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## THE ULTRA POOR PROGRAM: AN EXAMINATION OF LIVELIHOODS

Partners in Prosperity Case Study  
2009 - 2011

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## PARTNERS IN PROSPERITY SOCIETY

Partners in Prosperity Society (PnP) is a non-profit organisation dedicated to promoting sustainable economic development and strengthening public assistance programs, especially targeted to marginalised ‘bottom of the pyramid’ populations in northern India. Founded in 1998, with a registered office in New Delhi, the PnP team has successfully launched a number of interventions in the states of Uttarakhand and Uttar Pradesh, and in and around the National Capital Region of Delhi. Interventions include skills training for the homeless, education counselling for special needs children, providing access to public distribution schemes, and a more holistic Ultra Poor Program, the latter of which is the focus of this case study. For more information on PnP, please visit [www.pnpindia.in](http://www.pnpindia.in). In 2006, PnP incubated Mimoza Enterprises Finance Pvt. Ltd. (Mimo), a for-profit microfinance institution (MFI) that delivers financial services to the poor in northern India. As of March 2011, Mimo was serving close to 90,000 clients across six states. For more information on Mimo, please visit [www.mimofin.com](http://www.mimofin.com).

## UNITUS LABS

Unitus Labs is a USA 501(c)(3) non-profit focused on reducing global poverty through economic self-empowerment. Unitus Labs’ unique focus is harnessing market forces to drive substantial increase in economic opportunity for those at the base of the economic pyramid (“BoP”) in developing markets. Unitus Labs attempts to leverage its influence by not just demonstrating the commercial viability of BoP strategies, but by drawing other players into the space in a way that dramatically accelerates the scaling of proven ideas. Unitus Labs’ current focus is to create improved income-generating livelihood opportunities for millions battling global poverty. Unitus Labs was founded in 2001 and is based in Seattle and Bangalore. For more info, see [www.unituslabs.org](http://www.unituslabs.org).

## SORENSEN - UNITUS ULTRA POOR INITIATIVE

The Sorenson-Unitus Ultra Poor Initiative (UPI) was established as a project of Unitus Labs in October 2008 with support from the Sorenson Legacy Foundation. The UPI’s aim is to stimulate the microfinance industry to deliver sustainable services that provide opportunity to the poorest of the poor to improve their standard of living. To that end, Unitus Labs funds effective solutions to serve the critical needs of this population and provides hands-on support and strategic guidance to our partners.

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*Front cover: A PnP beneficiary, one of the first to open her own store, dreams of expanding her business and increasing her profits.*

*Photo credit: Sachi Shenoy*

## EXECUTIVE SUMMARY

In recent decades, the growing, frustratingly persistent and complex problem of global poverty has attracted the focused attention of a wide variety of individuals and institutions—nonprofits, for-profits, academics, policy makers and even large corporations—all interested in developing interventions to tackle this societal encumbrance once and for all.

Through frequent interactions with the poor in their own communities, practitioners have found increasing evidence that poverty is far from a homogeneous phenomenon. Even among the poor, some households live in relatively more stable circumstances while others struggle day in and day out to meet their basic needs. For this latter group—often referred to as the ‘ultra poor’—many experts recommend administering a subsidy-driven intervention, in which, over the course of 18-24 months, a series of services such as food grain provision, healthcare, and basic skills training are provided in order to help beneficiaries meet their most critical needs. Such a ‘safety net’ intervention ends with the transfer of a productive asset—such as a cow, or a pair of goats—so that the beneficiary is left with a livelihood and the means to generate income to sustain this more stable, improved quality of life.

This case study examines the experience of a small non-profit, Partners in Prosperity Society (PnP), between 2009-2011 as it endeavoured to replicate the safety net methodology in order to help guide 400 households in Dehradun, Uttarakhand (located in northern India) out of extreme poverty. The PnP team experienced both high and low points during the course of the pilot, which are detailed herein, but by far the most important lesson learned was that *future interventions should start, not end, with livelihood activities for their ultra poor beneficiaries*. Introducing income-generating opportunities at the very outset would have more quickly stabilised households’ circumstances, allowing for increased participation in other interventions such as financial literacy training and healthcare.

Other critical takeaways from PnP’s first Ultra Poor Program pilot include the following:

- It is important to identify influential members of the slum communities and involve them in the administration of the program. This helps to quickly win the beneficiaries’ trust and cooperation.

- Practitioners should recognise the high value that the urban poor place on their time and the great need for efficiency of service. Even if a product or service is being offered to the poor for free, beneficiaries will not partake if it cuts into time they would use to earn an income.
- All training and direct interactions with the poor need to be centred around practical themes that immediately generate tangible value for them. For example, PnP's beneficiaries showed little interest in financial literacy training sessions that preached the value of savings. The training was far more effective after PnP opened bank accounts for beneficiaries and helped them determine how much of a weekly amount should be set aside and deposited in the account.
- Do not underestimate the effectiveness of an interim solution as a stepping-stone to the longer-term, ideal solution. For instance, PnP felt that a group livelihood activity was the best solution to effect higher incomes and more job security, but beneficiaries lacked the trust and cooperation to make a group livelihood model work. Therefore, PnP had to settle with introducing individual livelihoods to first increase beneficiaries' comfort level in running their own business. Over time, PnP will encourage greater cooperation through regular self-help group (SHG) meetings.
- The government plays a critical role in any ultra poor-focused intervention. Though partnership with public sector programs is often fraught with bureaucracy and administrative complexities, PnP strongly recommends forging a good working relationship with local authorities. The PnP experience highlights the benefits that can result from establishing a one-time government authorisation—which immediately qualified PnP's beneficiaries for bank accounts—versus the challenges inherent in attempting to establish a longer-term dependence on government aid.
- The ultra poor are willing and able to pay for certain products and services. Indeed, PnP was working with a highly marginalised and vulnerable group, but found once livelihoods were introduced, beneficiaries were able to pay for some of the interventions. This not only helped defray some of the program costs, but also helped break complacent attitudes and encouraged beneficiaries to take the program seriously.

