

The Chars Livelihood Programme: The Story and Strategy So Far

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THE PROGRAMME DESIGN

THE HISTORY

The Chars Livelihood Programme (CLP) was first proposed to DFID in 1996¹ and was originally conceived as a livestock development project on Bangladesh's northern chars². By the time the final Programme Memorandum was signed by the Government of Bangladesh in December, 2003 and the CLP actually began operations in August, 2004, eight years had passed. During those years scores of person months had been expended in a process of research, design, consultation and negotiation and the goal and purposes of the programme had increased dramatically. The operational launch of the CLP however proved to be the start of a further period of review and redesign. The purpose of this paper is to document the reasons for and the process of this review and redesign and to summarise the present strategy of the programme.

The programme proposal that emerged from the original design process can be summarized as a modification of a traditional regional development programme leading to the creation of a "Chars Regional Development Agency". There was to be investment in infrastructure and market development which would accelerate economic growth in the region supplemented by livelihood promotion interventions at community and household level. There was to be a major investment in "voice" programming which was to lead to improvements in governance generally and to improved delivery of health and education services in particular.

The programme was to "specifically target the 2 million poorest char dwellers, 80% of which are estimated to be ultra poor" out of a wider population of 4.5 to 6.5 million³ listed as resident in "the primary operating area for the programme"⁴. The Programme budget was set at £40 million⁵. Consequently the CLP had £20 per person to disburse over 8 years for the 2 million people to be specifically targeted and a significantly lesser amount per person when considering the wider population of the operating area.

¹ The original proposal was drafted by a well known livestock scientist, Bruce Currey and passed to Michael Scott, then serving as DFID's Head of Profession, Livelihoods. Due to other priorities within DFID progress was slow until 1999 when Donal Brown, then Senior Livelihood Advisor in DFID-Bangladesh through energy and persuasion drove the proposal forward. Final piloting of negotiations with GoB and the contracting process was led by Martin Leach, then head of Pro-Poor Growth within DFID-B.

² Chars are variously defined but are probably best understood as low lying flood and erosion prone areas in or adjacent to major rivers. The CLP has made a distinction between island chars, which are surrounded by water for most of the year and mainland chars which may be surrounded by water during flood seasons but for most of the year are approachable without the use of a boat.

³ Different numbers were used in different sections of the Programme Memorandum and Project Proforma.

⁴ CLP Programme Memorandum

⁵ The management costs of the programme are contracted separately. 98% of total funding for the programme and all management costs are provided by DFID as a grant.

A distinguishing characteristic of the programme is that it is implemented by a “Management Agency” which is a private sector entity⁶ under contract to DFID. The CLP is sponsored and supervised by the Rural Development and Cooperatives Division of Ministry of Local Government, Rural Development, and Cooperatives but the Ministry is not responsible for implementation. Decisions are taken by a Programme Executive Committee, chaired by the Secretary of the supervisory Ministry which is in turn advised by a National Steering Committee and by District and Upazila Level Coordination Committees.

THE GOAL AND PURPOSE: EMERGING QUESTIONS

The Goal of the CLP as stated in the Programme Memorandum is :

To halve extreme poverty in the riverine areas of Bangladesh by 2015.

The Purpose Statement is :

Improved livelihood security for poor and vulnerable women, men and children living within the riverine areas of five districts of the northern Jamuna.

The first year of operations involved exploring how best to achieve most effectively the various “Output statements” in the programme logical framework (logframe) and reconcile them with the goal and purpose statements, cited above. A number of key questions emerged that the implementation team struggled to answer:

INFRASTRUCTURE:

The first of these questions was what types of infrastructure could be built that would significantly increase economic activities or provide economic benefit and which could be afforded within the CLP budget? It became apparent that, although there was widespread demand across the economic and political spectrum for erosion control schemes, such programmes would be vastly more expensive than the total CLP budget and had a poor record of success. For mainland char areas, an expansion of the road network could be beneficial but the level of investment in roads and bridges that might be expected to

⁶The Management Agency contract was awarded to a commercial consultancy firm, Maxwell Stamp plc after an international competitive bidding process that involved a wide range of consultancies and academic and development institutions.

stimulate economic growth would have been many times the CLP budget. The idea of investing in roads and bridges on island chars, generally with few bicycles, rickshaws or vehicles did not appear to offer a good return on investment.

ENTERPRISE AND MARKET DEVELOPMENT

The concept of enterprise or market development work also appeared to be difficult to apply to the chars whose primary comparative advantage was as a low cost source of migrant labour. While businesses would have been happy to receive subsidies to launch enterprises or training programmes on chars, it was difficult to find investments that seemed to produce good value in terms of cost per sustainable job or new livelihood opportunity. The intellectual skills necessary to do sub-sector analysis, as conducted by programmes such as Katalyst are expensive. The CLP took a decision that this type of activity should not be considered a priority for improving the livelihoods of inhabitants of the chars, at least at this stage in their economic development.

