Review of Supplementary Support Fund (SSF)

Zulfiqar Ali, Arafat Alam, Nadia Farnaz and Faizul Islam¹

¹ Head of Research and Advocacy, Research Officer and Research Associates respectively at EEP/Shiree. This report is prepared primarily based on the qualitative supplementary fieldwork that EEP/Shiree has conducted during March-April 2016. It has, however, also consulted relevant secondary materials provided by the Programme managers of EEP/Shiree.
List of Acronyms

CBO  Community Based Organisation
CHT  Chittagong Hill Tracts
EEP  Economic Empowerment of the Poorest
IGA  Income Generating Activity
HHRP Household Recovery Plan
SSF  Supplementary Support Fund
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Executive Summary
A qualitative progress review of the progress of the Supplementary Support Fund (SSF) was conducted eleven months after distribution of support concluded.

The initial results suggest that providing supplementary support to some of the failed households is proving to be effective. 70% of recipients felt that their situation is improving, whilst 6% felt their situation had worsened. Of the recipients who reported they are improving, 79% are hopeful that their progress will continue, whilst 11% felt they would be unable to maintain progress.

It was not possible to estimate graduation from SSF recipients, as the two year cycle that comprises the EEP graduation cycle has not been completed. However, some beneficiaries reported increases in income, and a reduction in the use of food coping strategies, demonstrating progress against two key indicators of graduation using the EEP index.

Reasons given for initial failure included health shocks, natural disaster, diseases outbreak of livestock, inappropriate IGA selection, physical incapacity, and weak supervision and monitoring. Some of the above factors were beyond beneficiary control; others were within the purview of PNGOs as well as the beneficiary households.

Reasons given for success included improved household plan and selection of IGAs, more careful implementation of IGAs, use of IGAs that provided a more regular income, diversification of IGAs, and improved supervision and monitoring from the PNGOs. Additionally beneficiaries felt they are now better skilled, more experienced, better networked, and more confident.

The rigorous identification of SSF recipients and planning via the Household Recovery Plan (HHRP) appears to be a critical factor in the success of the SSF. This provided a new opportunity to review reasons for failure, select the IGAs appropriately, and develop a household specific capacity building plan. This more rigorous approach could be replicated in future programming, and may help to reduce future supplementary support needs: it does, however, require more field staff to deliver, and needs to account for geographic and household constraints, as well as market forces that may create additional barriers to entry, particularly in areas where NGO activities have been occurring, and successful businesses have established.
Introduction
EEP/Shiree aimed to lift 1 million people out of extreme poverty. The programme’s core approach was to provide households with the assets and support needed to take enduring steps out of extreme poverty. EEP/Shiree used two challenge funds to provide resources to national and international NGOs working in Bangladesh. The Scale Fund, using tried and tested methods, gave NGOs opportunities to take large numbers of people out of extreme poverty. The Innovation Fund challenged NGOs to design and implement innovative approaches to reducing extreme poverty in urban and rural areas.

This report was commissioned at the request of DFID following a recommendation in the 2014 Annual Review of EEP, which required EEP to conduct additional monitoring of the implementation of the SSF, and ensure that the fund was effective. This report details the results of a review carried out in 2016, following completion of distribution of the fund.

Overview of the Methodology
Fieldwork was designed and carried out in 2016, approximately 11 months after SSF distribution concluded. The fieldwork was conducted as close as possible to the end of the EEP/Shiree programme in order to give recipients of support as long a time as possible to conduct their IGAs, and thus be in a better position to reflect on their success. In this manner, it complemented the ongoing monitoring.

Field visits were made to all regions where SSF distribution occurred. This included the northern areas, Chittagong Hill Tracts, the Coastal belt, and the slums of Dhaka. 9 semi-structured focus group discussions were held with beneficiaries, and a further 9 were held with frontline staff of NGO partners. Participants in focus group discussions were asked the same questions in all areas, and areas for further investigation were also probed. EEP/Shiree Programme Managers also provided additional information to the review.
Overview of the Supplementary Support Fund

In 2013, EEP monitoring data indicated that while the majority of the beneficiary households were making good progress, some of the beneficiary households were unable to do so. Following negotiation with DFID, a Supplementary Support fund (SSF) of £2.2 million was created, and additional support was provided to 14,725 failing households in the Scale Fund in order to help them to graduate.