PnP's first Ultra Poor Program pilot offers many important lessons for fellow practitioners and those interested in administering interventions for the urban ultra

poor in any country. If the PnP team has the opportunity to launch a second pilot—a possibility that was being scoped at the time this report went to press—it will most definitely lead with skills training and livelihood activities for all beneficiaries, followed by healthcare and financial literacy interventions.

In the words of PnP's Founder Manab Chakraborty, 'As soon as the poor discover they can earn an income, they take everything else we teach them very seriously. There is a sudden and noticeable increase in their confidence levels.'

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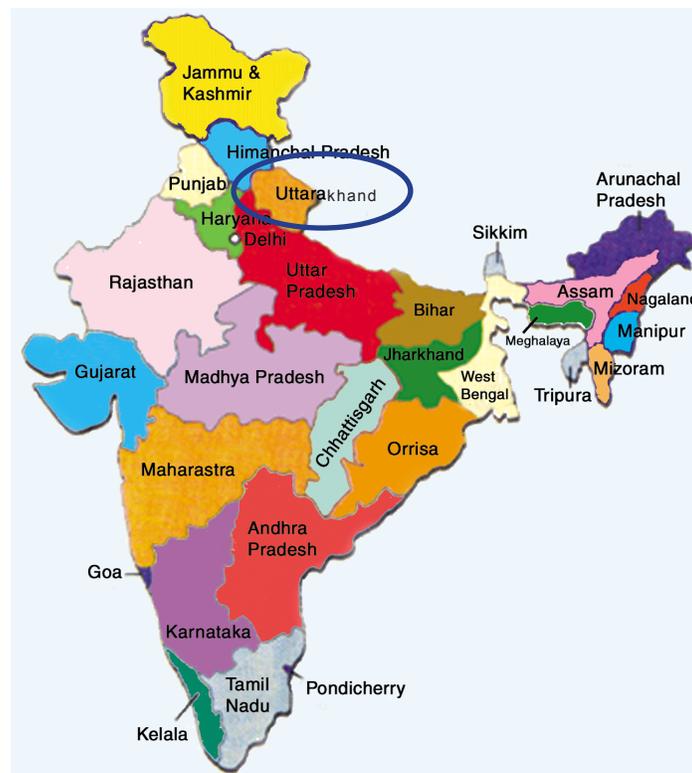
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## BACKGROUND

Hemmed in by the majestic Himalayas to the north, the Sivalik Hills to the south, and the rivers Ganges and Yamuna to the east and west, Uttarakhand is considered by many to be one of the most beautiful and picturesque states of India. Formerly part of the state of Uttar Pradesh, Uttarakhand received its own statehood status in November of 2000. Tourism is a major driver of the local economy and the area is also well known for its prestigious educational institutions and residential boarding schools—such as the Doon School, Welham School, and St. Joseph Academy—where many of the country’s most prominent citizens have studied.

Figure 1: Map of India



Source: Compare Infobase Limited, 2007

The state capital, Dehradun, located in the western part of the state, is one of Uttarakhand’s largest cities with a population of 1.28 million.<sup>1</sup> Roughly 250 kilometres north of New Delhi, Dehradun is considered the gateway to Uttarakhand’s many tourist attractions—religious sites such as Haridwar and Rishikesh, the scenic

<sup>1</sup> Government of India, Ministry of Home Affairs. 2011 Census of India.

hilltop resorts of Mussourie, and many others. The last ten years have seen strong economic growth in Dehradun, fuelled by not only tourism and its educational institutions, but also by the country's rapidly growing information technology sector. Dehradun is well connected by air, rail, and road; hence it attracts people from all over India and is made up of a diverse mix of different castes, religions, dialects, and professions.

Despite impressive growth in the local economy for the last decade, Uttarakhand ranks among the poorest states in India. In Dehradun alone, it is estimated that approximately 47% of the city's population lives below \$2/day, and 8% scrape by on less than \$0.50/day.<sup>2</sup> The state government estimates that over 120,000 individuals live in abject poverty among Dehradun's many slums.<sup>3</sup> Most of the slum settlements in the city are formed along railway lines as rural migrants enter the city in search of work, and others have developed along drainage channels. According to local studies, 'these natural water channels serve as the source of income for many slum-dwelling families, where they work as stone crushers, rubble pickers, sand carriers, and lime makers. [Collection and] segregation of stone is the major form of employment ... dependence on this single source result[s] in no jobs at all during rainy season when the river channels are in spate.'<sup>4</sup>

## ABOUT PARTNERS IN PROSPERITY

Partners in Prosperity Society (PnP) was founded in 1998 to address the persistent poverty found in what was then the northernmost tip and poorest section of Uttar Pradesh. When this area was carved out as its own state and renamed Uttaranchal (now Uttarakhand), people from both sides of the new border expressed mixed feelings about the decision.

Some contended that Uttar Pradesh had claimed the most industrious parts for itself—such as Lucknow and other commercial hubs—and that Uttarakhand was starting off with a significant economic disadvantage. Others felt that tourism and the draw of academic institutions were a good starting foundation for the local economy and that independent statehood would allow Uttarakhand to develop government schemes specifically targeted to address the poverty found in this mountainous terrain. Proponents of statehood were optimistic about the freedom that the newly formed local government would now have to create public assistance programs and appeal to the federal government for aid.

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<sup>2</sup> Government of Uttarakhand, Department of Urban Development. *City Development Plan: Dehradun, Revised*.

<sup>3</sup> Ibid.

<sup>4</sup> Partners in Prosperity Society. *Ultra Poor Construction Workers Project Proposal*.

