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***Assisting the poorest in Bangladesh:  
Learning from BRAC's 'Targeting the  
Ultra Poor' Programme***

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## Abstract

This paper commences by examining the evolution of a programme designed to reach the poorest people in Bangladesh, to improve their immediate situation and to give them the assets and other skills to move out of poverty and dramatically reduce their vulnerability – BRAC's Challenging the Frontiers of Poverty Reduction/Targeting the Ultra Poor Programme, or CFPR-TUP. It then reviews what is known about the impacts of TUP, and finds evidence that the programme is both reaching significant numbers of Bangladesh's poorest people and improving their economic and social condition. The concluding sections draw lessons from the TUP about the types of programme design features and the processes required in order to develop such ambitious initiatives.

**Keywords:** Bangladesh, social protection, asset transfer, microfinance

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## Acronyms

AKF-C – Aga Khan Foundation - Canada  
BRAC - Formerly known as the Bangladesh Rural Advancement Committee  
BRAC-RED - BRAC's Research and Evaluation Division  
CFPR - Challenging the Frontiers of Poverty Reduction  
IGVGD - Income Generation for Vulnerable Group Development  
NSUPs - non-selected ultra poor households  
STUP - Specially Targeted Ultra Poor  
SUPs - Selected Ultra Poor Households  
TUP - Targeting the Ultra Poor Programme  
VACs - Village Assistance Committees

The poorest are not like the poor but 'a little bit poorer'. They may benefit from policies to help the poor, but need other policies as well.

Sen and Hulme (2006:8)

## **Introduction**

Social protection seeks to reduce the deprivation and improve the future prospects of poor and vulnerable people and households. However, even when such policies and programmes are working well, assisting the poorest and most socially marginalised people can be very difficult. This is a particularly important issue in countries with mass poverty, where a large minority, or sometimes a majority, of the population live below the poverty line. In such contexts, effective social protection policies may benefit millions of poor people but do little or nothing for the very poorest (CPRC 2004).

This paper starts by examining the evolution of a programme designed to reach the poorest people in Bangladesh, to improve their immediate situation and to give them the assets and other skills to move out of poverty and dramatically reduce their vulnerability – BRAC's Challenging the Frontiers of Poverty Reduction/Targeting the Ultra Poor Programme, or TUP. It then reviews what is known about the impacts of TUP, and finds evidence that the programme is both reaching significant numbers of Bangladesh's poorest people and improving their economic and social condition. The concluding sections draw lessons from the TUP about the types of programme design features and the processes required to develop such ambitious initiatives.

## **The context of the *Targeting the Ultra Poor (TUP) Programme***

### *Bangladesh :*

Bangladesh has been doing well in recent times (Drèze 2004) with reasonable rates of economic growth, improving social indicator levels and strengthened resilience to environmental shocks (floods, storm surges and drought). The headcount poverty index dropped from 52 percent in 1983/84 to 40 percent in 2000, although the fall in extreme poverty has been more modest (Hossain, Sen and Rahman 2000). The UN's Human Poverty Index (HPI), based on income poverty, illiteracy and health deprivation measures, fell from 61 percent in 1981/82 to 36 percent in 2004. Despite these improvements, life for many remains characterised by severe deprivation and vulnerability, with around 31 percent of the rural population trapped in chronic poverty and 24 percent of the entire population experiencing extreme income poverty (i.e. with consumption expenditure at less than 60 percent of the government's official poverty line). Between 25 and 30 million Bangladeshis have seen little or no benefit from democracy or the country's significant and consistent economic growth.<sup>1</sup>

Chronically and extremely poor people – the 'ultra poor' to use BRAC's terminology – "...face a complex structure of constraints that mainstream development approaches [including the country's social protection policies]<sup>2</sup> have found difficult to address" (Hossain and Matin 2007:381). Ultra poor people have not been able to improve their lives through (i) accessing employment opportunities created by the growth of the formal sector (e.g. garment industry, fisheries, services); (ii) benefiting from the 'green revolution' that filtered across the country in the 1980s and 1990s; or (iii) participating in the self-employment and casual employment opportunities of the dynamic informal economy that has been supported by Bangladesh's

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<sup>1</sup> For more detail on economic, social and poverty indicators in Bangladesh, see Sen and Hulme (2006).

<sup>2</sup> For an inventory see World Bank (2005).

much-praised microfinance industry (Hulme and Moore 2007). Market-related opportunities, governmental social policies, and non-governmental organisation (NGO) programmes miss the ultra poor because they lack the material, human, financial and social assets to engage, and/or they live in areas or belong to ethnic/social groups that are bypassed or excluded.

In particular, rural people living in remote areas or difficult environments (e.g. the seasonally eroded *chars* or seasonally flooded *haors*) and disadvantaged women are likely to be ultra poor. The ultra poor are not a distinct group, but a heterogeneous assemblage of different people usually experiencing multiple deprivations. Commonly they are casual labourers (in agriculture or services), migrants or displaced people, ethnic or indigenous minorities, older people and those with severe disabilities or ill-health.

