

# **Impact of Graduation Model in the Area Development Programmes Implemented by World Vision India in Andhra Pradesh State**

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ISBN: 978-81-944719-4-3

July, 2020

**Published by:**

National Institute of Rural Development and Panchayati Raj  
Ministry of Rural Development,  
Government of India  
Rajendranagar, Hyderabad - 500030, Telangana, India  
[www.nirdpr.org.in](http://www.nirdpr.org.in)

Printed by:

PRINTOGRAPHY, 5-4-114 to 116, Ranigunj, M G Road,  
Secunderabad - 500 003, Telangana, INDIA. Mobile : +91 98489 24254

## Acknowledgements

The present study is unique in more than one way. Poverty-related impact studies are common, but for the first time, an attempt has been made to evaluate an Ultra-Poor Programme (Graduation Model Programme), where the findings have led to the fact that even poorest of the poor can come out of poverty if provided with proper identification tools and support systems that are customised to their needs. This has given a different perspective and immense satisfaction to the researchers.

At the outset, we thank all the stakeholders involved in carrying out this study and bringing out its report findings. This is a field-based study involving 145 extreme poor households as sample respondents, their group leaders in GM groups, volunteers facilitating the graduation process and teams from World Vision in the respective three ADPs in AP State. But for the deep involvement by everyone in the ADPs, the study would not have been possible.

We express our deep-rooted debt of gratitude to World Vision India Office, Chennai for its support to conduct the study. WVI has been providing all the documents and the needed information to carry out the study and its seamless support is highly appreciated. We also thank the field level enumerators who have forayed deep into the villages and homes of respondent beneficiaries and their GM groups for eliciting information in an unbiased and accurate way.

The study would not have been possible without the relentless support of Mr. Ebenezer and Mr. Neil Devasahayam working in HO, WVI, Chennai who were the force behind the study.

We profusely thank our former Director General Dr. W.R. Reddy, IAS, who has extended all support in carrying out the study.

We also thank Mr. Daniel Raj Asirvatham, WVI for his relentless support to us in bringing out this study report.

We also place on record our appreciations to Ford Foundation, US, CGAP and BRAC Development Institute, Bangladesh for the reference material that was made available by them as open source on their websites. We thank our data analysts and graphic designers for bringing out such a unique study report in a very professional way.

**-Authors**

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## Map of the Study Area



### Study Area

East Godavari – Korukonda ADP  
West Godavari – Shantidhata ADP  
Krishna District – Premdhara ADP

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## **Executive Summary**

The study is aimed at finding out how far the interventions of GM Programme being implemented by WVI could realise the objectives with which the programme has been conceived, planned and executed. The study was done in three Area Development Programmes (ADPs) located in three different coastal districts of Andhra Pradesh State, viz. East Godavari, West Godavari and Krishna, which were selected purposively.

The beneficiaries were selected at random in each of the ADP considering those who have been in the programme for the past 18 months or more. In addition to the exhaustive data collection encompassing all facets of programme implementation, FGDs were also held in all the three districts with the beneficiaries eliciting their opinion and experience about the GM Programme. In addition, there were six case studies built at two per ADP for all the three ADPs.

There is prima facie evidence that WVI has well conceived the programme of Graduation Model of ultra-poor. The programme was implemented with high efficiency as evidenced by the targeting quality, selecting only extreme poor in majority cases, livelihood assets distribution process and support services.

The profile of the beneficiaries testifies the fact that WVI has done a fairly good job in targeting the last mile extreme poor household of the area villages. There was an emphasis on gender poverty with more than 85 per cent of the beneficiaries being women. This was observed in the case of all three districts. The selection of beneficiaries was never biased to any religion or caste as evidenced by the analysis of the profile of the beneficiaries vis-à-vis their caste and religion. But it is in the fitness of the things that most of the beneficiaries in all the three districts were from SC and OBC categories because of the reason that extreme poverty and social backwardness are coterminous. Majority of the beneficiaries were living in pakka or semi-pakka houses indicating that the State government's housing programme for the weaker section was well utilised by the beneficiaries. The source of income of the beneficiaries was single and in the case of most of them, it was agricultural labour. The reason may be due to the selection process of WVI, focusing on asset-less and landless households. The age profile of the beneficiaries was 18 to 40 years in 80 per cent of the cases. The reason may be due to the emphasis on the success of the livelihood activity, for which they were provided with financial assistance. Aged and physically weak beneficiaries might have been perceived as a risk of failure in livelihood assets management.

The evaluation study has covered all the thematic areas of programme implementation that include livelihoods activities, health and nutrition, social and gender development, and financial inclusion and convergence with State-sponsored programmes.

Around 43 per cent of the beneficiaries have opted for livestock-based livelihood. Out of these, around 92 per cent opted for goat-based livelihood as provided by WVI. However, the selection of goats as livelihood assets in most of the cases has dented the programme impact with 85 per cent mortality of the animals on an average. Around 82 per cent of the beneficiaries were neither trained nor aware of the first aid skills, which had an impact on the mortality rate of the animals.

Around 22 per cent of the beneficiaries have opted for microenterprise-based livelihood. Around 76 per cent of the beneficiaries with microenterprise-based livelihood could generate cash flow within one month, which is a crucial factor in the sustainability of the programme. The ADPs might have realised this fact and it is found that in the consequent batches, goat rearing was discouraged and non-farm sector activities were encouraged, as observed in FGDs conducted in the respective villages.

Group meetings are the soul of GM Programme. Seventy-six per cent of the beneficiaries responded that they were regular to weekly meetings. Yet, the absence of 20 per cent of the beneficiaries in the weekly meetings is reflective of the shortcomings in the implementation of the programmes. Conducting regular weekly meetings should be non-negotiable as it gives confidence and capacity for the beneficiary to tackle any eventualities in life.

World Vision has fielded village volunteers to handhold the beneficiaries for two years of graduation phase, but it is found that only 86 per cent of the group meetings are facilitated by the volunteers. Therefore, wherever the volunteer is executing his/her job chart effectively, there is a perceptible transformation in the lives of the beneficiaries.

Peer-to-peer learning, experience sharing and building the social capital in the process are very essential for sustainable graduation. Unfortunately, only 38 per cent of the beneficiaries were getting benefitted through peer-to-peer learning.

Working capital support (stipend) of around Rs.500 per week for a limited period until the cash flows are generated from livelihood assets was desired by the majority (27.5 per cent) of the beneficiaries.

Social networking of the poorest is also much needed to address poverty-related issues. Around 25 per cent are left out of mainstream SHGs though there is a saturation approach to SHG social mobilisation of rural women in AP State.

A good number of the beneficiaries seem to prefer banks for their savings (40 per cent) followed by SHGs as the preferred financial service provider (34 per cent). The GM programme should focus on the financial service providers and enable them to be accessible to ultra-poor for sustainable financial inclusion.

Around 95 per cent of the children in the age group of 10-14 years belonging to beneficiary households are attending the school, which is an indicator of the success of the programme. However, around 10 per cent of the children in this age group in Korukonda ADP are not attending the school, which is a matter of concern.

The fact that 11 per cent of the beneficiaries are still facing hunger in a day or more after nine months of graduation period reflects that food security is still not ensured. Korukonda ADP with 22 per cent of beneficiaries battling hunger is standing at an alarming position. This is also reflected in the case of stunted children under the age of 10 years as 30 per cent of respondents reported that they have children with this kind of problem. Frequency and quantum of expenses on health are deciding factors in the graduation model. While 30 per cent of the beneficiaries are reported to be spending more than Rs.1000 on health expenses, another 40 per cent are spending between Rs.500 and Rs.1000. These factors need to be investigated in weekly group meetings.

Around 51 per cent of the beneficiaries have informed that they were getting 90 to 120 days of work under MGNREGS. This is a notable indicator as MGNREGS is meant for the poor who migrate to cities under the stress for work. If they can integrate their livelihood activity with the MGNREGS wage labour, the resultant transition could make an impact.

Volunteers of the ADP should focus on the above aspects with a 15-minute message on each of the 100 topics designed for 100 group meetings.

There was no clarity amongst the beneficiaries about the Graduation Indicators which are said to be the milestones for graduation in two-year graduation phase. Majority of the beneficiaries could not realise that there is an event called Graduation Ceremony to which they are to be qualified by crossing the milestones of life, home and social skills.

The study could not differentiate much amongst the three ADPs that have implemented the programme and there is hardly any distinction or shortcomings strikingly evident in one of the ADPs compared to rest of the two where the study was done.

The FGDs revealed that there is a lot of untapped potential amongst the beneficiaries in moving up the ladder of livelihoods. It is very clear that given the right support by the volunteer in the village, there could be a dramatic improvement in their life quality. They were very enthusiastic to save money, save rice and learn new enterprises as was evident in the FGD

meetings. It is evident from the FGDs that it is not only the deprivation from the material asset that makes them remain extreme poor, but lack of basket of financial services also to scramble and save and use whatever they can.

Prompt and complete bookkeeping is the hallmark of a group that graduates the majority of its members. Minutes book and savings register were maintained by 90 and 78 per cent of the beneficiaries, respectively. However, none of them was maintaining bank passbook or post office passbook, which is a matter of concern.

In summary, WVI has laid a very good foundation in designing the programme and targeting the most deserving beneficiaries. By having a strong field-level coordination, there could be a much better impact and it can establish a global model of its own. The selection of livelihood activity, capacity building, social networking and the seamless support provided by the volunteer can altogether bring in a higher impact.

Intense handholding is the key to the success of the programme and the best follow-up is handholding at field level.

There is also a wide range of Graduation Indicators (around 22) and it is to be noted that the programme deals with the extreme poor. The core objective of the GM programme is to smoothen the consumption and stabilise the cash flows through livelihood assets. Many of the Graduation Indicators envisaged by WVI are process indicators that are commonly applied to any rural population. Spreading too thin on several Graduation Indicators may make the job of tracking them very difficult.

The GM Programme must focus exclusively on extreme poor and core indicators of food security, income security and health security along with building self-confidence buoyed with entrepreneurial abilities that can be worked upon for the first two years so that they can graduate sustainably to the next level of livelihoods and quality living.

WVI must do extensive market research on micro and tiny sector livelihoods and it is informed during the FGDs that WVI is planning to form collectives of its rural household partners, including the extreme poor. It is a very good move, provided such collective mentors technically support the market resources for the products of the poor.

The RoI of the two major non-farm activities, i.e. kirana store and clothing business, is 15 per cent and 20 per cent, respectively. This is a reflection of the fact that even the ultra-poor with no access to resources and knowledge levels can climb the ladder, provided the right type of support systems are given to them. The RoI of goat-based livelihoods was less compared to non-farm enterprises with only 3.5 per cent. The reasons were lack of veterinary support, lack of proper infrastructure to house goats and vulnerability of households to sell

the goats during periods of financial stress. If goat rearing was to be encouraged since the poorest have no skills on other livelihoods activities, it should only be with robust backup support like veterinary care, insurance coverage and training.

WVI has also conceived the idea of segregating the beneficiaries into three categories, viz. fast climbers, slow climbers and solid climbers after eight months. It is revealed in the study that out of the total respondents, the fast climbers occupy 60 per cent followed by medium and slow climbers at 28 and 12 per cent, respectively.

Documentation is one area where there is a need for a lot of improvisation. The field teams must be ready with the records of targeting PPA and Graduation PPA maps to demonstrate how the targeted graduation village has transformed into the notch of extreme poverty.

The study has been concluded with a set of specific recommendations encompassing all facets of programme design and implementation. The key recommendations include an emphasis on capacity building, focus on more sustainable non-farm sector activities and intense hand-holding at the household level during the graduation phase. The self-confidence of the last mile extreme poor beneficiary can be buoyed only with sequencing and coordination of livelihoods with safety net programmes and building a strong social network of such poor by providing the much needed social capital.

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# Chapter I

## Introduction and Methodology

### 1.A Introduction

Poverty is a global phenomenon and society without poverty is a myth and does not exist. In India, particularly for the millions of people living in rural areas, life is neither satisfying nor decent. Hunger and malnutrition menace their families. Illiteracy forecloses their future. Diseases and death visit their villages too often, stay too long and return too soon. What they want is jobs for their survival, food for their families and a future for their children (Krishnaiah, 2003). They want the simple satisfaction of working towards something better – an end to misery and beginning of hope (Radha Sinha, 1976).

The major challenge to any civilised society is the social deprivation it harbours, in league with the economic deprivation. No other weapon can be more potent than building human capital among the deprived, through sustainable development initiatives.

Poverty has several dimensions and can be referred to as an inability to secure all those conditions that encourage the well-being of the poor. There exists a strong correlation between poverty and health. Similarly, it has a direct impact on levels of nutrition, literacy, etc. Perhaps the poverty question is best answered by bringing people into focus and initiating a series of participatory processes that aid the poor to cope indigence effectively and sustainably (AP State Focus Paper, 2003).

It is ironical but true that the global poverty trends are on ascending mode. As per the State of Food Security and Nutrition in the World (SOFI) Report, 2017, 821 million people are nutrition insecure globally. One in every nine is hungry. It was less at 804 million for the corresponding period of the previous year 2016. It is reported that globally 22.5 per cent of children below the age of 5 are malnourished (SOFI Report, 2017).

### Extreme Poverty – the New Dimension to Poverty Practice

While the general poverty scenario is somewhat improving, the hitherto not addressed thematic area of extreme poverty is a serious concern. For many poverty practitioners and governments that are implementing poverty alleviation programmes, the poor below the poverty line (BPL) seem to be homogeneous and their needs and challenges, and solution to their problems are perceived as uniform. A new school of global thought on poverty has taken a firm view that poor below the poverty line are highly diverse and there is the lowest rung called ‘Bottom of the Pyramid Poor’, who needs a separate set of interventions highly contextualised to their needs and ecosystems. But, the poor at the bottom of the pyramid

poor are distinct in their characters like livelihoods pursuits, capacities and social networking.

With a few notable exceptions, both microfinance and livelihoods programmes typically do not reach the extreme poor. Interventions that do manage to make this oft-invisible population visible, however, can have a lasting impact.

Quantification of poverty based on the poverty line which is generally known as Headcount Ratio (H Ratio) is the traditional measurement. However, within the poverty line, the Headcount Ratio has no discrimination between the poorest and the better off amongst the poor, and hence it is non-discriminatory and crude measurement of poverty and lacks necessary refinements to avoid 'one size fits all' approach (Asian Development Review, 1991).

In view of the above shortcomings of the H Ratio, Prof. Amartya Sen uses the Poverty Index (P Index) to measure poverty. Here, Sen examines the income shortfall of each person from the below poverty line. A weighted norm of the shortfall of income of the poor can be viewed as a measure of poverty. Prof. Sen used a simple method using rank order weightage based on gaps in the income of the poor where more weight per unit is attached to lower incomes (AK Sen, 1973).<sup>1</sup>

## **1.B. Global, National and State Poverty Scenario**

In early 2013, the World Bank had set its twin goals of eradicating extreme poverty and promoting shared prosperity by 2030. According to World Bank data, nearly 1.2 billion people are still living below the extreme poverty line with an income of US\$1.25 or less a day. The poorest are a very separate segment from the 'not so poor'—with many disparities between these two groups. Food insecurity, unreliable incomes, and lack of assets and land ownership are shared features of extreme poverty. Beyond 'measurable' household characteristics, family dynamics with high dependent/earner ratios, poor access to social networks, and lack of self-confidence tend to mark the difference between the extreme poor and those somewhat better off.

India is host to half of the world's poorest people. If the rest of the world put together, the number of poor living below 1.25 US\$ a day income in India is high. Unless India makes a serious impact on poverty reduction, there cannot be a perceptible progress in world MDG. Coordination of government safety nets with sustainable livelihoods to create pathways out of poverty is the only choice left for our country where the state is proactively engaged in safety net programmes but is strangled with delivery side challenges.

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<sup>1</sup><http://www.cgap.org/topics/graduation-sustainable-livelihoods> Graduation into Sustainable Livelihoods - CGAP

There are concerted efforts from the Central and State governments, NGOs and other international donor agencies to facilitate the alleviation of poor from multidimensional poverty to sustainable livelihoods coordinating State promoted safety net programmes with capacity building and sustainable livelihoods.

Thanks to these efforts, India has moved from 55<sup>th</sup> rank to 21<sup>st</sup> rank globally between 2005-06 and 2015-16. India's multidimensional poverty has dropped significantly between 2005-06 and 2015-16 bringing down the poverty level from 55 per cent to 21 per cent.

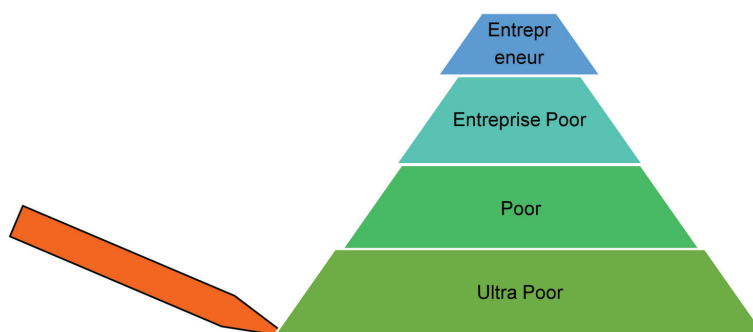
As per the report published by Dr. Zakaria Siddiqui (Department of Economics, Institute for Economics and Peace, Sydney, Australia), Bihar is the poorest State in the country with 43 per cent incidence of poverty, followed by Jharkhand (36 per cent), Uttar Pradesh (31 per cent), Rajasthan (31 per cent) and Odisha (29 per cent), all above the national average of 21 per cent as are the other big States like Madhya Pradesh (28 per cent) and Assam (25 per cent). Of the southern States, Kerala has MDP of 1 per cent, Tamil Nadu has 6 per cent, Karnataka has 11 per cent, Telangana has 14 per cent and Andhra Pradesh has 13 per cent. Integrating Indian States' MDI estimates, Bihar stands between Congo and Yemen, Jharkhand between Cambodia and Comoros, Uttar Pradesh between Vanuatu and Ghana, Madhya Pradesh and Odisha between Nepal and Djibouti.<sup>3</sup>

The data clearly indicate that India is a country of paradox. While it has reached the stage of 5<sup>th</sup> biggest economy in the world, it is also home to some of the poorest in the world.

### **1.C. Ultra-Poor Graduation Approach**

Overgeneralisation of poverty is resulting in programmes that are benefiting the poor, not so poor and non-poor while missing the ultra-poor, who need it most. 'One size fit all' is a dogmatic approach in generic anti-poverty schemes of our country. Broad brush identification of poor without visualising heterogeneity below the statistical poverty line never fully turns programme inputs into quality outcomes, potentially condemning extreme poor to remain in the outer limits of the mainstream economy in perpetual denial for generations. Targeting the most deserving ultra-poor is the first step towards realising the mission objectives of the Ultra-Poor Graduation Programme. Targeting should also be a cost-effective and replicable protocol to allow scalability, objectivity and uniformity of the programme.

**Figure 1.1: Identification of Bottom of the Pyramid Poor**



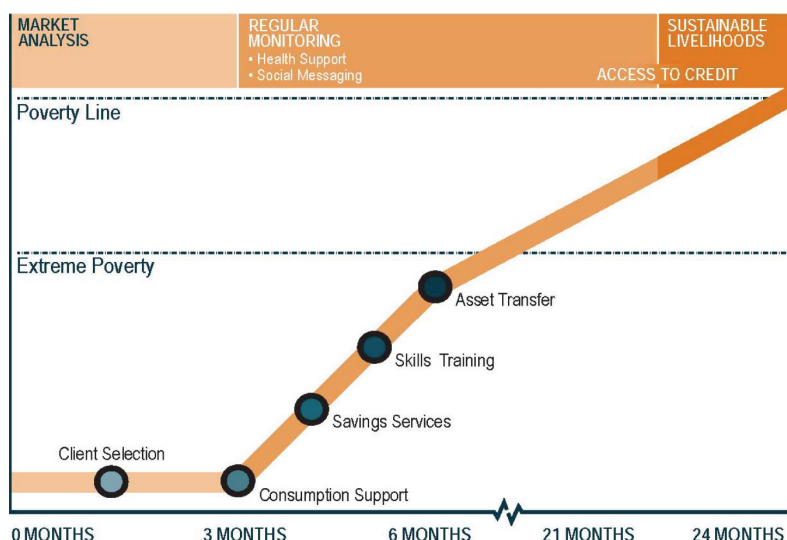
Source CGAP – Ford Foundation Graduation Programme

The core value of the Ultra-Poor Graduation Programme is that no eligible and deserving ultra-poor household should be left out of the targeting process.

### 1.D: Ultra-Poor Graduation Programmes – Global Efforts

Consultative Group to Assist the Poor (CGAP) is part of a global community of people interested in and implementing graduation programmes aimed at moving people out of the extreme poverty and into sustainable livelihoods.<sup>2</sup> In 2006, CGAP and Ford Foundation have made global effort initiating Ultra-Poor Graduation pilots across eight nations with 10 partner NGOs testing how existing safety nets can be strategically sequenced with livelihoods and microfinance to save ultra-poor from the clutches of extreme poverty and

**Figure 1.2: Ultra-Poor Graduation Model - CGAP and Ford Foundation Graduation Pilot**



Source : BRAC - CGAP and Ford Foundation Graduation Pilot.

chronic hunger. The partners across three continents, i.e. Asia, Africa and South America have done RCT<sup>3</sup> pilots and proved that the Graduation Approach is an operationally and financially sustainable strategy to reach out to the ultra-poor families at the bottom of the pyramid. The pilots could sustainably graduate 90-95 per cent of targeted ultra-poor households.

### **1.E: World Vision India and Ultra-Poor Graduation Model - Implementation Point – Area Development Programme (ADP)**

World Vision International is one of the biggest multilateral donor agencies working with the theme of child-centric poverty. It is implementing the graduation model in 34 countries across three continents modelled out of CGAP-BDI – Ford Foundation Graduation Pilots.

World Vision India is one of the front-ranking NGOs in India that have taken up implementation of graduation model across the country, subtly adapting the original model of CGAP-BRAC Development Institution and Ford Foundation Graduation Model, by contextualising it to the Indian conditions. In India, WVI has taken up the graduation model in upscale mode covering 10 ADPs across three States.

WVI has chosen the graduation model programme pilots to demonstrate the methodology of sequencing safety net programmes of government with an opportunity for livelihoods to graduate extreme poor out of crushing poverty in a sustainable way.

World Vision has developed its own unique model of graduation programme (GM Programme – Graduation Model Programme). It starts with the area selection and ends up with zeroing down to the last mile extreme poor household.

Area Development Programme is the physical programme implementation unit that works for a considerable time period with the objective of integrated child development vis-à-vis the households of the children.

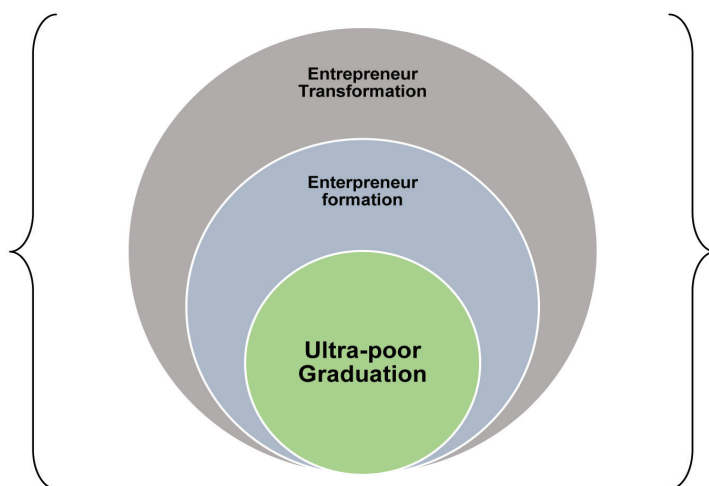
It is like a field administrative unit of WVI and all the programmes conceived by WVI are implemented through ADP. ADP is manned by a manager and field staff. It is located at its core operational area.

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<sup>2</sup> <http://www.cgap.org/topics/graduation-sustainable-livelihoods> CGAP Graduation of Extreme poor to sustainable livelihoods

<sup>3</sup> Randomized Control Trial

**Figure 1.3: Graduation Approach within the ADP Framework**



Source: Graduation Approach Field Operational Manual of WVI.

**“Graduation approach is not a standalone model but perfectly fits into the ongoing ADP approach to different programmes being implemented at the same time.”**

All ADPs are not homogenous in their ultra-poverty density of member households. Their national, regional and local community ecosystems and coordinates very much decide the ultra-poverty density in the following way:

- o The ratio of ultra-poor to normal poor and non-poor within ADP beneficiary families
- o Socio-economic coordinates of area where ADP is located
- o Stage of ADP implementation and its phase of implementation
- o Percentage of stress migration families amongst ADP beneficiary families
- o Incidence of calamities/social catastrophe/law and order in ADP location

### **Participatory Poverty Appraisals (PPAs)**

**Figure 1.4: Participatory Poverty Appraisal – Ultra-Poor Targeting Strategy of ADP**



Source: SKS Graduation Programme [www.sksngo.org](http://www.sksngo.org).

ADP adapts the strategy of the whole village/habitation inclusive approach through participatory poverty appraisal to target the lowest layer of poor that can be effective with objectivity and quality targeting. The opinion makers for such ultra-poor targeting are co-villagers like local teachers, Postmaster, line functionaries, health workers, SHG leaders, anganwadi workers and village governance council members, etc., who have a succinct idea of who the bottom poor are in their habitation.

The set of criteria for the selection of such extreme poor are evolved in this process which can be segregated into different coordinates.

### **Community-defined Child-centric Criterion of Extreme Poverty**

- Children not going to school/school dropouts
- Children health condition
- Child labour/Bonded labour
- Girl child trafficking-related issues
- War/calamity/conflict-related child suffering
- Orphans/parents divorced/abandoned children

### **Community-defined Inclusion Criterion to Identify Ultra-Poor Household:**

- Households living in destitution deep beneath the statistical poverty line
- Single women or men supported by village dole-outs
- Wage earning and rag picking being the only means of livelihoods
- Inability to migrate due to the gender division of labour and family barriers (children to take care; no support to accompany for work in cities)<sup>4</sup>
- Marginalised agriculture/landless and asset-less
- Physically challenged
- Health-related downward transition/drug abuse downward transition
- Hand-to-mouth existence with less than three-day food buffer in the house

### **Community-defined Exclusion Criterion:**

- Family with the support of male able-bodied wage earner
- Family having more than half-acre of double-cropped land
- Family endowed with urban remittances by their supporters
- Family with any of its members having a government job or definite source of other income
- Family that have got a sizable bank loan or microfinance loan for investment

<sup>4</sup> Migration is not an easy option for a destitute woman. Challenges are indomitable like children to take care and insecurity posed to single female if no male accomplice is there in cities

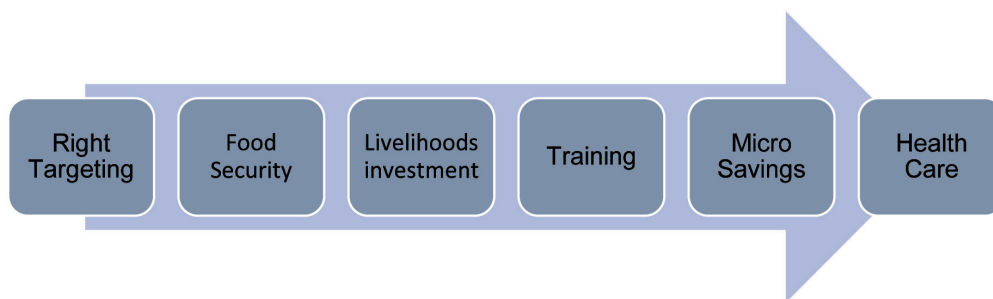
## Cross-checking Criteria of Ultra Poverty

### Profile of ultra-poor that has emerged after sifting and filtering are

1. Widows, single mother, destitute and divorcees
2. Landless and asset-less; house with a thatched roof
3. Acute food insecurity
4. Physically challenged
5. No government assistance and no bank linkages
6. Illiterate
7. Migrant labourers
8. Children do not go to school and prevalence of high degree of child labour
9. Weak health indicators with chronic and common ailments; seriously anaemic
10. No membership in formal or informal social institutions

### *The Graduation Approach of WVI rests on 6 pillars*

**Figure 1.5: Six Pillars of the Graduation Model of WVI**



Source: Field Operations Manual of WVI.

## Interventions of ADP for Graduation

Once the ultra-poor households are selected with the objective criterion as detailed above, the interventions to graduate them are ushered in a sequential way.

### Intervention Logics Adapted by the ADP

- Livelihoods Support Interventions
- Social Development
- Financial Literacy and Inclusion
- Health and Nutrition

**ADP sets specific milestones for graduation and the milestones are the indicators to be achieved which are objectively verifiable and measurable.**

<b>Milestone Indicator</b>	<b>Significance</b>
Food buffer for at least one month	Food security at household level
Children go to school	Child labour is future poverty
Multiple livelihoods base	Proofing from income shocks
Cumulative savings	Consumption needs met without moneylender
MFI/bank linkages	Building livelihoods cycles further
Strong State linkages	Accelerate graduation process
Elevated health and social awareness	Better quality of life

### **Time Frame for Graduation**

World Vision has a definite time frame for the graduation interventions and 24 months is the uniform time period being adopted by all the ADPs. The time frame is exclusive of time taken for selection of beneficiaries which is called the targeting phase.

### **Phases of the Graduation Model**

#### **Phase - 1**

1. Selection of field supervisors and coordinators
2. Orientation and exposure visits to staff and field supervisors and coordinators
3. Selection of a cluster of villages and conduct social mapping, PRA and wealth ranking exercise
4. Selection of ultra-poor household
5. Baseline data collection

#### **Phase - 2**

1. Enable access to safety net programme - welfare entitlements and food and cash for work
2. Capacity Building - Orientation
  1. Counselling and confidence building
  2. Enterprise selection
  3. Livelihood and business plan
  4. New or upgrade skills
  5. Financial literacy

### **Phase - 3**

- First asset transfer
- Review of the first asset and its performance
- Second livelihood activity selection
- Second asset transfer

### **Phase - 4**

- Linkages with SHGs/MFI/banks/funding agencies
- Certification
- Dissemination of best practices

### **Graduation Process**

As per the operational manual set by WVI, the 24-month graduation phase has to be intensively implemented by ADP through its team of field organisers and supervisors.