PnP's approach to poverty alleviation was aligned with these political developments. With a stated purpose of, 'working to help poor communities build their own power, achieve self-reliance, and permanently move from the margin to the mainstream of the development process,'<sup>5</sup> PnP viewed cooperation and partnership with the local government as a means to serving the poor. This was an uncommon approach for most socially minded organisations in India, which more often held deeply cynical views of government officials and assumed that the day-to-day bureaucracy, corruption, and misappropriation were insurmountable obstacles.

Members of PnP's founding team—Mr. Manab Chakraborty and Mr. Murali Srinivas—agreed that challenges existed, but felt strongly that poverty-fighting organisations ought to leverage, not ignore, the vast sums of public funds that are earmarked each year for 'below poverty line' populations. Otherwise, nonprofits and non-governmental organisations (NGOs) like PnP would have to devote enormous effort to fundraising independently, while in the meantime, a large amount of funds sitting within government coffers would likely be misdirected and wasted, never reaching the neediest populations. PnP's management was convinced that the only way to avert such wastage was to forge a working partnership with government authorities, however difficult it may be. PnP, in fact, had a unique opportunity in 2000 to form close ties with the newly elected officials of the state of Uttarakhand and launch initiatives that would be jointly beneficial to meeting the goals of all parties involved.

This conviction to partnering with the government for jointly beneficial initiatives formed the foundation upon which PnP was built. Its stated aims and objectives are as follows:

- To catalyse, support, and strengthen sustainable development
- To act as a catalyst in promoting economic development and welfare for all, especially in the marginalised and weaker sections of society
- To create a mechanism for advocacy, legal aid, and information services on common causes and issues affecting human future
- To conduct and promote conceptual and policy-relevant research<sup>6</sup>

PnP maintained a registered office in New Delhi to stay abreast of political developments at the national level, but its core team operated out of a larger office in Dehradun. During its first ten years, PnP undertook a variety of different

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5 Partners in Prosperity website. 'About Us' [www.pnpindia.in](http://www.pnpindia.in).

6 Partners in Prosperity website. 'Aims and Objectives' [www.pnpindia.in](http://www.pnpindia.in).

projects in an effort to improve conditions in Dehradun and outlying areas. Projects included skills training for high-risk populations such as the homeless and physically disabled, education counselling for special needs children living in slums, tree planting, rainwater harvesting, and experimentation with microcredit in certain districts.

### **PNP ESTABLISHES MIMO TO GROW MICROFINANCE ACTIVITIES**

PnP's involvement in microcredit gained momentum in 2006, with the creation of a standardised loan product that was offered through its sister organisation, the for-profit MIMOZA Enterprises Finance Pvt. Ltd., (Mimo). PnP spun-off Mimo as a separate entity in order to grow the microcredit portion of its programs.

PnP's launch of Mimo and its standard credit product happened just as the microfinance industry in India boomed. In the mid-2000s, investors were excited by the profit potential of this sector and investment capital flowed into Indian MFIs. Competition among MFIs quickly intensified as industry players worked to expand operations into underserved states and regions of India. In Dehradun, there was pressure to grow the Mimo team quickly and some members of the PnP team were asked to move to the Mimo team after they were trained in credit services.

Management, however, resisted the urge to focus 100% of their attention on Mimo. Through Mimo's experience, it had become clear that credit could not easily reach the poorest, most marginalised sections of society. In fact, in order for Mimo's repayment rate to remain high and to control the risk of the credit portfolio, the team had to screen out the poorest of the poor when determining eligibility. These were households that faced a myriad of critical, unmet needs—such as healthcare, shelter, and food security—which had to be addressed before credit could be utilised effectively. If Mimo could not serve these destitute groups, then PnP would have to.

Given Mimo's rapid growth, the management knew it had to re-think PnP's core activities. Small-scale projects and one-off interventions would not achieve the scale that was necessary to address the large numbers of destitute households in Uttarakhand.

### **PNP DETERMINES APPROACH TO SERVING THE ULTRA POOR**

The prevailing model in the industry for alleviation of extreme poverty (also called ultra poverty) was the 'safety net' model, at times also referred to as the 'graduation

model.’ First introduced by BRAC—an organisation based in Bangladesh and the largest NGO in the world—these interventions lasted anywhere from 18- to 24-months and were designed to provide the ultra poor a gradual path to becoming eligible for microfinance.<sup>7</sup> During the intervention, beneficiaries are provided with food grains, skills training, and financial literacy training. At the end of the intervention, they are given a productive asset—a goat, cow, sewing machine, or similar—and are trained on its use to generate income. Those who ‘graduate’ from these interventions should be eligible for microcredit if they wish to expand their business.

The safety net model has been adopted by numerous organisations around the world. A typical approach is for a for-profit MFI to set up a separate, sister non-profit entity that houses the safety net program. The safety net program is then supported by donor funds and grants.

The PnP team hesitated to replicate the BRAC model in its entirety, given the relatively high cost per participant and questions about its potential for scale. The team, however, agreed with the safety net philosophy of providing greater support and sustenance to beneficiaries and wondered if this could be accomplished in a more cost effective manner.

In early 2009, Chakraborty and Srinivas drew up a proposal for the Ultra Poor Project (UPP), which would be the first formal program undertaken by PnP since the spin-off of Mimo and the focus on microcredit activity. The UPP focused exclusively on the poorest, most marginalised populations, those who were screened out of the microcredit program. The proposal borrowed elements from the BRAC safety net model—acknowledging, for example, the need to provide a gradual process of rehabilitation and training—but was markedly different in other ways. The planned duration of the UPP was 9-12 months, or half that of a typical BRAC replicator. Government linkage—enrolment of the beneficiaries into local government schemes for food security and livelihood activities—would comprise the second half of the intervention. By leveraging the subsidies available in public distribution schemes, the PnP UPP could keep its own program costs very low, and by streamlining costs, PnP hoped the model would scale easily.

