

USAID partners Bandhan: Scaling up of Targeting the Hardcore Poor Program in India

Targeting the Hardcore Poor (THP) program is a holistic model that has been piloted & perfected by Bandhan to bring transformational changes to the lives of the poorest of the poor in India by providing economic services that integrate self-reliance, enterprise support, welfare provisions, financial inclusion, and social capital. To address the poverty & exclusion, this model is proposed to be scaled up in different geographies with different stake holders with active support from USAID's Development Innovation Ventures (DIV).

An innovative model

The targeted population of THP program is the poorest of poor- mainly marginalized matriarchal families that lack capital, confidence and job skills. These families have no stable income; productive assets and very limited access to government and NGO entitlements. Committed to empowering these women with self-reliance and confidence the THP program was launched by Bandhan in 2006 & now it has expanded into 24 districts in 4 states of India, enabling 22,654 households (nearly 100,000 people) to come out of absolute poverty.

Cost effective & result oriented

To date, THP is one of the most cost-effective models that addresses multiple economic deficiencies and demonstrates significant & substantial impacts on the lives of the rural, extreme poor. At a cost of Rs. 22,000 (approximately 379 USD) per family of 4-5, the program transforms the lives of the ultra-poor woman & her family within two years' time and creates sustainable livelihood opportunities for them. It is time bound, economically regenerative and shows potential of a new pathway out of poverty on a larger scale. This small investment returns significantly greater long-term socio-economic impact and provides hope and dignity to the extreme poor.

Evidence speaks

Formal research by premier institutes and agencies have validated the THP program's impact on the poor.

- Quantitative & qualitative evaluations of the THP model by The Consultative Group to Assist the Poor (CGAP), an affiliate of the World Bank in India, Bangladesh Pakistan, Ethiopia, and Honduras have shown clear, substantial, and sustained positive impacts, ranging from raised incomes and decreased food insecurity, to greater happiness.
- An evaluation of Bandhan's THP program led by Professors & scholars of Massachusetts Institute of Technology (MIT), USA and Indian Institute of Management, Calcutta (IIMC) found an average 22% increase in household income of the women in the treatment group. They spent more time working and experienced a rise in business income. Patterns of consumption improved – both on nutritious food items and durable goods. This improvement in living condition and financial well-being is also reflected in the increased ability to access microcredit. Women in the treatment group were 53% more likely to utilize microcredit than women in the control group.

Scaling up with USAID

To augment the program's results in other neighboring states like Odisha & Bihar, where poverty is widespread, Bandhan has rolled out a scaling program with support from USAID beginning in September 2014. Within a three year period, Bandhan - with assistance from The Abdul Latif Jameel Poverty Action Lab (J-PAL) South Asia- will establish an at-scale model, provide on-going advocacy to secure implementation and funding partners, and transfer the model to implementing partners with wide reach. This initiative will take place over a 3 year period, and aims to reach 1,000 families by the end of year two and 4,350 by the end of year three.

Main objectives of this USAID supported program are:

- The poorest, marginalized women headed families in Bihar and Orissa will become self-reliant and will be included in the socio-economic mainstream.
- The THP model will transfer to self-funded implementing partners who can later take the program to scale.

Expected Outcome

- Beneficiary women and their families will be able to enhance their income and livelihood assets through new and sustainable enterprises.
- The beneficiary families will have nutritious full meals for the entire family.
- Target families will reflect behavioral outcome like consumption of safe drinking water, using sanitary toilets and maintaining preventive hygienic practices.
- Families will access welfare entitlements on food, housing, pension, and others, as applicable.
- Beneficiaries will develop savings habits, leading to universal financial inclusion for these poorest families.

Lasting impact

Until now, scale-up in West Bengal has been done by Bandhan and funded through its CSR contributions and external donors. Longer term expansion in other geographies of India will require mobilizing and leveraging additional resources through the government and private sector. Larger catalytic grants will help THP scale-up through multiple partners allow this innovative targeted intervention model to make a significant contribution in stamping out absolute poverty in the country within next 10 years.

About Bandhan

Bandhan has been engaged in the delivery of microfinance services since 2001, under the leadership of Mr.Chandra Shekhar Ghosh., senior Ashoka Fellow, to meet the cardinal objectives of poverty alleviation & women empowerment. Now Bandhan's microfinance activities- under NBFC-MFI Bandhan Financial Services Pvt.Ltd- is present in 22 states & UT's of India catering to more than 5.8 million families facilitated by nearly 14 thousand employees operating from 2016 branch offices.

The viability of microfinance encouraged Bandhan to look at the social development with a larger perspective and it adopted a credit plus approach since 2006 for ensuring multi-dimensional development of the poor. Bandhan implements various programs on livelihood, education, health & sanitation, market linkage & clean energy through its development organization- Bandhan Konnagar, a registered not for profit society. It is present in five eastern states viz. West Bengal, Tripura, Assam, Bihar, and now in Odisha and serves 4,74,378 lakh distressed families through more than 600 employees and over 1,900 community teachers & health volunteers (all women) as of 2014.

About Development Innovation Ventures:

USAID's Development Innovation Ventures (DIV) is an investment platform that finds, tests, and scales new solutions to development challenges around the world. Through a year-round open competition for ideas, DIV seeks ideas that demonstrate cost-effectiveness relative to traditional approaches that gather rigorous evidence of their intervention's impacts, and that have the potential to scale through the public or private sector without long-term DIV support. For further information about DIV, please visit <http://www.usaid.gov/div>.