After the first year of operations, when the CLP had not made progress in the Enterprise sector, it was proposed from with DFID that the CLP should follow an entirely private sector market development approach as advocated by the “Springfield Centre” in Durham, England. The “Springfield approach”, it was argued, would take longer to reach the real poor, as the immediate beneficiaries would be those with land and capital to invest, but would be more sustainable. The proposal was that all goods and services would be purchased at full cost by the char residents and that subsidies or grants would be forbidden. It seemed to the CLP that some of the poorest people in the world were being asked to entirely finance their efforts to climb out of poverty while the CLP would be funding consultants and advisors to conduct workshops, training and research in the hope that private sector solutions would emerge.

After debate within DFID, it was decided that the CLP would not be restricted to a “Springfield approach” but would be tasked with trying to find approaches to reach the poorest more quickly, approaches that would also be “sustainable” and would not undermine existing private sector enterprises or make future private sector development more difficult.

MICRO FINANCIAL SERVICES

In the original programme design around £4 million was allocated to promote local and regional level micro financial institutions. Although the implementation team found that MFI’s were more active on chars than expected, we concluded that it was not usually the extreme poor households who were able to use this credit as they did not have regular sources of income

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to make the repayments. The implementation team was also concerned about the high cost of the initial investment that appeared to be necessary to induce some established national MFI's to rapidly roll out programmes on island chars.

In the period between the design of CLP and the start of implementation, the Palli Karma Shahayak Foundation (PKSF) had established itself as a major source of capital to Bangladeshi MFI's that met a minimum standard of competence. The PKSF had received significant earmarked funding to finance loans to the poorest categories of households and therefore the chars had become a priority area for their expansion. Creating a further provider of capital to local MFIs did not seem a good use of human and financial resources given the existence of the PKSF ultra-poor programme. The question emerged how best to reapply this funding.

LIVELIHOODS

The original programme design was clear that special assistance for livelihoods development, beyond general economic growth would be necessary and therefore allocated around £5 million for this purpose. The manner in which these funds were to be spent emphasised extension activities under which training and demonstrations would be provided by relevant GoB departments and local NGOs. Initial CLP pilot activities did have a degree of success in promoting the uptake of maize and homestead vegetable cultivation. However, questions emerged as to how such activities could make a significant impact on household incomes, particularly among the extreme poor who had little access to land. While increasing agricultural productivity could lead to increases in daily wage labouring opportunities for the poorest this did not seem to be an optimum strategy particularly as increased investment in crop based agriculture could mean increased mechanization and result in decreased employment. In general livelihood options for the extreme poor, other than continued migration and local casual labouring, seemed limited⁷. Questions emerged over how to invest the livelihood funds.

⁷ The role of fishing in livelihood strategies would seem to be important for Chars but in practice fishing is in long term decline and reversing that seems to be beyond the scope of the CLP as a number of large and dedicated programmes appeared to have had limited effect. A full examination of the prospects of fishing and fish cultivation as a Char livelihood option is beyond the scope of this paper.

GOVERNANCE AND VOICE

In no area of the CLP's work were the emerging questions more controversial than in the area of Governance and Voice. The original programme design emphasized the importance of Union Parishad (UP) government in poverty reduction and proposed a system of "mentoring" of UP Chairmen to improve governance and expand government services. In practice however, the prospect of improving services, particularly health and education, through mentoring UP Chair persons seemed unrealistic. At present UPs are responsible for small amounts of infrastructure work, mostly feeder road repairs, for which they receive relatively modest funding⁸ from central government. There was no tradition or expectation that UPs could or should deliver health and education services. It was widely accepted that while there are many dedicated and honest politicians among the UPs, corruption and other criminal activity is a concern.⁹ Whatever their politics or ethical standards, it was clear that the UP chairs were intelligent and influential men (one woman) and that the problems and limitations of the UPs were unlikely to be solved by either training and mentoring or by increased funding.

One tier up from Union Parishad is the level of government called Upazila Parishad. Since 1989 there have been no elections for posts at this level and the Union Parishad chairmen, sitting collectively as a committee, form the public accountability of the Upazila level of local government. The Upazila is headed administratively by a Upazila Nirbahi Officer (UNO¹⁰) who is a member of the Bangladesh civil service but, in practice, Upazila fund allocation is heavily influenced by the local Member of Parliament. Given their other responsibilities and the influence of the MP, the capacity or interest of UNOs to design and implement innovative public sector services in Health and Education was limited, even if the present monopoly suppliers, the two respective Ministries, were agreeable. There seemed little alternative for the utilization of the large sums allocated in the CLP design for Upazilas than to divide the money among the various Union Parishads in the Upazila for traditional small scale infrastructure even though the direct benefits to the extreme poor would be limited.

Broader concerns began to emerge about the whole concept of "voice" in the context of the chars. The poorest and most marginalized people in the country have very little prospect of organizing and taking on the entrenched political and bureaucratic structures, which have been relatively impervious to pressure

⁸ Generally each UP receives less than Taka 400,000 each year with average populations of 20,000 for an average of 20 taka (USD 30 cents) per person per year.

⁹ It is a matter of public record that the Rapid Action Battalion set up by the Government of Bangladesh has killed a number of former and sitting UP chairmen in encounters with a general acceptance that they were serious criminals with long records of violent crime.