It is during this phase that WVI provides livelihood assets worth Rs.18000 (average) and helps the members socially network into a graduation village group that has to meet every week. The weekly meeting is facilitated by field organiser who will facilitate regular savings, regular rice bank operations and bank operations by the group.

### **Graduation Criterion**

The beneficiaries are expected to cross certain prefixed milestones to be considered as graduates of the programme. The milestones are both core indicators like sustainable livelihood assets, cumulative savings, food security and social and health skills. Apart from the core indicators, WVI has also set process indicators that run up to 18 indicators which are mostly from WASH (Water, Sanitation and Hygiene).

As per the guidelines set by WVI, the beneficiary has to achieve at least 16 indicators to be called the ‘Graduate of the Programme.’

### **Design of Ultra-Poor Programme Monitoring**

The Ultra-Poor Programme implementation has the following components or activities:

- Weekly visits to households
- Conduct weekly meeting of vulnerable families group
- Enquiry about how programmer participants are supported through visits? How often are the visits made? What happens during a typical visit?
- Monthly tracking of 23 process indicators covering health, education, social and economic sectors

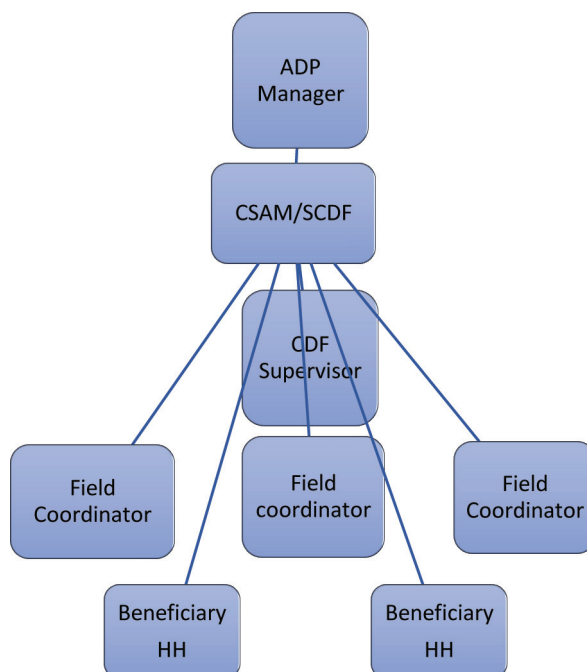
- Ultra-poor households are categorised into three levels: fast mover, soldier mover and slow mover. Additional visits and extra attention is paid to the slow movers
- Check against dropout and make it minimal
- When people graduate, they are mainstreamed with banks and government schemes for further sustaining their livelihood

### **Graduation Meet:**

Since the GM programme is consequential, it terminates within the time frame of 24 months and the termination point is called Graduation Meet.

WVI has conceived graduation meet after 24 months of programme implementation and it is a ceremony wherein all graduates gather and share their transition stories. Graduation meet is consequential and terminal and signals the end of the programme. They are given a certificate of graduation and a souvenir (e.g. umbrella or clock). In the graduation meet, local MFI/bankers, State line functionaries and other stakeholders are invited and introduced to one another.

**Figure 1.6: Monitoring Structure of GM Programme by WVI-ADP**



Source: Field Op. Manual of WVI

## **1.F: Need and Justification for the Present Study**

WVI has been implementing the GM programme for the past three years and the impact of this programme on livelihoods of ultra-poor is to be assessed as it will help other development agencies, the State and Centrally sponsored programme implementers and NGOs to standardise the practices for implementing such Ultra-Poor Graduation programmes across the globe.

The present study is conceived to evaluate the programme implementation by WVI in its three ADPs, viz. Eluru (Shantidhata), Korukonda and Kondapalli (Premdhara). The study will help WVI to make an improvised programme design and implementation in consonance with its mission objectives.

## **1.G: Objectives and Expected Outcomes of the Study**

1. To evaluate the selection procedure followed by WV India as per the specific criteria (PRA tool – village social mapping and household level screening)
2. Find out the return on investment rate on household and its contribution for child wellbeing – Child health and nutrition and education
3. Examine various factors on the economic progress of households and segregate them mainly into three categories - slow, steady and speedy movers in achieving the indicators, including the time factor
4. Identify the contribution to income increase by various livelihood packages and suggest best remunerative livelihood packages
5. To suggest the changes in the implementation process of graduation module in the light of the critical findings by the study and during the post-GM period to avoid fall back

## **The Expected Outcomes of the Study**

1. The study helps to guide the programme planners and implementers about the right selection of the most vulnerable households for programme participation
2. It helps in standard methodology to measure incremental income, reporting the same and tracking the children benefited in the beneficiary household
3. The study identifies the factors for slow, solid and fast climbers
4. The study helps to identify right livelihood packages for vulnerable households
5. The study helps to improve the design and framework for graduation model programmes to be implemented by WVI in future

## **1.H: Design of the Study**

The GM programme has been implemented for the two years from FY 2015-16 and completed in FY 2016-17 covering

- 750 ultra-poor households in Shantidhata ADP
- 400 ultra-poor households in Korukonda ADP
- 600 ultra-poor households in Premdhara ADP

The three districts, viz. West Godavari, East Godavari and Krishna, where the above programmes are implemented, are purposively selected for the study.

The following criteria were used to shortlist the beneficiaries in three districts:

- a. A good number of beneficiaries under GM programme
- b. Beneficiaries of different periods of interventions available (9 months to above 24 months)
- c. Highly diversified livelihoods basket for the beneficiaries to make choice so that the sampling can be on varied livelihoods activities
- d. A fairly good amount of funds are invested as grant support to the beneficiaries of the programme making it effective to study the utilisation pattern

### **Time of Transfer of Asset and Factoring the Outcomes:**

WVI has been transferring assets to batches of beneficiaries in a staggered way. The sample selection has not considered the staggered dates of asset transfer but has fixed the criterion that the latest beneficiary should not be before nine months after disbursement of asset and the oldest one should not be beyond 18 months from asset transfer. But while discussing with the beneficiaries in FGDs, there was a marked difference between the first batch and the later batches. To capture the nuances of the transformation between these batches, FGDs were made to focus on dates of asset transfer within 9 months to 18 months' time frame for data analysis. The same is reflected in the findings and recommendations.

## **1.I: Research Methodology**

1. This study will use both quantitative and qualitative methodologies; for quantitative data, a prescribed questionnaire will be designed, employed and used.
2. For qualitative data, FGD tool will be applied along with a sample of case studies @ two case studies per ADP

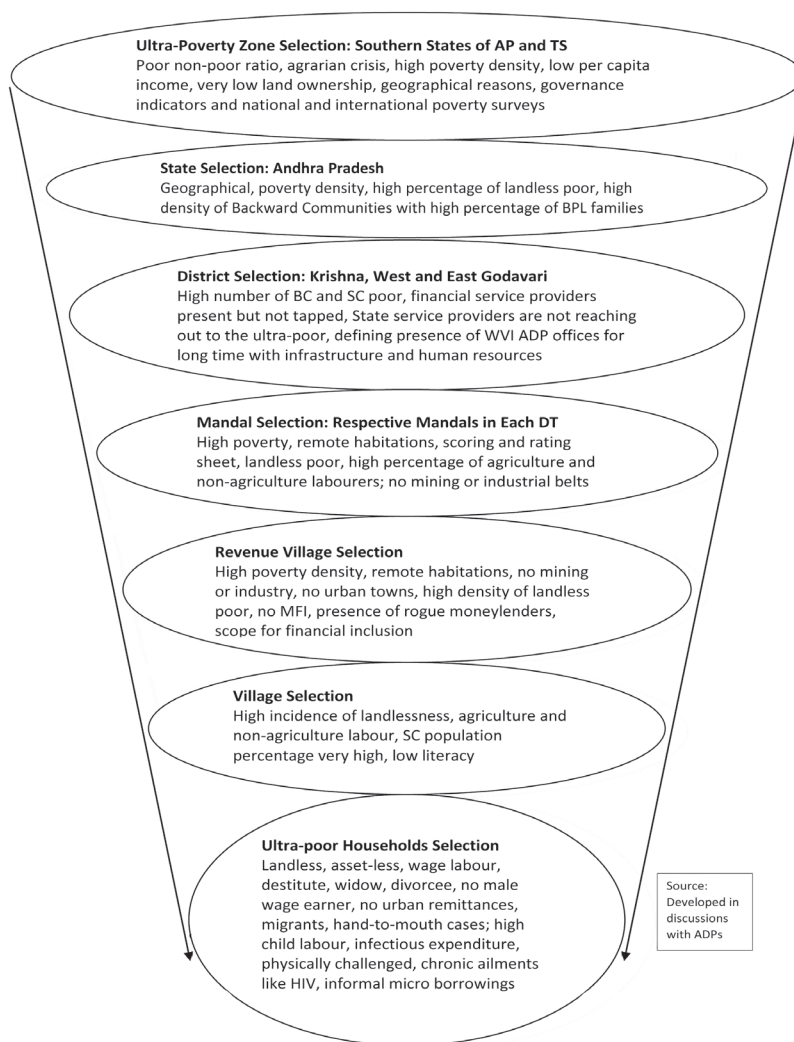
## Questionnaire

A comprehensive questionnaire is prepared and field-tested before finalisation and translating it into a local language. The technical teams of WVI at all levels were consulted while preparing the questionnaire.

## Selection and Training to the Enumerators

The enumerators are carefully chosen based on their village background and local root. Their understanding of the programme was tested through questions and answers. The candidates selected were given one-day orientation on the schedule and how to canvass questions.

**Figure 1.7: Matrix of State, ADP and Ultra-Poor Graduation Model Area Selection by WVI**



### **Household Selection Criteria:**

Selection of households for the present study was made by taking out the list of total GM group-wise beneficiaries so far included in the GM programme in three locations and the selection was done by simple random technique.

### **Data Collection:**

To ensure quality data collection and not to hamper the livelihoods of the respondents, care was taken that each enumerator canvasses only two households a day, early in the morning and late in the evening.

The data so canvassed was carefully tabulated and compiled for analysis, findings and inferences.

### **Focus Group Discussion:**

Three FGDs were done in three districts separately by the senior researchers and a structured tool for the study was employed for this purpose.

### **Case Studies:**

Six case studies @ two for each district were prepared based on the interesting paradigms, phenomenon and psychosocial behaviour of the respondents.

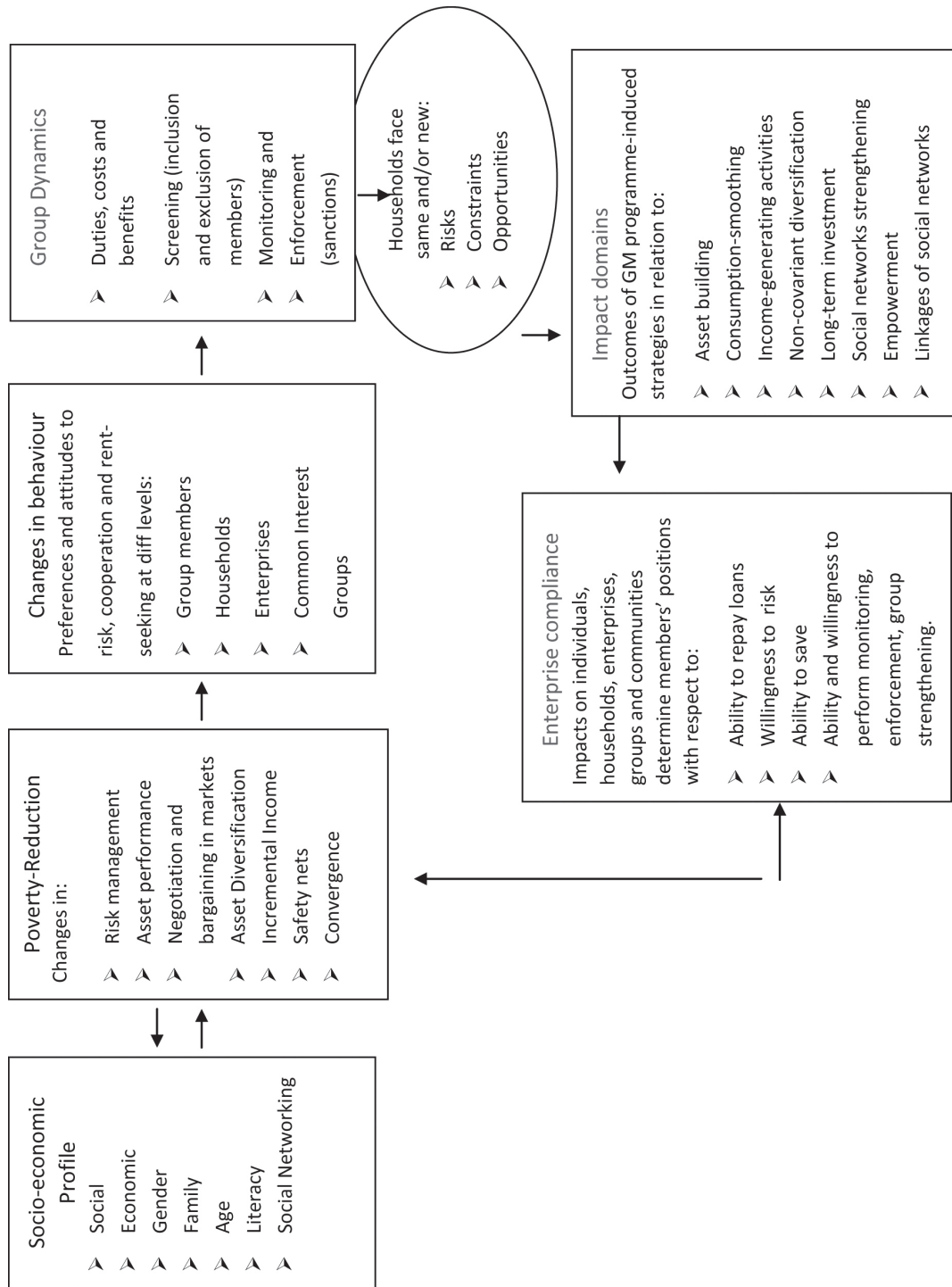
All the tools were field-tested and finalised in consultation with both the parties.

## **1.J: Sampling Framework**

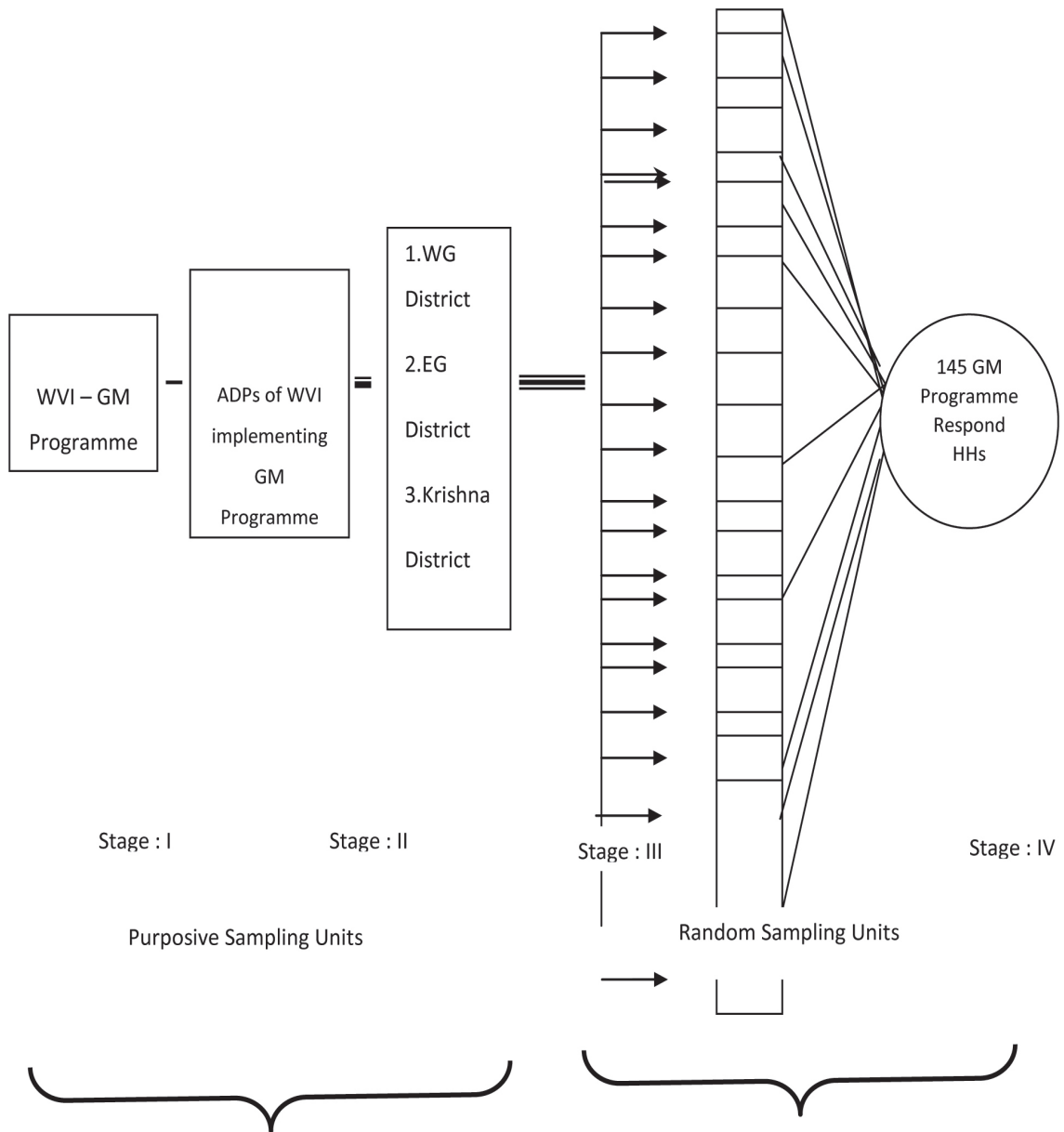
### **Sample Size**

S. No.	Methodology	Tools to be used	No. of samples
1	Quantitative data	Interview	145 from 3 ADPs 75 from Shantidhata, 30 from Premdhara and 40 from Korukonda
2	FGD	FGD structured tool	3 villages
3	Case study	Structured format	6 case studies

**Figure 1.8: Map of Evaluation Study**



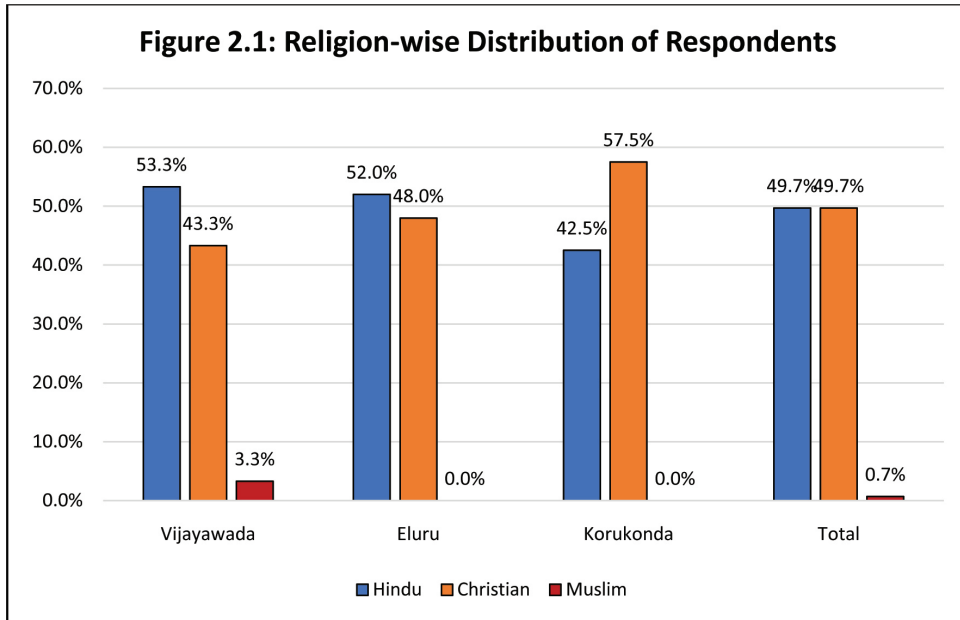
**Figure 1.9: Sampling Frame**



## Chapter II

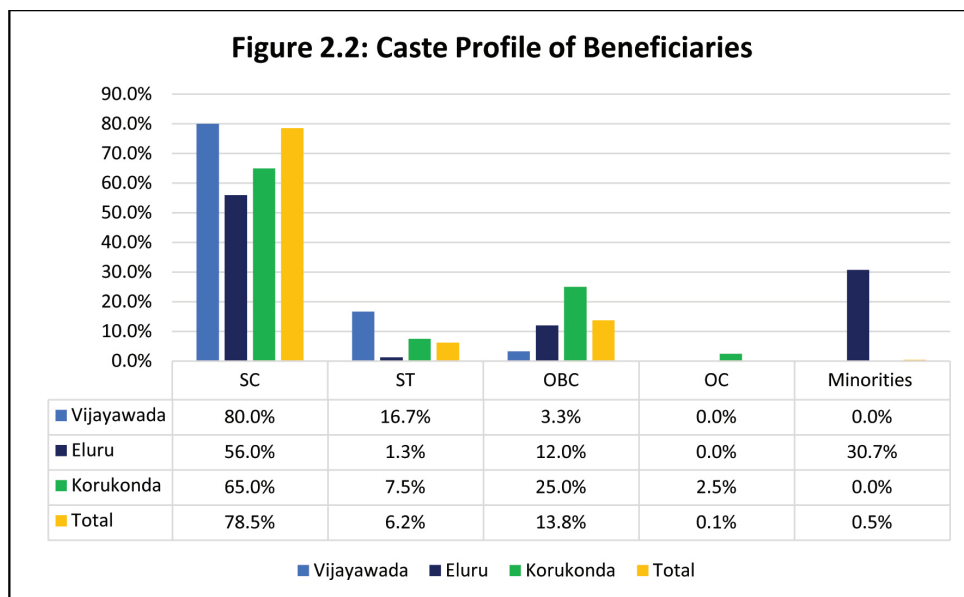
### Ultra-Poor Graduation Model of WVI – Analysis of the Programme Implementation

#### 2.A Profile of the Beneficiaries



The beneficiaries equally belong to Christian and Hindu communities and hardly there are any other minority communities. It is observed that the extreme poverty category as per the GM programme criterion seems to be neutral to the religion and the reason for minuscule participation of Muslim community may be due to the very low density of Muslim population in the rural areas of the ADP being studied. The targeting pattern of the beneficiaries is purely based on their ultra-poverty indicators and as per the wealth, the ranking was done through village participatory poverty appraisals involving the whole village. As such, both Hindu and Christian faiths have equal representation based on the rank given by the villagers.

The fact that the majority of the extreme poor targeted belong to SC category implies that social backwardness is also rooted in extreme poverty. At the same time, a sizable number of beneficiaries also come from OBC categories which can imply that the poverty and social backwardness go hand in hand. Miniscule portion has been from other castes, which implies that the extreme poor people are highly incidental in socially backward communities but not nil.



**Table 2.1: Type of Family**

Type of household	Vijayawada	Eluru	Korukonda	Total
Nucleus	18 60.0 per cent	63 84.0 per cent	35 87.5 per cent	116 80.0 per cent
Extended	0 .0 per cent	3 4.0 per cent	0 .0 per cent	3 2.1 per cent
Combined	12 40.0 per cent	9 12.0 per cent	5 12.5 per cent	26 17.9 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

Majority of the beneficiaries are living in nuclear families which are found to be the norm with the extreme poor. With the change in sociological patterns in rural communities, the combined and extended families have paved the way for nuclear families. One of the strong reasons for extreme poverty is withering institutions like combined and extended families that can provide much-needed solace, moral support, succour and physical assistance during the time of distress. The extreme poverty density, for this reason, is not much visible during the olden days of extended and combined families. This is particularly so in Indian societies wherein family as an institution is very strong and combined family with six or more children was the norm in the past generation.

**Table 2.2: Ownership of the House in Which Beneficiary is Staying**

House Ownership	Vijayawada	Eluru	Korukonda	Total
Rental	9 30.0 per cent	17 22.7 per cent	7 17.5 per cent	33 22.8 per cent
Own	21 70.0 per cent	52 69.3 per cent	25 62.5 per cent	98 67.6 per cent
Living in peers' house	0 .0 per cent	6 8.0 per cent	8 20.0 per cent	14 9.7 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

Majority of the beneficiaries seems to live in their own house. They could have accessed the government-promoted housing programme for the weaker section. Another reason, as analysed in the next table, is that they are not staying in pakka house (78 per cent are living in semi-pakka houses) But still, nearly one-fourth of them are not having own house which implies that there is a huge need for convergence to access this resource for the extreme poor. It is interesting to note that 10 per cent of the beneficiaries are taking shelter in their peer's house because either they are widows returning from in-laws' home after the death of the husband or the patriarchal society denying the right of ownership of house as inherited property. Either way, ownership of the living house signifies the extent of extreme poverty.

**Table 2.3: Type of House Construction**

House Construction	Vijayawada	Eluru	Korukonda	Total
Pakka	9 30.0 per cent	16 21.3 per cent	8 20.0 per cent	33 22.8 per cent
Semi-pakka-tiled roof	1 3.3 per cent	35 46.7 per cent	15 37.5 per cent	51 35.2 per cent
Thatched roof	14 46.7 per cent	20 26.7 per cent	17 42.5 per cent	51 35.2 per cent
Sheets	6 20.0 per cent	4 5.3 per cent	0 .0 per cent	10 6.9 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

Type of dwelling is one of the striking indicators of extreme poverty. There is a sizable proportion of extreme poor living in semi-thatched or thatched houses. Selection of beneficiaries is also one of the key reasons for the high percentage of dwellers in non-pakka houses. In most of the cases, World Vision has non-income-based poverty indicators for targeting the extreme poor. The type of house in which the beneficiary lives is one of the non-income criteria. The reason for one-fifth of them still having pakka house may be due to their access to government-sponsored weaker section housing programme or maybe the truth that they are living in their peer's house. Sometimes, they also hire a small room in pakka house as they can't afford own house or higher rented house.

The profile of beneficiaries based on their type of dwelling was an indicator of the quality targeting process.

**Table 2.4: No. of Members in the Household**

No. of household members	Vijayawada	Eluru	Korukonda	Total
Single	5 16.7 per cent	9 12.0 per cent	22 55.0 per cent	36 24.8 per cent
Two	7 23.3 per cent	13 17.3 per cent	3 7.5 per cent	23 15.9 per cent
Three	6 20.0 per cent	20 26.7 per cent	7 17.5 per cent	33 22.8 per cent
Four	10 33.3 per cent	25 33.3 per cent	6 15.0 per cent	41 28.3 per cent
Five	2 6.7 per cent	6 8.0 per cent	2 5.0 per cent	10 6.9 per cent
Above five	0 .0 per cent	2 2.7 per cent	0 .0 per cent	2 1.4 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

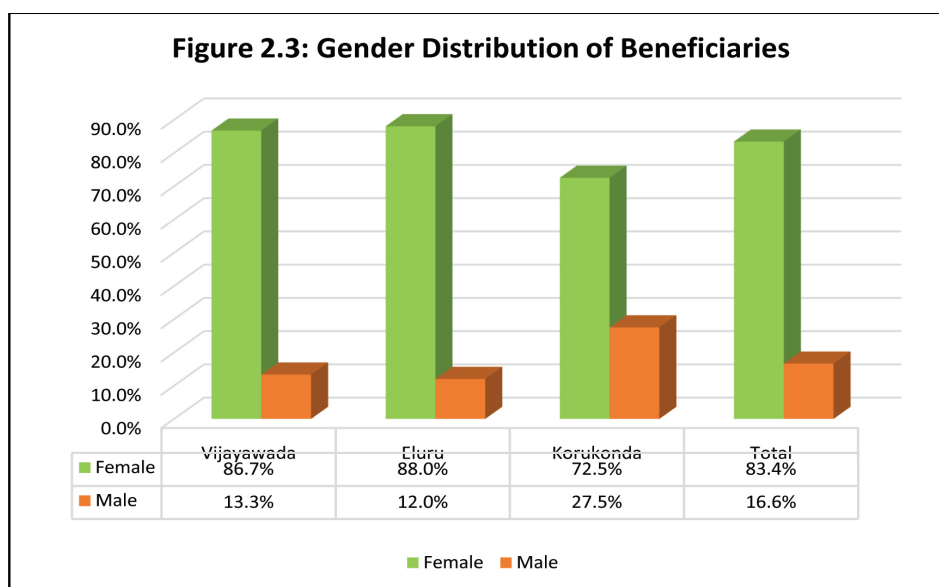
The significance of the number of family members in the beneficiary house is that most of the extreme poor targeted by WVI under its GM programme are single women, destitute, widow or very old deserted by the children. One-fourth of the beneficiaries are found to be single, denoting the quality targeting of the deserving beneficiaries. Rest of the categories like two to four members is evenly distributed indicating that they are living with family

members but the extreme poverty reasons may be due to landlessness or sole dependence on wage labour. The large family category is insignificant (above 5 members only 1.4 per cent) indicating that the targeted beneficiaries are not living or being supported by combined or extended families as was the case a generation back.