For analytical purposes we can recognise both the economically active ultra poor, commonly surviving through their precarious, multiple livelihoods, and the economically inactive or dependent ultra poor (frail old people, the physically or cognitively impaired, chronically sick or destitute).<sup>3</sup> BRAC's TUP has chosen to focus on the economically active ultra poor. The inactive ultra poor remain dependent on ultra marginal economic activities and support from family, relatives, neighbours, NGOs and community-based organisations and, sometimes, government social policies such as old age pensions.

*BRAC :*

BRAC<sup>4</sup> was established in 1972 to provide humanitarian relief to the tens of millions of Bangladeshis suffering after the war of independence and later environmental disasters. Subsequently it moved on to development work, and has evolved into the world's largest service delivery NGO. As of June 2006, BRAC was working in over 65,000 villages and over 4,300 urban slums, in every district of Bangladesh. It claimed over 5 million members, almost entirely women, and an annual expenditure of over US\$250 million. Nearly 1 million children were enrolled in a BRAC school, and almost 3.5 million have graduated. "The NGO employs over 37,000 full-time staff, over 53,000 community school teachers, and tens of thousands of workers and volunteers on the poultry and the community health and nutrition programmes. . There are now international programmes in Afghanistan, Sri Lanka, East Africa and the United Kingdom (BRAC 2006a). In Bangladesh, BRAC's major programmatic foci are the promotion of self-employment (microfinance, and technical support) and human development (non-formal education and health services). BRAC, the NGO, is at the centre of a corporate network including BRAC University, BRAC Bank, BRAC Printers, the country's largest cold store company, and several other businesses.

Three key points must be noted:

- BRAC has a capacity to manage operations across Bangladesh that rivals the business sector and often outperforms the government;
- BRAC has substantial experience in programme experimentation and learning; and
- BRAC's economic programmes are heavily loan driven and envision poor people as microentrepreneurs.

### **The evolution of the TUP Programme**

BRAC launched the TUP programme in January 2002 as an experimental initiative that recognised two key findings from BRAC field experience and research:

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<sup>3</sup> When this division is empirically operationalised then it is often found that the 'economically inactive' are actually heavily involved in low- or no-pay work such as gleaning, caring for children or older people, and begging.

<sup>4</sup> Formerly known as the Bangladesh Rural Advancement Committee.

- BRAC's highly regarded microfinance programme rarely reached the poorest women.<sup>5</sup> This was partly because of self exclusion – the poorest women report being very worried about the consequences of not being able to make weekly loan repayments (*kisti*) and so do not join BRAC's village organisations (VOs). This was partly due to social exclusion – many VO members do not want to associate with the very poor for both economic and social reasons; and partly because BRAC's loan-driven approach to microfinance does not match the needs or preferences of the poorest. BRAC has been aware of this issue since the mid-1980s when it began to experiment with new programmes to reach the poorest (see next section).
- For many years the World Food Programme (WFP) operated a Vulnerable Group Feeding (VGF) scheme that provided poor women with 31.25 kg of wheat per month for two years. In 1985 BRAC began working with WFP to create a 'laddered strategic linkage', the Income Generation for Vulnerable Group Development (IGVGD) programme, that would allow food aid recipients to climb out of poverty by graduating to BRAC's microfinance groups and self-employment initiatives. WFP's food aid would be complemented by BRAC-provided savings programmes, social development, income generation training and, eventually, microcredit. The IGVGD has received favourable evaluations and continues to operate,<sup>6</sup> but at least 30 percent of IGVGD participants do not progress to microfinance programmes and these are usually from the poorest and most vulnerable households (Webb *et al* 2001). In addition, a significant minority of 'new' IGVGD participants have taken part in the programme previously but have failed to improve their livelihood security (Matin 2002).<sup>7</sup>

These two experiences indicated that BRAC's programmes were having problems assisting the poorest. TUP was launched to build on existing knowledge and the organisation's commitment to the very poor. TUP was overseen by BRAC's founder-director, Fazle Abed, and systematically monitored by BRAC's Research and Evaluation Division (RED).<sup>8</sup>

The programme used the concept of a 'laddered strategic linkage', however, its approach was "... more systematic, intensive and comprehensive, covering economic, social and health aspects" (Hossain and Matin 2007:382). The idea behind the TUP approach is to enable the ultra-poor to develop new and better options for sustainable livelihoods. This requires a combination of approaches – both promotional (e.g. asset grants, skills training) and protective (e.g. stipends, health services) – as well as addressing socio-political constraints at various levels. TUP employs two broad strategies: 'pushing down' and 'pushing out' (Matin 2005a):

- 'Pushing down': TUP seeks to 'push down' the reach of development programmes through specific targeting of the ultra-poor, using a careful methodology combining participatory approaches with simple survey based tools. Within geographically selected areas, certain exclusion and inclusion conditions must be met. The selected households are then brought under a special two year investment programme involving asset transfer, intensive social awareness and enterprise training, and health services.
- 'Pushing out': TUP also seeks to 'push out' the domain within which existing poverty alleviation programs operate by addressing dimensions of poverty that many conventional approaches do not. This involves a shift away from conventional service

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<sup>5</sup> This is true for most of the country's microfinance institutions (Zaman 2005) and may be the situation internationally (Hulme and Mosley 1996).