Government programs, even those earmarked for those living below \$1.25 per day, were largely ineffective in reaching their intended audiences. One main

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<sup>7</sup> For more information on the BRAC safety net model, please refer to: Hashemi, Syed and Richard Rosenberg, “Graduating the Poorest into Microfinance: Linking Safety Nets and Financial Services” Focus Note 34, Washington, D.C.: CGAP, 2006.

reason for this was their method of distributing goods. Anyone who approached authorities requesting food parcels or wage labour would have to produce a form of identification. The poorest did not possess official forms of identification. Also, the system was set up in a way that required the poor to approach government officials and request access to certain programs. The ultra poor were often not aware of their rights, and even if they were, most lacked the confidence to approach authorities.

PnP's UPP hoped to provide a valuable service and vital link for the poorest to gain access to government schemes. At the very least, it would identify the most needy households and refer them to the government with the UPP acting as the ultra poor's primary advocate. In addition to this, the UPP would provide 9-12 months of life skills training and alleviate the beneficiaries' most critical needs so that they would be prepared to instantly benefit from the government program once they were enrolled. Chakraborty likened the UPP to a, 'safety net leading to life-long government-sponsored support.'

Relying on government subsidies to underwrite the costliest elements of a typical ultra poor program—such as food security and livelihood creation—would greatly reduce the cost per beneficiary. Also, PnP would be responsible for 9-12 months worth of intervention, so the time spent in the field would be much lower than with a traditional safety net program. PnP hoped that the reduced cost and the reduced time would make the UPP model inherently more scalable than traditional approaches.

### THE PNP–UNITUS ULTRA POOR INITIATIVE PARTNERSHIP

In the summer of 2009, Unitus accepted the UPP proposal as part of its Sorenson –Unitus Ultra Poor Initiative, based on the following criteria:

- 1) Demonstrated need in the market:** PnP's research validated that this target segment was indeed a vulnerable group that microfinance, and other mainstream interventions, were not reaching.
- 2) Unique idea:** The UPP proposal was an innovative and creative approach to the underserved ultra poor / vulnerable segment.
- 3) Cost effective:** Incorporating existing government programs could help keep costs down, and with the right synergies, could create a richer and more effective intervention for the beneficiary.

By partnering with PnP's ultra poor pilot, Unitus hoped to uncover creative and

cost-effective methods and interventions to be shared with the industry. This case study is part of the collaboration and agreement to disseminate best practices and lessons learned from this pilot.

## OVERVIEW OF CHALLENGES FACED & LESSONS LEARNED

PnP quickly assembled a team, led by Vivek Kumar Kaushik in the role of Project Director. Kaushik assembled a team of three full-time and seven part-time field staff to carry forward the intervention.

The team made every attempt to execute on the pilot as had been outlined in the UPP proposal. The resulting intervention and outcomes, however, surprised the team and challenged its original hypotheses. *Namely, there emerged a much greater need for livelihood stability very early on than the program team had originally thought.* The original intention of the UPP had been to alleviate the most critical needs first and then to introduce livelihood activities right before they were entered into government programs, or to simply have the government provide employment. Keeping the livelihood component at the end of the intervention mimicked the approach of many other safety net interventions the PnP team had researched. After the first pilot, however, the team concluded that livelihoods would have to be offered at the *beginning* of the intervention; doing so would mitigate some the major challenges faced, such as:

**1) Poor uptake of services:** Beneficiaries place a high value on their time. Even if a product or service is offered for free or at highly subsidised rates—for example, healthcare—beneficiaries will not partake if there is a significant time cost involved. Therefore, in addition to being affordable, a product or service must be convenient to access. The root of this high value on time stemmed from the brutal daily schedule of cobbling together odd jobs to make a living. If beneficiaries were given more job security from the start, they would be more willing to follow through on other activities, even those that had the potential to cut into their busy schedules.

**2) Sudden migration:** Midway through the first pilot, nearly 40% of PnP's beneficiaries migrated in search of work. As Kaushik concluded, 'Regardless of how poor and disadvantaged a population is, and regardless of how much

rehabilitation is necessary, an intervention must very early on provide income-generating activities to fully engage its beneficiaries. The program need not run its interventions in a sequential format; certain activities can run in parallel as long as income-generation is offered early on and runs as a thread throughout the course of the program. Households' most critical decisions are based on the certainty of their income; when stable, the household can focus on other priorities. When unstable, as PnP learned, the household uproots all else in the quest to stabilise its income.

**3) Mistrust of public services:** There is often a deep-rooted mistrust of government programs by the poor. Even in cases where the program administrator has won the trust of a beneficiary and has connected the individual to a particular scheme, the beneficiary will be extremely reluctant to participate if the program is a long-term one that involves constant dependence on the authorities. This mistrust emanates from repeated negative experiences working in public employment schemes—signing up for a wage project and either not receiving the promised hours of work, or not receiving all of the income due. PnP found that the government is poorly positioned to provide stable employment.

PnP concluded that it is better to access one-time government benefits rather than the sustained livelihood and food distribution schemes. In fact, during the pilot, the team decided not to sign beneficiaries up for any employment schemes, but leveraged a one-time government sanction that immediately enhanced financial inclusion. Providing livelihood opportunities at the outset removes the anxiety beneficiaries face around earnings, and allows them to partake in government schemes that provide other immediate benefits.