**Table 2.5: Type of Dwelling- Permanent or Temporary**

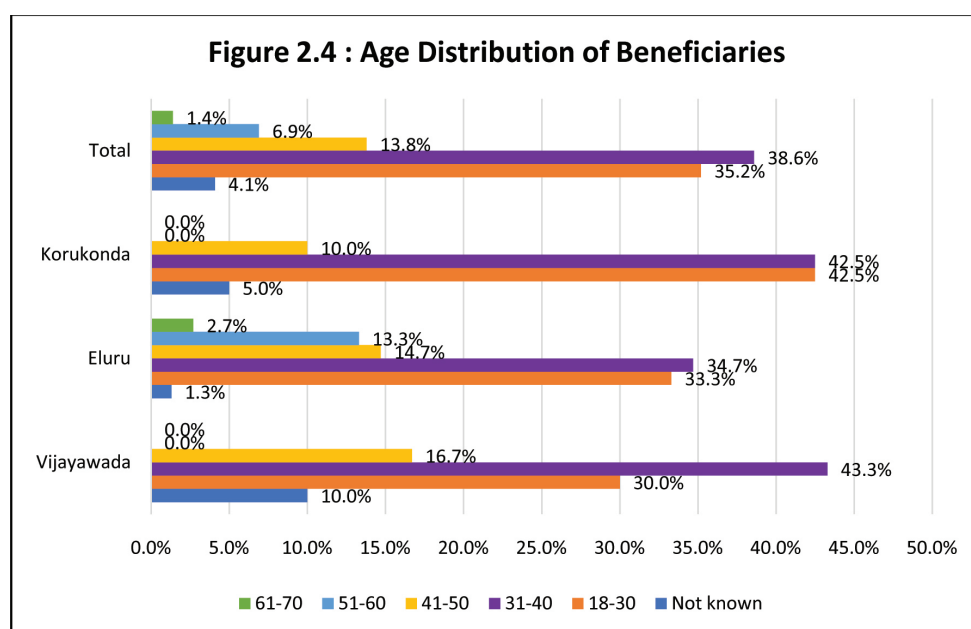
Dwelling	Vijayawada	Eluru	Korukonda	Total
Permanent	20 66.7 per cent	48 64.0 per cent	29 72.5 per cent	97 66.9 per cent
Temporary	10 33.3 per cent	27 36.0 per cent	11 27.5 per cent	48 33.1 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

Whether the house in which the beneficiary is staying is permanent or temporary signifies the intensity of his/her poverty. A significant portion of the beneficiaries (33 per cent) seems to be living in a temporary accommodation either on rent basis or small portion offered by his/her peers. The targeting criterion adapted by WVI in their GM programme critically looks at the quality of the dwelling of the beneficiary and with regards to this criterion, there seems to be a justification for targeting them as extreme poor. Permanent dwelling beneficiaries (67 per cent) may be living with their children or peers or might have accessed government-sponsored weaker section housing programme.



Gender poverty and extreme poverty are in many ways inseparable. Most of the extreme poor coming under the category of targeted beneficiaries are women (83 per cent), which signifies that the first line of extreme poor is destitute, widow, divorced and single women. They constitute the bottom of the pyramid of rural poverty. For many reasons, women fall victims to extreme poverty, as they are vulnerable to different kinds of pain points like losing husband at a young age or being a victim of gender-related violence.

WVI staff have consciously targeted the destitute women as first rank extreme poor to meet up to the targeting quality of the GM programme. Still, they have given space for extreme poor men also (16 per cent). Such men may be physically challenged, asset-less or suffering from chronic ailments. The GM programme is neutral to gender and hence, the men falling under the category of extreme poverty are also included.



The present study wanted to find out whether the age of the targeted beneficiary is also a factor for their inclusion in the GM programme. The distribution of beneficiaries in a majority of the cases is falling under the age group of 18 to 40 years. The reason may be the inclusion of economically active but extreme poor categories. Still, there is a good portion of (14 per cent) beneficiaries who are in the age group 40 to 50 years. There is an indication emerging from the age distribution that GM programme being implemented by WVI is targeting economically active extreme poor. The reason may be that this age group will be physically able to maintain livelihood assets, make their productive use and graduate. Still, there is some provision made (7 per cent) for the age group between 50 to 70 years. This can be

interpreted as the inclination to include aged beneficiaries also if they are deserving and fall under the extreme poor category.

## 2.B: Income Pattern of the Beneficiaries

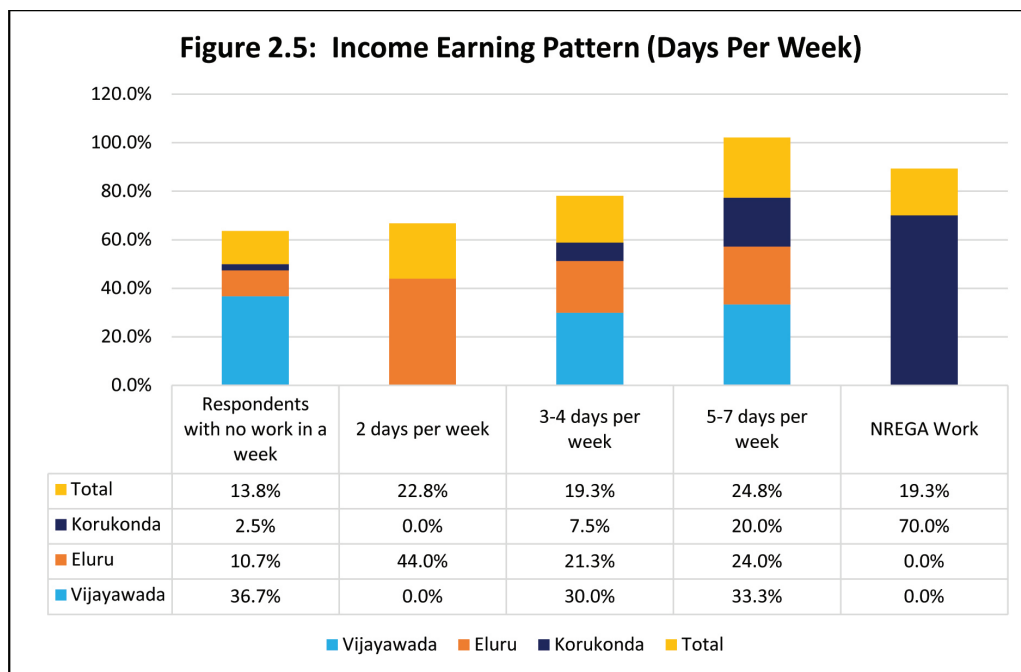
**Table 2.6: Income Pattern of Beneficiaries for the Past 6 Months**

Mode of Income	Vijayawada	Eluru	Korukonda	Total
Agriculture – own or tenancy	0	1	0	1
Livestock	0	4	4	8
Small business	2	10	6	18
Agri labour	8	41	29	78
Non-Agri labour	10	11	9	30
Salaried/job	1		1	2
Others	0	5	1	6
Housemaid				0
Cattle tending	2	1	3	6
NREGS	5	40	22	67
Not any work	9	5	1	15
Total	37	118	76	231

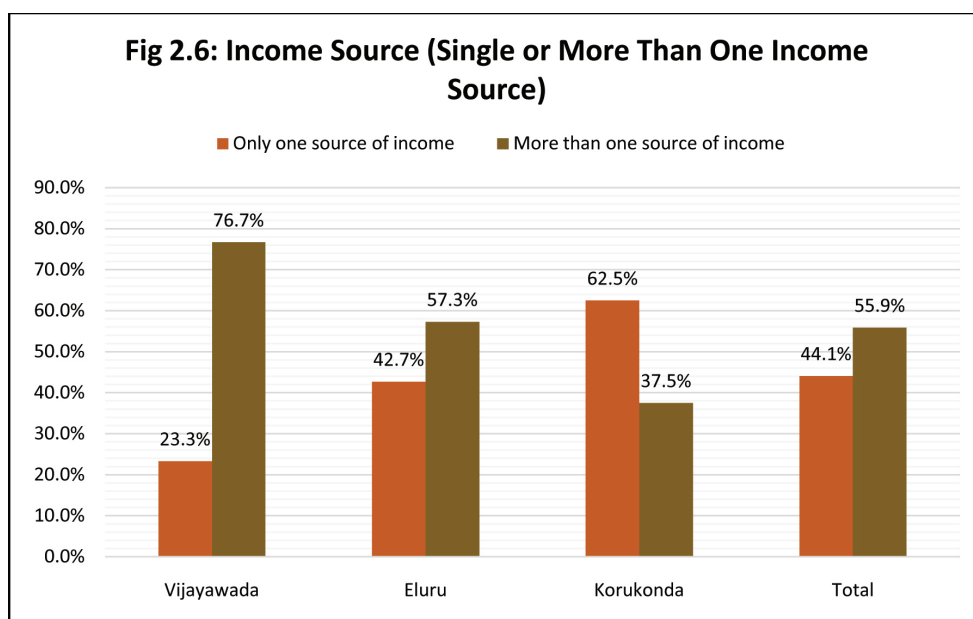
Source of income is a key indicator of extreme poverty. The majority of extreme poor lives exclusively on wage labour either as agriculture or non-agriculture workforce, the reason being their landlessness or lack of alternate source of asset-based income. Nearly one-third of the beneficiaries are also dependent on wage labour provided by NREGS in addition to wage labour out of agriculture and non-agriculture work in the open wage market. The targeting quality is found to be good as the category of wage earners occupy a significant portion of the total number of beneficiaries.

One of the key Graduation Indicators, as spelt out by the programme, is “more than one source of livelihoods other than wage labour” for the targeted beneficiary. This may be the implied reason for selecting most beneficiaries who are solely dependent on wage labour.

Only one-fourth of the beneficiaries seem to get jobs throughout the week and one-fifth of the beneficiaries are getting NREGS sponsored work. This is also only in Korukonda programme, while the rest of the two programmes being nil.



Wage labour is also not guaranteed and 33 per cent of the days are jobless for the extreme poor. These are the pain points in their subsistence living which is dependent on wage labour. This is perhaps the reason why GM programme under WVI is more focused on providing landless labour with sustainable livelihoods with required skills through training programmes.



The incidence of going hungry is more with the extreme poor and this is the reason they hedge their income sources with more than one source of earning. In the present case, the state of nearly 56 per cent of them depending on more than one stream of income indicates that they are topping up their wage labour income with sporadically offered NREGS wage labour also. The targeting process here is significantly evident as the programme has concentrated on wage earners than the persons who own assets or land and dependent on a definite stream of income.

**Table 2.7: Pattern of the Number of Members in the Households**

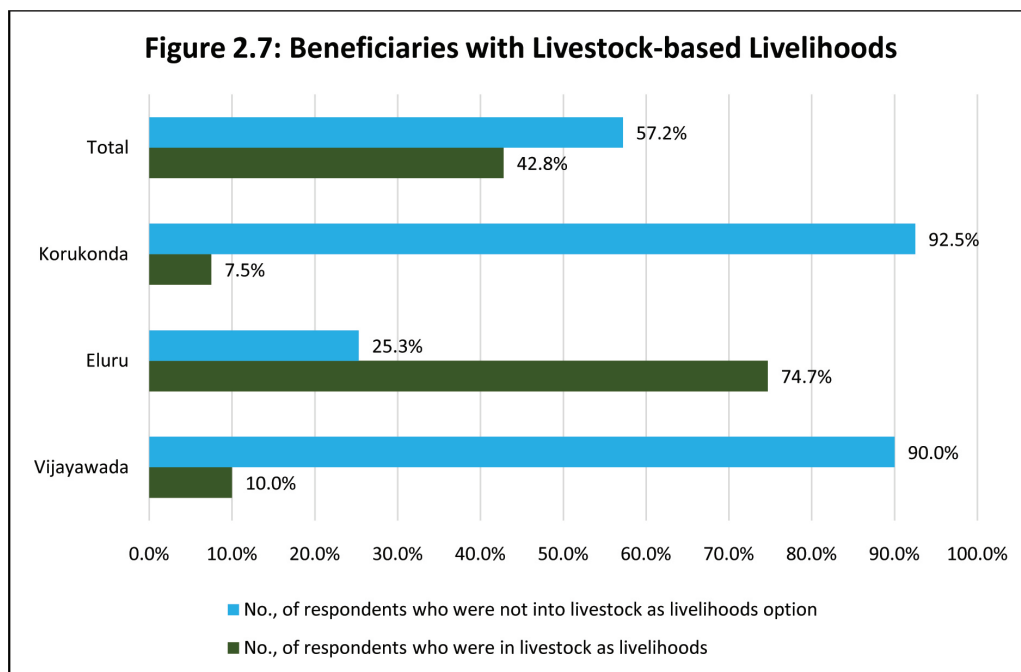
<b>Members in household</b>	<b>Vijayawada</b>	<b>Eluru</b>	<b>Korukonda</b>	<b>Total</b>
Single	16 53.3 per cent	31 41.3 per cent	14 35.0 per cent	61 42.1 per cent
Not single	14 46.7 per cent	44 58.7 per cent	26 65.0 per cent	84 57.9 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

The data prove that a significant portion of the poor people targeted under the programme (42 per cent) is single. They may be destitute, single women or widows who have fallen into the extreme poor category due to unfortunate incidents in the family like the death of spouse or husband leaving the wife.

Such category of poor fall under the purview of the GM programme and right targeting being the foundation block of the programme, WVI seems to have focused on the bottom poor. There are is also a significant portion of targeted beneficiaries living with other family members (58 per cent). It may be the case of widow families with children or daughter returning to parent home after the death of her husband. The pattern of household signifies the extreme poverty under which they are living.

## **2.C: Livestock as a Livelihood Activity**

At the time of distress, it is the livestock that comes to the rescue of the poor providing viable alternative livelihoods. World Vision has targeted the bottom poor of the village in their programme area and obviously such poor are landless and asset-less. They eke out a living through daily wage labour. For such extreme poor, the first and foremost option to secure additional gainful employment is through livestock. This is the reason why nearly 43 per cent of the beneficiaries have opted for livestock, mostly goat rearing, as livelihoods



option through financial benefit provided by World Vision. The reason for livestock is that they continue with the wage labour and can take goats along with them for grazing while they work on wage labour. It provides double bottom line livelihoods support.

Still, 57 per cent beneficiaries have opted for non-livestock-based livelihoods. The reason may be that World Vision also wanted to encourage, wherever feasible, the beneficiaries with enterprise-based livelihoods like small trade, petty shops and even agriculture. Wherever the beneficiary is not found to have any capacity to take up enterprise other than livestock, they have been given the choice of livestock. However, it is found that the beneficiaries were free to choose their activity and there was no compulsion or pressure on the choice of livelihoods.

**Table 2.8: Livestock Options**

Type of livestock	Vijayawada	Eluru	Korukonda	Total
Number of respondents with sheep	0 .0 per cent	5 8.9 per cent	0 .0 per cent	5 8.1 per cent
Number of respondents with goats	3 100.0 per cent	51 91.1 per cent	3 100.0 per cent	57 91.9 per cent
Total	3 100.0 per cent	56 100.0 per cent	3 100.0 per cent	62 100.0 per cent

Amongst small ruminants, the goats are considered as the prime choice for the extreme poor. They hardly demand many resources and can multiply fast. The beneficiaries have preferred goats (91 per cent) to sheep. Sheep are horizontal grazers and need pastures and sheep owners require experience in rearing.

The choice seems to be decided based on the local village conditions and background experience of the beneficiaries.

**Table 2.9: Analysis of Livestock Ownership**

Number of respondents	Vijayawada	Eluru	Korukonda	Total
Bought the livestock with own money	0 .0 per cent	1 1.8 per cent	0 .0 per cent	1 1.6 per cent
Got the livestock as Programme benefit	3 100.0 per cent	55 98.2 per cent	3 100.0 per cent	61 98.4 per cent
Total	3 100.0 per cent	56 100.0 per cent	3 100.0 per cent	62 100.0 per cent

It was felt to ascertain from the beneficiaries whether they possessed livestock before their inclusion in the programme or it was given as programme input. The fact that 98 per cent of the beneficiaries were asset-less at the time of targeting reveals that the WVI GM programme has consciously chosen the beneficiaries who are asset-less and were living at subsistence level with daily wage earning.

**Table 2.10: Analysis of Whether Financial Assistance Includes Livestock Shed/Penstock**

Number of respondents	Vijayawada	Eluru	Korukonda	Total
Got cattle shed/pen stock	-	-	-	-
Not got cattle shed/pen stock	3	56	3	62
Total	3	56	3	62

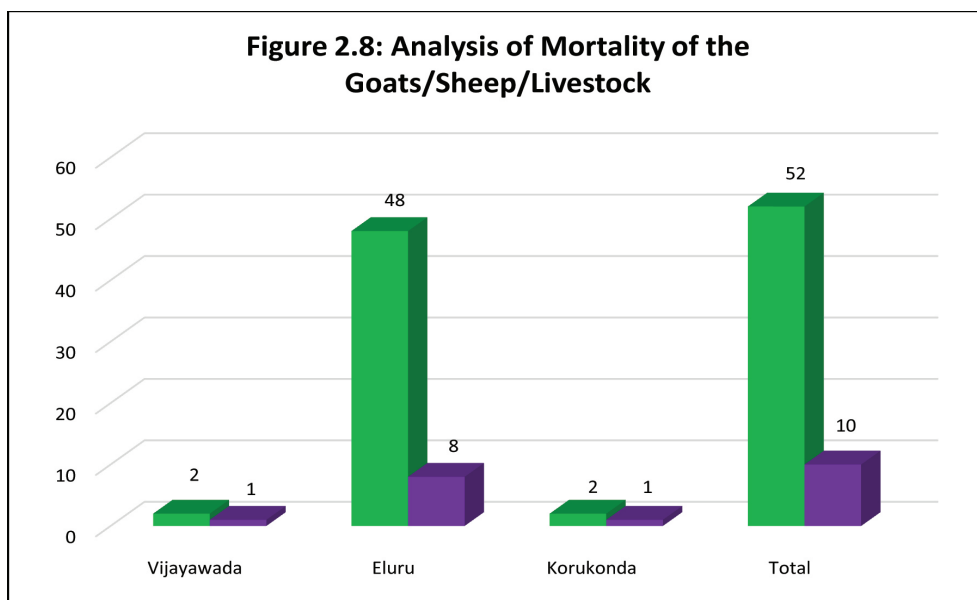
Livestock alone cannot generate income unless the beneficiaries are provided with support structures like penstock/goat shed to keep the goats at home. As found out, none of the beneficiaries was provided assistance for this tiny structure. The productivity of goats is dependent on the hygiene conditions it is reared. In this regard, the programme design should be such that in addition to goats, assistance for rearing house should also be provided so that the success rate of goat rearing can be enhanced many times.

## Buying and Selling of Livestock

**Table 2.11: Purchase or Sale Pattern of Goats/Livestock**

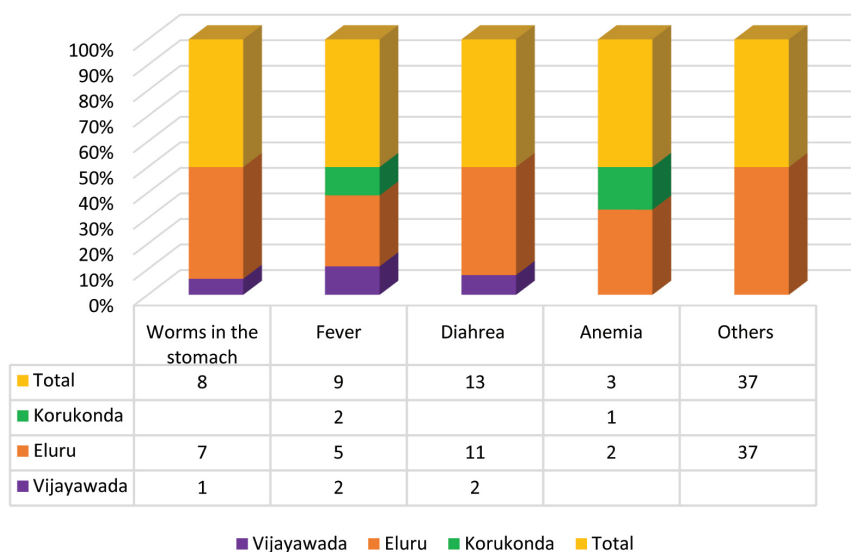
Number of respondents	Vijayawada	Eluru	Korukonda	Total
Sold the goats	2	30	2	34 51 per cent
Not sold any goats	1	26	0	28 49 per cent
Total	3	56	2	62

Half of the beneficiaries are reported to have sold the goats while the rest have not yet commenced the sale. The important intervention by WVI is to see that the beneficiaries sell away the male stock and retain the female stock for further breeding. The cash flow generated so can offset the immediate needs of the households like repayment of old debts, health expenses or buying another asset for the safety of income.



Mortality of goats provided as a benefit to stave off extreme poverty cannot ensure timely graduation. The fact that 85 per cent of the beneficiaries have lost one or more goats, either the stock given as benefit or their offspring, implies that there was no proper post-benefit care of goats. The high mortality rate results in beneficiaries slipping back to destitute poverty and this is one area of concern in the entire programme. Even the field level team informed that high goat mortality is a big challenge in the implementation of GM programme.

**Figure 2.9: Analysis of Reasons for Loss of Livestock**



Mortality of goats given as livelihoods support is a critical challenge in graduating the extreme poor in this model. There is no clear reason for the high mortality of goats but there is clear evidence that unless there is strong back up of veterinary support at the doorstep of the beneficiary household, this not sustainable. De-worming and prevention of diarrhoea, which can reduce the mortality considerably, are the interventions that can be easily implemented with low cost. Capacity building of beneficiaries on primary care can help reduce mortality considerably.

**Table 2.12: Analysis of Rate of Pregnancy of Livestock**

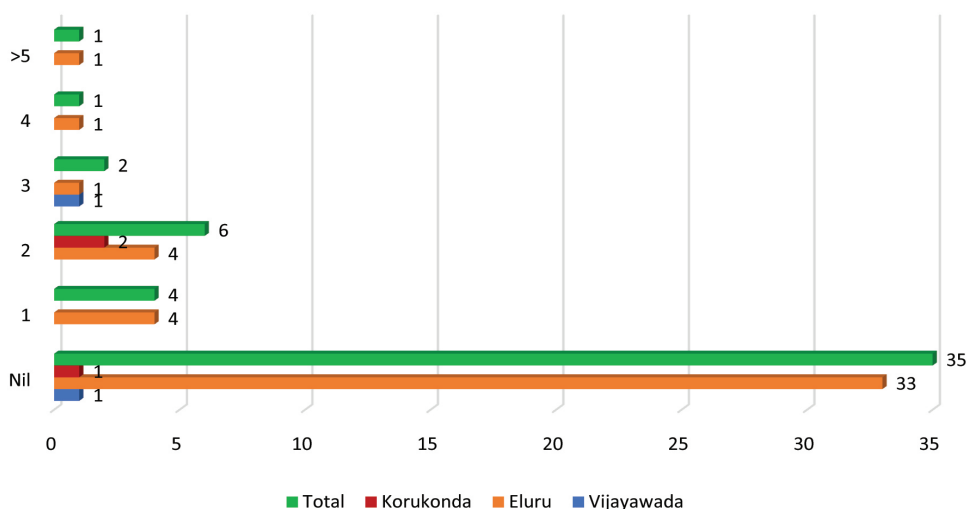
Whether the animal has come to pregnancy	Vijayawada	Eluru	Korukonda	Total
Yes	-	10	2	12 23 per cent
No	3	37	1	41 77 per cent
Total	3	47	3	53

Multiplication of asset base can be a strong signal for easing cash flows to the household of the targeted beneficiary. The fact that only 23 per cent of the animals were capable of bearing offspring implies that the pace of graduation may slow down for this reason. There should be a concerted effort in making the goats fertile through proper animal management,

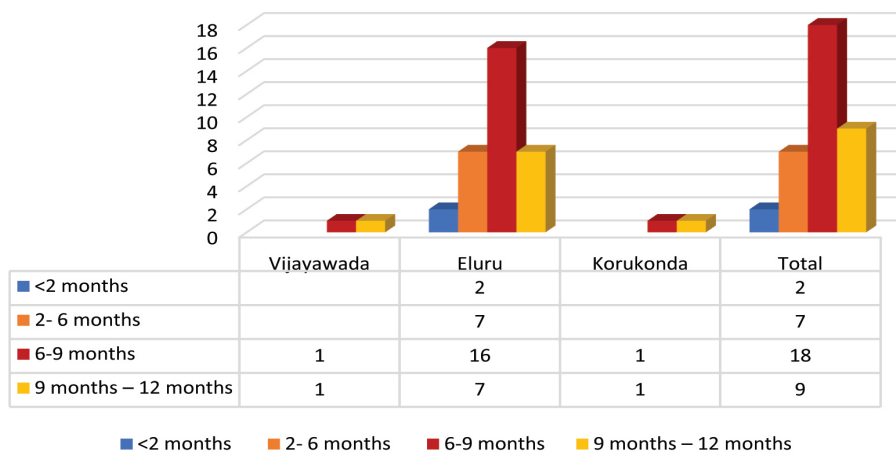
nutrition and veterinary care. The entire programme, where goats are chosen as livelihoods option, can rest on productive animals and without the critical support in this front, there is little scope for graduation.

The fact that 71 per cent of goats have not yielded any offspring even after a minimum of nine months after the asset is transferred indicates that either the asset performance after taking possession is not remarkable or the very asset selection maybe not in consonance

**Figure 2.10: Analysis on Success of Multiplication of Goats as Livelihood Asset**



**Fig 2.11: Analysis on Gestation Period for Asset Multiplication (Livestock)**



with the programme objective of doubling the value of the asset in 24 months. The analysis clearly sets a direction for the programme implementers to make sure that they provide productive asset, which is critical for a high rate of graduation.

Fifty per cent of the livestock assets are taking 6 to 9 months for multiplication, which is a considerably long period for realising cash flows and broadening the asset base. The selection of livestock at the time of its transfer is a key factor that decides the pace of graduation. If the animals can start multiplying within six months, there is a high probability that they are meeting the critical indicators of graduation which is 100 per cent incremental value of the asset in 24 months of graduation period.

**Table 2.13: Analysis of Provision of Feed for the Livestock**

Source of cattle feed/ fodder mentioned by number of respondents for each type	Vijayawada	Eluru	Korukonda	Total
Open grazing	2	51	30	83 86 per cent
Cattle feed purchased	-	8	2	10 9 per cent
Left out food	-	-	-	-
Homemade cattle feed	-	-	-	-
Others	-	4	-	4 4 per cent
Total	2	63	32	97

When the main course of livelihoods option by the majority of beneficiaries is goat rearing, the success rate of graduation hinges on proper care and nutrition of the animals so that they multiply in quick succession and provide the much-needed income security to the beneficiaries. The fact that 86 per cent of beneficiaries are relying on nutrition for their animals through open grazing indicates that there is no supplementary feed being provided (only four per cent) and as such the success rate of goat rearing is in risk. The programme managers should have trained and educated the beneficiaries on the need for supplementary feed for the animals so that they can put up optimal weight. Mere transfer of asset cannot sustain the graduation process unless there is a robust backup and follow-up through animal care and nutrition.

**Table 2.14: Analysis of the Source of Veterinary Care for Animals**

Number of respondents	Vijayawada	Eluru	Korukonda	Total
Local govt. vet doctor	2	43	24	69 90 per cent
WVI trained para vet	-	-	-	-
Others	-	2	5	7 10 per cent
Total	2	45	29	76

The beneficiaries are having government veterinary system as the first source of animal healthcare. It has to be good quality support service from the government. Given the challenges riddled in government service delivery systems, WVI should think of creating a cadre of local veterinary volunteers who can do the referral services so that the asset performance can be vastly improved.

### **Engagement of Labour in Livestock Activity**

**Table 2.15: Engagement of Labour in Livestock Activity**

No. of respondents against time mentioned	Vijayawada	Eluru	Korukonda	Total
>8 hours	0	16	19	35 24 per cent
4-8 hours	2	35	13	50 33 per cent
2-4 hours	-	1	-	1
<2 hours	-	-	-	-
Nil	28	23	8	59 40 per cent
Total	30	75	40	145

The fact that 40 per cent of the beneficiaries have livelihood assets for generation of income rather than generation of job implies that they still hold fast to daily wage labour as their mainstay. The livestock is tended on job work basis with a village common herd and they pay monthly to the shepherd. This model of livelihood assets maintenance is in vogue in all the three ADPs. Among those who tend the animals and take for grazing on their own, 24 per cent are doing it full-time and 33 per cent as part-time (half-day). This may be due to

old age or too large stock to lend it to shepherd in the village on a monthly payment basis. It is evident from the data that the asset is generating the much-needed employment for the poor and seems to provide substantial income security.

**Table 2.16: Analysis of Involvement of Members of the Household for Grazing the Animals**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	1	30	14	45 31 per cent
No	29	45	26	100 69 per cent
Total	30	75	40	145

It is evident that nearly 70 per cent of the beneficiaries are on their own in livelihoods stock maintenance. Most of the beneficiaries are single members of the family and this may be the reason. Also, the programme has zero tolerance for child labour and due to this reason, children are not engaged in the job of tending animals.

## 2.D: Non-farm Sector Livelihoods by the Beneficiaries

**Table 2.17: Source of Financial Assistance for the Micro Enterprise**

No. of respondents based on the source of the aid	Vijayawada	Eluru	Korukonda	Total
World Vision	20 100 per cent	43 100 per cent	20 100 per cent	83 100 per cent
Household members	-	-	-	-
Peers	-	-	-	-
From SHG DWCRA	-	-	-	-
Other government support	-	-	-	-
Total	2	43	20	83

All the beneficiary respondents have informed that they could kick-start their micro enterprise with the financial support provided WVI under GM programme. Out of the total sample of 145 members, 83 had opted for non-farm sector livelihoods which are micro enterprise-based and not mere subsistence-based. The critical reason may be WVI programme managers' desire to encourage non-farm sector-based livelihoods as their experience with the livestock-based livelihoods support interventions was not very encouraging. The second reason may also be that some of the targeted beneficiaries are in extreme poor category but they are economically active and if they are provided support, they can manage an enterprise. The distribution of micro enterprise-based livelihoods is also skewed, while Shantidhata ADP has a sizable number of micro enterprise-based beneficiaries (43 out of total 83). It is imperative that given the economic status of the beneficiaries at the time of targeting, there is no probability that the beneficiaries have own enterprise before targeting. Hence, it is inferred that all the beneficiaries have kick-started their micro enterprise-based livelihoods after getting support from the programme.