¹⁰ Sometimes known as the TNO or Thana Nirbahi Officer.

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from powerful donors and Dhaka based groups for decades. Bangladeshi newspapers regularly feature examples of well organized, well funded and often powerful groups demanding services from the Government of Bangladesh, generally without success. Even well-to-do sections of society are in general powerless to demand good services from the Ministries of Health and Education¹¹ and primarily meet their health and education needs from the private sector. While, in principle, there should be scope for local people to hold government service providers to account, the prospects of success on island chars is limited. When even GOB Ministers have attempted to discipline health and education sector workers they have pulled back from confrontation with the strong trade union style power of the health and education professional associations. These harsh realities raised the question of how best to allocate the significant amount of money earmarked in the Programme Memorandum for “voice” programming.

MANAGEMENT AGENCY ISSUES

In addition to these concerns about the design of the programme, questions were asked, during the first year, as to whether the cost of a Management Agency, heavily staffed with internationals, could be justified. These questions on cost were underscored by internal conflicts in the agency which slowed and blurred decision-making during the first year. In October, 2005 these problems were addressed by the Management Agency¹² and performance has improved significantly.

CUMULATIVE IMPACT OF MOUNTING QUESTIONS.

Taken together these emerging questions began to indicate that the original design concept of a complex multi-sectored programme breaking the “bottlenecks”, that held back broad based social and economic progress in the region, would not work. In an influential new book¹³ William Easterly, Professor of Economics at New York University has documented the repeated failures of large, extensively designed and planned programmes in developing countries even when planned by the brightest, most well intentioned

¹¹ There are of course some exceptions. Entrance to some schools in District Headquarter towns is highly competitive and these schools obtain good results but how much of that is related to their intake of students and the significant sums invested by their parents in private tutoring is unclear. Many honest and dedicated medical personnel still do their best to provide medical services and some public sector service is available in some health facilities but few would dispute that in general the tax payers in Bangladesh and in the donor countries are receiving poor value for money invested in these respective Ministries.

¹² Maxwell Stamp plc of London.

¹³ The White Man’s Burden: Why the West’s Efforts to Aid the Rest Have Done so Much Ill and So Little Good. Penguin Press, New York, 2006

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individuals. Confidence in the original design¹⁴ was ebbing, but clarity about what should be put in its place was not quick to emerge.

A wider question concerned the extent to which the CLP should see itself as part of the direct effort to achieve the Millennium Development Goals (MDGs), which were not mentioned in the Programme Memorandum and to what extent the CLP was part of an older approach to development, perhaps working to even longer time frames than the MDGs.

Considering these questions and the wider discussions with DFID and the GoB, the CLP came to the conclusion that the CLP had to invest its funds in a way which would make a tangible, visible and measurable impact. The decision was taken that the CLP, with its £40 million, could not make a significant, measurable impact on the whole target area and its population of 2 million to 6.5 million people. If this assumption was correct, the next question was who should be the primary target group for the CLP?

GETTING TARGETING RIGHT

WHO SHOULD BE HELPED?

After the first year of CLP operations, in June 2005, DFID began to emphasize that CLP funding was primarily intended for residents of island chars who by definition were the most remote and least likely to be served by government or NGOs. There may have been a misunderstanding about the meaning of the word “Char”. DFID had understood this to mean “island” whilst to the Government of Bangladesh a “char” encompasses any low lying, flood prone area. This would explain why about half the Unions designated as in the CLP operational area by the GOB are not contiguous to a major river.

In general government and elected officials and local NGOs wished to emphasise working with people living on the mainland. They argued that funding should be available equally to all 150 Unions listed as being in the CLP programme area, regardless of whether they contained island chars or not. After negotiation, a compromise was reached under which certain portions of the CLP programme funding would be allocated to all Unions

¹⁴ One possibility is that the Management Agency Implementation Team did not fully understand the original programme design and that another implementation team would have been able to stick closer to the original design and achieve success. Given the efforts that went into the research and design and given the highly experienced and talented consultants and DFID staff involved, this is a reasonable proposition. At minimum more contact between the design team and the implementation team would have been useful. A more radical solution in future is that contracts be structured so that programme designers have the responsibility for implementation. In this way the experience and relationships built up during the research and design phase would not be lost when the design team flies out.

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listed in the CLP Programme Document, regardless of whether they contained island chars, but that as far as possible the CLP would concentrate attention and funding on the residents of island chars¹⁵.

The question then emerged as to how many people were living on the island chars within the CLP programme area. The CLP had to first to establish a definitive list of “island chars” within the programme area. This led to some difficult definitional distinctions¹⁶ and a formal exercise by the MA to designate a list of villages as being on CLP defined island chars. The CLP then carried out a census of the number of households in those island char villages. A survey in October, 2005 showed that the total number of households living on island chars was around 170,000. Since that initial census new communities previously overlooked have been identified and the best estimate at present is about 175,000 households. With an average family size of just over 5, we estimate the population of the CLP designated island chars at around 900,000 people.

WHO SHOULD BE HELPED FIRST

It was accepted that all residents of island chars are in general disadvantaged with respect to their mainland counterparts in terms of physical isolation and vulnerability to flooding and erosion. However, among Char residents there were, as expected, significant disparities in wealth and income.