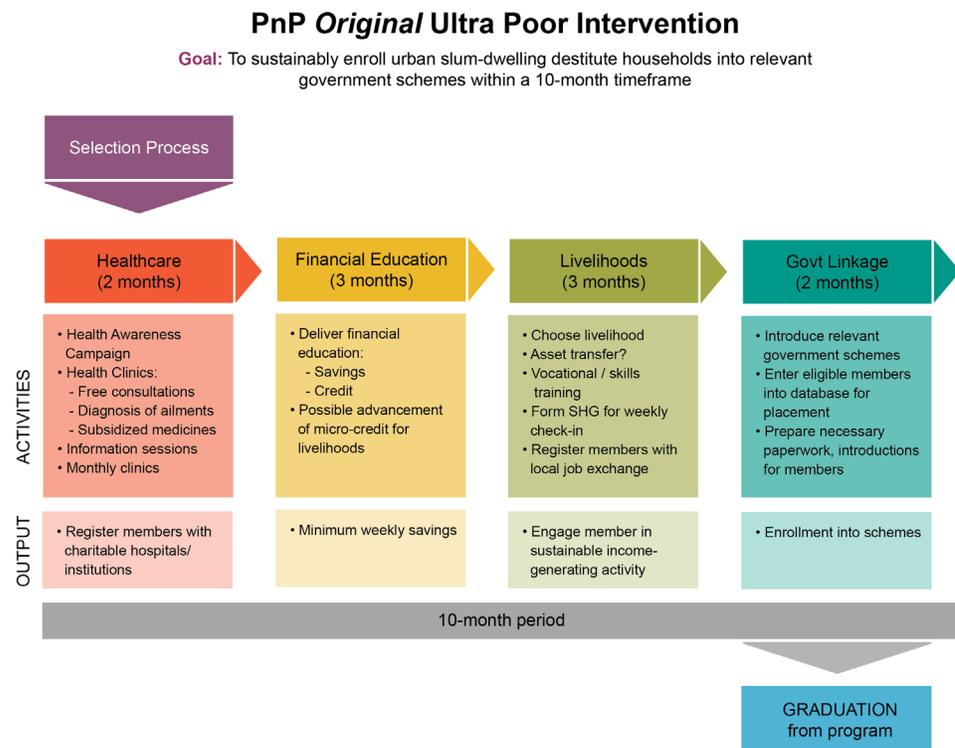
The remainder of the case study walks through the individual components of the UPP intervention and describes the circumstances that led to these key lessons learned and overall conclusions about the primary importance of stable livelihoods.

According to Srinivas, 'This pilot has shown us that these beneficiaries have aspirations that can make them eligible for microfinance. So our original thinking was to mimic a safety net model, give them training, and then move them into microfinance. But in practice, we learned so much about *the order* and importance of certain interventions. We at PnP have gone back to basics, and microfinance is not the end goal. When it comes to the ultra poor, access to credit is important, but you need to give them a livelihoods foundation first, so that they can repay you.'

## OVERVIEW OF THE ULTRA POOR PROJECT

The original blueprint for the UPP involved a 10-month intervention that provided support in health, financial education, and livelihoods (in that order), followed by enrolment into local government programs. The idea was for beneficiaries to participate in each program phase, in sequence, to make them aware of their rights and prepare them to participate in public sector programs.

Figure 2: Intervention Map



The order of the phases was important as each served to fill a critical need and prepare the beneficiary for the phase that followed. The healthcare phase would treat critical conditions and persistent problems that hindered household productivity, and the financial education immediately following would impart the discipline of saving and proper management of the income received through the subsequent livelihoods phase. The livelihoods phase was intended to teach basic skills and introduce the beneficiary to a flexible home-based activity that could supplement household income. Finally, the government linkage would ensure longer-term access to more lucrative job opportunities. Successful enrolment into

a government program symbolised ‘graduation’ from the PnP intervention and would also deem the beneficiary eligible for microfinance.

The original goal of the UPP program was to reach and assist the poorest underserved segments in a more cost-effective way than traditional safety net programs. Kaushik and his team explored partnerships, external subsidies, and even methods where beneficiaries could pay for services when appropriate to streamline costs. The two-pronged goal was to:

- Keep cost per beneficiary below \$100 for PnP’s services
- Stay true to the intended outcome: putting each household on a path to long-term, sustained improvement in its standard of living

## SELECTION PROCESS

Much of the research conducted by the PnP team prior to developing the UPP had indicated that targeting and selection was often the most difficult phase of any ultra poor intervention. Kaushik felt his team had a little bit of an advantage in that they could compare notes with Mimo’s data. By virtue of being one of the first MFIs to grow rapidly and penetrate much of Uttarakhand state, Mimo kept good records of poor settlements and more importantly, records of which households were chosen or not chosen for microcredit. This could provide PnP with a mechanism to validate the eligibility of the households it identified.

The PnP team decided to first survey the greater metropolitan area—through a combination of secondary research and field visits—before it narrowed down to specific settlements and households. The team found several government reports and a satellite survey<sup>8</sup> useful in pinpointing the location of all of Dehradun’s slums. After a number of field visits, Kaushik made the decision to focus on non-notified slums, or those that were not recognised by the government. The notified slums, though poor, had access to electricity, water, and sanitation. The non-notified slums had no amenities and were comprised of highly insecure dwellings often made of mud and thatch. The households within the non-notified slums were ineligible for microfinance and received no government benefits. In fact, these settlements, though they had been around for decades, did not exist in any public record or government map of the metropolitan area. Most inhabitants were migrants from other states such as Bihar and Jharkhand, and ‘it seemed the government was ignoring these settlements, thinking that the families would move eventually,’ said Kaushik.

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8 Sur, Ujjwal, Sadhana Jain and B.S. Sokhi. Identification and Mapping of Slum Environment Using Ikonos Satellite Data: A Case Study of Dehradun, India.

Though these households very well fit the description of ultra poor, the PnP team knew they were undertaking a great risk by working with them. Non-notified slums in India are usually the first to be uprooted and evicted at a moment's notice. Once evicted, it would be nearly impossible to trace these households, as they had no formal identification, property ownership, or any record that could be used to follow their whereabouts. These individuals, sadly, did not exist in any database or system.

This simple lack of identification was the root of the vicious cycle that the PnP team felt was keeping these households mired in abject poverty. 'The government provides benefits to below-poverty-line households only if they can produce some form of proper identification. But the poorest households—living in these non-notified areas—have no way of getting paperwork because of where they live and they cannot afford to live in the notified areas,' said Srinivas.

