with no conditions - is found to be an effective means of generating quick returns and leverage.

The results of the first initiatives after more than one year are quite encouraging, though the level of achievement varies. The various dimensions of poverty - empowerment, economic

opportunities, human development and vulnerability - have been addressed: this shows the complexity of interventions and the need for networking with relevant organisations and institutions.

The future challenges for the project are: increasing the understanding of extreme poverty and how to address it; the inclusion of the initial lessons learnt in the mainstream programme of LEAF; and the establishment of a more effective system of monitoring and capitalising on the experiences.

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