**Table 2.18: Support of Non-Merchandise Equipment like Weighing Balance and Tables in Small Business**

<b>No. of respondents</b>	<b>Vijayawada</b>	<b>Eluru</b>	<b>Korukonda</b>	<b>Total</b>
Yes	3	5	4	12 30 per cent
No	9	16	3	28 70 per cent
Total	12	21	7	40

The budget earmarked for the micro enterprise for the beneficiaries for non-merchandise equipment like weighing balance, furniture, etc, is examined in the above table. Seventy per cent of the beneficiaries informed that there was no support for business support structures and only goods for trade are financially assisted. An enterprise of the non-farm sector must also have the back up of micro infrastructure. Such support may be minimal, but it is very critical. If this support is not extended, there are chances that the beneficiaries borrow from moneylenders to install the infrastructure or they may divert the money to trade to buy such durables. It is important that 360 degrees of support is given and any shortcomings shall have a negative impact on graduation.

**Table 2.19: Income Generation from the Livelihoods Created**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	5	20	4	29 76 per cent
No	3	4	2	9 24 per cent
Can't say	-	-	-	-
Total	8	24	6	38

It is a very critical necessity that the beneficiaries generate cash flows within the shortest possible gestation period, as they are extreme poor and live at subsistence levels. For them, an immediate need for cash flows for the coping mechanism is essential. Around 76 per cent of the beneficiaries who could have micro enterprise-based livelihoods support from WVI GM Programme could generate cash flows within one month. It is also a very reliable indicator of the sustainability of the enterprise. Twenty-four per cent of beneficiaries could not generate cash flows within one month which is a cause for concern and there should be case-by-case close monitoring to ascertain reasons for a business not taking off and address the reasons thereof.

**Table 2.20: Time Investment in Small Business**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
< 8 hours	1	8	2	11 8 per cent
8-16 hours	7	5	3	15 9 per cent
16-32 hours	7	6	-	13
32-48 hours	1	2	-	3
48-56 hours	-	-	1	1
>56 hours	-	1	-	1
Can't say	14	53	34	101 70 per cent
Total	30	75	40	145

Majority of the beneficiaries (70 per cent) are not clear about their time investment on running the micro enterprises.

It may be due to the home-run enterprise and the intricate linkage of the enterprise to their lives and livelihoods. Any enterprise for the poorest households is intertwined with their domestic chores and household duties. The delineation mark between livelihoods activities and domestic living is blurred and it is intermittently exchanged. Hence, there is a need for designing the programme and also the capacity building programmes based on the intricate relationship between household chores and livelihoods pursuits. Here, in the above analysis, it is very clear that 70 per cent of respondents have no idea that their livelihoods pursuits and household pursuits are mixed intricately.

**Table 2.21: Support Extended by Members of the Household in Non-farm Sector Activity**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	5 16.7 per cent	7 9.3 per cent	4 10.0 per cent	16 11.0 per cent
No	14 46.7 per cent	17 22.7 per cent	2 5.0 per cent	33 22.8 per cent
Can't say	11 36.7 per cent	51 68.0 per cent	34 85.0 per cent	96 66.2 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

The livelihoods pursuit for the extreme poor is very much a family affair. The targeted extreme poor are either single or no support is coming from other family members in their livelihood activity as evident from the above table that only 11 per cent of them could get some backing. It is also clear that 66 per cent of the respondents were not very clear about the support they are getting from the family members. This may be because of the support coming in pieces or in part-time. But 22 per cent of them were very clear that they had not been getting any support and were solely self-dependent on maintaining and seeking revenues from livelihood activity.

It is strongly correlated to the profile of the beneficiary who is single or destitute and the very reason for targeting such beneficiaries also prompts the programme managers to design the capacity building programmes for them in a much contextualised manner.

## 2.E: Response of Beneficiaries to Training by WVI

**Table 2.22: Training Programmes for the Beneficiaries in Livelihood Activities**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	21 70.0 per cent	71 94.7 per cent	36 90.0 per cent	128 88.3 per cent
No	6 20.0 per cent	3 4.0 per cent	3 7.5 per cent	12 8.3 per cent
Can't say	3 10.0 per cent	1 1.3 per cent	1 2.5 per cent	5 3.4 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

Success in livelihoods activities is as much dependent on the training and capacity building as on the resource transfer. Unless the skills of the beneficiaries in dealing with the livelihood's asset are built, no dividend can be expected from livelihood assets per se. It is reported that 88 per cent of the beneficiaries have undergone training given by WVI in their livelihood's activity. But it is also a matter of concern that some of them have not undergone any training (8 per cent) and it may be noted that without proper training, this category of beneficiaries may ultimately lose the asset in the mid or long term.

**Table 2.23: Topic of Training Programme**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
NA	9 30.0 per cent	4 5.3 per cent	4 10.0 per cent	17 11.7 per cent
Goat and sheep	5 16.7 per cent	52 69.3 per cent	30 75.0 per cent	87 60.0 per cent
Non-agriculture	10 33.3 per cent	16 21.3 per cent	5 12.5 per cent	31 21.4 per cent
Others	6 20.0 per cent	3 4.0 per cent	1 2.5 per cent	10 6.9 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

Goats and sheep are much-preferred livelihood activities as the beneficiaries are landless, and the immediate option was to support their existing income of wage earning through additional gainful employment. Realising this strategic behavioural pattern of the beneficiaries, WVI has concentrated much on capacity building of beneficiaries in scientific methods of rearing goats and sheep (60 per cent). The reason for concentrating on this topic is also that the mortality rate in goats in the initial phases of GM programme implementation is very high. For better impact in GM Programme, WVI has preferred to give intensive training on goat and sheep rearing technology. The other most relevant topic of capacity building is found to be non-farm sector skills. This was also in correlation to the number of units grounded in NFS.

The beneficiaries were also not able to respond accurately (11 per cent) on this question and we found that there is still a critical gap in the capacity building area of the programme. WVI should come out with a detailed strategy on capacity building of beneficiaries on each of specific sectoral livelihoods activities cross-cutting various themes like livestock, NFS, small trade and artisans, etc.

**Table 2.24: Awareness Level about the First Aid for Livestock as Articulated by Respondents Themselves**

<b>No. of respondents</b>	<b>Vijayawada</b>	<b>Eluru</b>	<b>Korukonda</b>	<b>Total</b>
Aware about first aid	0 .0 per cent	13 17.3 per cent	12 30.0 per cent	25 17.2 per cent
Not aware about first aid	30 100.0 per cent	62 82.7 per cent	28 70.0 per cent	120 82.8 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

It is to be noted that only 17 per cent of beneficiaries are aware of the first aid to be given to livestock in case they fall sick. The mortality rate of livestock is very high within two days on falling sick, which is preventable. The programme to impart the skills of providing first aid to the animals should be incorporated in all their capacity building programmes. The first aid may include treatment for diarrhoea and other communicable diseases. The success of the GM programme of WVI is dependent on the success of animal rearing as livelihoods option to the extent of nearly 70 per cent. It has to be noted that when 82 per cent of the beneficiaries are not trained or do not know the first aid skills, the mortality rate and ultimate success of the programme are impacted.

**Table 2.25: Duration of the Training Programme**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Very lengthy	0	10	4	14
	.0 per cent	13.3 per cent	10.0 per cent	9.7 per cent
Right duration	24	60	32	116
	80.0 per cent	80.0 per cent	80.0 per cent	80.0 per cent
Very short duration	0	0	0	0
	0	0	0	0
Can't say	6	5	4	15
	20.0 per cent	6.7 per cent	10.0 per cent	10.3 per cent
Total	30	75	40	145
	100.0 per cent	100.0 per cent	100.0 per cent	100.0 per cent

When the response of sample beneficiaries about the duration of the training programme was sought, 80 per cent opinioned that the duration is appropriate to their needs and other engagements. It is to be noted that many training programmes targeted at the extreme poor are not giving expected results as the poor are having a different set of priorities. Their first priority is to secure food through livelihoods and the next priority is to run the household chores. Any training programme meant for them should be result-oriented, appropriate to their present living systems and skill levels. Nearly 10 per cent of the beneficiaries felt that the training programme was lengthy and such training should give way to more need-based programmes and contextualised to their living systems.

**Table 2.26: Adequacy of the Training Content**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
In sufficient	22	57	35	114
	73.3 per cent	76.0 per cent	87.5 per cent	78.6 per cent
Can't say	8	18	5	31
	26.7 per cent	24.0 per cent	12.5 per cent	21.4 per cent
Total	30	75	40	145
	100.0 per cent	100.0 per cent	100.0 per cent	100.0 per cent

Success and impact of any training programme, especially when it is related to livelihoods skills, depend solely on its content. There should be rigorous training needs assessment and the beneficiaries should find it as optimum to apply the new skills in the field. In the case of GM programme, 78 per cent of the beneficiaries are of the view that though the training was given, the content was not enough to meet their needs. This is a point to be noted by programme managers - that proper training needs assessment should be done, and the training module should be evolved comprehensively covering the most critical areas of livelihood assets management and income generation. It is as important as the investment made on the livelihood's asset itself.

**Table 2.27: Hardships/Inconvenience in Attending the Training Programmes Conducted by World Vision India**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	1 3.3 per cent	1 1.3 per cent	4 10.0 per cent	6 4.1 per cent
No	23 76.7 per cent	74 98.7 per cent	34 85.0 per cent	131 90.3 per cent
Can't say	6 20.0 per cent	0 .0 per cent	2 5.0 per cent	8 5.5 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

The training programme should be trainee-friendly and should be need-based. Many of the training programmes in such livelihoods support interventions were attended by the beneficiaries though there are hardships in attending such programmes. It is because of the fear that the benefits might have been linked to the compulsion of attending the training programme. But in the present case, 90 per cent of beneficiaries have felt that they did not face any hardship to attend the training programme. GM programme managers in the field could deliver the training in the vicinity of the neighbourhood in which the beneficiaries live. Hence, it is easy and beneficial for them to attend the training programme without losing the wage or facing inconvenience due to household chores or emergencies.

**Table 2.28: Comprehension of Training Content in the Training Programme**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Could not understand anything	0 .0 per cent	6 8.0 per cent	0 .0 per cent	6 4.1 per cent
Could understand some thing	2 6.7 per cent	26 34.7 per cent	3 7.5 per cent	31 21.4 per cent
Could understand everything	22 73.3 per cent	39 52.0 per cent	33 82.5 per cent	94 64.8 per cent
Can't say	6 20.0 per cent	4 5.3 per cent	4 10.0 per cent	14 9.7 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

The trainees need to understand and comprehend the training content as it is a life skill and needs to be put to application in the real-time asset management. Success rate and impact of any training programme hinge on the extent of its comprehension by the trainees. In the study, it is found that 65 per cent of the trainees could understand whatever is taught in the training programme. It is to be noted that the success of the training programme is the measure of its impact on the field and successful engagement of beneficiaries in the livelihood activity through the newly acquired livelihoods skills. As such, there is a need for the programme managers to review the training methodology and should be made most participatory adult learning method so that the beneficiaries who are extreme poor learn the skills and apply it. This is one area where expert trainers need to be engaged in participatory adult learning programmes.

**Table 2.29: Willingness for Refresher Training in Future**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Want to participate	23 76.7 per cent	16 21.3 per cent	35 87.5 per cent	74 51.0 per cent
If other beneficiaries also participate	-	-	-	-
Don't want to participate	7 23.3 per cent	56 74.7 per cent	3 7.5 per cent	66 45.5 per cent
Can't say	0 .0 per cent	3 4.0 per cent	2 5.0 per cent	5 3.4 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

Majority of the beneficiaries expressed their willingness to participate in the refresher training programmes. This is more relevant as a single event of training programme may not yield expected changes in beneficiary or impart skills. Training is a continuous endeavour and at different stages of growth and progress in livelihoods, the beneficiaries need to acquire fresh skills. It is a matter of concern that 45 per cent of beneficiaries are still satisfied with one event of the training programme. This reflects either the reluctance of the beneficiaries to acquire serious business skills or the training content may not be designed in such a way that there is a creation of urge for further training programmes. In either case, WVI has to seriously review their training programmes for its content, methodology, duration and trainers and incorporate appropriate changes so that it becomes the real trigger for the success of the livelihoods support intervention.

**Table 2.30: Future Training Needs as Articulated by Respondents Themselves - for Livestock Beneficiaries**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
About animal care	0 .0 per cent	14 18.7 per cent	12 30.0 per cent	26 17.9 per cent
About nutrition	-	-	-	-
About marketing	0 .0 per cent	0 .0 per cent	1 2.5 per cent	1 .7 per cent
Others	0 .0 per cent	1 1.3 per cent	4 10.0 per cent	5 3.4 per cent
Don't know	30 100.0 per cent	60 80.0 per cent	23 57.5 per cent	113 77.9 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

Seventy-eight per cent of the beneficiaries are neither aware of the kind of training programme they require nor its content. This is reflective of the programme design, which is focusing much on asset delivery and not its management post grounding of the proposal. Seventy-eight per cent of the beneficiaries were not clear about their training needs and the reason may be that post grounding of the unit, the field staff might not have studied and gauged the training needs of the beneficiaries as the real-felt need for training comes to the surface only on grounding the unit. Only 18 per cent of the beneficiaries expressed their need for training in animal care and very few of them (7 per cent) could ask for training in marketing skills.

There is a need for the programme management to totally redesign their training strategies so that there is a perfect correlation between on the ground performance and training inputs given to the beneficiaries.

## 2.F: Ultra-Poor Group Meetings in the GM Programme

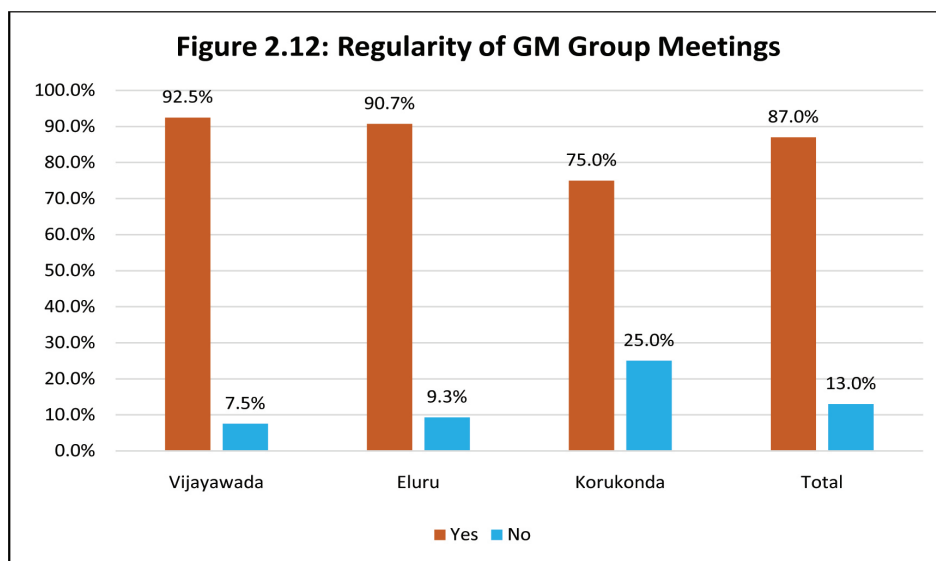
### Membership in GM Village Groups

**Table 2.31: Membership in GM Village Groups**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	27 92.50 per cent	75 100.0 per cent	38 95.0 per cent	140 98.3 per cent
No	3 7.50 per cent	0 .0 per cent	2 5.0 per cent	5 1.7 per cent
Total	30 100 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

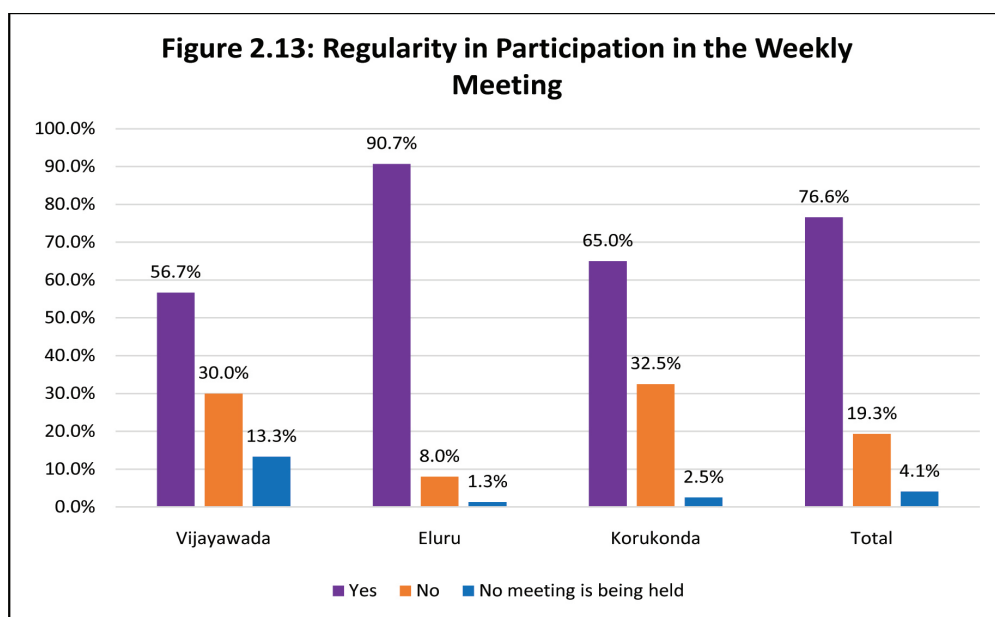
While livelihood assets play a vital role in graduating the targeted beneficiaries out of extreme poverty, much-needed self-confidence, social networking and social capital originate from the ultra-poor group or graduation group, which is exclusively formed mobilising all the targeted beneficiaries into a self-help group. Almost all the beneficiaries responded that they are into GM ultra-poor group. This is a good sign and helps hasten the process of graduation.

### Regularity in Group Meetings



Majority of the beneficiaries informed (85 per cent) that the GM group meetings are being held regularly.

Majority of the beneficiaries are members of the GM group and also the meetings are being held regularly as evidenced by the above-mentioned data. In the CGAP- Ford Foundation Model of GM programme which is being implemented by WVI, group meetings are given paramount importance. It is in the belief that the group meeting gives much-needed self-confidence, social networking and articulation for the extreme poor. It also serves as a platform for delivery of various services and products to the members like savings and rice bank schemes.



Group meetings are the soul of GM programme. It is widely accepted that unless all the beneficiaries meet at least once in a week and exchange their experience and challenges, there cannot be tangible results in 24 months. 76 per cent of the beneficiaries have responded that they are regular to weekly meetings. Yet, 20 per cent are not attending the weekly meetings is reflective of the shortcomings in the implementation of the programmes. It is to be noted that globally nowhere perceptible changes have been recorded amongst the beneficiaries by mere transfer of asset and there is a need for reinforcing the benefits through regular group meetings which give confidence and capacity for the beneficiary to tackle eventualities in life. It also gives confidence that there is a group to support her/his in the event of any loss or damage in his/her daily livelihood pursuits.

This is an area of concern and WVI should address the critical issue of regular weekly meetings which should be non-negotiable.

## Challenges in Conducting Regular Group Meetings

A probe was made as to what impedes the beneficiaries from attending the GM group meetings regularly. 33 per cent of the beneficiaries feel that the meeting entails a loss of wage labour for one day a week. Another 10 per cent of the respondents also felt that the meeting demands additional money to save. This is a critical finding for the reason that the timing of the group meeting is very crucial and is a deciding factor for the regular group meetings. The volunteer who conducts the meeting should do so at a convenient time, place and day of the week. It helps the beneficiaries calibrate their disposable time to attend to the group meeting. Also, it is to be noted that the GM group meeting is not the only meeting to be attended and more than 90 per cent of the beneficiaries are already members of the mainstream SHGs. There is a need to attend and spend time in the SHG meeting as it qualifies them to access benefits of savings, bank linkages and government safety net programmes.

However, it is to be noted that the GM programme weekly meeting is the only supplement and complement to the existing SHG system and it addresses the specific critical needs of the extreme poor. As such, there is a need for designing the GM programme in such a way that the beneficiaries find it useful and beneficial, and should not be a customary compulsive obligation to get the benefits from WVI.

**Table 2.32: Reasons for Not Attending the Group Meeting**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Lack of time	0	12	27	39
Not interested	2	4	1	7
Bad health conditions	5	6	3	14
Shyness and fear	0	1	0	1
Meetings are not organised properly	4	6	3	13
Others	2	8	1	11
Total	13	37	35	85

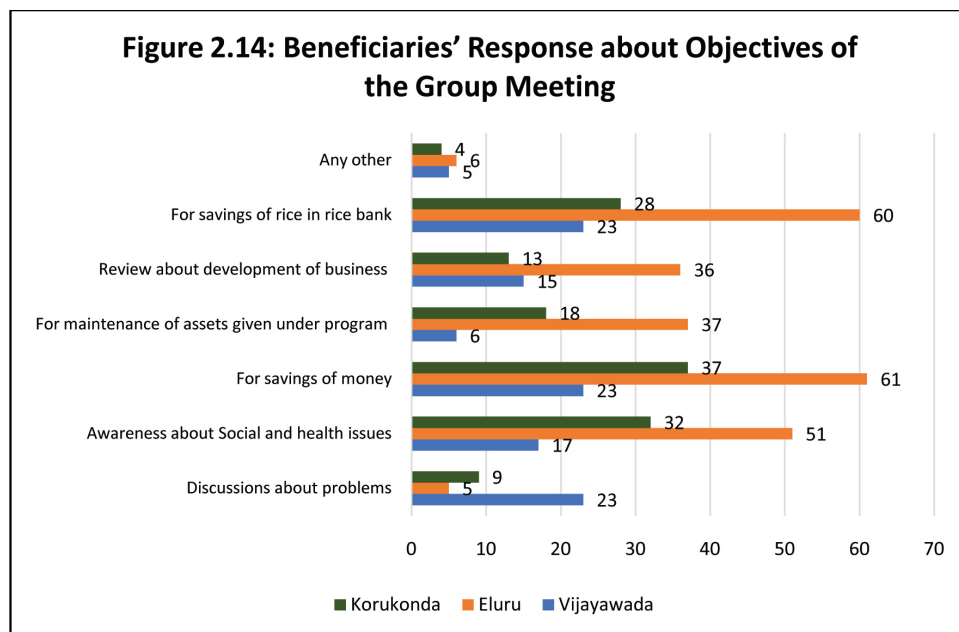
Training programmes have to be designed in such a way that they capture nuances of adult learning, participatory processes and experience sharing. There was an interesting debate as to what makes the beneficiaries shy away from training programmes conducted by WVI if at all there is low attendance. The major response was that they don't have any free time at their disposal after the pursuit of livelihoods of the day. The critical point in this response is that the training programmes should not hamper their daily wage earning and

should be designed in such a way that it can go hand in hand with the daily work. It can be a brief capsule of 30 minutes after return from work or before going to work. Bad health condition also seems to be one of the major reasons for attrition.

**Table 2.33: Utility of the Group Meetings as Felt by the Beneficiaries**

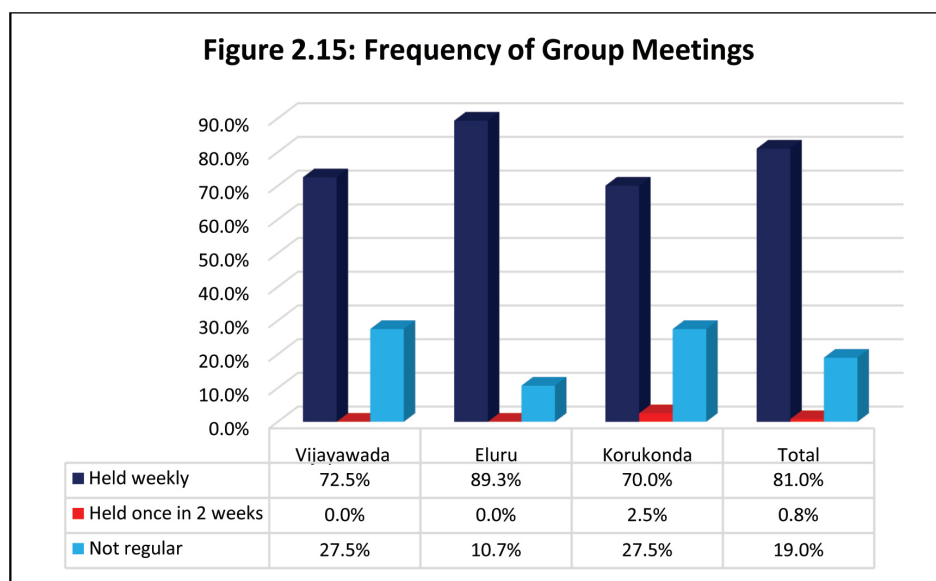
No. of respondents	Vijayawada	Eluru	Korukonda	Total
Useful	24 80.0 per cent	61 81.3 per cent	36 90.0 per cent	121 83.4 per cent
Not useful	1 3.3 per cent	14 18.7 per cent	2 5.0 per cent	17 11.7 per cent
Can't say	5 16.7 per cent	0 .0 per cent	2 5.0 per cent	7 4.8 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

Group meetings are required to infuse confidence in the beneficiaries, exchange their reflections about asset building, to inculcate the habit of thrift and savings and to build social capital amongst the extreme poor beneficiaries. It is heartening to note that 83 per cent of the beneficiaries who are attending the group meetings have felt that the meetings are useful. But 12 per cent still feel that they are finding them to be useful. It is a reflection of the beneficiaries' socio-psychological mindset. It is also necessary that the group meetings are



designed in such a way that the beneficiaries find them useful in their real-time life skills and hone skills. In two years of graduation phase, there can be around 100 weekly group meetings and they should be modelled in such a way that comprehensive learning happens for the beneficiary to graduate. This is one area in the programme which is found to be a weak point and in future, WVI should focus on weekly meetings as much as on the transfer of livelihood assets.

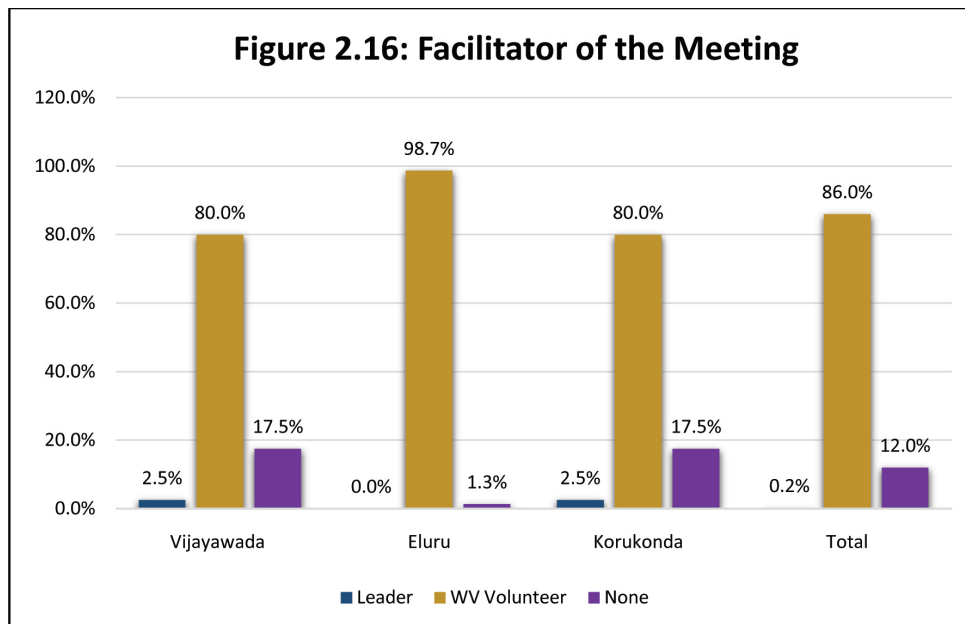
When a question was posed as to what attracts them most in attending the group meetings, the response was very much towards savings of money and rice. It is not only the lack of money that makes the poor suffers but the services and products that can be available to them to scramble and save whatever little resources they can. Here, World Vision has enabled an inclusive platform for them to build their savings in the shape of thrift and rice bank. The other responses about the utility include seeking skills about asset maintenance, and awareness about health and social issues. There is also a pressing need for asset verification and guidance which is possible through group meeting.



Group meetings are a platform for the extreme poor to acquire capacities to address their basic life needs, earn life skills and hone skills. If it is held in a nominal way to fulfil the programme needs, it is not going to help. The meeting, if not held weekly, regularly and in a disciplined way, is not going to serve any purpose. The reason for many SHGs promoted by government programmes becoming latent is lack of guidance for the members to conduct regular group meeting once in a week. It is heartening to note that in 81 per cent of regularity is recorded in WVI GM programme as far as weekly meetings are concerned. A structured

group meeting with a clear agenda and good attendance is the first step to the success of the GM programme and in the present case, it seems to have taken the first step effectively.

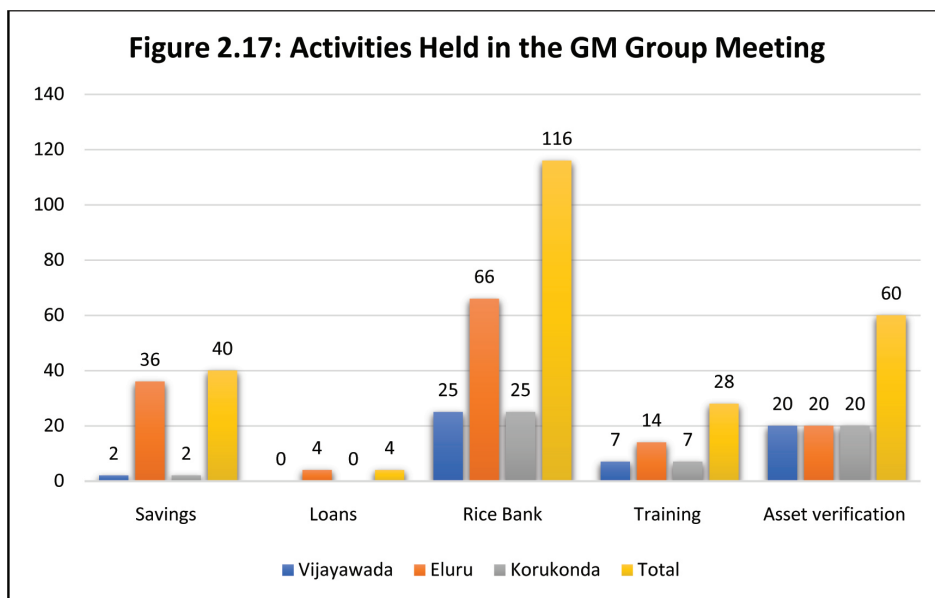
More than 19 per cent of the beneficiaries have responded that the meetings are not held regularly. This is an area of concern as 100 per cent regularity is expected in intensive programmes like GM programme.