The UPP would have to provide its beneficiaries with some form of program identification and start to build a trail of personal records. Chakraborty and Kaushik felt there would be opportunities to do so throughout the course of the program—for example, to provide a PnP ID card when beneficiaries access health clinics—and the team could simultaneously appeal to the local government on behalf of these households. PnP would also have to be extra vigilant to mitigate the risk of migration. Here, Kaushik hoped that the intervention itself would provide hope and 'stickiness' to these households, giving them ample reason to stay involved even if they were displaced.

After weeks of secondary research and field visits, the team decided to work within two particular settlements: Nanda-ki-Chowki (known as NKC locally) and Doiwala.

NKC is a small settlement and a study in contrasts. Located on a crowded patch of sunken land—a stream that used to border this plot has recently dried up—the community is surrounded on all sides by lower middle class housing. NKC arose from a land dispute between the nearby Hindu and Muslim neighbourhoods. Never resolved, the land fell into disrepair, was written off by the local authorities, and soon became home to poor migrant labourers. Currently, roughly 150 families live here in squalid conditions. One rusty hand pump provides the only source of water for the entire community, and there is no electricity, sewage facilities, or any other public service. NKC houses are constructed of thatch, straw, mud, and plastic bag materials that residents collect from the neighbouring communities. Because of the poor construction, it is common for thunderstorms to destroy these dwellings;

residents talk about having to re-build multiple times per year. They own few assets—some kitchen implements and straw mats to sleep on. Just a half kilometre away stand sturdier houses, paved roads, and functioning water and electricity connections. NKC's residents sometimes rummage through the materials these households dispose of, but otherwise, they stay clear of any interaction with these communities. According to Kaushik, 'everyone in NKC is ultra poor.'



*NKC from a distance*  
*Photo credit: Sriram Gutta*



*Close-up of an NKC house*  
*Photo credit: Sriram Gutta*

Doiwala is a much larger settlement, comprising over 1800 households in total. Of these, Kaushik estimates a third would qualify as ultra poor. Like NKC, Doiwala is also a sharply divided community, with a large avenue of commerce running right through the colony. The avenue boasts a number of small shops selling produce, meats, kitchen utensils, clothing, and a wide variety of wares. On one side of this road lie relatively more affluent households, most of which are serviced by local MFIs, including Mimo. Many of these households have access to electricity and running water, and the houses are constructed of brick with tin roofing. Most make

a living through the many shops that line the adjacent avenue. During the day, the place hums with activity, with many residents selling to each other. In other words, this part of Doiwala appears to have benefitted from microcredit being used to build small businesses and store fronts.

On the other side of Doiwala, wedged between the thoroughfare and a dried riverbank, lie the ultra poor houses. They are denied access to the electricity and water, and are ineligible for microfinance. Like their NKC counterparts, the Doiwala houses are constructed of mud and thatch, and flood easily in the monsoon season. Some of the households here have rigged illegal electricity connections to the power lines and residents hope that the local authorities will not find out.



*Children in front of their home in the Doiwala slum*  
*Photo credit: Sriram Gutta*

The primary livelihood for the ultra poor in both NKC and Doiwala is to collect stones from the nearby riverbeds and break them up with hammers to sell the fragments to local middlemen, as seen in the following photo. The middlemen then sell the stones to a variety of outlets for conversion into construction materials or to be used for stone deities in temples. Depending on how many rocks fragments are collected, an individual can earn between \$0.75 and \$4.00 per day. Collecting and shattering the stones is tough, physical work, so households prefer all members—including children—be involved in the activity. A family of five working throughout the day can earn up to \$10.00 for its efforts. The families typically eat one meal per day, sometimes two. In the morning, they eat a meal of rice, vegetables, and lentils (when possible), and then save some portion to last for the rest of the day. They spend the whole day in the riverbeds with their children, and return home after dusk.



*A Doiwala resident works in the riverbed to break rocks and sell the fragments for a living. On a good day, he will make the equivalent of \$4 for over 12 hours of labor.*

*Photo credit: Vivek Kaushik*

Kaushik felt that while all households in NKC met industry-accepted standards of ultra poor, the team would have to properly screen for the poorest in Doiwala. The team wanted to reach and serve those who were not able to access microfinance. To ensure consistency across the selection process, PnP devised a multi-stage process for identifying the most eligible households. PnP's experience finalising the detailed, step-by-step selection process, could have warranted its own case study. However, to keep this write-up focused on the livelihoods theme, we have provided the selection process in its entirety in Appendix B for the reader's reference. This process was included in the training materials and operations manual provided to field staff.

Based on PnP's selection methodology, 400 beneficiaries between NKC and Doiwala were selected for participation in the first UPP pilot. Leveraging information technology support from Mimo, the team created a simple database that kept track of each beneficiary profile and the responses to the various survey questions that were asked during the process of selection.

## HEALTHCARE

Given their unhygienic living conditions, it was little wonder that PnP's beneficiaries suffered from persistent health problems. The women complained of frequent upset stomachs and constant physical fatigue, which made it difficult for them to put in a full day's work. Those who accompanied their husbands in the stone collecting and breaking activity also spoke of joint pain, cuts, and bruises that needed attention. In the interviews conducted during the selection process, PnP field staff felt it was acutely important to address the issue of healthcare. Without resolving this, the women would not be able to perform at their full potential in any activity.

The healthcare intervention would kick off the entire 10-month pilot; therefore, PnP wanted to formalise a weekly meeting schedule with the beneficiaries. All 400 beneficiaries were organised into groups of 20 women each and meeting dates, times, and locations were established and communicated. In the first few meetings with each group, PnP intended to introduce the concept of the UPP and instil the importance of attending the weekly meetings as a channel for receiving services. The women had to commit to attend all sessions and participate in the full intervention in order to benefit.