<sup>6</sup> In its 2003/04 annual cycle the IGVGD model took on 44,000 new beneficiaries (Hashemi 2006: 5).

<sup>7</sup> For detailed discussions of BRAC's learning from the IGVGD, see Matin and Hulme (2003) and Matin (2005a).

<sup>8</sup> This 'Learning Partnership' is supported by CIDA via the Aga Khan Foundation-Canada (AKF-C). Working papers can be downloaded from [www.bracresearch.org](http://www.bracresearch.org)

delivery modes of development programming to a focus on social-political relations that disempower the poor, especially women, and constrain their livelihoods. Building links and support networks with other groups and organisations is key to 'pushing out'.

It is important to note that the 'Targeting the Ultra Poor' programme in fact targets two groups of ultra poor people:

- the 'Specially Targeted Ultra Poor' (STUP), who are supported with the complete package (called the 'Special Investment Programme'), which includes asset grants; and
- the 'BDP (BRAC Development Programme) Ultra Poor', changed to 'Other Targeted Ultra Poor' (OTUP) in the second phase of CFPR-TUP, who do not receive asset transfers, only skills development, more intensive staff support, and health support.

The STUP are organised into microfinance groups after 18-24 months, while those OTUP who are not already BDP microfinance members join groups immediately. In this paper we are only concerned with the STUP, who receive asset transfers as a key part of the programme.

**Table 1: TUP programme components and their purpose**

| <b>Component</b>   | <b>Purpose</b>   |
|--|--|
| Integrated targeting methodologies   | Identify and target ultra poor   |
| Monthly stipends   | Smooth consumption, reduce vulnerability, and reduce opportunity costs of asset operations |
| Social development (functional literacy)   | Build confidence and raise knowledge and awareness of rights                               |
| Health support   | Reduce morbidity and vulnerability   |
| Income generation training and regular refreshers  | Ensure good return from asset transferred  |
| Income generating asset transfer (e.g. poultry, milch cows, horticulture)                  | Significantly increase the household's asset base for income generation                    |
| Enterprise input and support   | Ensure good returns from the asset transferred   |
| Technical follow-up and support of enterprise  | Ensure good returns from the asset transferred   |
| Establishment of village assistance committee and mobilisation of local elites for support | Create a supportive and enabling environment   |

Source: Adapted from Hossain and Matin (2007: 383).

**Table 2: TUP programme targeting indicators for STUP<sup>9</sup>**

|  |  |
|--|--|
| <b>Exclusion conditions</b> (all selected households must satisfy all conditions)            | Not borrowing from a microcredit-providing NGO.  |
|  | Not receiving benefits from government programmes.   |
|  | At least one adult woman physically able to put in labour towards the asset transferred.   |
| <b>Inclusion conditions</b> (all selected households must satisfy at least three conditions) | Total land owned less than 10 decimals.  |
|  | Adult women in the household selling labour. (In Phase II, changed to 'Household dependent upon female domestic work or begging'.) |
|  | Main male income earner is disabled or unable to work. (In Phase II, changed to 'No male adult active members in the household'.)  |
|  | School-aged children selling labour.   |
|  | No productive assets.  |

Source: Matin 2005a.

By late 2003, after experimentation and redesign, the programme had nine main components (Table 1) that were carefully sequenced and linked. It carefully targets the poorest<sup>10</sup> (Table 2), provides them with a monthly stipend and health services to provide basic security, provides social development and income generation training,<sup>11</sup> transfers assets to participants (e.g. poultry and cages, milch cows and stables) and provides technical support, inputs and advice. The initial TUP plans envisioned that TUP members would graduate to joining BRAC VOs, but a number of problems in the field led to a redesign (Hossain and Matin 2007:383). In particular:

- TUP members became heavily dependent on BRAC staff for assistance and advice, rather than on VOs, effectively treating BRAC as a patron;
- many VO members resented TUP beneficiaries, as they had not received 'gifts' but had to repay BRAC for assets and services; and
- the assets transferred to poor women experienced relatively high levels of theft or damage, sometimes due to such jealousy.

This led to the design of Village Assistance Committees<sup>12</sup> (VACs) that are to enlist the energies of local elites to support TUP participants, and the poorest more generally, in their village. The VACs have seven voluntary members – a BRAC fieldworker, a TUP participant, two VO members, and three members of the village elite.<sup>13</sup> The contribution of these committees to TUP performance, and more broadly to local level social and political change,

<sup>9</sup> The targeting parameters for OTUP are slightly wider, particularly in terms of the maximum land ownership requirement of 30 decimals.

<sup>10</sup> The 2002 baseline survey found that of the ultra poor, 54 percent were totally landless, 50 percent ate two meals or less a day, 70 percent were dependent on irregular, casual labour and 95 percent lived without sanitation facilities (BRAC-RED 2004).