A question was framed as to who conducts or facilitates the group meetings. The respondents are minimum nine months old in the GM programme and a probe is needed to ascertain whether they have attained the capacities to conduct meetings on their own. As per the response, 86 per cent of the group meetings are facilitated by the volunteer appointed by the WVI. Only two per cent of the groups could conduct meetings on their own. When WVI withdraws from the programme after graduation, it should be taken care that the beneficiaries continue group meetings on their own. This observation puts to test the GM programme, and everyone involved in the implementation of the programme should do field verification and make sure that the meetings are held regularly and at least on an incremental basis such meetings are held by the members themselves.

The prime duty of the volunteer is to facilitate group meeting regularly. But it is the group leader who has to conduct the meeting and the volunteer shall facilitate and guide the members about how to conduct the meeting. The role of a volunteer is that of a guide. After the exit of WVI from the programme, the leaders should have skills and confidence to conduct their regular weekly meetings without external support. There is a need for the programme managers

to critically analyse the role of the volunteer and a fresh job chart indicating the specific roles and responsibilities of the group leader and volunteer are essential. The volunteer is a paid grassroots level worker and the group leader is a community-based primary stakeholder. The volunteer should focus more on a 15-minute message on each of the 100 topics designed for 100 group meetings. She/he should develop content, material and methodology for the messaging and should genuinely support the group leader to conduct the meeting on her/his own.



Well-structured weekly meetings with a clear mission and agenda is the gateway to graduation. Based on WVI programme design, the group meeting should last between 45 to 60 minutes. It should invariably have the pledge, attendance, savings, loans and rice bank business components as agenda. Besides, a training programme on a topic chosen and asset verification to know the performance of the livelihoods and any challenges being faced by members are included. Going by the findings, it can be inferred that though the group meetings are held, they are being conducted in a structured way with the intention of building capacities of the beneficiaries step by step. The key meeting components like savings, rice bank, loans and asset verification are being carried out in a skewed way. The programme managers have to learn from this inference that group meetings not only need to be regular but also have to be structured in a way it delivers the programme objectives. There is a need for training the volunteers and group leaders on the conduct of group meetings and a user-friendly operational manual has to be developed with pictograms. There can also be a rating tool on the quality of the meeting and an independent social audit by the third party on the meeting can throw light on its deficiencies, if any.

**Table 2.34: Bookkeeping in the Group**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	32 80.0 per cent	74 98.7 per cent	32 80.0 per cent	138 86.3 per cent
No	8 20.0 per cent	1 1.3 per cent	8 20.0 per cent	17 13.7 per cent
Total	40 100.0 per cent	75 100.0 per cent	40 100.0 per cent	155 100.0 per cent

Good bookkeeping is the hallmark of any good informal group. Since there are activities involved with micro savings, micro loans and rice bank in GM groups, updated and regular bookkeeping can only save the groups from conflicts and infuse faith in the systems of the groups. In the present analysis, 86.3 per cent could say that there is proper bookkeeping in the groups whereas 13.7 per cent of the groups are not having proper bookkeeping, which may be taken note off and immediate corrective measures be initiated. Not only the presence of books, but updated bookkeeping is the need of the group. Updated, legible and clean books indicate that the group is graduating along with its members. It also helps leverage bank loans as banks see the updated books and housekeeping for any bank linkage. There should be an intensive campaign on the part of WVI to conduct a writeshop on bookkeeping and train the volunteers and local bookkeepers in writing the books. They should also leverage existing SHG systems in the village for this purpose.

**Table 2.35: Types of Books Available in the GM Group**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Minutes Book	32/40	74/75	33/40	139/155
Savings register	24/40	70/75	28/40	122/155
Attendance	26/40	72/75	30/40	128/155
Bank passbook/ Post Office passbook		1		1
Others		1		1

An analysis has been made about the types of books available in the GM groups. In majority of the cases, meetings minutes book, savings register and attendance register are kept. Almost none of the group is having bank passbook in the name of their group. The reason may be that the group leaders are holding the cash in hand. But prompt and complete bookkeeping is the hallmark of a group that graduates majority of its members. WVI

programme managers have to develop the required skill pool to write books and make the members internalise the books and its contents. It can hasten the graduation process at the desired level.

**Table 2.36: Penalties Levied in the GM Group Meetings**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	14	4	7	25
No	26	71	24	121
Can't say				
Total	40	75	31	146

An inquiry was made as to whether the GM groups have a system of levying penalty against absence from weekly meeting or late-coming. The question agrees with the Critical Rating Index developed by mainstream SHGs and group discipline and solidarity is reflected through the systems and guidelines the groups follow. Only 17 per cent of the beneficiaries were positively responding to the question about penalties. It is imperative that if there is no penalty for latecomers or absentees, the GM group meeting cannot be held in a disciplined way. Without timely and regular meetings, the capacity building inputs needed for graduation does not go deep into the beneficiaries' practices. Even for bank linkages to the groups, the bankers insist on regular weekly meetings with 99 per cent attendance. With stricter penalties against absenteeism and late-coming, the impact can be seen. There is a need for the WV programme implementation team to evolve a standard operating procedure to conduct groups and best practices can be modelled after the mainstream SHG systems.

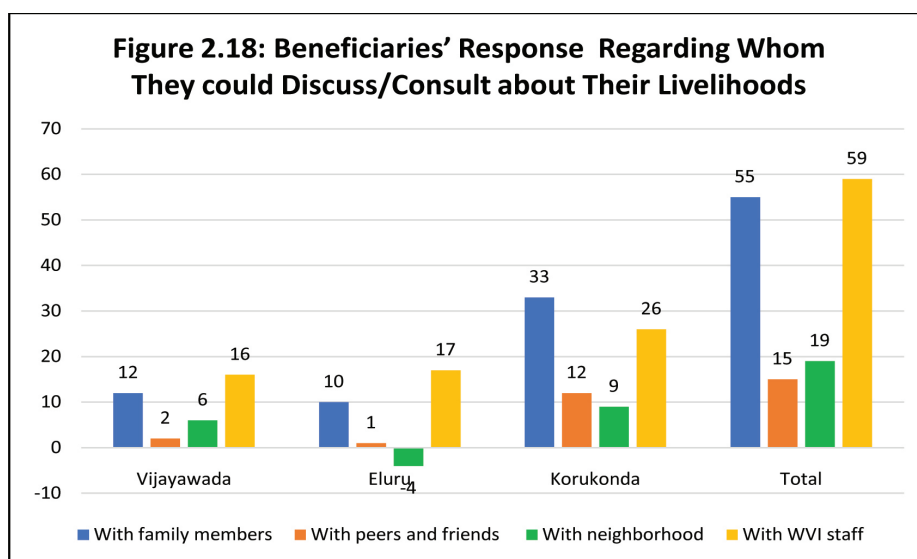
## 2.G: Social Networking – Gender Empowerment

**Table 2.37: Peer Interface of Beneficiaries about Livelihoods**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	20 66.7 per cent	0 .0 per cent	35 87.5 per cent	55 37.9 per cent
No	6 20.0 per cent	0 .0 per cent	2 5.0 per cent	8 5.5 per cent
Can't say	4 13.3 per cent	75 100.0 per cent	3 7.5 per cent	82 56.6 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

The question was framed in such a way to find out if the beneficiaries are interfacing with their peers about livelihoods activities at least once in a month. The response was that only 38 per cent of the beneficiaries were discussing and sharing experiences with their peers. Peer-to-peer learning, experience sharing and, in the process, building social capital is very essential for sustainable graduation. The process may look abstract and soft, but the results can be very tangible. WVI has concentrated much up to the beneficiary selection and asset transfer but the processes involved in the graduation period for 24 months are very crucial. An isolated beneficiary in a village cannot gain much strength in unity through experience sharing. It is also showing direction for the collective market approach, collective procurement of essential inputs like concentrate feed for goats or wholesale merchandise for the small traders.

In Eluru (Premdhara ADP), the response was nil and there is a need for deeper reflection in this regard.



There is a need to know the first call of information about the livelihoods of the poorest. World Vision staff was the first-line of source for livelihoods counselling. Naturally, the teams are rooted to the field and volunteers are at the next door so that they can reach out to the poor households any time.

Interestingly, the family members, who are kith and kin, are also a key source for seeking guidance. The family members are not only concerned about the success of livelihood assets but are also part of the targeting process. The GM programme targets the household and not individual and it is the household that graduates and not the individual. The strategy is that an ultra-poor member has enormous dependence on other family members.

**Table 2.38: Beneficiaries' Response about Receiving Any Monthly Stipend as Cash for Household Expenses or Maintenance of Livelihood Assets**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	0	-	0	0
No	0	-	0	0
Can't say	-	-	-	-
Total	0	-	0	0

Capital livelihood asset alone cannot bring the impact and there are monthly critical needs to meet the maintenance expenses of livelihood assets. It may be feed, medicines or working capital. In WVI, the GM programme is designed in such a way that livelihood assets are transferred but not the working capital that is needed until the gestation period. The strong premise with which the programme works is that the poor earn daily wage to meet the working capital requirements. But in subsistence conditions of hand-to-mouth, the poor cannot afford to divert the wage to meet working expenses. In the GM programme implemented by CGAP and Ford Foundation globally, the working capital support (stipend) for a limited period until the cash flows are generated from livelihood assets is mandatory. But the premise that the wage earnings should meet such immediate expenses is to be reviewed by the World Vision.

A part of the livelihoods budget can be dovetailed to meet day-to-day expenditure either for consumption or for maintenance of livelihood assets. This is a critical intervention that needs to carry out in the future GM programmes of World Vision.

**Table 2.39: Beneficiaries' Response about the Source of Monthly Stipend for Household Expenses or Maintenance of Livelihood Assets**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Family members	21	19	8	38
Friends	-	-	-	-
Neighbours	-	-	-	-
Money lenders	1	-	-	1
WVI staff	4	-	-	4
Others	-	-	-	-
None	-	-	-	-
Total	26	19	8	53

When the beneficiaries need working capital for various reasons regarding livelihood assets management, the first source of such finance is their own family members. Interestingly, they are not borrowing from moneylenders. There was an insignificant response towards the WVI staff because the programme is not factoring any such working capital or subsistence stipend.

**Table 2.40: Beneficiaries' Response about the Required Weekly Stipend (Working Capital)**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
< Rs.100	-	-	1	1
Rs.100- 200	-	-	2	2
Rs.200- 300	-	-	-	-
Rs.300 – 400	-	-	1	1
Rs.400-500	-	-	-	-
>Rs.500	16	-20	4	40
None	-	-	-	-
Total	16	20	8	44

When the question of quantum of such requirement was posed, majority of the respondents felt that it would be above Rs.500 per month. The programme needs to factor in such a sufficient amount on time to make the livelihood assets successfully generate income in a reasonably short period of time.

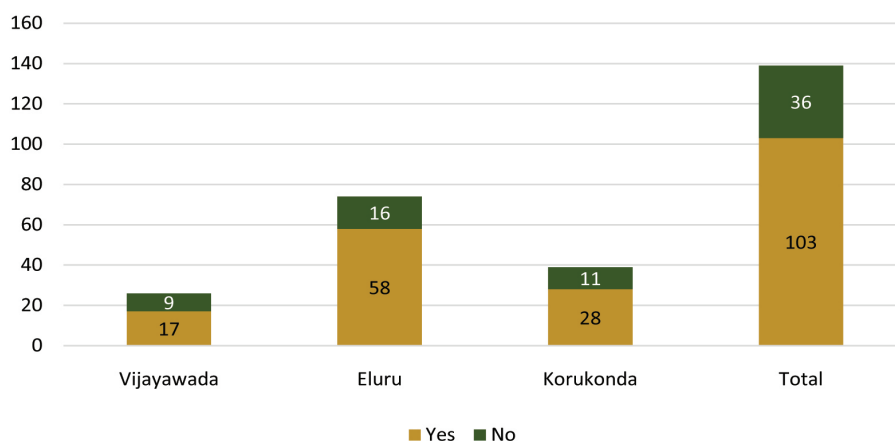
## **2.H: Institutional and Economic Empowerment of the Respondents**

Poverty cannot be measured only in concrete terms of income or value of an asset. Social networking of the poorest is also much needed to address the poverty-related issues. An interesting probe was made whether the ultra-poor members under GM programme of WVI are members of existing SHGs. The reason for posing such a question was the highly active SHG movement in the State of AP where the study is conducted. There are demonstrable results to prove that SHG membership of rural women has taken them out of poverty. It is important to know whether SHGs are utilised by only better off amongst the poor or extreme poor are also benefiting out of it. In the present study, 75 per cent of respondents said that they are members of SHGs. But it should also be noted that 25 per cent is left out though there is a saturation approach to SHG social mobilisation of rural women in AP state. The reasons may be wide and varied. One of the critical reasons for the

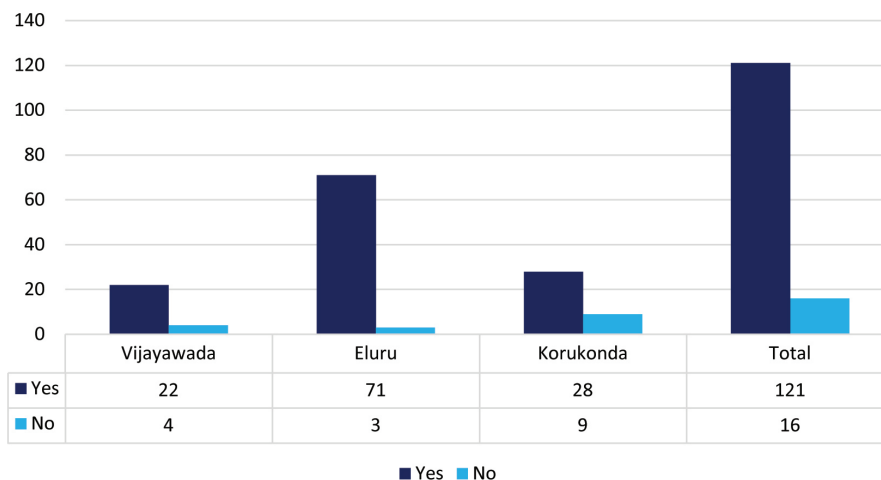
extreme poor being left out of SHG movement is that it is suited for the better off amongst the poor and extreme poor are spending a lion's share of their time in earning livelihoods.

Eighty-eight per cent of the beneficiaries are reported to have a bank account in either their name or in the name of the family members. The reason for the high number of bank accounts with the extreme poor is that State-sponsored programmes like widow monthly pension and others meant for the extreme poor category. A bank account is needed for the direct benefit transfer. It is also to be noted that all SHGs will have a bank account to

**Figure 2.19: Membership in SHGs for the Past 9 Months**



**Figure 2.20: Beneficiary or His/Her Family Members having Bank Account or Savings Account in an SHG**

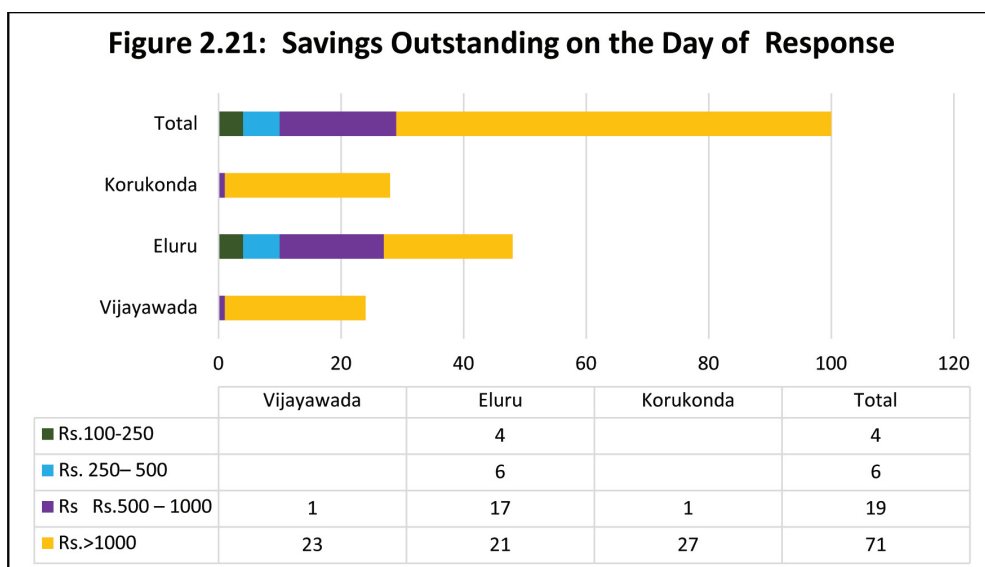


deposit their weekly savings and bank linkage programme is widely implemented in the State of Andhra Pradesh. Another reason is the Government of India's financial inclusion programme offering Jan Dhan accounts with zero balance having a lot of entitlements like insurance coverage, etc. But it needs to be probed further whether such bank accounts are functional or only a customary need for a programme.

**Table 2.41: Service Provider of Bank/Savings Account**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Savings group (SHG)	18	48	4	70
Bank	15	60	8	83
Post Office	2	28		30
Cash in house	2			2
Any other			18	18
Can't say		1	1	2
Total	37	137	31	205

The poor not only need financial assistance but also financial services and products at an affordable price to save whatever meagre resources they have. In the study area, diversified services including banks, post offices and SHGs are offered to maintain savings. A good number of beneficiaries seem to prefer banks for their savings (40 per cent) followed by SHGs (34 per cent). The GM programme should focus on the financial service providers and enable them to be accessible to ultra-poor for sustainable financial inclusion.



71 per cent of the beneficiaries are having savings outstanding above Rs.1000 whereas 19 per cent between Rs.500 and Rs.1000. The reason for such rigorous thrift habit may be the SHG systems that have been developed in the State over two decades. Savings, in this context, is not what has been deposited in excess of their consumption expenditure. But in the case of poorest like the beneficiaries of GM programme, it is the deferred consumption to keep the money for a rainy day. The Graduation Indicators laid down under GM programme also entail a minimum of Rs.1000 as cumulative savings.

**Table 2.42: Purpose for Withdrawal of Savings Money**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Medicines	6			6
Food				
Household durables	2			2
Marriage			1	1
Festivals				
Purchase of livestock				
Purchase of cattle feed				
Purchase of livestock medicines	1			1
For business purpose	8		1	9
For repayment of loans before getting the benefit of the Programme			1	1
For repayment of loans after getting the benefit of the Programme				
For lending to others			1	1
For buying any goods for consumption				
Others		4		4
Can't say				
Total	17	4	4	25

An interesting probe was made to find out the purposes for which the poor withdraw money from their savings. The major needs were was found to be investment in business and purchase of medicines. It is a measurable indicator if the savings money is plowed back to business and rotation of savings is important to generate cash flows. It is to be noted that even in the Critical Rating Index developed by NABARD for SHGs, four times the rotation of savings money is judged as the best performance for SHGs. In the present case of extreme poor, it is a noteworthy behavioural change that they are plowing back their savings on personal and business needs.

**Table 2.43: The Amount Beneficiaries Wanted to Save within a Year**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
<Rs.360	2			2
Rs.360-720	1	2	1	4
Rs.720 – Rs. 1000				
>Rs.1000	10	16	31	57
Can't say				
Don't save				
Total	13	18	32	63

A question was generated as to how much they wanted to save in a year, given the opportunity. Ninety per cent of the beneficiaries wanted to save >Rs.1000 in a year. The propensity to save more money is for many reasons. WVI, in their regular training programmes, is emphasising savings habit amongst its poor beneficiaries. The second reason may be the availability of service providers in the shape of SHGs in the ease of doing savings. The most critical reason may be that the poor wanted to save for the rainy day as much as security against risks like bad health, old age and business needs. In the weekly meetings of the GM programme, there should be an emphasis on more savings amongst the members.

## **2.I: Household Situation – Literacy Levels of Household Members**

**Table 2.44: Presence of 5-14 Years Age Group Members in the Household**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Present	12 40.0 per cent	34 45.3 per cent	31 77.5 per cent	77 53.1 per cent
Not present	18 60.0 per cent	41 54.7 per cent	9 22.5 per cent	68 46.9 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

WVI is a child poverty-centric non-profit organisation and it endeavours to build capacities of the household so that the children in the household do not get into the poverty cycle as was the case with their parents. Fifty-three per cent of the beneficiaries are reported to be having children in the age group 5-14 years.

**Table 2.45: Children Going to School in the Age Group of 10-14 years**

<b>No. of respondents</b>	<b>Vijayawada</b>	<b>Eluru</b>	<b>Korukonda</b>	<b>Total</b>
Going to school	11 91.7 per cent	34 100.0 per cent	28 90.3 per cent	73 94.8 per cent
Not going to school	1 8.3 per cent	0 .0 per cent	3 9.7 per cent	4 5.2 per cent
Total	12 100.0 per cent	34 100.0 per cent	31 100.0 per cent	77 100.0 per cent

Programmes like GM programme has a high probability of having collateral damage for children as the parents drop their children to have extra hands to tend the animals or maintain livelihood assets. But the analysis in the above table is heartening to note as it is indicating that 95 per cent of the children are going to school amongst the GM beneficiary households. One of the Graduation Indicators is also that the school-age children, especially girls, should not drop out of school. Girl children at the age of 13 to 14 get dropped out of school due to socio-psychological factors. It is to be checked whether they are also continuing education. The WVI programme managers were conscious of the fact that keeping the children in the school is of paramount importance for the mission objectives of WVI. Even in the case of GM programme involving extreme poor, who are vulnerable and may drop the children out of the school to get their support in income-earning, the WVI staff could play a key role in preventing

The reason for this remarkable achievement may also be the strong precondition put by the staff that the parents should not drop their children from school if the flow of benefits was to continue to the family. They can also focus on Korukonda ADP where the dropout rate is high (10 per cent) and overall 5 per cent should also be brought down as this is a critical factor for graduation.

## 2.J: Household Situation – Food Security

**Table 2.46: Incidence of Not Taking Meal Recently**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	3 10.0 per cent	4 5.3 per cent	9 22.5 per cent	16 11.0 per cent
No	27 90.0 per cent	71 94.7 per cent	31 77.5 per cent	129 89.0 per cent
Can't say	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent
Total	3 10.0 per cent	4 5.3 per cent	9 22.5 per cent	16 11.0 per cent

The question was framed in such a way to leverage information whether the beneficiaries have gone hungry any day in the recent past. The respondents said that 11 per cent of them were facing hunger in the very recent past (last 30 days). The reason to leverage this information is that one of the Graduation Indicators, as envisaged in the GM programme, is ensuring 30-day food security in the household. The fact that 11 per cent of the beneficiaries were still facing hunger one or the other day after nine months of graduation period reflects that food security is still not ensured. There may be many reasons for this situation, including failure of an asset to generate income, loss of asset or misuse of asset by the beneficiary to meet unproductive expenditure. Whatever may be the reason, there is a need for a conscious effort to examine the reasons for such food insecurity. Korukonda, with 22 per cent, is standing at an alarming position in terms of food security. There is a need for deeper reflection by the programme managers and necessary action need to be initiated.

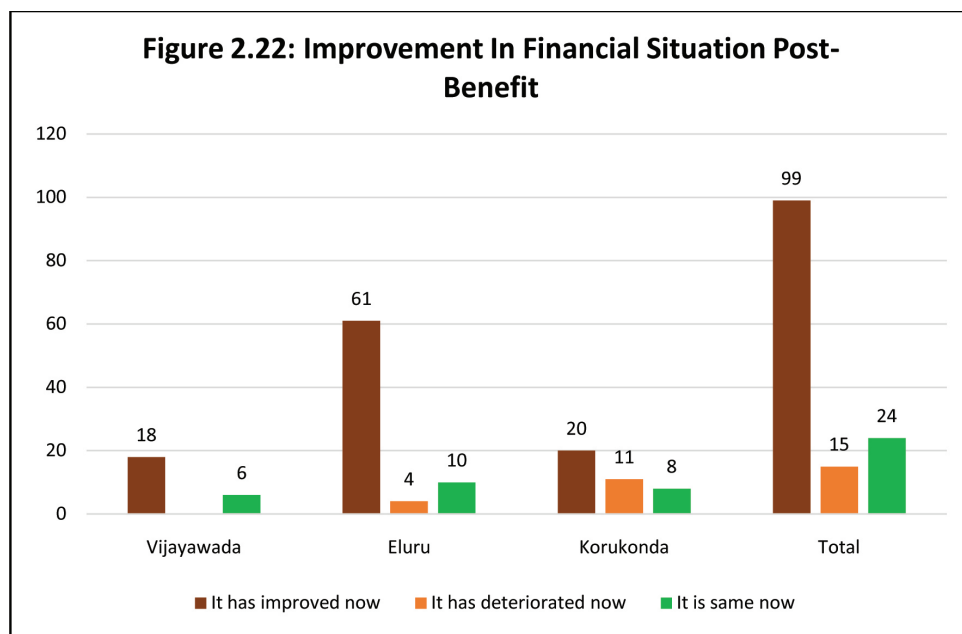
**Table 2.47: Frequency of Situation Wherein They Could Not Take Full/Part Meal**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Every week		1	1	2
Some weeks but not every week			5	5
Only 1 or 2 weeks	6	18	4	28
Total	6	19	10	35

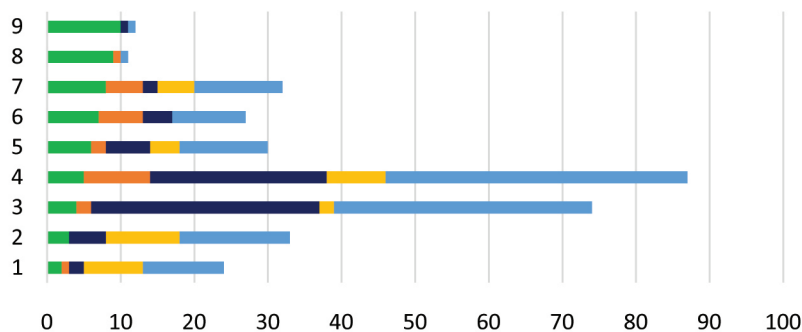
A question was generated to check the frequency of food insecurity in the beneficiaries' household. Out of the total respondents, 35 replied that they face the problem in one or two weeks a year. Continuous food security for at least one month is one of the Graduation

Indicators. The rice bank practice amongst the group members also ensures that food buffer is available in case of beneficiary falling sick and not earning or additional requirement of food due to guests at household. In this front, the programme has done well, and they could create a confident food security situation.

There was an interesting but basic question posed to the beneficiary as to are they better off now after programme benefits reached them or before it happened. To this, 71 per cent of the beneficiaries responded that there has been an improvement in their life quality. But interestingly, 12 per cent felt status quo and four per cent even felt the situation has denigrated. Mere transfer of a livelihood asset may not impact the extreme poverty situation. The government programmes, which have been implemented in the last five decades, are testimony to the fact that providing grant alone cannot bring in perceptible socio-economic changes. Livelihood asset, though vital, has to be supported with capacity building, hand-holding and intensive follow-up. Regular weekly meeting of the peer can cement the social networking and help the beneficiary graduate in her/his self-confidence. Here, in the case of World Vision GM programme, though asset was transferred through the follow-up household visits, asset verification, group meetings and capacity building seem to be very weak links. WVI has to thoroughly analyse their investment pattern per beneficiary and earmark a good percentage of the budget for capacity building, follow-up and asset protection. In the case of people who have reported the status quo, the reason may be that they have lost the goats given to them or might have sold away the asset for pressing consumption needs.



**Fig 2.23: Financial Situation of the Beneficiary in the Continuum 1 to 10 (Worst to Best)**



	1	2	3	4	5	6	7	8	9
No of respondents for the above question	2	3	4	5	6	7	8	9	10
Vijayawada	1	0	2	9	2	6	5	1	0
Eluru	2	5	31	24	6	4	2	0	1
Korukonda	8	10	2	8	4	0	5	0	0
Total	11	15	35	41	12	10	12	1	1

Though it was difficult to leverage accurate response for such question, there was an attempt to locate the beneficiary vis-à-vis their socio-economic status in the continuum of 1 to 10, 1 being the worst and 10 being the best. Thirty per cent of the beneficiaries are reported to be in point 5 of the continuum and 25 per cent of them are at 4<sup>th</sup> point. 8 per cent could reach up to 8 points which may be for the reason that they could manage well their livelihood assets. Nine per cent of the beneficiaries are at 3<sup>rd</sup> point and another 10 per cent are at 2<sup>nd</sup> point. It may also be noted that 7 per cent is only at 1 point. The mixed impact to interventions of the programme denotes that those who could take their livelihood assets to 2<sup>nd</sup> stage are poised to graduate. The asset performance should not be left to improbabilities like the death of animal, sale of assets due to consumption needs or loss due to lack of capacities. It should be nurtured in such a way that a high percentage of beneficiaries overcome the challenges related to graduation programme and its indicators. Mere asset transfer is not of a major help as it is being evidenced in government- implemented grant programmes. The GM programme has to take a complete relook at the programme design and high cost-benefit in terms of per cent of graduates in the two-year period should be evolved.

## 2.K: Household Situation – Health

**Table 2.48: Presence of Children below 10 years in the Households**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	7 23.3 per cent	19 25.3 per cent	18 45.0 per cent	44 30.3 per cent
No	23 76.7 per cent	56 74.7 per cent	22 55.0 per cent	101 69.7 per cent
Total	30 100.0 per cent	75 100.0 per cent	40 100.0 per cent	145 100.0 per cent

It was necessary to find out the presence of children below 10 years in the beneficiaries' households. This profile indicator can reflect upon children's health and other socio-economic indicators.

Thirty-three per cent of the households have children below 10 years and hence, there is a need for a deeper probe into the socio-economic conditions of their family which will indicate the graduation process.