There is still uncertainty about percentages but there are three main groupings of households on island chars: Those owning agricultural land¹⁷; those not owning land but cultivating it on a shared basis, (share croppers), and those who rely entirely on daily wage labour for their livelihoods. The best estimates from CLP survey data¹⁸ at present is that the number of households that rely totally on daily wage labour is higher on the chars than elsewhere in rural Bangladesh and the same is true for sharecroppers. There is of course some overlap in that many sharecroppers and small land owners rely to some extent on daily wage employment, either on chars or elsewhere.

There are a significant number of households with very small holdings of either homestead or agricultural land, that are designated as “Functionally

¹⁵ The CLP is aware that there are former char dwellers whose land has been eroded who are now living on the mainland, particularly near embankments. As part of the compromise the CLP has indicated that in future the programme will consider helping these groups once the island char programme is fully developed.

¹⁶ For instance, how many days per year can an area be approachable by land across a sandbank before it is no longer considered an “island”?

¹⁷ The issue of de jure land ownership on the chars is complex and beyond the scope of this paper. For the purpose of this paper, we speak of de facto ownership which means that the community generally deems that the individuals “owns” the land and that the benefits of that ownership are in fact accruing to that person.

¹⁸ CLP Baseline Survey as re-tabulated in October, 2006 by Mitra and Company, Dhaka.

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Landless”¹⁹. However, the DFID CLP Core Group²⁰ took the decision that the CLP should concentrate its efforts initially on those households that were deemed by the community to own no land whatsoever, either for homestead or agriculture, and were totally “landless”. “Landlessness” was chosen as a proxy indicator for the wider concept of “poverty”. The alternative of using “poverty” as the selection criteria, such as might have been determined by a wealth ranking exercise, was felt to be more fungible, less consistent between different communities and more difficult to verify quickly. A wealth ranking approach also required a detailed knowledge of and relationship to the various communities and this knowledge was not available to the CLP or most CLP partners at that time. Initially it was estimated that totally landless households would constitute about one third of total households. In some communities the percentage is much higher and overall it is now estimated that the percentage of qualifying households will be in excess of 40%.

This decision to concentrate on the totally landless was not popular with some NGO partner organisations. This may have been because some NGOs have long standing patron-client relationships with various groups who faithfully support them by attending meetings and rallies and participating in credit programmes etc. In return these client groups expect to be given priority consideration when funding becomes available. Many of these NGO client households are poor but owned small amounts of land and were therefore excluded by this CLP policy.

Reticence to apply this strict targeting policy may also have been due to the moral dilemma and emotional stress of excluding a household that is standing in front of you, and who are manifestly in need, in favour of some other household miles away, who may be marginally poorer. Some of the international advisors working for the CLP did not fully implement this targeting policy and in the first round of asset transfer the CLP was able to achieve only about 80% compliance with this policy. However maximising the impact of funding in a relatively high cost per household programme, such as the CLP has become, requires disciplined targeting if the optimum impact on poverty is to be achieved and if promises made to all the communities in the defined area are to be honoured within the available resources.

It is theoretically possible to be landless and to own other significant income producing assets, although this is rare and almost unknown on chars. To clarify the policy and make it appear fairer, the CLP later made explicit what

¹⁹ Up to 50 decimals or half acre of land. Some variation of definitions and limits.

²⁰ A group of advisors within DFID-Bangladesh most concerned with the CLP lead by Michael Scott, formerly DFID Livelihoods Head of Profession.

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had been implicit in the term “landless” by adding the criteria “assetless²¹”. Thus the principal CLP selection criteria became “Landless and Assetless”.

In order to reduce the risk of creating a conflict of interest within partner NGOs, the CLP excluded those households with outstanding loans to the CLP partner NGOs. Without this safeguard there was a danger that partner NGOs would manipulate the selection process so that those with outstanding loans, sometimes in arrears, were selected for priority help thus shoring up the MFI balances sheets.

HOUSEHOLD BY HOUSEHOLD

A key decision of the CLP was that in terms of planning, monitoring and allocation of funds the CLP would use the household as the fundamental unit - rather than the village, community, neighborhood (para), union or individual. As in all targeting policies any choice leads to difficult definitional decisions and distinctions.²² But the CLP believes that because the household is the fundamental economic and social unit it should also be the principal planning unit. This policy forces NGOs to think, plan and report in terms of households and we believe this results in improved programme delivery.

THE NEW CLP STRATEGY

Experience over the first year led the CLP to conclude it wasn't possible to fully implement the original programme design. DFID had agreed targeting policies that had restricted the core target population from two million to 250,000 to 500,000 people in 50,000-100,000 households and authorized allocation of less funding to the wider population of 4.5 to 6.5 million. Clarifying who would be the core CLP beneficiaries was an important first step, but decisions had to be taken on what programme choices and investments would significantly and sustainably lift those households out of poverty. As the CLP was already considered to be more than year late in programme delivery and as there was strong pressure from GoB and DFID to see tangible and visible results in months, not years, quick decisions had to be made.