<sup>11</sup> The social development component focuses on functional literacy, but BRAC fieldworkers believe its main contribution is to build the confidence of TUP participants.

<sup>12</sup> In Bangladesh these are known as *Gram Shahayak Committees* (GSCs). For a detailed description and analysis of these see Hossain and Matin (2007).

<sup>13</sup> These are described as "... respected individuals in the local community [chosen] through a process of guided selection" (Hossain and Matin 2007: 384-5). Often they have strong religious beliefs and reputations for being publicly-minded.

are complex and difficult to assess. However, Hossain and Matin (2007:390) judge them to be a 'modest success' and a challenge to those who automatically assume that the involvement of local elites in development programmes will always be negative.<sup>14</sup>

### **The present status of the TUP**

The TUP aims "... to build a more sustainable livelihood for the extremely poor, by providing a solid economic, social, and humanitarian foundation, which would enable this group to overcome extreme poverty ..." (Hossain and Matin 2007:382). By mid-2006 the TUP was operating in 15 of Bangladesh's 64 districts, with a geographical focus on the north of the country and especially areas experiencing seasonal hunger (*monga*) on an annual basis. At that time the cumulative number of TUP participants was 100,000, and there are plans to recruit 300,000 new STUP participants over the next five-year phase (BRAC 2006b).<sup>15</sup> The entire CFPR-TUP programme is funded by a donor consortium<sup>16</sup> which has contributed about US\$65 million over the period 2002 to 2006 and committed a further US\$155 million over the next five years. By 2006, the high initial costs of the 'Special Investment Programme' were reduced by over 40 percent to US\$268 per recipient (BRAC 2006c) as the programme scaled-up and found ways of reducing costs.

TUP already receives a flow of international visitors, usually funded by aid agencies, who are keen to learn from it. Interestingly, the TUP has already begun to influence other programmes in Bangladesh, with DFID's Chars Livelihood Programme redesigning itself from a broad-based capacity building initiative to an asset transfer programme.

### **The achievements of the TUP**

The large majority of data collection and assessment of TUP performance is undertaken by BRAC-RED. This includes the maintenance of a panel dataset that tracks key indicators for a sample of selected ultra poor households (SUPs) who have participated in the TUP since 2002, and non-selected ultra poor households (NSUPs) who have not participated in the TUP. At the pre-programme baseline study stage, both SUPs and NSUPs were objectively ranked in the 'poorest' group in the villages. However, NSUPs were not selected for the programme because their household scores were close to the cut-off line between the 'poorest' and 'poor' categories – i.e., NSUPs had higher welfare scores than SUPs. In addition to the panel dataset of objective indicators, BRAC-RED also conducts regular subjective assessments of SUP and NSUP poverty and welfare indicators and change.

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<sup>14</sup> We must confess to being rather cynical about this innovation when we heard of it in 2003 – "is this an act of desperation?" we wondered. However, fieldwork in 2004 revealed its potential – in effect, empowering some local elites to pursue a social mission that for religious and other reasons they valued.

<sup>15</sup> In fact, the proposal for the second phase of CFPR-TUP proposes greater differentiation for effective targeting and learning purposes, with a total of 800,000 beneficiaries:

- STUP Model I (full package): 200,000
- STUP Model II (full package, but with a lower average asset value, a lower daily subsistence allowance, and a lower staff:client ratio): 100,000
- OTUP Model I (as STUP Model II, but with soft loans rather than asset transfers, and a lower staff:client ratio): 100,000
- OTUP Model II (as OTUP Model I, but with a regular loan, no subsistence allowance, and a lower staff:client ratio): 400,000

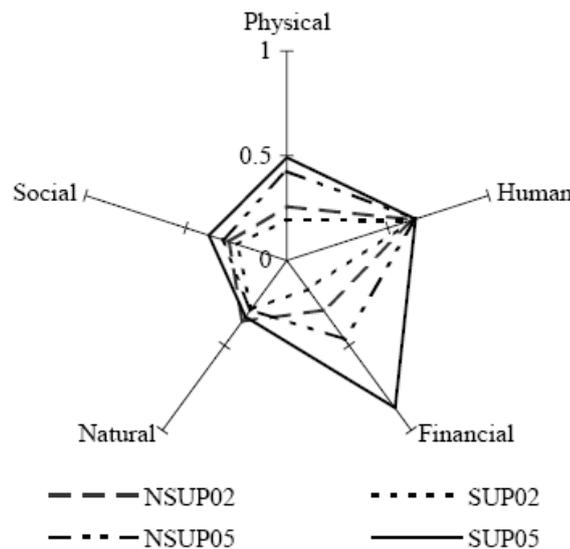
<sup>16</sup> Made up of the United Kingdom's Department for International Development (DFID), the Canadian International Development Agency (CIDA), the European Commission, Novib (Oxfam Netherlands), and the World Food Programme (WFP), and recently joined by AusAid. During the first phase, BRAC itself contributed over US\$4 million, and plans to contribute US\$5 million over the 2007-11 period.