In the first few meetings, however, few women showed up. The PnP team could not seem to convince them of the importance of the meetings. Kaushik then recruited seven individuals—Sharada & Neetu from NKC, and Susheel, Nanda, Ganga, Sunita, Neetu from Doiwala—to work as contractors for PnP and interact with their fellow residents. They all knew the settlements well, lived either within the settlements or directly outside of them, and were highly regarded by the beneficiaries.



*Sharada stands outside one of the NKC beneficiaries' homes.  
Photo Credit: Sachi Shenoy*

After Sharada spoke to the NKC beneficiaries, attendance at the PnP meeting jumped to 100%. 'I told them "right now you are relying on river bed stone collection, but tomorrow you'll have better options. You have to go through all the steps of the intervention, and if your attendance is ok, then we'll push you to the next level. Participation is a must,"' said Sharada.

The beneficiaries had previously expressed a strong interest in healthcare, but had not understood why meeting attendance was critical. They wanted straight access to medical professionals and felt the meetings were a distraction. After Sharada, 'assured them that the healthcare was a means to better livelihoods in the longer-term, this peaked their interest in the program. They needed to hear this from someone they trusted.' said Kaushik.

The field team also sensed great cynicism among the beneficiaries. During the selection process, many had mentioned how many times in the past they had spoken to NGOs and social workers. They were tired of being surveyed and tired of the talk and promises of service. Too often, nothing materialised from these conversations. Kaushik knew he had to deliver value quickly and tangibly.

## DESCRIPTION OF THE ACTIVITY

In July of 2009, PnP held the first of several health camps in both NKC and Doiwala. Present at the camp were Accredited Social Health Activists (ASHAs) that PnP had contracted to provide both education and treatment through weekly sessions. Beneficiaries that regularly attended the health sessions would then be eligible for subsidised healthcare from a nearby hospital, Herbertpur Christian Hospital (HCH). Through a formal agreement, PnP had partnered with HCH to provide critical care at highly affordable rates for PnP's beneficiaries. Securing the services of the ASHAs and HCH was in keeping with PnP's objective of utilising both public and private partnerships to leverage subject matter experts and uphold time and cost efficiencies.

### *The Role of the ASHA*

Retaining the services of an ASHA was a cheaper, yet effective alternative to paying for professional medical services to treat beneficiaries in the health camps. The ASHA movement was initiated in April 2005 by the National Rural Health Mission (NRHM) of India to provide universal access to equitable, affordable and quality health care.<sup>9</sup> In its first phase, the program focused on training ASHAs in rural locations, but gradually moved into impoverished communities in urban and semi-urban environments as well.

An ASHA is a member of the community who receives special training to help the community avail and access quality health care—especially those residing in rural areas, the poor, women and children. To do this, the ASHA creates an awareness of health and its social determinants such as nutrition, basic sanitation, hygienic practices, as well as healthy living and working conditions, then mobilizes the community toward local health planning and accountability for the existing health services. The ASHA is expected to counsel on birth preparedness, the importance of safe and institutional deliveries, breast-feeding, immunization, and contraception.<sup>10</sup> The ASHA is also entrusted with the provision of primary medical health care for minor ailments such as fever, first aid for minor injuries, diarrhoea, etc. and is provided a drug kit for this purpose.

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9 For more information about ASHAs, please visit: <http://mohfw.nic.in/NRHM/asha.htm#abt>

10 Ministry of Health & Family Welfare, National Rural Health Mission, Accredited Social Health Activist. 'About ASHA' <http://www.mohfw.nic.in/NRHM/asha.htm>.

The first day of the health camp introduced the beneficiaries to their assigned ASHA and emphasised the importance of attending every session. After the introduction, each ASHA was responsible for treating minor ailments and conducting a five-week series of classes (sessions were held once a week and lasted for one and a half hours each) to educate beneficiaries on good hygiene and sound health practices. PnP had identified the most important topics that ASHAs needed to cover based on notes collected from the beneficiaries themselves during the selection process. For beneficiaries that required more intensive treatment or critical care, the ASHA would report the case to PnP who would refer them immediately to HCH.

The sessions covered a wide range of topics: personal hygiene, water safety, suitable home remedies for minor ailments, reproductive health, infant nutrition, diarrhoeal diseases, respiratory infections, malaria prevention, HIV / AIDS, tuberculosis, typhoid, dog and snake bites, and prevention of infections. At the beginning of each health session the ASHA would record signatures from the attendees. With good attendance, the beneficiaries would receive a PnP Health ID card that showed satisfactory understanding of basic health practices. This card could be presented at HCH to benefit from the subsidised services.

### ***Partnership with Herbertpur Christian Hospital***

HCH is known in and around Dehradun for being a high-quality healthcare facility and it strives to serve patients from all different income segments. Though the agreement took several weeks to finalise, PnP found in HCH an enthusiastic partner that was willing to serve a highly marginalised population. Both parties, however, agreed that beneficiaries should be required to pay some minimal amount—no service would be free of charge—so that they fully appreciated the value of what they were receiving. Kaushik also felt strongly that if the beneficiaries were being groomed to sustain this improved quality of life well after the PnP intervention ended, they had to expect to pay for services.

The partnership with HCH covered the following:

- 50% discount for most treatments (PnP agreed to cover up to 40% of this discounted cost, depending on the treatment, and requested that the beneficiary cover the balance)
- Heavy discount for most of the common medications, with a request for the beneficiary to pay Rs. 5 (roughly \$0.12). For other medications, the beneficiary may be asked to cover up to 100% of the cost
- Most treatments and medicines would be subsidised, but there may be

instances (for example, rare and highly specialised surgeries) where PnP and the beneficiary would be asked to cover up to 100% of the cost. These were evaluated on a case-by-case basis and an estimate was given prior to any work being performed.