²¹ Assetless was initially defined as not owning a cow and this was later amended to mean not owning any productive assets, including chickens and goats (or mutual funds!), worth more than Taka 5,000 (£40). For completeness the full definition also excludes people with regular jobs or a family member working overseas but in practice no such households have been so far identified who are also landless and assetless.

²² An example is a woman who is abandoned by her husband but is living with her brother and his wife in one house and eating from one kitchen. For the purpose of CLP targeting and monitoring such a person is considered a separate household. Another example was a married young man himself owns no land or assets but is the son of a father who does. Following customary Islam practice this individual is deemed by the CLP to own land and therefore is not eligible.

REDUCTION IN PHYSICAL VULNERABILITY

PROTECTION FROM FLOODS

One of the key distinctions between island char beneficiaries and their counterparts on the mainland, in addition to reduced government services in health and education mentioned earlier, is their physical vulnerability to frequent flooding. With global warming this particular challenge is expected to worsen²³. This extreme vulnerability to flooding provided an important entry point to start to rebuild the programme.

CARE and other NGOs had piloted and built a number of homestead plinths which are created by piling and compacting earth to create a raised platform. This is then protected from erosion through “bio-engineering”, for example, by planting trees and grasses such as deep rooted Vetiver grass. Experience has shown that these earthen plinths are not damaged by floods as the flood current is generally slow moving.

Raised homesteads allow the family and their animals to stay in their homes during floods and to protect their property. Preventing families, particularly women and girls, from having to go to communal flood shelters is particularly valued. These homestead plinths do not of course protect the family or the wider community from the erosion of the land on which the plinth sits. As described earlier the CLP took the view, in line with most other donors, that at present there are no cost effective methods to prevent river bank or char bank erosion.²⁴

As beneficiary households are landless, issues are raised by the decision of the CLP to invest in these plinths as the ownership²⁵ of the underlying land is in the hand of other landowners. In general landowners receive small amounts of “rent” from these households in return for allowing them to establish their homesteads on their land. These rents range from Taka 300 to Taka 1000 (£2.50 - £7.50) per year but are sometimes not paid or paid in services. If however these families now create more valuable homesteads and their household incomes rise, the land owners may endeavour to collect higher real rents. This is a risk that the CLP will monitor closely and will work together with the wider community and political authorities to moderate and manage.

²³ Predictions of the impact of global warming on any one area are of course imprecise. The CLP believes that whatever happens in northern Bangladesh as a result of climate change and even if the flooding does not worsen, this investment is justified.

²⁴ Some new experimental programmes involving laying sandbags on the river bed up to 100 meters from the shore, are being tried and may prove more cost effective than concrete based civil engineering works that have been used up to now.

²⁵ See footnote Number 14.

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It is the goal of the CLP to provide raised homestead plinths to all core beneficiary households: the landless and assetless. But the CLP has also argued and DFID has accepted that homestead plinths should be seen as a public good, such as would be created if it was economically and technically feasible to surround chars with dykes. By seeing plinths as a public good, the CLP hopes to reduce the stark divisions that would have emerged if the previously poorest households were living on protected plinths but other households, better off economically, were still suffering flooding. Consequently the CLP has proposed and DFID and the GOB have accepted a policy that will make eligible for homestead plinths most households judged not to be able to afford the investment in a domestic plinth. At present the CLP is planning on providing plinths for 100,000 char households.

Although homesteads on Chars are sometimes scattered there may be potential to apply principles of peri-urban planning by grouping a number of households on mega plinths and creating better organized communities where water and sanitation facilities can be better sited. Several CLP partner organisations have already experimented with this type of community planning. While there are risks involved in suggesting changes in spatial relationships between households, there is a potential to create significant additional benefits.

DRINKING WATER AND SANITATION

The use of shallow tube wells to provide clean drinking water is wide spread on chars as it is throughout Bangladesh, but during flooding these tube wells become inundated and contaminated. The CLP is relocating existing wells and installing new tube wells on top of the newly created plinths. Whether these relocated shallow tubewells will also suffer from some contamination during annual flooding is not yet clear. The CLP is also preparing to experiment, along with UNICEF, in the use of a new small scale chemical treatment process being promoted by Proctor and Gamble²⁶ which may allow char families to create potable water during floods. The arsenic contamination of shallow tube well water, which is a serious problem in other parts of Bangladesh, is fortunately not present on chars.

While protected drinking water is widespread on chars, except during flooding, open defecation is still common. In line with the emphasis of the Government of Bangladesh it is the policy of the CLP to promote and finance the installation of a household owned water seal latrine with a privacy superstructure on each raised plinth. If the CLP partners have done their household selection according to CLP policies, and in general the CLP believes this is the case, the CLP beneficiary households are by definition

²⁶ Marketed under the brand name “Pur”. This is a two stage process involving precipitation of particulates and then a normal chlorine based sterilization of the water.

seriously below the extreme poverty line. Expecting these households to finance the investment in a latrine would by definition further decrease calorie consumption and the general standard of living of the family. Given that this is the case, the CLP has decided that the most cost effective way to promote improved sanitation and the health benefits it will bring is by free distribution to targeted households. The provision of latrines will be supported by discussions of the importance of good hygiene in the small group meetings.