Rabbani, Prakash and Sulaiman's (2006) analysis of the TUP panel dataset provides evidence of TUP recipients (i.e. SUPs) improving their livelihoods more rapidly than the NSUP control group.

*Asset accumulation:*

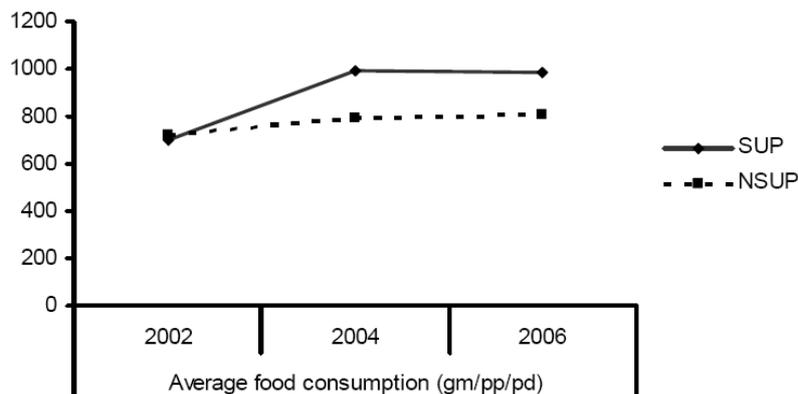
Over the period 2002 to 2005, TUP participants had a greater rate of asset accumulation than non-participants in all asset domains – financial assets (savings and credit), physical assets (a range of livestock, household and productive assets), natural assets (access to cultivable and homestead land), social assets (social and legal awareness), and human capital (household demographic structure, education, health and sanitation). Figure 1 provides a diagrammatic comparison of SUP and NSUP asset pentagon dynamics. Although the human capital picture is relatively complex and overall improvements are very small for both groups, as many of these changes can take longer to emerge, nutritional improvements are already apparent. Figures 2 and 3 illustrate the dynamics for human capital in terms of food and calorie intake; SUP households have also improved the quality of their food intake to a greater extent than NSUPs (see also Haseen 2007). It is also notable that a greater proportion of SUP households have been able to improve their situation in terms of combinations of multiple types of assets than NSUP households, suggesting that improvements may be more sustainable over time.

**Figure 1: Asset pentagon dynamics – comparing SUPs and NSUPs over time**



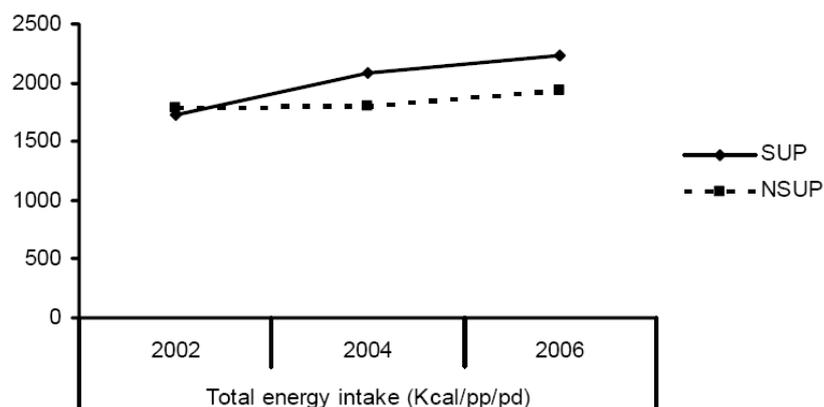
Source: Rabbani, Prakash and Sulaiman (2006:16).

**Figure 2: Change in food consumption – comparing SUPs and NSUPs over time**



Source: Matin 2006.

**Figure 3: Change in energy intake – comparing SUPs and NSUPs over time**



Source: Matin 2006.