**Table 2.49: Presence of Stunted Growth Children in the Beneficiaries' Households (Measured on the Basis of the Height of Each Child below 10 Years)**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	8	25	17	50
No	22	50	23	95
Total	30	75	40	145

It is reported in several researches that children below 10 years get permanently stunted if there are more than three episodes of diarrhoea or other related ailments. This kind of stunting is irreversible and shall mean that lesser growth than required for the rest of life. Thirty per cent of respondents have reported about their children facing this kind of problem. Stunted growth in children is prevalent even amongst the communities who are socio-economically better off. But this paradigm needs to be understood and addressed by the programme implementers.

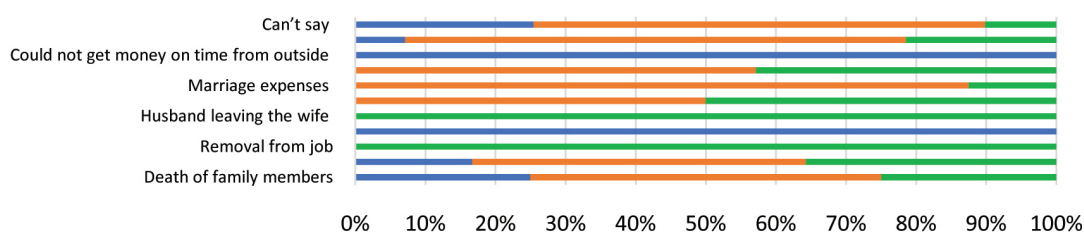
**Table 2.50: Presence of Underweight Children in the Beneficiaries' Households  
(Measured on the Basis of the Weight of Each Child below 10 Years)**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	3	12	8	23
No	27	63	32	122
Total	30	75	40	145

Age to weight ratio of children is critical in child health indicator. Underweight in children may be for many reasons but as far as the targeted community who are extreme poor is concerned, the reasons are obviously poor maternity care, childcare and nutrition. Average height to weight ratio for both female and male children are prescribed by the WHO and 15 per cent of children of the beneficiaries are reported to be underweight. Though it is not very uncommon percentage given the kind of beneficiaries the WVI is working with, it should also design the programme in such a way that there is quick cash flow generation with the livelihood assets given as benefit so that consumption needs of family members are fully met.

However, it is heartening to note that 85 per cent of beneficiaries are reported to be not having underweight children and the reasons can be fully correlated to programme interventions.

**Figure 2.24: Episodes of Family Crisis or Unfortunate Incidents in the Beneficiaries' Households in the Past 9 Months**

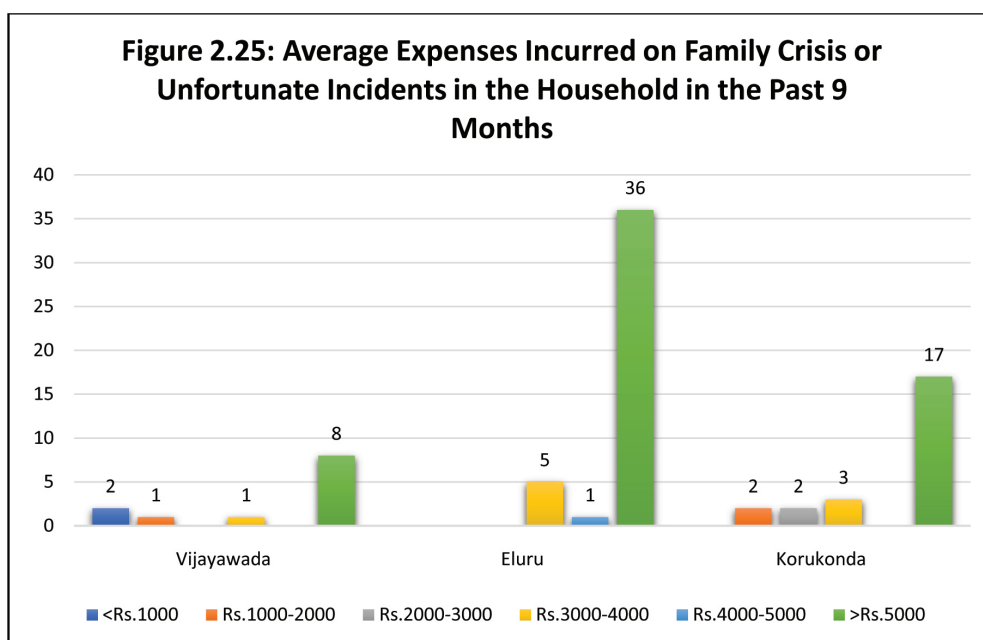


	Death of family members	Chronic health problem or injuries	Removal from job	Government support reduced or suspended	Husband leaving the wife	Fire or property loss	Marriage expenses	Child birth expenses	Could not get money on time from outside	Others	Can't say
■ Vijayawada	1	7		1					1	1	15
■ Eluru	2	20				1	7	4		10	38
■ Korukonda	1	15	1		1	1	1	3		3	6

In the case of extreme poor, there will be several pull-down factors that weigh adversely against the family's struggle to graduate from extreme poverty. An interesting study was made to find out the episodes that could have negatively impacted their pursuit to graduate. Seventy-one per cent of such episodes centre around chronic health issues or injuries. The disposal incomes in the case of extreme poor are meagre and any episode that makes them lose wage-earning days results in spiralling back to extreme poverty. Seventy-one per cent reporting such chronic health reasons is something to be critically analysed. There is Arogyashri Universal Health Insurance coverage for the targeted poor. WVI team should work to leverage and link this benefit to all the targeted extreme poor beneficiaries. Nearly 10 per cent of cases are due to marriage and childbirth-related expenses. It may be due to the reason that the extreme poor do not prefer institutional aseptic delivery. The two factors make the programme managers realise that it is not only the transfer of livelihood assets that can accelerate the graduation process but contributing factors like government benefits under various health and social security schemes can come in handy as safety nets.

The group of ultra-poor can be delegated with the responsibility of shortlisting such government programmes and ensure that all the beneficiaries are brought under its fold.

An attempt was made to quantify the expenses on average incurred by an extreme poor family in the case of unfortunate episodes like a chronic health problem or injury or it may be sometimes lifecycle events like marriage or childbirth. Seventy-eight per cent of the beneficiaries are reported to be spending on an average more than Rs.5000 to meet such

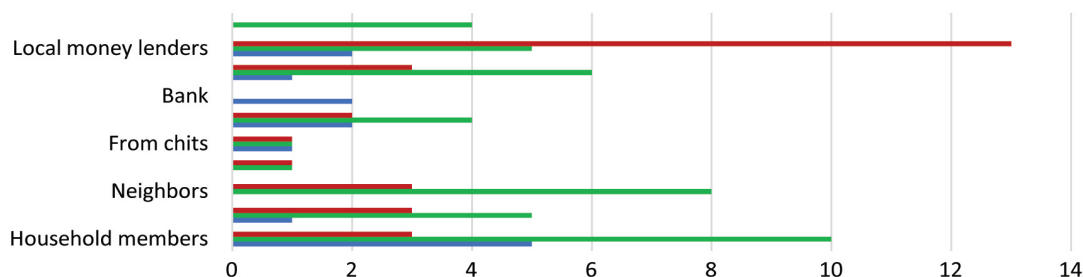


eventuality. There are hidden and unforeseen expenses and if such expenses are not factored in while arriving at the household budgeting exercise, there is bound to be a critical gap between demand and money availability. In CGAP – Ford Foundation-funded graduation pilots across the world, there was a lot of emphasis on financial literacy to be imparted to the extreme poor alongside livelihoods skills. Household budgeting, forecasting, financial services and products for extreme poor and identification of toxic expenses are some of the areas where they need to be trained on financial literacy subject. The GM programme has not taken into consideration the training of beneficiaries in financial literacy, which could have helped the extreme poor to gear up to the unforeseen eventualities and strategies to meet them so that the graduation process can be smooth.

An interesting probe was made to find out how they mobilise finance for meeting the family crisis. The answer was highly skewed and 23 per cent were getting it from local moneylenders and 22 per cent from household members.

It is to be noted that toxic rates of interest for meeting the crisis in a poor family, impacts the quality life indicators. One of the Graduation Indicators in the GM programme is Rs.1000 minimum cumulative savings in the name of the beneficiary. This indicator can be achieved through regular savings in the weekly meeting of the GM beneficiaries. The fact that 20 per cent beneficiaries are still knocking the doors of moneylenders for emergencies means that the group savings are not up to the levels of expectations. The programme implementing teams of WVI should evolve strategies to make the savings a first line of recourse in emergencies for the poorest.

**Figure 2.26: Source of Meeting the Expenses Incurred on Family Crisis or Unfortunate Incidents in the Household in the Past 9 Months**



	Household members	Relatives	Neighbors	Co-laborers	From chits	From DWCRA group	Bank	Cash loan	Local money lenders	Local petty traders
Korukonda	3	3	3	1	1	2		3	13	
Eluru	10	5	8	1	1	4		6	5	4
Vijayawada	5	1			1	2	2	1	2	

**Table 2.51: Household Level Health Expenses****Expenses on Hospital, Doctor and Nurse in the Past One Year  
Number of Times per Year They Have Incurred the Expenses**

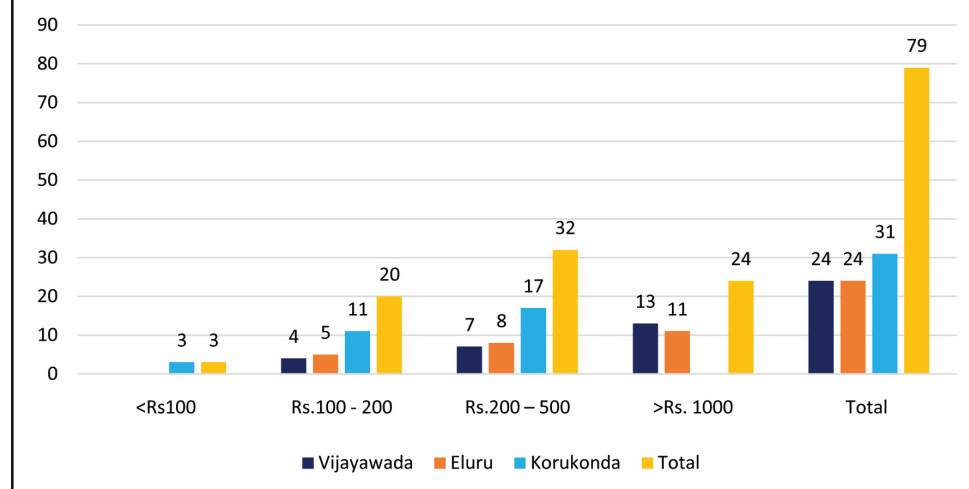
<b>No. of respondents</b>	<b>Vijayawada</b>	<b>Eluru</b>	<b>Korukonda</b>	<b>Total</b>
One time in the year	6	7	1	14
Twice in the year	6	5	4	15
4 times in the year	4	5	4	13
Every month	7	8	19	34
More than once in a month			4	4
Total	23	25	32	80

Health is the single most critical factor that impacts the graduation process. Ill health leads to loss of daily wage and less income leads to poor intake of nutritious food resulting in ill health. It is a vicious cycle for the extreme poor. However successful one's livelihood assets may be, one bad health episode in the family can wipe out all the benefits accrued. An interesting probe was made to check the frequency of health expenses in the beneficiary family. Forty-two per cent of the beneficiaries are incurring expenses on health every month. And 20 per cent of them four times a year. If an ultra-poor family is not graduating in health, it can never graduate economically. For this reason, in the CGAP–Ford Foundation Pilots, health was given high importance. WVI programme managers have developed health messaging modules but in the implementation front, there seem to be obstacles. Unless a comprehensive capacity building strategy is drawn for health, nutrition and hygiene, the programme is going to have a negative impact.

**Household-level health expenses**

An enquiry into the quantum of money spent by the beneficiaries on health expenses has revealed an interesting phenomenon. Thirty per cent of the beneficiaries are reported to be spending more than Rs.1000 on health expenses. Another 40 per cent are spending between Rs.500 to Rs.1000. Frequency and quantum of expenses on health are the deciding factors in the graduation model. There should be a critical analysis of the expenditure pattern on health and nutrition and avoidable health expenses through messaging and counselling can help hasten the graduation process.

**Figure 2.27: Expenses on Hospital, Doctor and Nurse in the Last One Year - Average Amount of Expense Incurred Each Time**



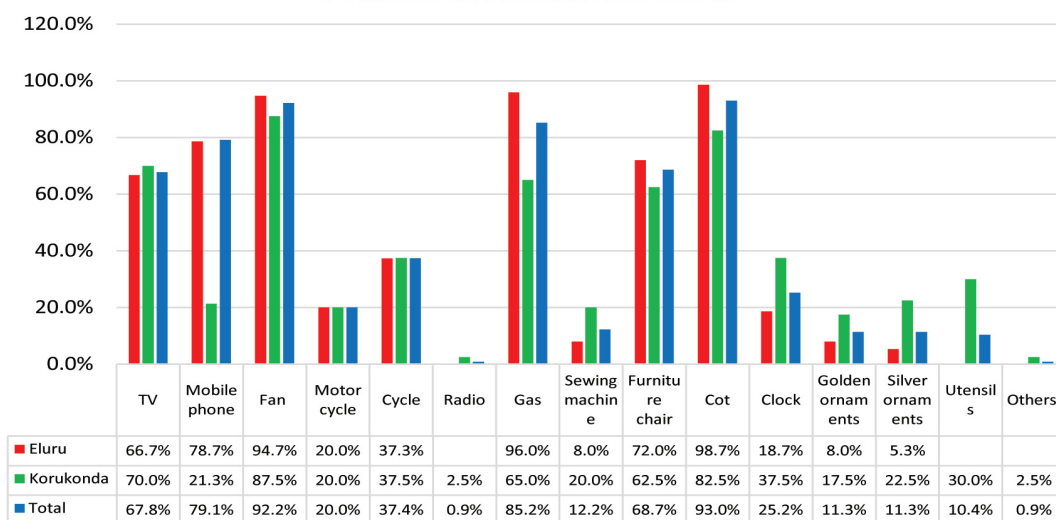
## Source of Money for Household-Level Health Expenses

**Table 2.52: Source of Money for the Expenses on Hospital, Doctor and Nurse in the Last One Year**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
From savings	17		19	36
Loan from neighbours	8	9	2	19
Sold household articles				
Cash available in the house	6	10		16
Moneylender			1	1
Others	1	2	2	5
Total	32	21	24	77

45 per cent of the beneficiaries are using their savings on health expenses. This pattern is also differing based on the savings products and services made available by the programme. Nearly 26 per cent of the beneficiaries are also borrowing from neighbours which may be on high interest rates. The propensity for savings and rotating the savings money within the group for needy purposes like health can reduce the financial burden on the extreme poor. This analysis reveals the importance of savings as the first line of family expense source.

**Figure 2.28: Details of Household Durables and Articles Present at Household Level**



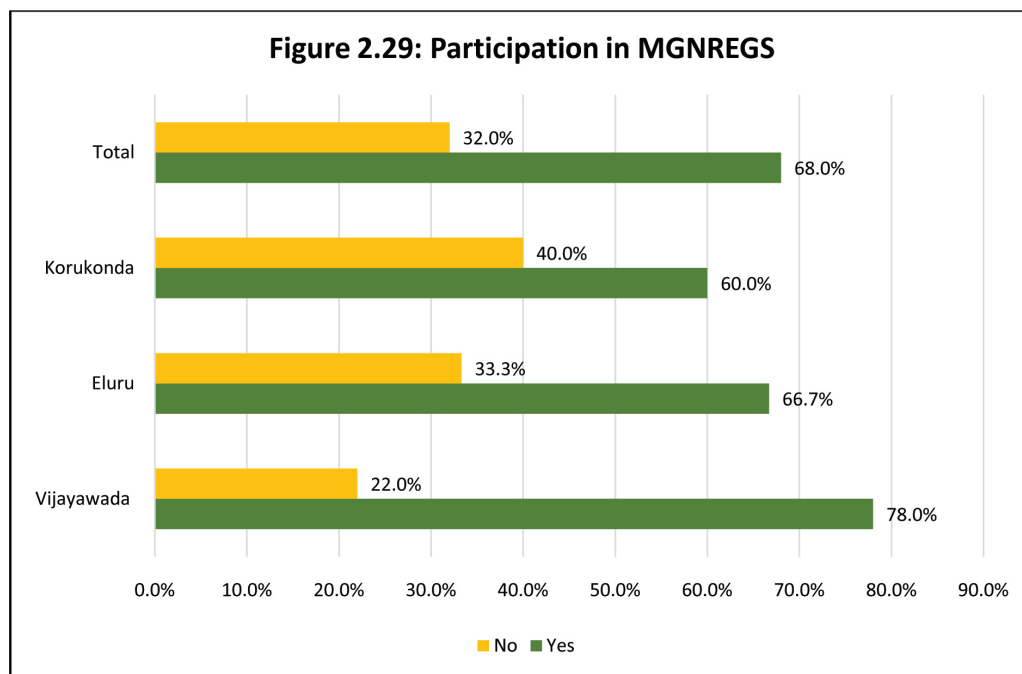
The idea of finding out the household articles and durables available or acquired by the beneficiaries was to check whether they could invest any surplus generated out of livelihood assets in the period of nine months or more. (The beneficiary sample consists of those who have taken asset for nine months before or more). The question also pertains to the articles they were already having at the time of targeting them under the GM programme.

It was interesting to note that only 32 per cent of the beneficiaries had TV sets at their homes. The fact may be that WVI has targeted the lowest rung of the poor in the village and for them, TV is still a luxury.

Similarly, mobile phone density is also only 20 per cent when the average rural mobile density is anywhere 80 per cent. It denotes that 80 per cent of the poorest of the poor in the village cannot even afford a mobile phone. Similarly, 10 per cent of the beneficiaries even do not own electrical fan in the area which is one of the hottest places in the country with high humidity. Interestingly, there is fuel security (cooking gas) for a good percentage of beneficiary households (85 per cent). The reason may be the subsidised gas cylinder provided by the government to such category of the rural families. Eighty-six per cent of the beneficiary households are reported to have no wall clock. This is also indicating the subsistence level of living of the beneficiaries.

WVI programme managers have to further analyse whether the less possession of household articles is due to the fallout of incremental income through the livelihood assets supported by WVI or due to a section of beneficiaries facing difficulty to afford basic utilities despite the programme being implemented for more than nine months.

## 2.L: Provision of Employment through MGNREGS



Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a very good resource for the poor landless labour as it provides them jobs in the lean days when other wage employment is slack. Landless daily wage earners get more than 100 days of wage on an average and this supplements the annual income to the extent of 30 per cent. Since the beneficiaries are already getting employment through the livelihoods support provided by WVI under GM programme, 32 per cent have not participated in the NREGS. But the livelihoods support under GM programme is no substitute for government-sponsored resource support like NREGS to the poor. Reasons for non-participation may also be old age, bad health and complete engagement in livelihood assets management. GM programme managers should fully make a case-by-case analysis for the reasons for non-participation and chalk out the strategy to leverage this potential resource for the poor provided by the government possible.

One of the Graduation Indicators is more than one source of livelihoods other than wage labour. The programme managers should shortlist the beneficiaries who have not received the NREGS job card so far and facilitate their access to them. When the livelihood assets grow to a substantial extent calling for full-time gainful employment exclusively through it, then only NREGS or other sponsored programmes can be done away with.

**Table 2.53: No. of days the Members of Beneficiary Households  
Participated in NREGS**

<b>No. of respondents</b>	<b>Vijayawada</b>	<b>Eluru</b>	<b>Korukonda</b>	<b>Total</b>
<10 days	1			1
10 to 30 days	3	7	5	15
30 days to 60 days	7	4	4	15
60 – 90 days	7		1	8
>90 – 120 days	6	32	3	41
120-150 days				
None of the days				
<b>Total</b>	<b>24</b>	<b>43</b>	<b>13</b>	<b>80</b>

A probe was made to find out the average number of days of wage labour available under NREGS annually and 51 per cent of the beneficiaries informed that they were getting 90 to 120 days of labour.

Indicator as NREGS is selected to understand the number of poor who migrated to cities under stress for work. If they can integrate their livelihood activity with the MGNREGS wage labour, the consequential transition could make an impact.

The programme managers should see to it that all the eligible beneficiaries are possessing job cards under NREGS.

**Table 2.54: Distribution of Respondents Based on Average Wage Labour  
Payment Received in This Year (from March 1<sup>st</sup> onwards)**

<b>No. of respondents</b>	<b>Vijayawada</b>	<b>Eluru</b>	<b>Korukonda</b>	<b>Total</b>
<Rs.500	-	2	-	2
Rs.500 – Rs.1000	5	3	2	10
Rs.1000 – Rs.2000	8	2	6	16
Rs.2000-3000	6	4	-	10
>Rs.3000	16	18	11	45
No payment received		-	-	-
<b>Total</b>	<b>35</b>	<b>29</b>	<b>19</b>	<b>83</b>

It is reported that on an average 54 per cent of the beneficiaries have earned more than Rs.3000 per year.

Under NREGS, this is a critical indicator because not only possession of a job card but getting full potential job days per year is also a key to increase household income. NREGS supplements and complements the livelihoods support extended by WVI. The reasons for low accessibility of NREGS need to be noted and a strong monitoring system to track the accessibility of beneficiaries to NREGS can help the graduation process directly.

**Table 2.55: Beneficiaries' Opinion about MGNREGS**

<b>No. of respondents</b>	<b>Vijayawada</b>	<b>Eluru</b>	<b>Korukonda</b>	<b>Total</b>
Yes	35	58	27	120
No	0	7	1	8
Can't say				
<b>Total</b>	<b>35</b>	<b>65</b>	<b>28</b>	<b>128</b>

As NREGS job card is a proven livelihood source for the GM beneficiaries, their response was recorded to know whether they find NREGS beneficial. Ninety-three per cent of the beneficiaries responded positively. It is time and again emphasised that leveraging State-sponsored programme for the beneficiaries can only accelerate their graduation process. NREGS job card is one of the key indicators signifying strong convergence with the State-sponsored programmes. India is a pro-active welfare State with huge funds earmarked for the poor. But awareness about such programmes and strategies to leverage them should be created in the minds of the poor so that they are empowered to get them consistently.

The programme managers of WVI GM programme have to strategically design the training programmes, weekly meetings and household visits to ensure that each beneficiary is a job card holder.

**Table 2.56: Reasons for Which They Find MGNREGS Beneficial**

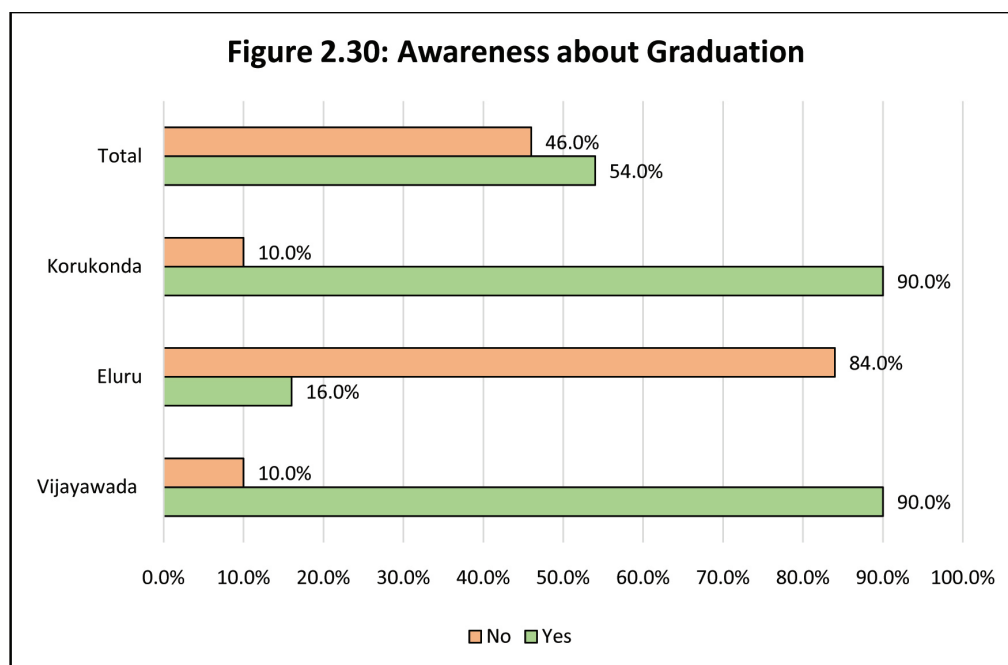
No. of respondents	Vijayawada	Eluru	Korukonda	Total
Best alternative when there is no other job opportunity	11	56	23	90
More income as more no. of household members can work	4	1		5
Labour burden is less	20	4	5	29
Work is close to home		5	1	6
Local infrastructure facilities improve			1	1
Not much worry in NREGS			3	3
Can't say		6	2	8
Any other		1		1
Total	35	73	35	143

An interesting query was made to check the reasons for finding NREGS a beneficial and useful programme. This question is strongly correlated to the GM programme as it helps evolve strategies to make the programme supplement and complement the NREGS. Sixty-two per cent of the beneficiaries feel that it is the best safety net programme for income generation during the jobless days. Twenty per cent of the beneficiaries were also of the opinion that the work burden and working hours are less. It can be concluded that the GM programme is not a standalone livelihood support programme but works in correlation with the ongoing government-sponsored programmes and such convergence with the ongoing schemes can only hasten the graduation process. It is, therefore, the responsibility of the programme managers to train and guide all the beneficiaries to access NREGS and help them gain double bottom line livelihood opportunities.

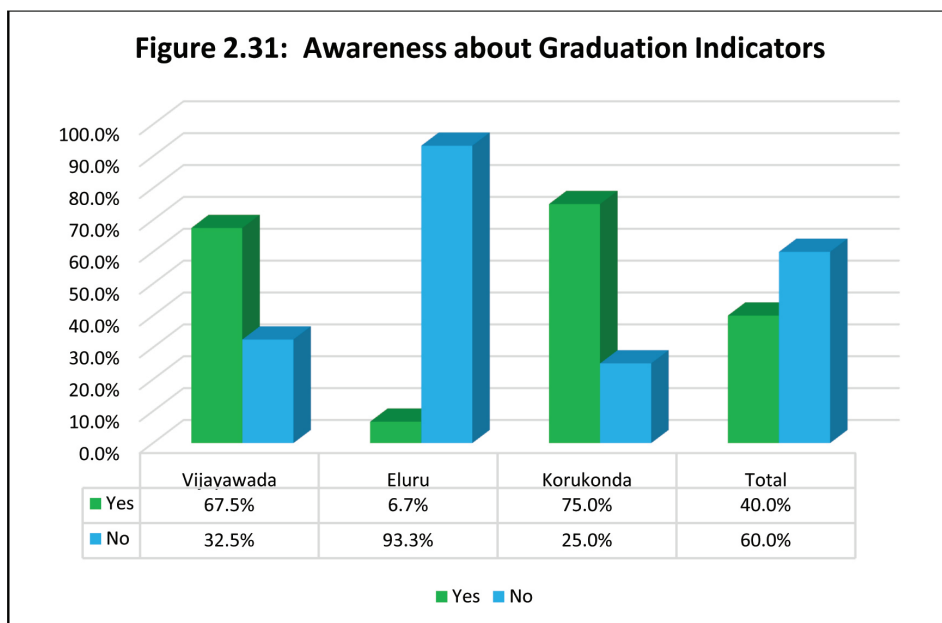
## **2.M: Graduation Indicators**

Graduation Indicators are milestones set up before the asset transfer and all the beneficiaries must be oriented about the mission objectives of WVI GM programme and the expectations of WVI from beneficiaries. The fact that 46 per cent of beneficiaries have little idea of the Graduation Indicators throws poor light on the programme implementation. It may be noted that GM programme is not yet another poverty alleviation programme in a traditional template. It denotes targeting and working with the poorest in an intensive hand-holding approach, making them graduate from extreme poverty to normal poverty so that they can further build livelihood assets base to be entrepreneurs. Based on Graduation Indicators, beneficiaries

are divided into two categories, viz. graduates and non-graduates within a time frame of 24 months. The basic Graduation Indicators, as spelt out in the programme document, are food safety, livelihood assets and savings, besides awareness about government safety net programmes, health and sanitation. WVI needs to make a serious review of the implementation of GM programme, bringing in the vital focus on the shared critical vision of the programme.



An interesting question was raised before the beneficiaries to assess whether they can spell out Graduation Indicators on their own. Only 40 per cent of the beneficiaries could memorise or explain the Graduation Indicators. Graduation Indicators are the specific time-bound milestones to be crossed by the beneficiaries. The fact that nearly 40 per cent of the beneficiaries were unaware of the specific Graduation Indicators like food safety for at least one month, cumulative savings of at least Rs.1000 and the livelihood assets value getting doubled in 24 months indicates that they require more training in this context. This is in addition to the health and social awareness indicators to be achieved. The GM programme should not remain a livelihood asset distribution programme with a different title of graduation of the extreme poor. Graduation means a sustainable irreversible transformation into better livelihoods buoyed with awareness and self-confidence. This is a serious deficiency in the programme implementation revealed by the study and WVI programme managers have to review the implementation strategy and make it an inclusive graduation model. Otherwise, it becomes yet another grant-driven programme with a different title to it.



**Table 2.57: Awareness about Graduation Day**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	0 0 per cent	0 .0 per cent	3 7.5 per cent	3 2.6 per cent
No	40 100 per cent	75 100.0 per cent	37 92.5 per cent	152 97.3 per cent
Total	40	75 100.0 per cent	40 100.0 per cent	155 100.0 per cent

Graduation Day is an important watershed in the entire GM programme. On Graduation Day, all the qualified beneficiaries who have achieved the required score through the graduation scorecard, gather and share their case studies and success stories. It is the most important day in the 24-month time period. The fact that 97 per cent of the beneficiaries are unaware of the graduation date due for their GM programme indicates that there is a large gap between the programme operational manual which prescribes step-by-step approach in three phases - pre-selection, graduation phase and post-graduation withdrawal phase - and the actual implementation. It seems from the data that the GM programme concentrated much on asset distribution, totally keeping the other contributing programme interventions behind.

There is a need for the programme managers to review and revamp the programme implementation strategy and adhere to the operational manual in this regard.