Identification of and provision of support to failing households was a multi-stage process. Initial identification was through a mobile phone based Graduation Monitoring System (GMS), which was then validated through a Participatory Rapid Appraisal (PRA) by EEP/Shiree programme managers. This resulted in a total of 14,725 beneficiary households approved for support through the SSF (Table 1).

<table>
<thead>
<tr>
<th>NGO</th>
<th>No. of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttaran</td>
<td>2,146</td>
</tr>
<tr>
<td>CARE</td>
<td>2,333</td>
</tr>
<tr>
<td>PAB</td>
<td>1,792</td>
</tr>
<tr>
<td>SCI</td>
<td>2,369</td>
</tr>
<tr>
<td>NETZ</td>
<td>1,639</td>
</tr>
<tr>
<td>CWW</td>
<td>1,611</td>
</tr>
<tr>
<td>Oxfam</td>
<td>1,164</td>
</tr>
<tr>
<td>Caritas</td>
<td>463</td>
</tr>
<tr>
<td>DSK</td>
<td>1,308</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,725</strong></td>
</tr>
</tbody>
</table>

Following the identification of the failing households, Household Recovery Plans (HHRPs) were developed by the PNGO field officers in conjunction with each beneficiary. These plans examined the causes of failure, the preferred asset under SSF, beneficiary capacity, and also anticipated return from the replacement asset. A selection of HHRPs were then validated by EEP prior to asset distribution. This rigorous focus on quality meant that the SSF distribution took longer than anticipated: asset distribution was concluded during Quarter 3 of 2016. The delay resulted in the postponement of this review, to allow households progress to be monitored, and skills transferred where necessary.

**IGA support provided under the SSF**

The support given was dependent on the beneficiary’s preference, and an assessment of the beneficiary’s capacity. Beneficiaries who performed well with their initial asset but failed (due to external shocks) were mainly provided with the same IGA support; in cases where beneficiaries were unable to manage their initial IGA, a different IGA was provided. Table-2 presents the packages provided under SSF against the initial packages by PNGOs.
<table>
<thead>
<tr>
<th>NGO</th>
<th>Initial IGA support</th>
<th>SSF IGA support</th>
<th>Variance in IGA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Same</td>
</tr>
<tr>
<td>PAB</td>
<td>Sandbar, Food Processing, Cage Culture, Sheep Rearing, Duck Rearing</td>
<td>Small Trade, Van, Rickshaw, Beef Fattening</td>
<td>0%</td>
</tr>
<tr>
<td>NETZ</td>
<td>Bull, Goat, Hen, Duck, Sapling, Pig</td>
<td>Milking Cow, Beef Fattening, Sheep rearing</td>
<td>0%</td>
</tr>
<tr>
<td>CWW</td>
<td>sheep, geese, Tailoring, sewing machine, Small business, Poultry</td>
<td>Cow, Small business, Paddy Cultivation</td>
<td>8%</td>
</tr>
<tr>
<td>Oxfam</td>
<td>Net, Small Trade, Goat, Cow, Vegetables, Medicine Business, Rickshaw, Duck</td>
<td>Van, Small Trade, Rickshaw, Fish Business, Tea Stall, Land Lease, Pan-supari Business, Medicine Business, Jhal-Muri, Vegetable</td>
<td>8%</td>
</tr>
<tr>
<td>Caritas</td>
<td>Livestock, Vegetable Seeds, Tanning, Cash crops (Ginger, Turmeric, Aroid), Saplings (fruits &amp; timber), Vegetable Seeds, Compost Pit Support.</td>
<td>Livestock, Vaccine, House support, Food Support, Training, Short Garden (Papaya), Treatment Support, Old age allowance, Land lease, Rice seeds, Cultivation Cost, Compost Pit/Fertilizer, Livestock, Handicraft, Paddy cultivation, Small Business</td>
<td>52%</td>
</tr>
<tr>
<td>DSK</td>
<td>Rickshaw, Variety business, Cloth Trading, Cake Selling,</td>
<td>Cloth, Variety business, Cake Selling, Grocery, Fruit Trading,</td>
<td>60%</td>
</tr>
<tr>
<td>NGO</td>
<td>Initial IGA support</td>
<td>SSF IGA support</td>
<td>Variance in IGA</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------</td>
<td>----------------</td>
<td>---------------</td>
</tr>
<tr>
<td></td>
<td>Rice, Fruit Trading, Spectacle business, Shil pata trading, Tea Stall, Silver, Vangari</td>
<td>Shil pata trading, Rickshaw, Tea Stall,</td>
<td>Same</td>
</tr>
</tbody>
</table>