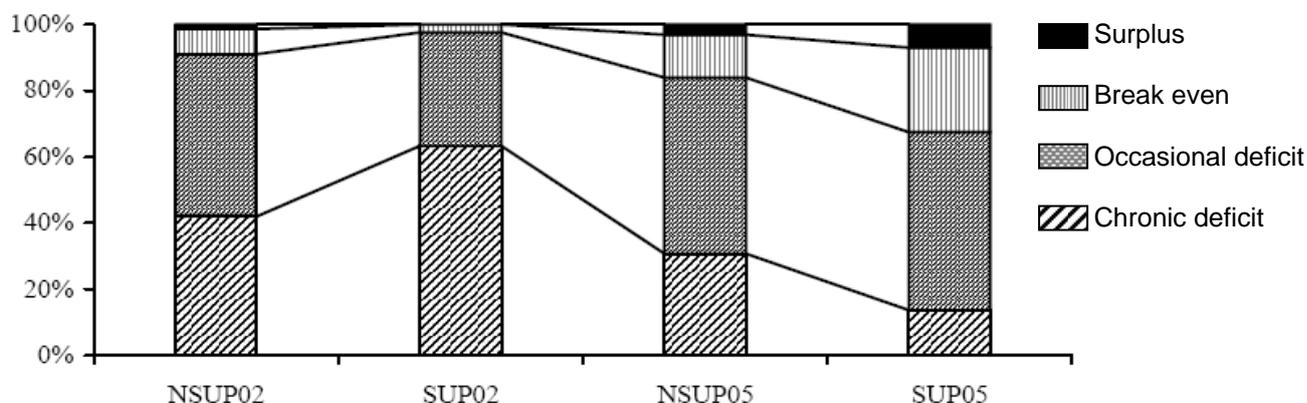
*Vulnerability:*

In 2002, SUP household's self-reported higher levels of food insecurity (occasional and chronic deficit) than NSUP households. In 2005 both groups reported improvements in food security. But the food security of NSUPs had improved only a little while SUP food security had significantly ameliorated, with food deficit reports reducing from 98 percent to 70 percent (Figure 4). The TUP was associated with a reversal of SUP and NSUP status – SUPs now reported greater food security than NSUPs. Further, while both SUPs and NSUPs are equally vulnerable to various crises – with the newly asseted SUPs perhaps more vulnerable to livestock death – subjective assessments suggest that the SUPs can expect to recover from shocks sooner than the NSUPs.

*Subjective poverty dynamics:*

Community-level assessments of changes in household poverty status reported SUPs as having experienced significant improvements in their welfare. This contrasted with NSUPs who were reported to have experienced a downturn in their circumstances (Figure 5).<sup>17</sup>

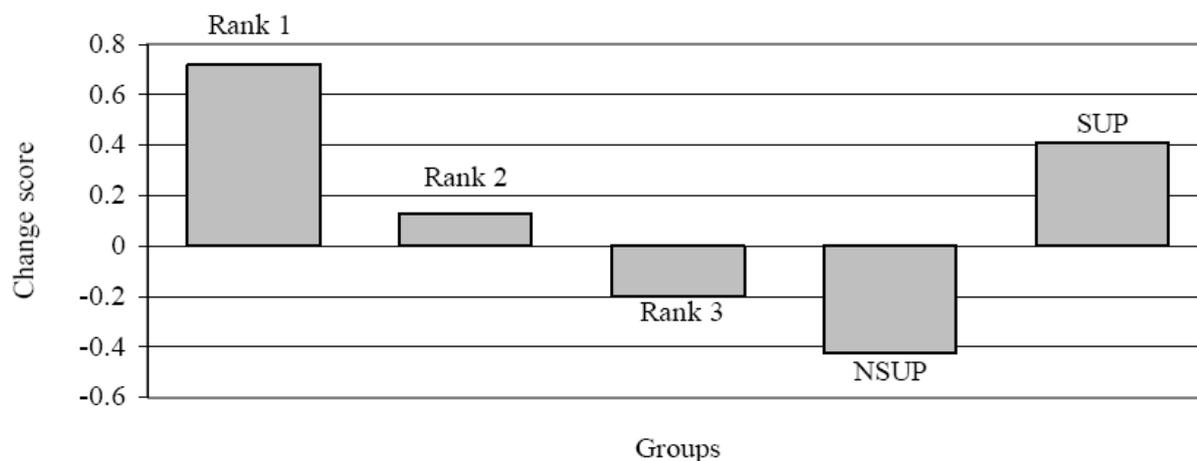
**Figure 4: Self perception of food security – comparing SUPs and NSUPs in terms of changes in availability of food in one year over time**



<sup>17</sup> It should be noted that while the objective assessment of assets (Figure 1) and subjective assessment of poverty dynamics (Figure 5) are consistent for SUPs, with both showing an improvement, there is inconsistency for NSUPs.

Source: Rabbani, Prakash and Sulaiman (2006:24).

**Figure 5: Average change score over period 2002-2005 of households in different wealth rankings as assessed by community meetings**



Source: Sulaiman and Matin 2006: 8.

*Graduation to mainstream BRAC microfinance:*

By 2004, the first TUP participants had completed the two-year special investment phase and were organised into separate village organisations. They were being offered a full range of BRAC’s development services, including microfinance. Based on previous experience, BRAC takes a flexible, experimental and member-driven approach to credit provision, and it generally seems to be working – about 70 percent of these women had taken and regularly repaid a first loan. BRAC continues to strive to assist those 30 percent who were unable or unwilling to take a small loan, or had trouble repaying.

*Child development:*

Not all of the indicators for TUP have shown improvements, and there has been particular concern about the lack of progress for children in TUP households. Nutrition status among the under-fives and primary school enrolment rates have changed little or not at all. This may be due to time lags associated with changes in such indicators, or patterns of intra-household resource allocation. These findings have led to deep debates in BRAC, concerned about interruption of intergenerational poverty and about modifications to the TUP approach.

