



The Case of

Bangladesh's Vulnerable Group Development (VGD) Program

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Bangladesh: Overcoming Poverty



- **Poverty has decreased:** In 2000, 48.9 percent of the population lived in poverty; in 2016, 24.3% lived in poverty.
- **Purchasing Power Parity (PPP) adjusted Gross National Income (GNI) per capita has increased:** US\$ 1,140 in 2000; US\$ 3,330 in 2014.
- Large group still lives **around the poverty line** and is unable to face shocks and stresses on their own.
- Some of the key shocks that perpetuate **poverty and vulnerability remain key challenges:**
 - *Natural disasters* - frequent cyclones, floods, river bank erosions, landslides – have a disproportionate impact on the poorest affecting lives, assets, livelihoods and crops;
 - *Power relations that have adverse effects on the poor, with a disproportionate effect on women* – widows and abandoned women – as well as women headed households which are the poorest.

Social Safety Nets in Bangladesh

- **Sustained vulnerability and poverty** in Bangladesh continue to make safety nets highly relevant.
- The Government has a **large number of safety net programs** targeted towards the poorest and most vulnerable.
- **Reform** processes on improved **administration** of the large number of safety nets, strengthened pro-poor **targeting** and modernized, transparent and accountable **delivery systems** are in progress.



Total number of safety net programs	136
Percentage of GDP spent on safety nets	2.44
Percentage of annual budget spent on safety nets	13.54
Percentage of annual budget consumed by 10 largest safety net programs	71

Innovation and experimentation in the evolution of safety nets in Bangladesh

Bangladesh has a long history of innovation and experimentation with Social Safety Net Programs, primarily starting with the food shortage caused in a post war, cyclone and flood affected country in the 1970s and 1980s.

 1970s

Public works and **food aid** in the post war, flood affected country facing food shortage

 1980s

Transition from **relief to development** oriented safety nets

 1990s

Introduction of **conditional transfers** i.e. food for education (as a more effective use of food aid), female student stipend etc.

 2000s

Graduation goals: shift from protection to protection & promotion by **building resilience**; and **geographic targeting**

 2010s

Employment guarantee, and continuation of conditional transfers and **graduation** oriented programs

The factors that stimulated experimentation and innovation with social protection in Bangladesh



Embedded **humanitarian ethos** that prioritized food based relief for temporary food insecurity in the early years after independence

1970s



Concern for incorporating **'ladders'** or the concept of graduation so that development could be sustained by building **household resilience to shocks**

1980s



Life cycle social protection approach addressing needs of different **age groups and characteristics** of the population

1990s onwards

Programs that offer Ladders to build Household Resilience

Since the 1990s, Bangladesh has focused on the ladder approach and one pathway was to enhance productive inclusion (including public workfare) for building resilience to shocks. Some flagship programs include:

- Rural Maintenance Program (RMP)
- Rural Employment & Road Maintenance Program (RMP)
- Employment Generation Program for the Poorest (EGPP)
- Work for Money (previously known as Food for Work)
- Vulnerable Group Development (VGD)

Innovations and experimentation for resilience demonstrated through:

Vulnerable Group Development (VGD) Program



Origin of VGD

01

As a **humanitarian response** to food insecurity in a war and natural disaster affected country, the Government of Bangladesh introduced Vulnerable Group Feeding (VGF), a food based relief program in 1975

02

By 1980, the following concerns emerged:

Need for graduation models i.e. transitioning from relief to development to build household level resilience for long term sustainable development.

Need for focus on women as traditional sources of male protection had been significantly eroded by war and famine; and female headed households were likely to be in greater poverty. Focus on women was an unconventional approach at that point in time.

Opportunity for utilizing the grassroots presence and network of a large number of NGOs, supported by donors.

03

The VGF Program therefore was **reoriented from relief to development** with focus on women, to become VGD in 1982.