### Causes of Initial Failure

Various reasons were reported as the causes of initial failure for the SSF recipients. The main reasons for initial failure are as below:

**Health shock**: illness/death of main/only income earner. Many beneficiaries reported that chronic/severe illness of family members incurred huge medical costs that could only be met through selling the asset.

**Disease outbreak and death of livestock and poultry**: unexpected death due to disease outbreaks or husbandry issues resulted in loss of some or all assets. Some reasons provided for asset death included unsuitability to the local context (disease prone animals), insufficient training on care, and poor quality animals.

**Natural disasters**: flash floods in Haor, river erosion in Northern region, landslides in Hill Tracts and tidal surges in South West Coastal areas destroyed crops or damaged assets. The beneficiaries did not have the skills or infrastructure to deal with this.

**Loss or theft of assets**: some beneficiaries lost assets due to petty theft from their shops or businesses, or through being victims of crime. Some beneficiaries reported they lost their assets due to debts, dowry, or gambling.

**Lack of business management capacity / inadequate planning**: this led to low return and abandonment of IGAs. For example, one individual set up a mat producing business, but lacked the physical capacity to collect sufficient raw materials: the extra time expended here led to low returns, and he abandoned the idea.

**Inappropriate selection due to age/ disability**: some elderly beneficiaries selected rickshaws that they could not operate, and subsequently rented out. Problems with obtaining a regular income forced them to sell the asset.

**Inadequate support from field staff due to manpower constraints**: some beneficiaries reported that they were not provided with timely advice or support from field staff, which resulted in death of the asset.
Progress following supplementary support

It is still early to make any comment on the status of graduation of SSF recipients as the SSF recipients had not completed a full 2-year cycle. The perception survey conducted in 2016 shows that over two-third of SSF recipients (70%) feel they have been able to improve their situation after receiving supplementary support.

Table 3: Beneficiary perceptions on improvement

<table>
<thead>
<tr>
<th>Response Category</th>
<th>% of SSF Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved to a large extent</td>
<td>19</td>
</tr>
<tr>
<td>Improved to some extent</td>
<td>51</td>
</tr>
<tr>
<td>Remained more or less at the same level</td>
<td>24</td>
</tr>
<tr>
<td>Deteriorated</td>
<td>6</td>
</tr>
</tbody>
</table>

Recipients reported improvements in areas such as achieving food security, increased income, and being able to send their children to school more often. There was some geographic variation in responses: 34% of the respondents who reported their situation had deteriorated came from CHT, whilst those in the northern region reported the greatest gains. They expect that additional improvements may come, as it has only been eleven months since they received the support.

In terms of their optimism for continuing to see improvements and sustain the gains, 79% of those who made progress are hopeful that they will be able to maintain it. About 10% reported that they are uncertain and the remaining 11% said that they won’t be able to maintain their progress, citing reasons such as natural disaster, health shocks, lack of income earners, problems related to disability, elderly and single income earner.