*Independent verification:*

An independent review of the TUP in 2004 concluded that the programme had resulted in extremely poor women improving their livelihoods; had been relatively cost effective; and had been more effective than comparable initiatives targeting the poorest (Posgate *et al* 2004 in Hossain and Matin 2007). In addition, our limited fieldwork and interviews with TUP participants provides support for these generally positive assessments and has not yielded any data to challenge such conclusions.

**Learning from the TUP**

The most obvious lesson from the TUP is that the very poor can be reached and supported through carefully designed and targeted programmes. Moreover, with appropriate support, the poorest households can develop the capacity to engage with the economy in ways that permit them to sustain their improved welfare position without further subsidies or transfers. The poorest are not a residual group to be ignored or put on permanent social assistance

until the growth process 'trickles down' to them: with a strategic 'hand up' they can engage in the economy and share in the benefits of growth.

However, one needs to be cautious about drawing wide-ranging conclusions from the TUP, as it is a highly context-specific initiative. It is very dependent on the capacity of BRAC to experiment, innovate, learn and develop service delivery systems that can operate across the country. This demands high level analytical and management skills, alongside the ability to 'win' substantial financial resources to run the programme. In particular, BRAC's technical capacity to advise on poultry, dairy and horticultural activities should not be taken for granted. The broader environment in Bangladesh has also been supportive – steady economic growth, improving physical infrastructure (e.g. the Jamuna Bridge, easing access to the north for people and goods, as well as local roads and electrification), high population density, and socio-political stability.<sup>18</sup>

For analytical purposes we can divide the potential lessons into two main types – the design features that are TUP's 'context' and the 'process' features that describe how the TUP evolved. In practice, successful programmes need to integrate both of these elements – an effective process has to generate content that can develop into a standardised package for delivery at scale.<sup>19</sup>

### **Design features**

- i. *Laddered, strategic linkages*: At the heart of TUP is the idea that the poorest people cannot benefit from a single 'magic bullet' (microcredit, bed nets, women's groups). Rather they need a carefully sequenced set of supports that provides livelihood security; confidence building and business/technical skill development; an asset transfer; and support for and institutionalisation of their improved position within the local economy and society. BRAC's experience suggests that programmes for the poorest need to be relatively complex, involving several different elements of social protection, income generation and local organisation building, which are carefully related to each other.
- ii. *Asset transfer*: One of the highly innovative features of the programme is that it involves the transfer of what is in local economic terms, a substantial asset grant to each poor household. The relatively low level of initial assets of the poorest, allied to their inability to accumulate assets because of the frequency of adverse shocks that they experience, requires that they be given a 'hand up'. In effect, this means a 'one-off'<sup>20</sup> gift of a micro-business so that they have both the material (e.g. poultry, cages, veterinary support) and non-material (technical skills and social standing) resources to engage with the economy. Organisations learning from TUP will need the ability to identify and support such micro-businesses and the financial capacity to meet the costs involved.
- iii. *Financial costs and impact assessment*: The unit costs of the Special Investment Programme – running at US\$280 in 2005, 84 percent of which is asset transfer (Matin 2005b) – are relatively high. For an aid donor or charity this works out at 3,571 households assisted per US\$1 million. To encourage donors and sponsors to meet such costs, organisations maintaining such programmes will need to be able to demonstrate

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<sup>18</sup> Many might challenge this latter point, but compared to many other countries with high levels of ultra-poverty – Afghanistan, Nepal, Democratic Republic of Congo, Sierra Leone, Somalia – Bangladesh's recent political problems and violence are enviable.

<sup>19</sup> See Korten (1980) who recognised BRAC's capacity for innovation and service delivery at an early stage, and Johnston and Clark (1982) who eloquently explain the need for effective programme development to both 'think through' and 'act out' its components.

<sup>20</sup> One of the design features of the TUP that is not yet clearly specified is how it deals with women whose TUP projects fail (e.g. their milch cow dies, their horticultural products cannot be marketed). Our own fieldwork indicates that such women are usually given a 'second chance', but this seems to be at the discretion of field level staff rather than as a formal programme component.

that there are substantial benefits occurring and that, to a high degree, these are sustained after the initial investments. Similar programmes will only be feasible (i) in contexts where there is substantial donor commitment, and (ii) for organisations that have the capacity, or can contract the capacity, for high quality programme monitoring and evaluation that can be externally validated.

- iv. *Local institutional development*: Perhaps the most challenging aspect of TUP, and the one that demands the most 'acting out' in the field, is the institutionalisation at the local level. This is not about the service delivery agency but about the 'new' village level organisations and the modified social norms and practices that are needed to ensure that short term programme gains continue into the future. BRAC's early design – the TUP participants join existing BRAC village organisations (VOs) after two years, access services through these and have an enhanced social position because of VO membership – proved to be problematic. Their revised approach – developing the TUP VOs that can work directly with BRAC, and establishing local committees that enlist the support of the local elite to assist TUP participants economically and socially – shows substantial promise, but success is by no means guaranteed. It is highly original in challenging the entrenched idea that in Bangladesh local elites are always exploitative and must be bypassed and/or disempowered (Hossain and Matin 2007). In effect, the TUP assumes that local elites are segmented and that while some may mirror the well-substantiated, rapacious stereotype of academic and popular literatures, others are more humane and socially-minded. Further, this second group can be developed by promoting the pre-existing social norms of cooperation and the better-off helping the less well-off (Uphoff 1992).