VGF continues to exist in its original form for unconditional food aid and cash during festivals, lean seasons and natural disasters

Strengthening the Development feature of VGD



- To orient VGD towards sustainable development, BRAC, now the largest NGO in the world, was identified to provide **livelihoods training**.
- Research till then showed that the poorest women were the most affected by **food insecurity**, which limited their capacity save and access finance.
- Focusing on women's capacity and incomes was also expected to generate **multiplier effects on other members of the household** through accumulation of savings, improved expenditure on human development including child nutrition and education, contributing to the **household's overall resilience**.
- VGD was identified as a starting point that could provide food support during the period of training, **saving** and **micro-enterprise development**.

VGD to IGVGD



- BRAC's initial pilot trained 1,000 women for 2 years in different **income-generating skills**.
- An evaluation of the pilot revealed most of the trained women were able to use these new skills to **earn close to what they had received** through the food subsidy of VGD.
- BRAC worked with the Ministry of Relief and Rehabilitation (currently known as Ministry of Disaster Management & Relief) to replicate this strategy.
- In 1987, BRAC became a partner to implement the **Income Generation component of VGD (IGVGD)** in an agreement with the Government of Bangladesh and the World Food Programme (WFP).
- **Micro-credit** was added as a component of IGVGD in 1989.

How VGD / IGVGD improves Households' Resilience by investing in Women

Food security	Skill Development	Complementary Inputs for Growth	Holistic Development
<p>Help poor women overcome existing food insecurity, malnutrition, lower social status and poverty</p>	<p>Develop skills of women through training and encourage savings to build initial capital for business</p>	<p>Assist women with complementary inputs and linkage to mainstream development programs that will improve their nutrition and enhance their livelihoods and self-reliance</p>	<p>Increase women's social awareness through practical education and human development</p>

Eligibility & Selection of Beneficiary



To be eligible for VGD, a potential beneficiary must meet four of the following criteria:

- widowed, separated/deserted/divorced or has a husband who is unable to work;
- has severe food insecurity;
- landless or owns less than 0.5 acre of land;
- has very low and irregular family income or works as casual labor;
- from a household headed by a woman;

A woman can become a VGD beneficiary only once and cannot simultaneously benefit from other development programs.

Committees (with women representatives) at different levels play an important role in selecting beneficiaries, annually, for a **two year cycle**, according to eligibility criteria and geographic targeting based on poverty and vulnerability.