SOCIAL PROTECTION THROUGH CASH FOR WORK

While the CLP, the Government and other groups are working towards longer term solutions to the problems of extreme poverty on the island chars of Northern Bangladesh, the CLP believes it is morally and economically bound to be mindful of the immediate need for daily sustenance of many of the households in the CLP operational area. The existence of “Monga”, a famine like condition brought about not by the absence of food but by the absence of labouring opportunities and the resulting lack of purchasing power, is well known and receives media attention in Bangladesh each year. “Monga” occurs in the hunger season of mid-September through November.

While longterm solutions are developed the only immediate response, other than free food distribution which is already undertaken by the government, is the creation of temporary labouring opportunities for those able to work. The CLP programme of large scale homestead plinth raising creates a large demand for unskilled earthmoving labourers. The creation of such work opportunities, particularly seasonally, and the need to raise homesteads above the flood waters seemed a symbiotic programme solution.

While the work shortage is particularly acute seasonally, such shortages occur throughout the year. Whenever possible the CLP will carry out plinth construction in the hunger season. However, because of high water levels following the flood season much plinth construction has to be done at other times of the year. During the Monga season, particularly early in the season and when the monsoon period is late or prolonged, the Monga-reducing public works programme will be devoted to other public goods such as road, graveyard and schoolyard repair. Other non earthmoving but temporary forms of employment, such as fishnet manufacture and other semi-handicraft activities, conducted on a commercial basis, will be investigated.

INCREASING HOUSEHOLD INCOME

THE ASSET TRANSFER STRATEGY

Final selection of the key indicators to be used to evaluate the CLP are yet to be agreed but there is a consensus that the reduction of income poverty should be at the core of the CLP. Whether this income poverty will be measured by proxies such as calorie consumption, cost of basic needs or a fuller attempt to measure and monitor actual household income is yet to be decided and will be linked to decisions taken by DFID about their wider Extreme Poverty Reduction Strategy. However measured, the key challenge for the CLP is to increase household income.

In the history of development work a number of options for increasing rural Bangladesh household incomes have been tried with varying degrees of success. The investment in agricultural research and extension that saved Bangladesh and South Asia generally from wide spread famine in the 1970s has to be judged as perhaps the most successful development initiative ever. There is no doubt that general economic growth and particularly employment in the construction industry is playing a major role in poverty reduction in Bangladesh. The creation of a garment industry has created levels of semi-skilled employment for women unimaginable 15 years ago. National and international migration has created remittance flows again unimaginable when John Kenneth Galbraith²⁷ first described their potential. Although economic growth, migration and technological advances should play a role on the chars, even taken together these strategies do not seem adequate to make a significant reduction in extreme poverty in a reasonable period of time.

The BRAC “Challenging the Frontiers of Poverty Programme” with its concept of significant asset grants, supported by a temporary stipend was in the view of DFID²⁸ and the Management Agency the most promising of the various ideas considered. There have been other examples of asset transfer programmes at NGO level and in a World Bank funded poverty alleviation programme in Sri Lanka²⁹ in the 1990s.

The CLP has adapted the BRAC concept and is applying it to meet the specific needs of char areas. The CLP approach will transfer assets and small stipends to larger sections of the community, in some places the majority of households in target communities, rather than a small minority of households as practiced by BRAC on the mainland. The CLP is also endeavoring to see whether an asset transfer programme needs the highlevel management and planning skills

²⁷ The Nature of Mass Poverty, Harvard University Press, USA,

²⁸ The role of DFID advisors in sharing emerging results from BRAC’s programme was a model of how a donor agency can be influential in rapidly spreading best practice.

²⁹ The Janasaviya Trust Fund Programme, later renamed the National Development Trust.

of BRAC, or whether this method can be successfully used by good local and regional NGOs in Bangladesh.

At this stage it is too early to draw major conclusions about the success of the CLP variation of the asset transfer strategy but it is possible to say that many of the apprehensions expressed initially have proven to be unfounded. Over 95% of the 3174 households in the initial pilot stage of CLP's asset transfers have retained their assets,³⁰ generally cows. We believe these investments are nearly doubling in value on an annual basis and will provide reasonably secure and reliable income streams for targeted households. While much remains to be done to ensure that households have the maximum chance of preserving their assets and enhancing the resulting income streams, the CLP believes that the proof of concept phase is over and that the challenge now is to scale up and carefully monitor and document the longer term impacts. Interesting pilots are underway to see whether the concept can be extended into agricultural livelihoods through a form of land rental or leasing. It is clear that some households will lose their assets and their hold on this ladder out of poverty due to mismanagement or misfortune. How the CLP will deal with these "failed households" is an unresolved issue.

MICRO FINANCIAL SERVICES

It is important to outline the CLP perspective on the role of micro-finance in the reduction of poverty on the Chars, particularly given the extra attention given to MFIs as a result of Professor Muhammad Yunus winning the Nobel Peace Prize for his work with Grameen Bank. There are countless individual success stories across Bangladesh and the world of successful borrowers. Access to credit is undoubtedly of great value to poor households, if only to meet emergency consumption needs of food or medical care. It is for others to document the extent to which access to credit has systematically enabled the extreme poor households in Bangladesh, particularly in remote areas where petty trading opportunities are limited, to acquire productive assets and raise their incomes sufficiently to get out of poverty.