This local institutional development component is perhaps the most context-specific and least transferable of the TUP design. It is highly dependent on the programme 'process'.

### **The TUP process**

- i. *A process approach*: The processes out of which the TUP has evolved is akin to the idealised notions of adoptive management and learning process approaches that have been written up in the development management and rural development literatures over many years (Bond and Hulme 1999; Johnston and Clark 1982; Korten 1980; Rondinelli 1993). BRAC diagnosed a problem with its existing programmes, systematically reviewed its own experience and that of others, and moved into a carefully monitored experiment with a new programme. This experiment was 'learned from' by encouraging field staff to voice concerns and propose ideas about what might be done, through both process documentation and baseline studies by the Research and Evaluation Division (RED) and the guiding hand of Fazle Abed. Uncomfortable 'errors' were embraced – such as the admission that existing VOs were not keen to admit the ultra poor to their organisations – and the programme modified. From a strong knowledge base the TUP was expanded (from 5,000 to 50,000 new households per annum) and cost-reduction measures made to permit increased staff caseloads and reduced financial costs. The programme continues to experiment with the frank admission at head office that the village assistance committees are by no means a proven social technology.

The main difference between the TUP experience and the idealised process approaches relates to the balance between technical analysis and beneficiary participation. The TUP has been driven by the technical analyses of BRAC's directors and field managers. BRAC listens carefully to TUP participants and documents their experiences; indeed, they are encouraged to use their 'voice'. But this is not a participatory approach as envisioned by Robert Chambers (1997) and others. It is much more akin to the private sector model of having a 'customer orientation'. BRAC also listens carefully to field staff and elicits their ideas about how the TUP could be improved. However, data analysis is a task for the head office, and decision-making for a small handful of staff.

- ii. *A service delivery approach*: The TUP is managed by a standardised business-type approach, with clear organisational structures, lines of responsibility, financial controls, and input, output and outcome monitoring. As knowledge is gained, it is routinised in the programme through documentation, training and supervision. BRAC operates a tight administrative 'machine' which seeks to reward performance (especially through promotions within expanding programmes), reduce costs and encourage poorly performing staff to move on. This is not a worker cooperative, it is an effective business with a strong social goal.
- iii. *Partnerships*: 'Partnerships' is such an all-embracing term that it can become meaningless. However, BRAC has built on a set of strategic partnerships that allow it both to pursue its goals and acquire support where it lacks capacity. Its partnership with donors, and especially with DFID and CIDA through its AKF-C partnership, provides the finance it needs but permits the flexibility and learning for TUP that is essential. A whole set of other donors, who would want a blueprint and would engage in micro-management, are strategically avoided by BRAC – they have the money but lack other qualities!

The most adventurous partnership of TUP is its engagement with local elites. Conceptually this is an extraordinary step; hopefully as the experiment unfolds, the news will continue to be positive.

## Conclusion

BRAC's TUP programme started out from earlier attempts to combine social protection programmes (food aid) with economic promotion schemes (microcredit, and business and technical services). Its recent performance demonstrates that the poorest people can be reached and, with a carefully sequenced set of programme components, supported to a position in which they have a high probability of sustaining their enhanced levels of welfare and assets.

There are many potential lessons that might be drawn from TUP, including both its design features and the process from which it has evolved and continues to evolve. On the 'content' side its major innovations are (i) the transfer of a substantial set of assets to very poor households – in effect, a redistribution of assets from the taxpayers of aid donor countries to the ultra poor in Bangladesh, and (ii) the recruitment of village level elites to local committees to support TUP participants and other very poor people. The latter is a radical idea in terms of the social engineering of a more pro-poorest context in rural Bangladesh.

In terms of 'process', the TUP, like most of BRAC's other programmes, has benefited from many of the elements idealised in 'learning process approaches' and 'learning organisations'. It has built on experience, mounted carefully monitored experiments, standardised and scaled up its delivery systems, and gradually reduced the programme's unit costs. While this process has listened carefully to TUP participants and field staff, it is far from the 'participatory' approach lauded by some development theorists. The experiment is closely controlled by BRAC's upper echelons.

In the future it will be important for other agencies – NGOs, donors, governments, pro-poor elites – to learn from the TUP experience, but two notes of caution must be sounded. First, the TUP is a very complex programme and only organisations, or partnerships of organisations, with high levels of analytical and management capacity are likely to be able to mount such initiatives at scale. Secondly, the TUP cannot reach all types of ultra poor people. The economically 'inactive' ultra poor (frail older people, AIDS orphans, people in chronic ill-health) and socially excluded or adversely incorporated people (bonded labourers, refugees, indigenous people in remote areas) will need more conventional forms of social protection – old age provisions, humanitarian aid, 'free' health services, and child grants.

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