Table 4: Beneficiary perceptions on sustainability

<table>
<thead>
<tr>
<th>Is the progress sustainable?</th>
<th>% of SSF recipients who made progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, fully confident</td>
<td>30</td>
</tr>
<tr>
<td>Hopefully yes</td>
<td>49</td>
</tr>
<tr>
<td>Uncertain, don’t know</td>
<td>10</td>
</tr>
<tr>
<td>Won’t be able to maintain</td>
<td>11</td>
</tr>
</tbody>
</table>

The majority of SSF recipients felt that close follow up support from the NGO and links they provided to other service providers was a significant factor in their improvement under SSF. They felt that ongoing support would also help to ensure the success could be more solid and sustainable.
Some beneficiaries expressed concerns following project closure, and these related to the sustainability of the group savings schemes, which they feared could collapse; others were concerned over the limited market opportunities, or health shocks, or eviction.

“We are very committed and consistence to our saving and group work. If you (Shiree) are not here, the number of people may be reduced in the savings group due to lack of facilitation, motivation and peer pressure”

Others were more confident about their future:

“The work that I have learned, I will keep on doing that. I now have a sewing machine and I know how to make dresses. Even if river erosion happens, my training and my sewing machine will be with me to continue my work. One day, I will have my own formal tailoring shop named ‘Shukla Tailoring’. I will teach my children tailoring work. When we will be older, they will be able to help me in my work.”

Others identified strong relationships and support networks they possessed:

“Over the past years, I have established and am maintaining a good network through my business. The wholesaler trusts me as a good retailer. In case, you are not maintaining support for some reason, I believe that my business will survive. I am saying this because they [wholesaler] will give me product even on credit if I need. The relation is trustworthy”.

“We are confident we can carry on with the progress we made, mainly because of our motivation and because we learned a lot about our IGAs. We know we have to take care of them, and maintain them even though it needs hard work. Also, we can trust the CBO. The CBO is very strong and it is there to support us”.
Factors contributing to success

The discussions with recipients of SSF revealed that several factors contributed to progress. They included the following:

(i) Greater involvement during IGA selection;
(ii) Improved PNGO follow up support;
(iii) Regular income (short return) IGAs;
(iv) Contextual and market analysis;
(v) Diversification of IGAs;
(vi) Previous experience with a particular IGA;
(vii) Learning from the previous mistakes;
(viii) Reduced disaster incidence.

Greater involvement during IGA selection: the HHRP process was intensive, and required significant consultation and review. Thorough consultation of SSF recipients during review helped to identify the causes of initial failure, and assess the real capacity of the households, which was important in assessing options. Beneficiaries reported they considered some aspects such as potential returns, risks, opportunities, threats and viability considerations which neither the NGO Staff nor the beneficiary had considered earlier.

Improved PNGO follow up support: The PNGO frontline staff were more diligent at monitoring and providing support to the SSF recipients.

Regular income (short return) IGAs: immediate and regular income can be more effective for the poorest people. For example, some of the SSF beneficiaries of NETZ were given a milking cow instead of one to fatten for beef, which they had been unable to feed properly. This allowed them to sell milk, the earnings from which they could use to feed the cow. Another example comes from the PAB project:

“Initially I got training on diesel engine repairing. However, there was no regular earning from it. I got a rickshaw van from Shiree under SSF. If I didn’t get this asset, I along with my family would have starved to death.”

Contextual and market analysis: Whilst IGAs can be replicated from one location to another the needs are not necessarily the same, due to geographic factors. For example, in the disaster prone south-west coastal area, project staff stated that extra support above just an animal transfer was required to protect the assets from disaster: for example, a cow requires a shed. Additionally, analysis of business opportunities and threats is important, as the following example shows:
“Initially I got a tea stall which I still have. However, presently the sales are very low because due to river erosion a lots of people left the village and also there are more tea stalls than before. From Shiree supplementary support, I got a van which is run by my husband. By the income from both the tea stall and van, my economic condition improved to some extent”. Diversification of IGAs: this was a factor for some failed households, as it provided multiple sources of income, and reduced risk. Diversification was seen as an insurance policy: the beneficiaries clearly understood the logic behind such strategies, as the analogy provided by one beneficiary in the south shows:

“If we have a problem in using one, we can recover with another one. It’s like you have only one jar of water. Sooner or later that jar will become empty. If you have two jars, you will have water when the first one is finished, and you have time to refill the first one, and have water all the time!”