For assetless and landless households in remote areas, the CLP sees access to credit as a second stage tactic that will be valuable to the formerly extreme poor household when more of their immediate consumption needs are met and they have an income stream to service their loans. But the CLP also believes there is an important distinction between the use of credit for funding income generating activities, whether trading or productive assets such as livestock, land or agricultural inputs and the use of credit for discretionary³¹ consumption. Making credit available to poor households that will be invested

³⁰ Richard Bond, August, 2006

³¹ Consumption other than food and medical care.

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in discretionary consumption may well result in longer term economic decline as the household struggles to repay the debt.

For small scale land owners and share croppers who already have stable income streams and can make repayments without relying on daily wage labouring opportunities, the CLP believes that access to MFIs is important. Micro-finance will lead to greater overall economic activity that will in turn lead to greater employment opportunities for the daily wage labourer. The CLP will be working with PKSF to extend technical assistance to partner NGOs to improve the financial product mix they are offering on the chars and to scale up their reach and coverage.

A SAFE PLACE TO SAVE³².

It appears that so far most MFIs have failed to offer good “savings only” opportunities to poor people, in part because it is difficult to cover the staffing costs of doing so. The CLP is piloting Village Savings and Loan Associations, a model borrowed from CARE’s pioneering work in Africa, to see if this may offer a cheaper alternative to the pressing need for even the poorest households to have a safe place to save. Interest is being shown in the concept by villagers and funds are being regularly saved but it is too early to make a judgment.

MARKET DEVELOPMENT

The CLP recognizes that new livelihood strategies and markets for products and labour will be helpful to everyone on the chars. The CLP has created an innovative match-making process in which those individuals and organisations with national level expertise and experience, generally from Dhaka, come and pitch their ideas to local NGOs. The CLP is planning to fund about 20 different types of market development activities and expects that 4 to 5 will prove worthy to be rolled out on a larger scale. These ideas include everything from growing medicinal plants to improved ways to market milk and various poultry opportunities. Whether these types of activities will prove to be generally cost effective and be sufficiently “pro poor”³³ to justify further investment is something the CLP will monitor carefully.

SOCIAL DEVELOPMENT AND SOCIAL CAPITAL

In most instances, social development and empowerment will not by themselves significantly reduce poverty in extreme poor and isolated

³² This phrase was first emphasized by Stuart Rutherford in his various influential books.

³³ Creating net rural employment or income generating activities for daily wage labourers. Some market development work, such as agricultural mechanization, may not be a good use of CLP funds

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communities or succeed in solving the problems of government service delivery. However, the CLP strategy emphasises the importance of group formation and of a systematic and structured process of group learning. The full curriculum of this learning is still being developed but will emphasise experience in cooperating with each other to identify and solve problems including threats to households' assets or new homesteads. It is hoped also that in the context of trusting relationships within the groups, sensitive issues such as domestic violence and child marriage can be discussed and the practices in the community changed.

The CLP group members are already lending each other money, helping each when illness strikes and showing signs of enhanced group solidarity. We believe this type of social capital will have great value. The opportunities to show leadership skills evidenced by many of the women group leaders has highlighted a significant community asset perhaps not fully utilized until now. In general the opportunities of contributing to poverty reduction through social development programmes have not yet been fully explored by the CLP and we have a lot of work and learning to do in this vital area.

COMMUNITY SAFETY NET

While the asset transfer strategy may prove to be successful in reducing poverty it is only an option for those households that have at least one person capable of physical work and looking after an asset. There are old, chronically ill and physically and mentally handicapped individuals for whom the asset transfer approach will not work.

Within char communities there is already a tradition and practice of caring for others in their community. Poor households give food and other help regularly to others in their community even more destitute. Within the CLP there is a hope that it will be possible to build on that tradition and practice. The specifics of this programme are still to be agreed but the CLP will be suggesting to partner organisations that groups of households who have received significant benefit from the CLP asset transfer and plinth raising activities collectively take responsibility for one other household in their immediate vicinity and offer regular help by contributing towards a monthly stipend of Taka 200-300 for the selected destitute household. This will be an experimental programme which will be studied carefully so that lessons can be learned and adopted quickly.

HEALTH AND EDUCATION SERVICES

From the design phase and throughout the life of the CLP it has been clear that long term reduction in vulnerability and an increase in well being of people on

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the Chars requires access to a minimum level of health and education services. For reasons beyond the scope of this paper it is the view of the CLP that the respective Ministries will not be able to ensure the delivery of these services in the short to medium term.

It is the view of the CLP that alternative community based and private sector solutions will be needed. In fact, the majority of health care in Bangladesh is already delivered by the private sector. In education the size and scale of the “coaching” industry³⁴ and the numbers of private schools shows that a significant portion of education is being delivered as private sector services.

Although in the CLP original design, funding was not earmarked for health and education services, the CLP has come to an understanding with DFID that up to £1 million of the CLP programme resources can be devoted to developing pilot programmes in each of these two sectors. A further roll out of such services will require additional new funding from DFID.