**Table 2.58: GM Members Who can Graduate as Felt by Beneficiaries**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
All	0	5	2	7
<5	12	15	18	45
5-10	2	8	4	14
10-15	7			7
>15	4	4	1	9
Total	25	32	25	82

A probe was made by asking a direct question to the respondent beneficiaries to check how many of them may graduate as per graduation criterion. 55 per cent of the beneficiaries were feeling that only less than five of them would graduate. The question has much to do with the self-confidence of the beneficiaries as they pass through the graduation phase. If they exude confidence that they could graduate, 50 per cent of the programme objective is achieved. There is a critical perception gap in the programme implementation with regard to the programme objectives. There is a need to overhaul the entire implementation strategy and make all stakeholders understand the spirit of graduation and how it differs from the traditional benefit-ridden programmes.

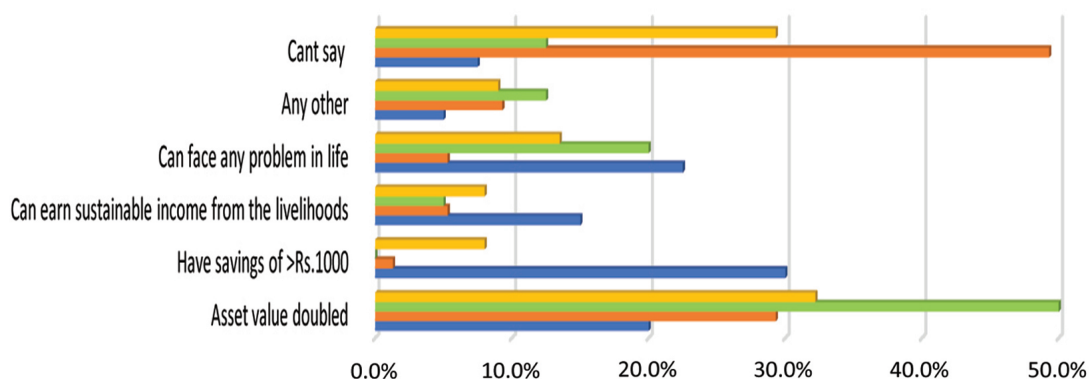
**Table 2.59: Members in Their Village Who are Already Graduated**

No. of respondents	Vijayawada	Eluru	Korukonda	Total
Yes	2	5	4	11
	5 per cent	6.7 per cent	10.0 per cent	7 per cent
No	38	70	36	144
	95 per cent	93.3 per cent	90.0 per cent	93 per cent
Total	40	75	40	155
	100 per cent	100.0 per cent	100.0 per cent	100.0 per cent

The present evaluation study is being carried out with purposive sampling of beneficiaries who have been involved in the GM programme process for at least nine months. The average time span of the beneficiaries in the programme is above 18 months. After 18 months, only 7 per cent of the beneficiaries could express that they would graduate. Ninety-three per cent of the beneficiaries had no positive responses. It clearly denotes that the current GM programme implemented by WVI has to undergo a total review based on the findings of the study and a new strategy has to be evolved based on the experience in the implementation so far.

## 2.N: Vision of the Beneficiaries

**Figure 2.32: Beneficiaries' Vision of How They would be in Two Years**



	Asset value doubled	Have savings of >Rs.1000	Can earn sustainable income from the livelihoods	Can face any problem in life	Any other	Cant say
Total	32.2%	8.0%	8.0%	13.5%	9.0%	29.3%
Korukonda	50.0%	0.0%	5.0%	20.0%	12.5%	12.5%
Eluru	29.3%	1.3%	5.3%	5.3%	9.3%	49.3%
Vijayawada	20.0%	30.0%	15.0%	22.5%	5.0%	7.5%

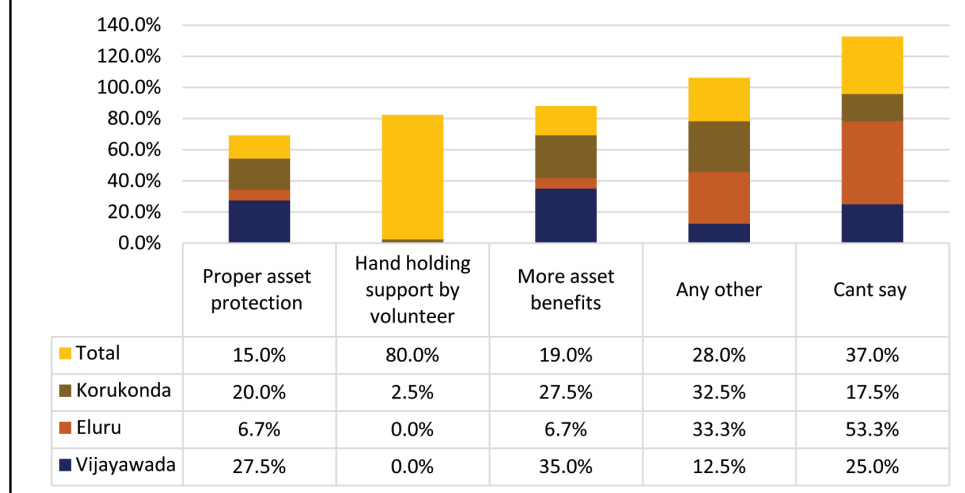
The above table is structured to elicit the information about the vision of the beneficiaries after two years. The set of probable answers were carefully shortlisted after a wide range of discussions with the beneficiaries individually and in focus group discussions.

It should be noted that nearly 30 per cent of the beneficiaries are not clear about their vision after two years. It is important to know where they stand in terms of their quality life indicators after two years. It is easier to travel when the path we are treading is clear and where it takes us is known beforehand. GM programme managers should take a critical look at the outcome of this study and impart it in the induction and refresher training programmes, and vision setting as a critical learning point.

Majority of the rest of beneficiaries felt that their vision is to see the value of livelihood assets doubled in two years of graduation phase. Rest of the vision setting points like more than Rs.1000 cumulative savings, sustainable livelihoods and confidence to face life eventualities are all insignificantly responded.

Vision setting is a programme strategy and acts as a trigger in pursuit of programme objectives. It is also important that the beneficiaries revisit the vision frequently so that the road ahead is not unclear to them.

**Figure 2.33: Strategies to Realise Their Vision as Felt by the Beneficiaries**



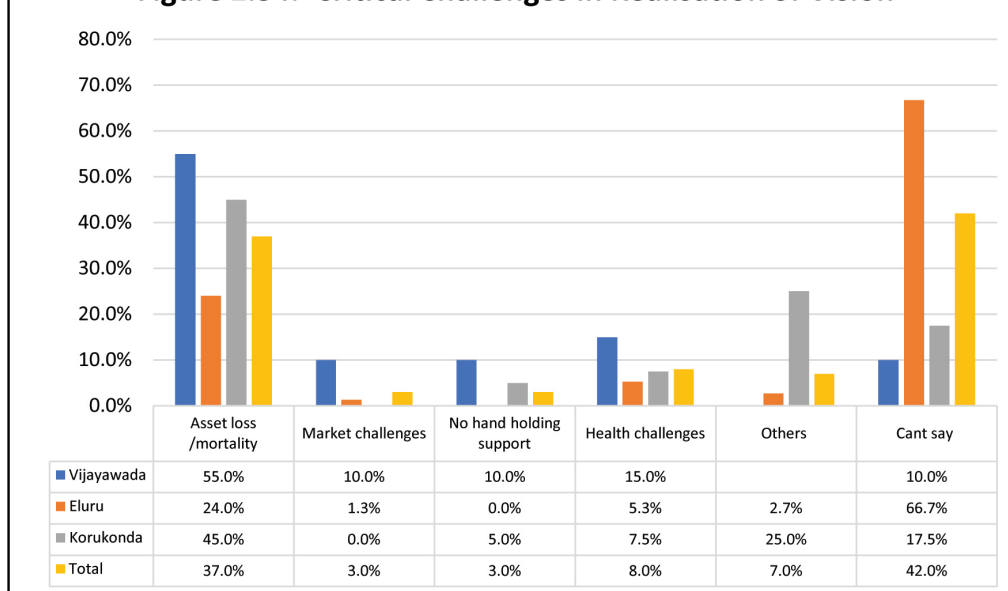
As part of the study on the efficacy of vision setting and realisation in the programme, a question was raised as to how the beneficiaries realise their vision in the graduation phase of two years. The strategy part of the realisation of vision is disaggregated into pertinent points, after a wide range of consultations with the beneficiaries and programme managers.

Thirty-seven per cent of the beneficiaries seem to be not clear how they visualise their vision in two years of graduation phase. Only 15 per cent of the beneficiaries responded that proper asset protection and development may take them closer to their vision. Interestingly, 19 per cent of the beneficiaries asked for more benefits from the programme in the form of livelihood assets to visualise their dreams. This response may be from the beneficiaries who might have unfortunately lost the assets like goats due to mortality. It is to be noted that a negligible portion of beneficiaries has sought hand-holding support of the volunteers. It is to be inferred that unless volunteers rise to the occasion and deliver, their services may not be found critical with the beneficiaries.

It is to be noted by the GM programme managers that not only vision setting for each beneficiary but also the strategies to realise the vision need to be reinforced in the minds of the beneficiaries through training programmes and also through weekly group meetings.

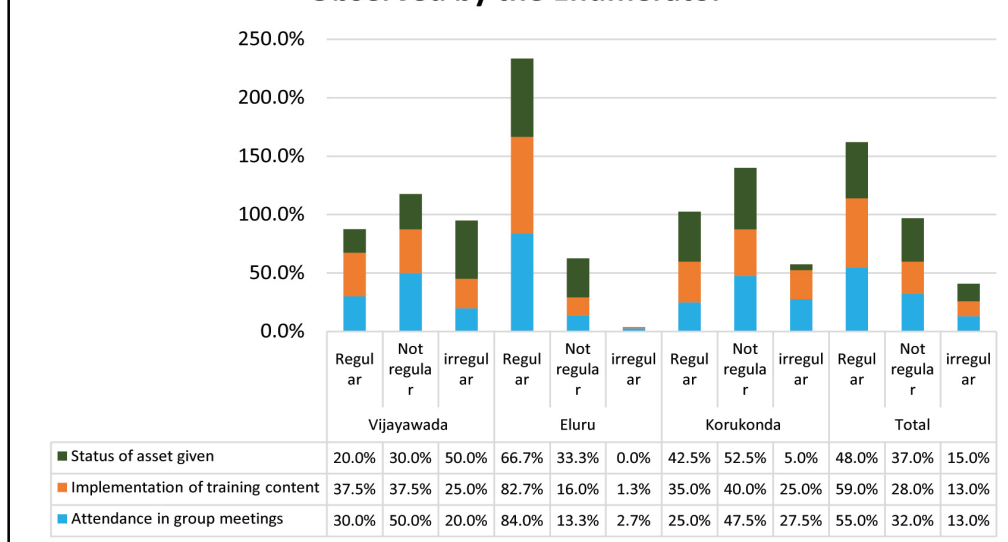
The beneficiaries were asked about the most critical challenge in realising the vision of graduation. Thirty-seven per cent of them felt that the loss of asset is the most critical challenge. This is very true that in the case of extreme poor, not only the transfer of asset but its protection and insurance are equally important. During the consultations with the programme managers, volunteers and also the beneficiaries, it was found that the livelihood assets are

**Figure 2.34: Critical Challenges in Realisation of Vision**



not well backed up by asset protection like insurance and healthcare, especially in the case of livestock like goats. Majority of the beneficiaries (42 per cent) could not articulate the challenges they are facing in achieving the goal of graduation. There is a need for strong capacity building inputs and timely handholding support, which are equally crucial for visualising the vision of graduation from extreme poverty.

**Figure 2.35: Beneficiaries' Present Performance as Observed by the Enumerator**

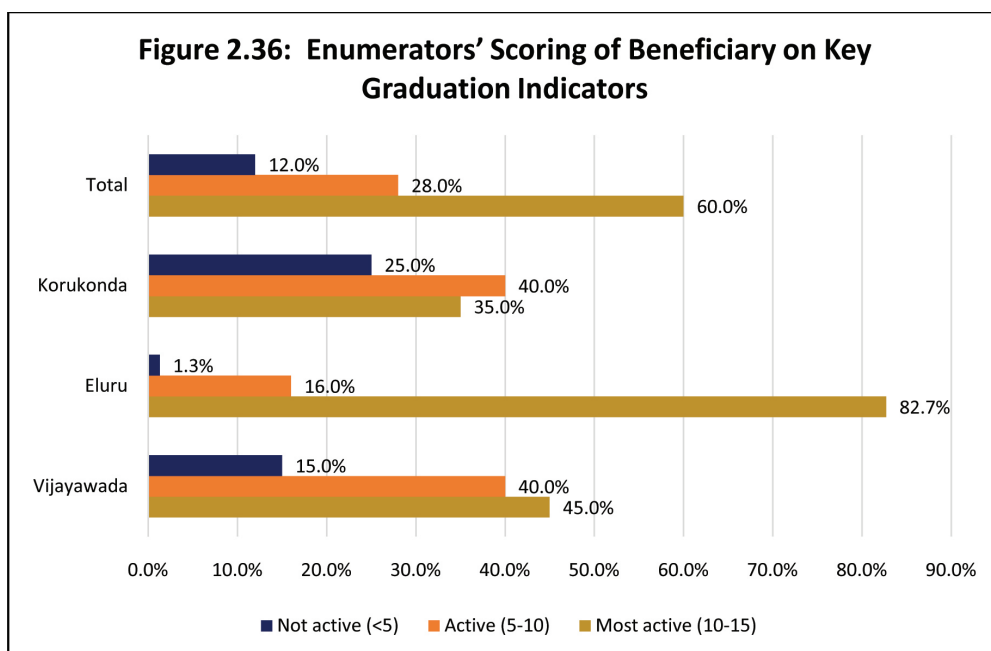


In this schedule, the enumerators were assigned the task of finding out the status of the beneficiary with regard to their regularity in group meetings, the way they have translated training content into action and the present status of their livelihood asset. The responses were recorded in three categories - regular, not irregular and irregular - in each of the ADPs separately and the data were summarised. There is a 55 per cent positive response to the regularity in group meetings. But, the rest of the beneficiaries (45 per cent) are either not regular or irregular. Group meetings are launch pads for the graduation of the extreme poor. WVI project managers should take note of the analysis that still 45 per cent of the beneficiaries are not keen to attend the weekly meetings or even if they are keen, meetings are not being held regularly by the volunteers. It is imperative that the mere transfer of livelihood asset cannot achieve the impact unless it is coupled with seamless capacity building programmes that build confidence in the beneficiaries and hone life skills to graduate.

Even in the case of training content used in the training programmes being translated into field level implementation, there is an overwhelming gap of 41 per cent with not regular and irregular categories put together.

Graduation programme is a holistic approach to sequence livelihood assets transfer with the capacity building so that the beneficiaries irreversibly move on to the next ladder of livelihoods pursuits. This is not possible with training and overseeing whether what has been learnt in the training programmes is translated into real-time activity. If this is not happening, the graduation programme remains a livelihood assets distribution programme coming out in a different nomenclature – the GM programme. There should be a field-level mechanism to verify the training content taught in the training programmes is getting translated into field-level action. If not, the programme managers should review and revise the training content and also find out the reasons as to what holds the beneficiaries from implementing what has been taught in the training programme.

Even in the case of livelihood assets status, 52 per cent of the beneficiaries are categorised into not regular or irregular. The outcome reveals that the livelihood asset performance is not coming up to the expectations of the WVI GM programme. Poor livelihood assets performance may be due to loss of asset, lack of asset care, lack of asset protection through insurance or lack of required skills on the part of beneficiaries. The graduation indicator with regards to asset performance is clearly laid down as the value is getting doubled in 24 months of graduation phase. When 52 per cent of the beneficiaries fall under the category of not regular or irregular in asset performance, there is a need to relook at the entire strategy and programme design.



The enumerators were assigned with the task of dividing the respondent beneficiaries into three categories, viz. most active, who score 10 to 15 points; active who score 5 to 10 points and not active who score less than 5 points. This is an observational enumeration, and the enumerator based on the activeness of the respondent beneficiary throughout the enumeration can categorise the beneficiaries into three categories. It is found out that 60 per cent of the beneficiaries fall under the category of most active. It is a good sign and it may be inferred that the beneficiaries are economically active but poor and such beneficiaries would respond to training and handholding support in an exceedingly positive way. Around 28 per cent of beneficiaries are active but not most active. Such beneficiaries may be hindered by family or health problems and a specific study of the status of the family would help deliver a contextualised support. Those who are totally inactive (around 12 per cent) are slow climbers, who despite receiving all support may not graduate. In such cases, GM programme managers have devised a separate strategy at the intersection point of the first and second year of the implementation programme so that the energy of the volunteers may be focused more on active categories.

### Fast, Medium and Slow Climbers

Based on the factors contributing to graduation, as observed by the enumerators and the data elicited as mentioned in the above table, it is clear that all the beneficiaries are not uniform in the pace at which they graduate. Based on enumerators' observations and empirical evidence the beneficiaries were categorised into three types, viz. fast, medium and slow

movers who occupied 60, 28 and 12 per cent, respectively, of the total beneficiaries. Capacity building modules have to be customised to suit the three categories.

Focus group discussions revealed the fact that fast movers tend to attend the training Programmes regularly and implement the learnings on-field promptly. The other character of such fast movers is they were regular in their group meetings. The third trait is that their livelihood assets performance is good.

WVI has to contextualise their training content differentiating such fast movers from others. They should also endeavour to see that more such fast movers are developed with group meetings and intense training.

**Table 2.60: Return on Investment (RoI) for Various Livelihoods**

Return on Investment (RoI)								
S.No.	Livelihood activity	Unit cost	Gestation period	Gross income	Expenditure	Own labour costs	Net income	RoI
1.	Goat rearing	18,000	2 years	37,000	45000	10,000	12,000	3.5 per cent
	Assumptions	Goats give 20 offspring in two years if 100 per cent zero mortality maintained						
		Each offspring costs Rs.3000						
		Expenditure per goat ling is Rs. 1200 in two years						
		Capital gains are not included in RoI						
2	Non-farm sector activity							
A	Kirana store	18,000	2 years	2,52,000	2,11,600	10,000	40,400	15 per cent
		Daily business turnover Rs.350						
		Gross Profit		20 per cent				
		Capital gains are not included in RoI						
B	Cloth Business	18,000	2 years	3,60,000	2,70,000	10,000	80,000	20 per cent
		Daily business turnover Rs.500						
		Gross profit		25 per cent				
		Capital gains are not included in RoI						

As analysed in the above table factoring the RoI with reference to the livelihoods basket of activities, it is very clear that livestock-based livelihoods support interventions cannot deliver expected results. It is observed that out of 62 beneficiaries (43 per cent of total beneficiaries) who have opted for livestock-based livelihood primarily with goat rearing, around 52 faced 50-75 per cent mortality. Only 10 beneficiaries made gains with zero per cent mortality and stood among the fast climbers primarily. However, on an average, the RoI of goat-based livelihood worked out to 3.5 per cent. The reasons for mortality of goats were the lack of technical skills in scientific goat farming and also goats being the easiest option, the beneficiaries tend to select it as activity without looking backward and forward linkages properly. The other important reason for low or negative RoI on goats is that the GM programme has not factored in micro infrastructure facilities like goat house, veterinary expenditure and subsistence allowance to the beneficiary till the cash flows are generated from the enterprise. This has a telling effect on the activity itself and the beneficiaries tend to sell away the goats to meet the immediate subsistence needs or the goat mortality would be high due to lack of proper care.

The RoI of the two major non-farm activities, i.e. Kirana store and clothes business is 15 and 20 per cent, respectively, which is a reflection of the fact that even the ultra-poor with no access to resources and knowledge levels can climb the ladder if the right type of support systems are given to them.

\* \* \*

## **Chapter III**

### **Focus Group Discussions and Case Studies**

#### **3.A Focus Group Discussion I**

##### **Village: Velgaleru, Ibrahimpatnam WVI, Area Development Programme**

Velgaleru is a sleepy village in a remote corner of Ibrahimpatnam mandal of Krishna district. World Vision has been carrying out its child-centric development activities in the village for the past 15 years. The ADP has targeted Velgaleru village for its graduation model programme. The reason for selection of this village is the defining presence of WVI in the village for the past 15 years.

##### **How Beneficiaries were Selected for the Graduation Model Programme?**

When this question was asked, the beneficiaries explained how the selection process was carried out. There was participatory poverty assessment involving the whole village and the villagers identified the poorest amongst them. The draft list of such selected beneficiaries was put to further scrutiny through the household visit carried out by the Community Development Facilitator (CDF) and her colleagues in WVI. The asset transfer has happened 18 months back and the group members are poised to graduate in 24 months.

In total, 10 women beneficiaries were selected. When asked about the selection of women, the response from the staff and the beneficiaries were simple: the women were destitute and no other men facing such intensity of poverty could be identified during the participatory poverty appraisal at the village level.

##### **About Livelihood Support Interventions**

Interestingly, out of 10 women beneficiaries targeted under the Graduation Model Programme, nine chose non-farm sector activities as their preferred livelihoods and only one beneficiary opted for goats. The reason for the diversification of livelihoods from goats to non-farm sector rural activities is found out to be high mortality of goats experienced initially by the ADP. The beneficiaries were young and economically active though poor and this was another reason. They found to have capacities to run non-farm enterprises. The livelihood baskets of nine other beneficiaries comprised petty trade, small shops, pushcart, tailoring, sale of vegetables, fish business, sari business, hiring of masonry tools, and tea and snack shops.

When beneficiaries were questioned about their acceptance of different beneficiaries getting different amounts of support based on their livelihood activity selection, they informed

that the budget is not the only criteria for a livelihood activity, but factors like technical feasibility, economic viability and market also play a role in the selection of the enterprise.

### **About Group Meetings:**

The targeted 10 members were mobilised into an ultra-poor group and they were motivated to meet regularly once in a week. This seems to have worked well as the members were expressing that they have high regard for the group as it supports them in the difficult times.

### **About Bank:**

They have opened a bank account in the name of the group in the local branch of United Bank of India.

### **About Team:**

The programme is facilitated by Ms. Monika, Volunteer, Mr. Dat, who is a Community Development Functionary and Ms. Esther who is a Sr. Community Development Functionary.

While the village volunteer facilitates the group meeting by helping them write the family book and livelihood asset verification, the CDF and the Sr. CDF overview the progress in implementation of the programme.

### **About Savings**

The members are saving Rs.25 per week and the money is being deposited in UBI. There is now outstanding savings of Rs. 700 in the account after lending the savings corpus to some of the needy members. One member, Ms. Nagmuni, borrowed Rs. 3700 from the savings corpus as she needed money after the demise of her husband. The group is not charging any interest on such borrowings.

### **About Food Security through Rice Bank**

The members are saving a fistful of rice while cooking at home and the saved rice is pooled in rice bin maintained by the group. The members can borrow rice during the needy time and can repay the same in the shape of rice only. For the question whether any member has borrowed rice and reasons for such borrowings, the members replied that one of the members, Ms. Bujji, has borrowed 4 kg of rice when there was need due to visit of guests. Otherwise, she seemed to have borrowed it from the local shop at a higher price or for interest.

For the question, whether the beneficiaries agree for different varieties and qualities of rice being saved by different beneficiaries, they have replied assertively that variety of rice is not a factor for rice bank and the beneficiaries can save whatever they are cooking. The

beneficiaries are very much assertive that the 'Rice Bank' is building confidence in them on their food security front.

### **About Support from WVI**

World Vision has extended support up to Rs.18000 to each of the beneficiaries for livelihood assets. But the support money was found to be not uniform and the staff informed that they have arrived at the amount of assistance based on livelihood investments and capacity of the beneficiary. But when the response of beneficiaries was sought, they wanted the amount of support to be uniform @ Rs. 18,000 per beneficiary.

### **Outcomes of the Intervention**

As it is evident, there is a perceptible change in their quality of life. They could meet the immediate needs of the households. For instance, one member, Ms. Madhavi, who is running petty trade business, could get her daughter married out of the earnings, which could have been otherwise, by borrowing from local moneylenders at heavy interest rates. This could have, in turn, taken the household to the abyss of poverty cycles. Another member, Ms. Bujji, could construct a new house with the earnings from her shop, which was financed under this programme.

Another member, Ms. Manohari, could stave off a new crisis when her husband became paralysed. She has leased out her business to her brother who is paying her monthly return from the business.

All the members were unanimous in expressing that the group boosted their confidence.

### **Return on Investment**

The most critical Graduation Indicators set by WVI GM Programme is doubling of asset value in 24 months of graduation phase. It entails almost RoI of 50 per cent per annum. It is observed through this FGD that the beneficiaries could achieve more than 50 per cent RoI when their enterprise was non-farm sector-based like petty trade or cloth business, etc. In the case of goats as livelihood asset, the RoI analysis gave mixed results. Whenever the goats were taken care and proper animal management was in place, the RoI was above 50 per cent with each goat giving birth to two kids once in every six months. But when the mortality rate of goats was high, the RoI even turned to be negative.

### **How do the Local Villagers React to Their Transformation?**

When this question was posed, the members very confidently said that their self-esteem amongst peers has gone high and now they need not hang their heads. They are able to save, deposit in the bank account and sustain their livelihoods.

## **How about Graduation Indicators and are they Meeting The Indicators?**

For this question, the members were not able to give specific answers but the CDF informed that they have started canvassing the graduation scorecard and measuring the indicators. The group is confident that all of them will be through by the end of 24 months.

## **Vision Setting**

When the beneficiaries were asked about their vision after the two-year period, they have positively responded that they wanted to expand their enterprise, diversify it to mitigate risks and wanted to send their children for higher studies.

## **How the GM Programme can be Implemented in a Better Way?**

For the question on how the programme can be implemented in a better way, the responses were not very clear. But the staff have asserted that both for the staff and the beneficiaries require more capacity building and skill training.

## **Pace of Graduation**

It is observed that all of the beneficiaries can be categorised as fast climbers, as their asset performance, savings, rice bank and other Graduation Indicators like awareness about health, sanitation and government programmes are good.

## **Conclusion and Recommendations**

By and large, the beneficiaries seem to be on the path of graduation to sustainable livelihoods. Their asset value has multiplied, and savings are strong. Their self-confidence level has increased, and they could withstand the family crisis. WVI staff have done their part in facilitating sustainable livelihoods for graduation. The 'Family Book', which is used for documenting all the performance indicators, is very comprehensive and there is a need to have such documentation in all the groups.

The beneficiaries are not much aware of Graduation Indicators and the graduation ceremony as planned out by World Vision at the end of 2<sup>nd</sup> year of the programme. The staff should also sensitise the local stakeholders like bankers and line functionaries of various government departments for the next phase of support when the beneficiaries graduate and move to the next ladder of the enterprise.

It is recommended that the staff develop parameters for fast, solid and slow climbers and those who can graduate early due to their intrinsic entrepreneurship as demonstrated by some members of the group. Such indicators should be developed in a participatory way by encouraging the solid and slow climbers to pick up the pace.

The team in the present case has ably guided the members in taking up non-farm sector activities, though the beneficiaries are extreme poor. In normal case, it would have been an easier option like goats, which have not proved to be very effective in providing sustainable income to the poorest.

Village Common Interest Group conceived by WVI should play a proactive role in facilitating the graduation process. There is a need to preserve PRA sheet at the time of targeting and the team should facilitate Graduation PRA demonstrating how extreme poverty has been reduced in the village both in terms of the number of poor and in qualitative terms as to how the beneficiaries could graduate to sustainable livelihoods.

In the process, they can also identify whether any new poor has been there after the two-year graduation process and if so, what could be the reasons for such a new incidence of extreme poverty.

WVI can also evolve a strategy to utilise the services of fast climbers as barefoot trainers to train the newly targeted communities. It is cost-effective and effective.

WVI should also develop repository livelihoods activities, their economics, technical and financial viability analysis and market feasibility studies so that the beneficiaries can make well-informed choices when opting for livelihoods. It is also observed that WVI staff are more inclined to single activity within the budget, but they can also broad base the livelihoods activities within the budget given to the individual beneficiary. In fact, the beneficiaries have diversified such activities within their household budget. For instance, one beneficiary, who has chosen petty shop, has slowly started lending mason equipment to local villagers so that his/her risks in the enterprise are spread to two activities.

### **Capacity Building**

There is a need for more capacity building in entrepreneurship and skill development and such training programme can be given periodically throughout the graduation period in a contextualised way through local entrepreneurs.

### **Flexible Budgets for Livelihood Support Interventions**

The staff should develop contextualised individual livelihoods financial outlay backed up by technical feasibility. There is a practice of disbursing Rs.18,000 per beneficiary uniformly which can be changed to individual budgets based on livelihood activity they have chosen.

### **3.B Focus Group Discussion II:**

#### **Village: Buchampet, Korukonda Mandal, ADP Korukonda**

Buchampet village, which is located in a remote corner of the Korukonda mandal, is an agrarian village. The Scheduled Caste colony in the village is in a corner and most of the beneficiaries in the first and second batches of GM programme are living in the colony.

#### **Number of Beneficiaries**

In the first batch, they have enrolled 23 beneficiaries and in the second batch which has commenced six months back, 44 beneficiaries were enrolled.

#### **About Targeting Quality**

The targeting quality seems to be very high and the beneficiaries targeted for the first and second batches of GM programme are well deserving. There are destitute, landless and asset-less poorest of the poor amongst the beneficiaries and the ADP has scrupulously followed the principle of 'no poorest should be left of targeting.' There is very good gender focus and the composition of female beneficiaries in the programme is well justified as the extreme poor are also coterminous with gender poverty and discrimination. Majority of the beneficiaries belong to socially backward communities of SC and OBC categories and it is in the fitness of things that the socially backward communities are targeted in the programme.

#### **Livelihoods Map of the GM Village**

In the first batch, the majority of the beneficiaries have been given goats as livelihood asset. It is reported that the mortality among goats is heavy for more than one reason. The goats were brought from a faraway place, and they could not adapt well to local climate. There was not much veterinary care available. Moreover, the field organiser, who was supposed to give intensive handholding support, had left and nobody was available to take care of the beneficiaries and conduct the meetings regularly. Despite all odds, some of the beneficiaries could make a remarkable transformation in their livelihood earnings.

Ms. Nagalaxmi, who was given four goats in two instalments, now has six goats and she has switched her livelihoods to tailoring, earning Rs.200 per day additionally.