Selection for IGVGD

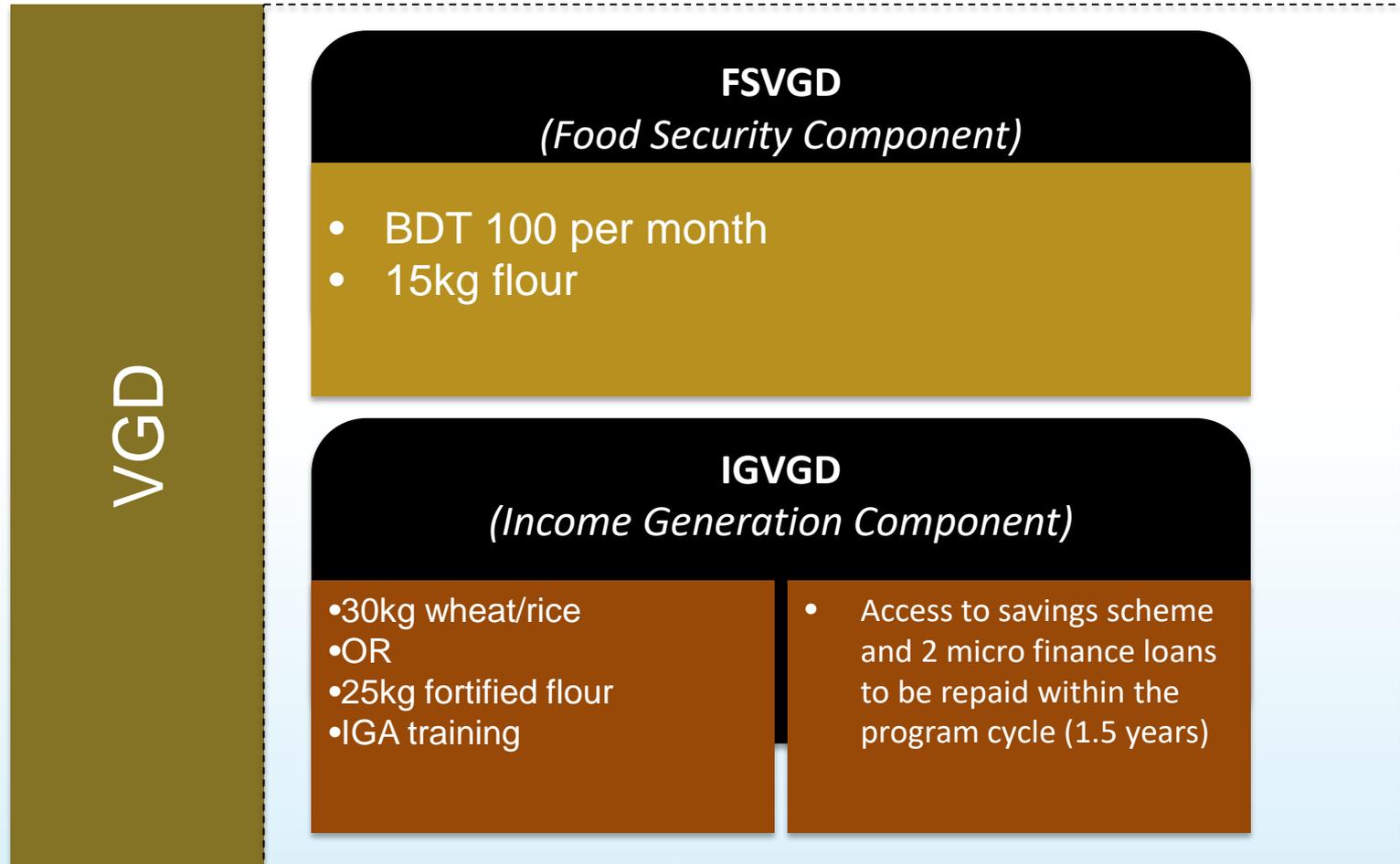
Almost **90% of the VGD beneficiaries** are then included into IGVGD, with the unlikelihood of selecting the following due to the physical, mental and training demands of IGVGD:

- Oldest women
- Least fit women

Community members, relevant selection committees, NGO partners and the local Government representatives closely scrutinize the process of selection.