LITERACY

As in Asset Transfer programming, BRAC is leading the way in Bangladesh, particularly in non-formal and primary level education. The CLP is interested in exploring three distinct types of education initiatives:

- Pre-school education and nutrition programmes. The CLP has much to learn from CARE in this regard.
- The BRAC model of 3 years of primary education for school aged children not in school.
- A type of minimal adult literacy that would involve at least learning to sign your name, elementary arithmetic and a phonetic understanding of the alphabet so that sign boards could be recognized.

HEALTH

Although the record is perhaps not so clear as in literacy, there is experience in Bangladesh experience in the delivery of primary health care in remote areas that can be built upon. The NGO Friendship, with their “Mother Hospital Ship” supported by satellite boats holding weekly clinics is one model. Other static models are working in Jamalpur and elsewhere. The CLP plans to draw on the experience and expertise within Helen Keller International, Marie

³⁴ Generally teachers and unskilled young people employed by teachers who do tutoring in students’ homes outside of school hours.

Stopes International, Engender Health and other health groups working in Bangladesh.

HOW DOES IT FIT TOGETHER

The objective of the new CLP strategy is to select a series of interventions, each cost effective in its own right, that reinforce each other to reduce extreme poverty. In selecting our interventions the CLP believes it is achieving a significant degree of synergy.

The CLP funded infrastructure work generates significant temporary employment, creating a social safety net while longer term solutions are delivered and take hold. A large part of the infrastructure work is delivered through units of local government giving these bodies the opportunity to develop their capacity to relate to their communities and manage funding. Most importantly the major portion of infrastructure work will raise the homesteads of 100,000 island char households above the annual floods reducing their physical vulnerability, improving their health and preserving their assets. The CLP investment in water and sanitation will consolidate and expand the good work already done in this sector by GoB and NGOs and further improve the health status of households.

The CLP has chosen as its most important objective a reliable increase in household income in targeted island char families through income generating activities that are rooted in the natural advantages of chars, principally through livestock and to some extent agriculture. Market development activities are working to increase the range of livelihood strategies available on the chars to everyone in the community. Work in the field of financial services, both through traditional MFIs and new style VSLAs (see above) will increase financial services and extend credit opportunities and most importantly move towards giving everyone on chars a safe place to save.

Finally the CLP is working with the whole community and groups of the targeted households to increase social capital generally and particularly the ability to work together to identify problems and threats and solve them in a collective way. Equally we expect that this process will contribute towards a reduction of social evils such as domestic violence and child marriage.

The CLP believes that this is a synergistic package of mutually supporting interventions that has the best chance of making significant and measurable impacts on poverty.

WORK STILL TO BE DONE

Over the coming year it is essential that the CLP continue to develop and refine the package of interventions. One weakness at present is the work with the whole community, in a programme to improve livelihoods for everyone on the chars, beyond the core beneficiaries who will receive grants of income producing assets. At present various activities are being carried out both by local NGOs and by Upazila level officers of the GOB Livestock, Agriculture and Fisheries Departments. However the effectiveness of these activities needs to be more carefully assessed and adjustments made. Wherever possible we want to endeavor to create a rising tide of economic activity on the chars which will leave chars generally with an improved standard of living.

The CLP is aware that short term migration is one of the most important present livelihood strategies on the chars but one that the CLP has yet to find a way to assist. Some work has been done on ways to reduce the cost of remittances from the cities to chars but no solutions have yet been found.³⁵ It may be possible and advantageous to give grants to interested char dwellers, who may wish to permanently relocate to one of the cities where economic opportunities and social services may be more available. This is something that the CLP will investigate over the coming year.

Erosion of char lands and from the mainland river banks remains a major driver of new households falling into poverty. Many char families have to shift their homes 5 or more times in a generation due to erosion. The CLP will investigate whether new, lower cost methods of reducing erosion are feasible. The whole issue of “ownership” of land on chars is another major area that could be investigated exploring possible opportunities to promote land re-distribution through legal means.

³⁵ Short term migrants generally return personally to the chars to bring money or send it with other migrants returning. These trips home not only deliver money but keep family bonds together. A remittance system might have unhelpful consequences of increasing family breakdown and desertion, already a problem.

IS ALL THIS COST EFFECTIVE?

The new CLP Poverty Reduction strategy is not a low cost programme generally or measured per household impacted. What the development community is hopefully learning is that there are no low cost, self financing solutions to extreme poverty. The voice strategy, the MFI strategy, the governance strategy and the private sector strategy, all notionally lower cost per potential beneficiary have contributed to development understanding and outcomes. However, they will not be the solution to extreme poverty in remote areas within the time frame of the Millennium Development Goals.

Given the levels of international funding available at present and the additional aid flows promised in coming years, and given the generally accepted estimates of the numbers of extreme poor, the amounts of development assistance being made available by developed countries at present would be sufficient to finance CLP style programmes reaching most of the extreme poor over a 10-15 year period. Whether the CLP strategy will be successful and whether further funds on this scale will in fact be earmarked for such programmes remains to be seen.