Ms. Jyothi, who was given four goats, now has seven goats and her father is taking care of her goats while she is earning from wage labour.

Ms. Margari Abbulu, another beneficiary, could add 10 goats out of four goats originally given. Her husband is supporting her in goat rearing.

During a detailed analysis, it was found that the beneficiaries, who could take care of the goats by spending on veterinary expenses on time and sincerely taken up the livelihood activity, could succeed and add to the stock. But in the first batch, there was a loss of goat stock and the beneficiaries were left high and dry without any guidance from the volunteer.

Realising the less impact in the first batch the ADP has brought in subtle changes in their strategies.

The most important shift in the second batch of 44 beneficiaries is considerably reducing goat-based livelihoods and switching over to non-farm sector-based livelihoods. Two beneficiaries got sewing machines, three started small-scale business, three opened hotels, one started candle making unit, while one each launched bangle business and sari business. There is also one beneficiary who has taken up broomsticks business and made a successful living out of it.

The newly appointed Mr. David has taken the responsibility of nurturing the GM group right from the beginning. He could facilitate regular group meetings. There were also regular asset verifications and guidance was provided to beneficiaries with regards to asset management.

The beneficiaries in the 2<sup>nd</sup> batch looked very confident and are posed to graduate within the given time frame of two years.

There is a strong convergence of beneficiaries with the government support like widow pension, subsidised rice, NREGS job card and benefits from SHG scheme sponsored by the government. It is visible in both the first and second batches.

The two key lessons out of this village GM programme initiatives are:

Non-farm sector-based livelihoods with proper training and hand-holding support are more paying than the traditional goat rearing which has several factors required to be successful.

The second most important contributing factor is the services of field organiser who is well trained about GM programme. The seamless services by the volunteer in the village itself at the doorstep of the beneficiary can bring in desirable impact.

The village GM programme implementation testifies that

Not only an asset but regular group meetings with value-added services like savings, rice bank and livelihoods training can hasten the graduation process and success rate can go up.

Regular asset verification by the volunteer and providing much-needed hand-holding

support in asset maintenance and marketing can guide the beneficiary to successful graduation.

Mere transfer of livelihood assets without proper technical support and social networking cannot bring in much difference in the GM programme impact.

### **Return on Investment:**

The most critical Graduation Indicators set by WVI GM programme is the doubling of asset value in 24 months of graduation phase. It entails almost RoI of 50 per cent per annum. It is observed through this FGD that the beneficiaries could achieve more than 50 per cent RoI when their enterprise is non-farm sector-based like petty trade or cloth business, etc. In the case of goats as livelihood assets, the RoI analysis is giving mixed results. Whenever the goats were given proper care and proper animal management was in place, the RoI was above 50 per cent with each goat giving birth to two kids once in every six months. But when the mortality rate of goats was high, the RoI even turned negative.

## **3.C Focus Group Discussion III**

### **Village: Gundugolanu Village, Gundugolanu Mandal, ADP Eluru**

Gundugolanu, with around 300 households, is a large agrarian village. Though the village is located along the national highway, the population of the village is dependent on agriculture and 70 per cent of the household eke out a livelihood through agriculture labour, tenant farming and livestock. For Shantidhata ADP located in Eluru, Gundugolanu is an important operational village and as such, the ADP has invested in its programmes of development through communities for almost over a decade. It is natural that Gundugolanu is selected as one of the villages for GM programme implementation.

### **Number of Beneficiaries**

Ten beneficiaries in the GM group are more than 18 months old in the group and they have received asset benefit under GM programme. All the members of the group are women.

### **About Targeting Quality**

It is found during the meeting that the beneficiaries targeted in the group belonged to the category of ultra-poor. They include destitute (three members) landless (all members) and widows (two members). The targeting process seems to have been worked out with participatory poverty appraisal by selecting the beneficiaries from the wealth ranking, taking the last beneficiary in the list first.

## **About Social Networking and GM Group**

The 10 members have formed an SHG and regular meetings are facilitated by the volunteer. They are saving Rs.100 every week and also saving rice in their rice bank. One member could take rice loan as she was sick and could not work.

When their response to the savings and rice bank was sought, the seemingly enthusiastic beneficiaries replied that it was very useful and helped them achieve food security. They informed in a very positive way that they would continue the group meeting and savings even after the GM programme is over.

Their books in the group are updated and they are depositing the savings in the name of the group in a local bank with two leaders as joint signatories.

## **Livelihoods Map of the GM Village**

The focused group is the second batch of beneficiaries with 10 members. It is reported that in the first batch, most of the beneficiaries were provided livestock (goats) as livelihood activity. It is reported that there was heavy mortality in goats for more than one reason. The goats were brought from a faraway place and they could not adapt well to local climate. There was not much veterinary care available. Moreover, the field organiser who was supposed to give intensive handholding support had left and there was nobody to take care of the beneficiaries and conduct the meetings regularly. With the bitter lessons learnt with the first batch, the programme managers have taken care not to depend much on goats as livestock option and have preferred the beneficiaries who are much into non-farm sector activities. Hence, all the 10 members of the group have non-farm sector-based livelihoods like Kirana stores, small hotel, sari, rice, vegetable and fruit businesses. One of the beneficiaries is also a tailor.

The strategy of shifting the focus to non-farm sector livelihood activities seems to have paid a rich dividend. There is stabilisation in livelihood activity as spelt out by the beneficiaries in the FGD meeting.

On average, each beneficiary is earning a gross income of Rs.400-Rs.500 and a net income of more than Rs.300.

The hard-working beneficiaries have seized the opportunity provided by the World Vision and have reached the next orbit of enterprise development.

## **About the Field Organiser (Volunteer)**

Ms. Swarna, the field organiser who has taken over the responsibilities of facilitating the graduation of 10 beneficiaries in the group, has brought the turnaround. The volunteer is

regular in her job chart that includes the conduct of regular weekly meetings, mobilisation of weekly savings and practice of rice bank. She is also appeared to be regularly tracking the performance of livelihood assets of every beneficiary. Except in the area of weekly messaging about the 100 weekly micro-modules on health, financial inclusion, livelihoods and social development, the volunteer of the group appointed by World Vision seems to have done her job well.

### **About Convergence**

When enquired about how the beneficiaries have leveraged government promoted programmes and the role of the group in facilitating such convergence, the response was very positive. Every respondent in the 10-member group has accessed ration card, NREGS card, Arogyashri health insurance card and eligible members could get widow pension also. There is a strong convergence with the local SHGs and each of the members is in one or the other government promoted SHGs in the village. The SHG-bank linkage programme could get them a loan of Rs.50,000 and they are repaying Rs.1500 per month in this regard. Their response to this SHG-bank linkage scheme was very positive and they reported that even their household members were appreciating and supporting the economic activity generated out of this linkage programme.

They are also beneficiaries of micro insurance scheme called 'Chandranna Bheema' which guarantees cover up to Rs. 5 lakh against any life risk. They have to contribute Rs.1 per day for one year (Rs.365) towards this premium. They are also benefiting out of the novel micro insurance scheme in the SHG.

As they are all accessing NREGS jobs for two to three hours a day, they are able to earn Rs.165 per day from it. All the respondents reported positively about the benefit received under NREGS.

### **About the Market Linkages**

The programme interventions seem to have not contributed much to enabling strong market linkages for their products. They are struggling to sell the goods in the local village and if WVI can explore wider market avenues, it can strengthen the cash flows of the household further.

A good number of members are involved in tailoring and trading clothes. To avoid commission resellers in Vijayawada, they can explore procuring merchandise from places like Surat.

## **About Skill Development and Enterprise Building**

The members of GM programme need honing up their skills and also in enterprise development as the response was not much for the question about their skills.

## **Return on Investment**

The most critical graduation indicator set by WVI GM programme is the doubling of asset value in 24 months of graduation phase. It entails almost RoI of 50 per cent per annum. It is observed through this FGD that the beneficiaries could achieve more than 50 per cent RoI when their enterprise is non-farm sector-based like petty trade or cloth business, etc. In the case of goats as livelihood assets, the RoI analysis was giving mixed results. Whenever the goats were given proper care and proper animal management is in place, the RoI was above 50 per cent with each goat giving birth to two kids once in every six months. But when the mortality rate of goats was high as informed by the members in the FGD, the RoI had even turned negative.

## **About Graduation Indicators:**

The ADP is preparing a set of 22 Graduation Indicators to test whether the beneficiaries in the group have graduated as per the criterion. It is informed that they should get a minimum of 16 out of 22 indicators through to be eligible for graduation.

They appeared very confident and the leaders of the group informed that all of their members would graduate in the test.

## **About their Vision**

When asked about their roadmap ahead for the next three years, the beneficiaries were very assertive that they wanted to grow as entrepreneurs and widen their markets to nearby towns and villages. When specifically asked about the income target in the next three years, they were very clear that they wanted to earn Rs.1000 or more per day soon.

## **About Home Skills:**

It is learnt that all members are sending their children to schools and wanted them to study well and pursue professional degrees.

## **About the Nodal Store:**

The FGD was held on the premises of the Mandal nodal store, a collective wholesale shop owned and run by the community of WV beneficiaries. WVI is keen to promote a collective of stores owned and managed by the beneficiaries and it seems to be the exit policy of WVI. Post-exit sustainability has to be achieved through a cooperative promoted for the benefit of the 1200 beneficiaries under the ADP.

When asked about the Mandal nodal store and how they perceive it, the beneficiaries informed that it would be very beneficial if the cost of their merchandise comes down so that their profit margin goes up. They informed that the nodal store was very beneficial as they could procure goods for their stores at a low cost. But now, the store is not active and ADP field supervisor informed that they were going to make it active soon.

The key critical points to be noted out of this village GM programme initiatives are:

Mere livelihood assets cannot help in graduation and the beneficiaries have to be socially mobilised and networked to form their own group to build self-confidence and gain income and food security.

World Vision must revisit their strategy of providing livestock-based livelihood support, as there is high mortality reported in the first batch of beneficiaries who were provided with goats as a livelihood activity. In the FGD, it was very clear that the non-farm sector-based livelihoods have a clear edge over the livestock-based livelihoods. But the programme managers have argued that the kind of beneficiaries they are targeting under GM programme are the poorest of the poor and do not have market-ready skills on any livelihood activities. The goats are an easier option for them. Otherwise, they must select the better off amongst the poor as beneficiaries to avoid livestock-based beneficiaries. This is a valid argument and in the cases where there is scope only for livestock like goats, WVI should give intensive hand-holding support, training and also asset protection measures like insurance.

The volunteer (field organiser) plays a very critical role in the success of the programme and wherever there are competent volunteers, there is a good rate of graduation. It is imperative that the group meetings, value-added services, leadership and capacity building are all bundled together and delivered through the volunteer and the disconnect spells definite failure.

World Vision GM programme managers have learnt it in a hard way through the first batch and have been relentlessly trying to fine-tune the programme through livelihoods diversification, intense hand-holding and capacity building, which are well reflected in the group.

### **3.D: Case Study 1**

#### **Ms Penneti Ratnakumari, Gundugolanu Village, Eluru, Shantidhata ADP**

Ratnakumari is a young widow aged below 30 years. She was homeless and was dependent on daily wage earnings. She has two daughters and life was a formidable challenge to her with nothing to fall back except erratic wage labour.

Ratnakumari was targeted under the WVI GM programme in the village. Her selection came after the bitter lessons learnt by GM programme with the first batch of beneficiaries when the goat mortality was high. Based on this experience, GM programme focused on non-farm sector-based livelihoods and Ratnakumari, being economically active but extreme poor, chose clothing business as an activity. To spread the risk, she preferred double bottom line livelihoods and diversified into kirana shop using the second instalment after receiving Rs.18000 as the total benefit. Incidentally, one of her daughters is also a sponsor child of WVI programme.

Ratnakumari never looked back and with her hard work and the entrepreneurial abilities coupled with financial support provided by GM programme, she is now a proud owner of well-stocked kirana store. With the profits generated out of her two enterprises, she was able to buy a refrigerator for her store for the sale of milk products.

She is sending her children to school and is saving regularly to support her children's higher education. She is also an active beneficiary under DWCRA programme, borrowing Rs.50,000 under the SHG-bank linkage programme. She gets widow pension, food subsidy, health insurance and life insurance coverage under government-sponsored programmes. WVI has conceived networking of such shoppers to create a superstore to meet their merchandise needs at cheaper costs. Now, it is Ratnakumari who is leveraging this price discovery with the superstore. She is now planning to avail new house benefit under the government's housing programme for the weaker section.

No doubt she was one of the fast climbers selected by WVI for the graduation ceremony. When asked about her vision for a long-term future, she proudly replied that she can send her children to college and provide them quality education. Her story becomes a real saga of graduation, with WVI mission of reaching the last first.

When it was deeply analysed, there was also another dimension to this success, coming in the form of volunteer Ms. Swarna. GM programme had lessons learnt with the volunteers not delivering in the first stage of the programme implementation. Hence, they hired youngsters like Swarna to hand-hold the GM beneficiaries. With her devotion and sincerity, Swarna could bring a turnaround in the group members and she claimed that all the 10 members in the group are going to graduate. Right asset selection coupled with intense handholding support is the key to the success of the GM programme.

### **3.E: Case Study 2**

#### **Ms. Dasari Suvarna Gundugolanu Village, Eluru, Shantidhata ADP**

Suvarna is a 30-year-old young widow. Being a differently abled person, she is unable to do any physical labour. As such, her husband was not caring for her much and it created issues in the family. They have two children and due to severe poverty, they got their child married at a very early age.

At this point of distress in life, WVI GM programme came to Suvarna's rescue. She was targeted as extreme poor and during the livelihood appraisal, she preferred to opt for rice business as a livelihood activity. She bought rice from Eluru town in wholesale and retailed it out to the local villagers with a decent profit margin.

She was able to do this business sitting at home. There is a perceptible change in the quality of life of the family with the support provided by GM programme. She could run her business successfully and her husband has also started believing in her capacities in earning income. Now, he is supporting her micro enterprise by carrying out a door-to-door sale of rice. With the additional income, they could send their son to college.

Suvarna is active in her group and saves regularly. They are also contributing to the rice bank. She could muster a loan from local SHG and Rs.50,000 loan came in handy for her business.

Swarna, the volunteer of the group, could infuse self-confidence in her and she is the one who is friend, philosopher and guide.

The case study amply proves that economically active but extreme poor are the best bet for the investment, provided they are given intense hand-holding through a committed volunteer.

### **3.F: Case Study 3**

#### **Devarakonda Rojana, Velagaleru village, Kondapalli, Premadhara ADP**

Rojana's story is special in many ways. She is a 27-year-old differently abled person with a girl child. With distress out of extreme poverty, she was reported to have attempted suicide twice. She has studied up to 10<sup>th</sup> class in the open school system. Her husband was not cooperating with her as she was appearing to be a liability for him.

Naturally, she was qualified to be targeted under the GM programme of Premdhara. She preferred tailoring as activity and sari business along with sewing clothes. With the success of her enterprise and the strength provided through counselling by the volunteer and social networking through weekly meetings, she could climb the ladder of graduation very quickly.

Now, she is able to generate sufficient income from her new enterprise so that she is buying gold as an endowment for her daughter's college education in the next five years. Her husband started believing in her entrepreneurial abilities and is now going around the villages selling the saris and other garments made by her.

She was able to leverage the monthly pension provided by the government for differently abled persons.

She is also a regular member of the local SHG and is getting a loan from the group for her investments in the enterprise.

With the buoyed mental and moral strength, she is now appearing for a nursing course with the support provided by WVI and with the cooperation of her husband.

No doubt she is one of the fast climber graduates identified based on the objective criterion for the ensuing graduation ceremony.

Her vision as expressed by her is to see her daughter college-educated and to secure enough money towards this endeavour.

The case study reveals that right targeting coupled with infusing self-confidence and social networking in desolate minds can bring in irreversible transformation in their life, home and social skills.

### **3.G: Case Study 4**

#### **Nandu Ratnakumari, 35 years, Vidyanagar, Kondapalli**

Ratnakumari is a differently abled person living with her husband. The extreme poverty conditions were compelling her to drop her girl child from intermediate education as they needed Rs.18000 for college fee annually. Her husband is a daily wage earner without any tangible asset.

The GM programme targeted her as one of the ultra-poor and helped her with provisions and a rice store as a livelihood activity.

Ratnakumari lives in a habitation having around 35 households and since she is differently abled, she is unable to go out to sell her goods.

Sitting within her house, she is now able to earn Rs.150 net profit out of her new enterprise.

Ratnakumari is qualified as a solid climber given the facts that her mobility was restricted, the habitation was very small with 35 households and option for canvassing business was limited.

Now, she is contemplating to relocate to a bigger village nearby wherein she can source wider clients for her enterprise.

The GM programme has provided the right recipe for her chronic poverty and she is able to move up in the graduation ladder, but may not be at a very fast pace.

Ratnakumari has stabilised her consumption needs and learnt lessons in her enterprise to scale up.

When asked about her vision, she was very clear about it and wanted her daughter to be best educated and towards this endeavour, she started saving money from her enterprise.

She has leveraged all the government benefits like food subsidy, bank linkage through local SHG, PHC pension and insurance.

The case study amply suggests that there may be circumstantial factors that hinder the growth of an entrepreneur beyond a certain limit. But intense hand-holding by the staff and guidance can take them to the next orbit of livelihoods pursuits. Ratnakumari can be comfortably categorised as a solid climber.

### **3.H: Case Study 5**

#### **Ms. Thadepalli Yamuna, Buchimpeta, Korukonda ADP**

Aged 36 years, Yamuna has three sons with the younger ones being twins. Her husband Rajababu is a daily wage earner and life was difficult with a family of five members who have nothing to fall back on anything except wage labour. She was targeted under GM programme as she was an asset-less and landless poor solely dependent on daily wage. Earlier, she was engaged as daily wage labour in making sweet wafers, a popular delicacy locally.

Yamuna was economically active but extreme poor as she learnt the nuances of sensing consumer needs when she was engaged in making sweet wafers.

She chose tailoring and was provided an assistance of Rs.15,000. Later, she also started selling dry fish to ensure double bottom line livelihoods activities.

Her enterprise was successful and started generating enough cash flows to keep the children in school and secure livelihoods.

Now within two years, she is able to buy another sewing machine and motorised the machine with extra investment.

She is also a member of the local SHG leveraging bank linkage programme, adding extra investment to her enterprise.

Yamuna is having health insurance, food subsidy card and other benefits provided by the government. She is confident enough and quickly moved up the ladder of graduation from extreme poverty.

When asked whether she can become a barefoot trainer for future beneficiaries, Yamuna was very affirmative and was confident that she is capable of guiding the new entrants into the GM programme.

Yamuna was economically active but extreme poor because of crushing reasons and given the opportunity, she could fire all cylinders that she could and took her family to the next orbit of the enterprise.

Yamuna's vision as expressed by her was to give the best possible education to her three children by saving money from the enterprise.

### **3 I: Case Study 6**

#### **Ms. Pallela Bhavani, Age 30 years, Dosakayala Palli, Korukonda ADP**

Bhavani is a differently abled person and her husband is a visually challenged person. They have two sons studying in government schools.

She was a natural choice in the GM programme and targeted as ultra-poor based on the extreme poverty criterion. Life was difficult for the family as the body ability of both the parents was limited to earn wage labour. In the livelihoods appraisal process, they chose tailoring and cloth business with the financial support of Rs.15000 provided by WVI.

The monthly income generated was only Rs.1500 and the new enterprise was not much supportive of the family which had already been in distress. But they could find a new opportunity by picking palm leaf cover making as a livelihood activity. The palm leaf covers can be used to cover orange fruits to protect it from pest infestation.

Their entrepreneurial sense to switch to a more promising livelihood activity has paid dividends. They could climb the graduation ladder in a slow but steady manner and now Bhavani is eligible to be graded as a graduate. Her dream is to give proper education to her sons. She is able to converse with local SHGs that are providing low-cost interest loans. She could access PHC pension, food subsidy card and other social benefits from the State. This is a typical case of flexibility provided by WVI for the beneficiary to switch from one livelihood activity to the other which is more paying in case it is warranted.

## **Chapter IV**

### **Key Recommendations and Suggestions for Better Design and Implementation of GM Programme in Future Pilots by ADP of WVI**

#### **4.A: Targeting of the Poorest**

All the ADPs should have a standard operating procedure in targeting the extreme poor. The participatory poverty appraisal being followed now should be developed into a standard framework for all ADPs.

There is a tendency to select only able-bodied poor as beneficiaries and ignore the old people and other sick people who cannot personally manage livelihood assets. In such cases, a strategy should be evolved to include them with the asset being managed by group and endowments reaching the beneficiary after expenses. This way, the spirit on non-exclusion of the most deserving stays on.

WVI has to evolve the criterion for selection of ADP that implements the GM programme based on local extreme poverty density.

#### **4.B: Capacity Building**

A clear training calendar has to be prepared for 24 months of graduation period incorporating the training programmes for the beneficiaries and field organisers.

WVI has to develop a compendium of training modules with a shelf of resource material and training tools in the local languages.

Training should be conducted in the vicinity of households and it should be very participatory adult learning by design.

The fast climbers and graduates, who have been very successful, can be empanelled as local resource persons and with intensive training, they can become barefoot trainers for further batches of GM programme.

WVI has developed 100 modules for 100 weeks of graduation phase to be delivered in every weekly meeting for 15 minutes. It should be standardised, strengthened with training aids and audio-visual materials, and the volunteers have to be intensively trained in the delivery of these messages in sync with the season, stage of growth and type of livelihoods activities.

Capacity building should not be confined to the induction programme but should be followed up with periodical refresher training programmes.

There should be a dedicated training manager in each ADP to organise, report and develop standard content with the support of experts and field staff.

Specialised training programmes on livestock and marketing of end products prepared by the beneficiaries can be imparted to field supervisors with the help of market experts.

There is a need to earmark separate resources, budget and manpower exclusively for capacity building in GM programme which can be integrated into the overall budget.

ADP has to track every month about the outcome of the training programmes and messages being delivered by volunteers during the weekly meeting and take feedback mechanism for corrective steps.

There is a need to build a cadre of barefoot veterinarians, barefoot agronomists and barefoot market supporters who are village-based and work on a paid service basis. They can be even from among the fast climbers who are nurtured as local resource persons.

#### **4.C: Livelihood Support Interventions**

A comprehensive livelihood plan should be developed for every household in consultation with the members of the household and group members, and the plan should suggest the specific livelihood activity to be taken up. The plan should discuss forward and backward linkages, value chain and market development strategies. Weak backward linkages like giving goats to a beneficiary, who has no goat house to keep them, can cause more damage than benefit.

GM programme is focusing on a linear or single line of livelihood activity within its budget framework. But it should keep the upper limit of the budget for each beneficiary and arrive at a specific financial requirement for the livelihood activity of each beneficiary separately based on livelihoods plan. It helps more contextualised livelihood activity rather than a regimental approach of uniform unit price. For example, the beneficiary who is not having goat house is given provision for such goat house but the beneficiary who is already having goat house does not get any such provision.

GM programme can also plan for multiple bottom lines of livelihoods activities like a set of poultry birds along with a unit of sheep or pushcart along with a petty shop, etc. It helps spread the risk of failure.

There is a need to discourage goat farming and other forms of livestock support interventions unless there is a firm preparatory work with regards to para-vet support services, healthcare, separate budget in livelihoods for goat house and asset protection through insurance.

Every ADP should prepare exhaustive livelihoods basket (list of livelihoods activities), their technical and economic feasibility individually and market potentiality. The list can be updated periodically and should become a resource material available all time.

There is a need for asset protection through insurance and even a specific corpus fund can be set aside in each ADP to address the cases where the loss of asset is due to reasons beyond any control.

There is a need to develop the Price Stabilisation Fund at the group level so that hedge corpus can be created to stave off any crisis in market price crash, etc. WVI can also plan to contribute matching grant for such Price Stabilisation Fund.

There is a regular sequencing of providing livelihoods support grant immediately after targeting the household. Instead, group formation should take place first and after four weekly meetings of the group, asset transfer can be taken up taking the group into full confidence about the selection of asset, watch over misutilisation and aftercare.

ADP should have robust livelihoods census updated every month detailing individual asset loss, generation and sale at the beneficiary household level. This can help in tracking the livelihood performance effectively.

There should be a system to exchange the asset which is not performing well in consultation with the group and ADP, as the non-performing livelihood assets can do more damage than good.

If livestock is the inevitable choice as livelihood activity, the livestock asset should be procured from local markets and the breed should quickly adapt to the local household conditions.

There should be a provision for a working capital stipend in deserving cases for a limited time period so that the beneficiary will not be under stress to buy medicines for cattle or working capital for the enterprise.

Whenever there is a case of an asset to be transferred to a very old person or sick person, as they are eligible ultra-poor, the group can be delegated with the responsibility of asset maintenance and activity and the income generated can be passed on to the beneficiary after deducting group expenses and charges for the activity. This will enable the poorest, who are ineligible due to physical incapacities included in the programme.

#### **4.D: Return on Investment**

The most critical graduation indicator set by WVI GM programme is that asset value should be doubled in 24 months of graduation phase. It entails almost RoI of 50 per cent per annum. It is observed through the FGDs that the beneficiaries could achieve more than 50 per cent RoI when their enterprise was non-farm sector-based like petty trade or cloth business, etc. In the case of goats as livelihood assets, the RoI analysis gave mixed results. Whenever the goats were taken proper care and animal management was in place, the RoI was above 50 per cent with each goat giving birth to two kids once in every six months. But, when the mortality rate of goats was high as informed by the members in the FGDs, the RoI even turned negative.

#### **4.E: Group Meetings**

Weekly group meetings should be made non-negotiable and invariably the job chart of duties and responsibilities of a volunteer should mention that organising weekly group meeting is his/her most important job. The compensation for a volunteer has to be linked to regular weekly meetings of the GM programme village group.

The group meeting should be structured and uniform in all the groups in the way it is conducted. It should not be for more than one hour.

There should be an opportunity for the leaders to conduct the group meeting without the support of the volunteer and it should be from second year onwards on an incremental basis so that the group leaders continue to hold meetings even after the graduation phase is over.

Bookkeeping and updating registers are to be compulsory activities in the group meeting.

If the group meetings are not held continuously for four weeks, the ADP manager should address such issue and bring it back to regularity. It helps in a higher percentage of graduation.

#### **4.F: Documentation and MIS**

The ADP should take responsibility to capture Participatory Poverty Appraisal at the time of targeting and at the time of graduation. It should keep the records in sequence with proper legend and dotting of ultra-poor households targeted and graduated and the changes brought in two-year periods.

There should be a mechanism of generating monthly MIS from each group consolidated at ADP level. The MIS should keep track of all the Graduation Indicators.

Case studies, success stories and other salient feature of the GM programme should be well documented through video, audio and documents. There should be a systematic mechanism of building compendium of case studies.

#### **4.G: Graduation Indicators**

There is a need to segregate Graduation Indicators into core and process indicators. It would be difficult to keep track of 22 indicators as is the practice and instead, they can maintain intensive monitoring on core indicators like asset performance, savings, food security and social development which need to be tracked every month and the process indicators like WASH indicators can be in quarterly or half-yearly frequency.

#### **4.H: Vision Setting and Beneficiaries' Awareness of Graduation Indicators**

It should be the responsibility of the volunteer to ensure that every beneficiary has a vision for two years and is aware of the milestone Graduation Indicators to be achieved by him/her. It helps to keep the beneficiary motivated to reach the goal.

#### **4.I: Fast – Solid and Slow Climbers**

WVI is inclined to develop a strategy to distinguish economically active but poor beneficiaries from other normal beneficiaries. There should be a very clear criterion to identify such fast climbers and they can graduate even early and need not wait for the 24-month period. However, there should be a minimum time frame for such category which can be not less than 12 months before they are considered for graduation.

Such fast climbers can be groomed as local resource persons (LRP) for future programmes.

The volunteer should keep track of the performance of fast climbers and should also inform the group about the prospects of being a fast climber.

Similarly, a different set of criteria can be evolved for solid climbers who are in mid-range and for slow climbers who are at the last rung of the ladder.

There should be a separate set of strategies in handholding to the three different categories of beneficiaries.

#### **4.J: SHG Convergence**

Majority of the beneficiaries are also members of the mainstream SHGs promoted by the respective State government. The beneficiaries should be encouraged to leverage products and services provided by SHGs, which are very vital for the progress of the beneficiaries. They include the pension scheme, bank linkage loan and insurance.

#### **4.K: About Primary Producer Collectives**

WVI is envisaging the formation of producer collectives in which they want ultra-poor beneficiaries also to join. The beneficiaries in the GM weekly meeting should be apprised of the benefits, the collectives and their roles and responsibilities so that they can be well informed future shareholders of the collective.

#### **4.L: Stakeholder Consultations**

Graduation Model Programme should not be an isolated programme being implemented by WVI but a wide range of stakeholders like bankers, government line functionaries and community leaders are involved in the consultation process so that there is much appreciation from a wide range of stakeholders.

#### **4.M: Volunteer and Organogram of the Support Staff**

The service of the volunteer should be available for every group and beneficiary. A clear job chart for volunteer needs to be developed and monthly calendar of visits of the volunteer should be available with the ADP manager for cross-checking and conducting surprise visits.

The attrition rate of the volunteer should be minimum and as far as possible, the volunteer should be from the local village. The ADP should utilise the services of the volunteer with undivided attention and without disturbing his/her work towards several tasks of ADP.

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## Abbreviations

ADP	Area Development Programme
A.P.	Andhra Pradesh
BDI	BRAC Development Institute
BRAC	Bangladesh Rural Advancement Centre
CAS	Centre for Agrarian Studies
CDF	Community Development Functionary
CGAP	Consultative Group to Assist the Poor
FGD	Focus Group Discussion
GM	Graduation Model
HH	Household
MDG	Millennium Development Goals
MFI	Micro Finance Institute
NIRDPR	National Institute of Rural Development and Panchayati Raj
NREGS	National Rural Employment Guarantee Scheme
OBC	Other Backward Communities
PPA	Participatory Poverty Assessment
RoI	Return on Investment
SC	Scheduled Castes
SHG	Self-Help Group
ST	Scheduled Tribes
VCIG	Village Common Interest Group
WVI	World Vision India

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