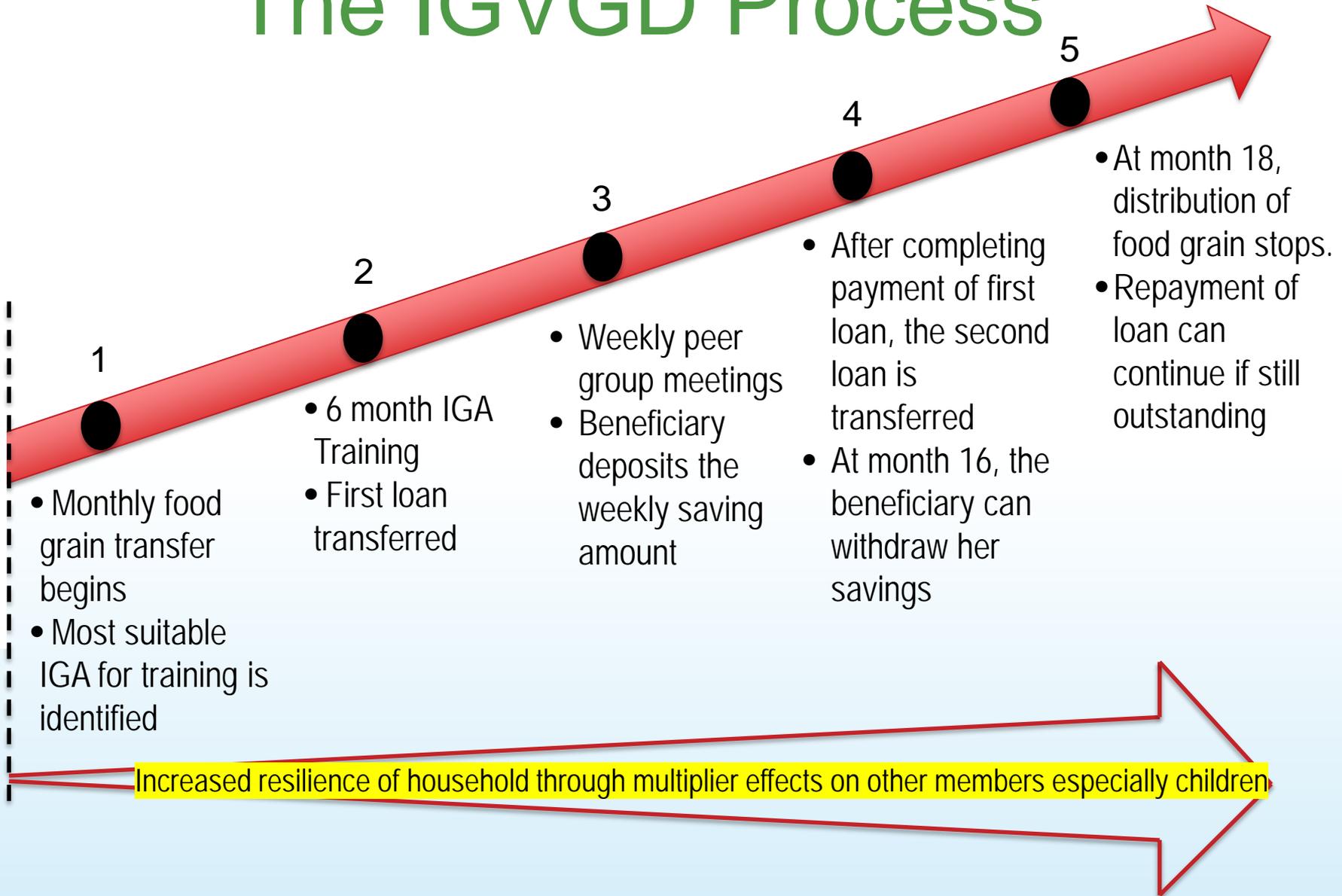


The VGD package



The IGVGD Process

Selection



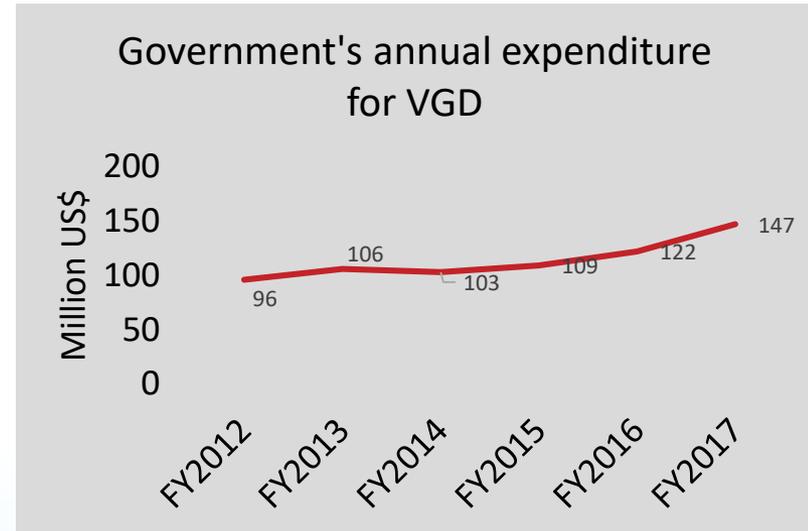
IGA for IGVGD

- **Poultry rearing** came out as the most effective IGA under IGVGD in partnership with the Department of Livestock Services (DLS) of the Government.
- DLS supports participants with **training, vaccination and other veterinary services free of charge.**



VGD today

- Direct beneficiaries: **750,000**
- Indirect beneficiaries from beneficiaries' households: **3.75 million**
- Coverage: **Nationwide**
- Annual expenditure: **Over US\$ 140 million**, among the largest 10 safety net programs on Bangladesh
- Implementing agency: Department of Women Affairs (DWA), **Ministry of Women and Children Affairs**
- Other partners:
 - Ministry of Food
 - WFP
 - BRAC
 - a large number of other NGOs



- Current reforms: DWA in collaboration with WFP is working to:
 - Introduce design changes** that will help nutrition and graduation outcomes;
 - Strengthen **monitoring** of VGD.