**Previous experience with a particular IGA:** In almost all regions some participants expressed a preference to try the same IGA again. The reasons for this were that they were less confident to try something new: they felt that their experience (despite being unsuccessful) with a particular IGA was sufficiently positive to encourage them to try again.

**Learning from the previous mistakes:** almost all beneficiaries recognised the value of the lessons they had learned; this experience made them realise the importance of looking after the asset better, as well as the value of planning and investing. Beneficiaries in the Hill Tracts reported they had learned from previous mistakes when raising livestock, including the need to vaccinate animals in time; beneficiaries in the northern region added that they are now aware of hazards, and take extra caution during such times.

**Reduced disaster incidence:** Participants of Coastal areas pointed out that there had been fewer disasters, which had made it easier.

“The past two years have actually been easier for us. We had fewer floods and fewer other natural hazards”.

It was not clear to what extent the reduced impact of disasters has been a result of better preparation. Findings from beneficiaries in the north living in erosion prone areas suggested that beneficiaries had developed adaptation strategies, including a greater participation of women in activities outside their homes, alongside their husbands:

“River erosion took away all our belongings. Now if we, husband and wife, do not work together, then we won’t be able to survive. Me and my husband work together in the field and earn money. This relaxes the individual burden on each of us.”
This however suggests more of a coping mechanism following a disaster rather than planning to mitigate the disaster: it reinforces the vulnerability of the extreme poor.

Whilst all of these eight factors are different, they are however, all factors that can be addressed during initial planning with beneficiaries, which might result in less need for supplementary support. This stresses the importance of the initial Household Planning exercise, whereby the views of the beneficiaries should be thoroughly discussed, alongside assessments of capacity, and market opportunities and threats. From that, it should be possible to put in place a household capacity building plan, which can be followed up by frontline staff.

This approach would reduce the risk of failure, and speaks to the importance of having a higher field staff to beneficiary ratio, in order to provide both adequate planning time and follow up support. Experience from EEP indicates that the ideal ratio is dependent upon a number of factors, including geography, seasonal weather, transport provision, social norms, community capacity, and access to existing services.

Challenges limiting success of the SSF

Whilst the surveys and discussions indicate that the SSF is appears to be working, it is unlikely to be completely successful. There are common challenges that affect the success of all (i.e. non-SSF) recipients of EEP support (such as health shock, livestock disease, sanitation, and limited education at both primary and secondary levels). However, some geographic and contextual challenges to success were identified by the supplementary asset recipients, which should be considered in future programmes: these factors would affect all beneficiaries in those areas.

**Remoteness:** this was an issue raised in the Haor, some parts of Hill Tracts, and the Coastal region, where access during some parts of the year is very difficult, and communication links are poor. This limits the amount of time that field staff can support beneficiaries, and reduces the beneficiaries’ access to markets and services.

**Eviction and fire:** eviction of the slums without notice, and accidental fires are ongoing risks. This can cause migration between slums or rural and urban environments, which is a challenge for maintaining progress, or building up an asset base.

**Competition in the market:** some beneficiaries were influenced in their selection of IGA by the success of others, and this made it more challenging to enter the market.

“When I saw that there are 4-5 more tailors other than me, I started making clothes for free initially. So if my client likes the making then he or she will come to me not to others.”
There are no guarantees of success of such a strategy, and it points to the challenge of late-entry to the market: earlier, more successful beneficiaries may already have cornered a significant share of the market, requiring additional and potentially loss-making strategies to obtain a market share.