Evaluation results: What has worked

1990s:

- **Effective targeting** of extremely poor women
- **Increased food diversity and decreased food deficit** in the household;
- Significant degree of **income diversification**, suggesting reduced vulnerability **and improved resilience of household**;
- **Acquisition of durable** (increase of up to 100%); Ownership of productive assets doubled;
- Some **awareness** of rights and social issues;
- **Increased capacity to participate** in NGO programs, particularly among married women;
- **Improved social indicators**, most notably, greater tendency to invest in children's education;



2000s (panel data):

- Decrease in **landlessness**;
- Increase in homestead **land ownership**;
- Decline in **begging**;
- Rise in **dignity and social status** within the community;
- Accumulation of some **savings**, **contributing to further resilience of household**;
- **Graduation** of two-thirds of IGVGD participants (subset of 90 per cent of all VGD beneficiaries); two third of graduates became mainstream microfinance clients.
- **Mean increase** in the net income of IGVGD women was nearly BDT 12,000 (US\$ 150).



Impact on Children

An evaluation found improved focus on children's education as a multiplier effect of VGD, contributing to household's future earning capacity and overall resilience:

- **52 percent of the IGVDG participant households sent their children to school**, in comparison to only 23 percent non-participant households.
- **Children from only 10 percent of IGVDG participant households worked** while the corresponding figure from non participant households was 37 percent.
- **School attendance rate of children from IGVDG participant households was 80 percent** while the corresponding figure for children from non participant households was 34 percent.



Evaluation results:

What has not worked

- **A fourth of VGD participants could not ‘graduate’** – struggled once the food aid stopped and were not benefited by the development component.
- One third of those who did graduate, **could not enter mainstream microfinance clientele.**
- **Initial IGA experiment with sericulture failed** as marketing for the product proved difficult.

Challenges



- The **poorest of the poor are excluded from IGVD** as they are often the oldest and have least physical fitness and motivation.
- Handover of VGD implementation from the Ministry of Disaster Management & Relief (MoDMR) to the Ministry of Women and Children Affairs (MoWCA) initially affected program management due to inadequate field presence and MoDMR had to provide field support in the initial years of transition. **Inter-ministry coordination sometimes became a challenge.**
- Focus of IGVD on poultry posed a significant risk in the form of **Avian Influenza**; however, preventive investigations were carried out and awareness generated about the disease.
- **Coordination between a large number of implementing partners**, and differences in perceptions of VGD objectives occasionally challenged program management. Differences included:
 - NGOs' emphasis on the development component and local government's emphasis on relief (food);
 - Management and purpose of participants' savings.
- **Some leakage and corruption** were noted in food aid and participants' savings.

Lessons

- **Food ration is considered vital** to the success of the IGVD because it gives recipients the ‘breathing space’ or ‘window of opportunity’ to save, borrow, get trained and plan livelihoods **which are all intended to build household level resilience.**
- Besides collecting deposits and repayments, weekly meetings also create **space for discussions and advice on social issues, legal support, and domestic and enterprise problems.**
- Participants have **access to other benefits** e.g. BRAC’s healthcare program, including preventive and basic curative care services, **reducing households’ vulnerability to health shocks and improving resilience.**
- **Triangular relationship between Government, local government officials, and the community’s poor** supports targeting and management of VGD with local administrative processes and insider knowledge of the community.
- **Successful Government-NGO partnership**, harnesses knowledge, expertise and networks on both ends.



Lessons

- IGVGD lessons of **potential exclusion of the poorest have informed the design of innovative models** e.g. BRAC's Challenging the Frontiers of Poverty Reduction (CFPR) program, a multi-dimensional program **focused on the ultra poor in Bangladesh.**
- IGVGD has demonstrated how a **carefully sequenced program of interventions** to provide support and build earning capacity can strengthen 'graduation' models. Key elements identified by BRAC for future programming were:
 - Asset transfer
 - Stipend
 - Close training and support
 - Health care
 - Social support network over 18 months followed by less intensive support.

Thank you