PnP signed the agreement with HCH in late September 2009. One month later, the facility started accepting PnP patients. Kaushik and team were excited by the potential of this partnership as none of the beneficiaries had ever had access to such a high-quality medical facility.

## OUTCOMES AND LESSONS LEARNED

Months after the PnP–HCH alliance, only three critical care cases from the slums had been referred to HCH and all were successfully treated. The HCH officials reported no other PnP visitors, much to Kaushik’s dismay.

After speaking individually with a number of beneficiaries, the PnP team discovered that not only were they not utilising HCH’s services, but they also continued to visit ‘quacks’—local service providers who were not licensed and used highly questionable techniques to treat ailments. There were hundreds of quacks scattered throughout the city, many in close proximity to the slums, stationed in one-room offices ready to meet with patients. In their interviews, the PnP team uncovered a number of issues that would need to be resolved in order to increase usage of formal healthcare services:

**1) Distance is a major factor:** Depending on whether the beneficiary lived in NKC or Doiwala, the HCH facility was 25-40 km away. The PnP team knew that beneficiaries would often travel greater distances in search of work, and had assumed they would be willing to make the trip to HCH. Also, according to Chakraborty, ‘we had spoken to many different hospitals in Dehradun and HCH was the only one willing to do this, so we didn’t have a choice on the location.’

The distance on its own would not have been a barrier had it not been combined with the critical need to earn a daily wage. For most beneficiary households, the only source of income came from stone collecting and this involved a full-day commitment from all family members. The schedule did not afford the workers any flexibility to take time off, travel to the hospital, and potentially wait for hours to receive treatment. ‘These people have never received quality treatment, so they do not place a value on skipping a day’s

wages in exchange for medical help. The most important thing for them is to earn money each day to make ends meet,' said Kaushik. Convenience and quick turnaround time meant everything.

**2) Distrust of large facilities:** Some beneficiaries mentioned that in the past they had gone to government hospitals to seek medical attention. Government facilities are accessible to all populations, but are often ill-equipped, unkempt, and bureaucratic in nature. No beneficiary had reported a positive experience—some claimed they were wrongly charged for services, were kept on IVs for no apparent reason, were forced to buy medication unrelated to their ailments, and were generally mistreated. Having no other point of reference, they feared HCH's facility would also be a bureaucratic maze with poor service. At least the quacks were attentive and had established relationships with the beneficiaries.

### *Potential Resolutions*

The PnP team experimented with bringing in volunteer doctors from HCH to a handful of the health camps held in the slums. A large number of beneficiaries attended and took advantage of the opportunity to discuss their medical concerns with the practitioners. Kaushik inquired about the possibility of HCH sending mobile units regularly into these areas after the PnP intervention drew to a close. Regular visits by volunteer practitioners could help educate the women on the importance of hygiene and regular check-ups, and would provide an outlet for care and treatment.

HCH, however, did not offer such a service and it seemed unlikely that a mobile service would be established in the near future. Even with HCH's commitment to continue subsidised treatment for PnP cardholders within its facilities, beneficiaries would likely not take advantage of the service because of the time commitment involved.

Another long-term solution was to retain the services of the ASHAs and train them to regularly serve in these communities. The PnP team devoted a few weeks to fully explore this possibility, they called it the USHA (Ultra Poor Social Health Activist) program and developed operational guidelines and training manuals.<sup>11</sup>

The basic idea behind the USHA program was to train qualified women from the community as nurses, equipped to provide basic, non-critical treatment to their

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<sup>11</sup> To request copies of the materials developed by PnP for the USHA program, please e-mail [pd@pnpindia.in](mailto:pd@pnpindia.in).

fellow residents. Each USHA would carry a diagnostic kit, make house calls, and/or hold weekly educational sessions and clinics in the slum. If trained properly, the USHAs could be a good longer-term solution for basic healthcare needs, and would quickly refer more complicated cases to the nearby hospital or HCH. PnP felt a well-run USHA program would significantly lessen the dependence on quacks and help beneficiaries stay healthy and productive. Even more, the USHA program would help create a new form of livelihood activity.

Though PnP undertook the research and time to plan the USHA program, the team was unable to follow through on this during the pilot. The healthcare phase of the program had taken longer than expected and management was eager to follow-through on the entire intervention, keeping to the original timelines.

The issue of healthcare had not been resolved, however Kaushik wondered if the problem could be attacked from the other direction. Could PnP help stabilise livelihoods in a way that allowed beneficiaries more flexibility and control over their daily schedule?

## FINANCIAL LITERACY

The PnP team resolved to move quickly into the livelihoods phase of the intervention. There was some concern though, expressed by members of the team, that beneficiaries may not manage their newfound income properly. During the survey process, many women had reported household spending on food grains as a high priority, but field staff observed high rates of alcoholism in the slums among the men. Regardless of what the actual household expenditures were, the women reported very little by way of savings or planning for the future. Kaushik and team wondered whether a higher income would be funnelled into short-term consumption or more appropriately split to address immediate needs as well as long-term planning and risk mitigation.

Said Kaushik, 'We felt that training on how to manage household finances was a practical input in order for individuals to be ready for livelihoods.'

## DESCRIPTION OF THE ACTIVITY

The PnP team had little time to develop their own financial literacy training, so they

decided to adopt materials created by ACCION International.<sup>12</sup> The purpose of the training was to instil financial discipline among the beneficiaries and ensure that incremental income would be funnelled into savings versus unnecessary short-term expenses.

The training kicked off with four sessions for each group held weekly for four hours per session. The topics covered were: financial planning, debt management, savings, and maintaining a balance between income and expenditure. Kaushik was very pleased with ACCION's materials, as they included props, storytelling, and role-playing to drive home key themes. 'Attendance was very good, and the women took to the training really well,' Kaushik said. 'At first they were sceptical that they would have to sit through lectures. But they actively participated and seemed to enjoy the training.'

Because of the women's busy schedules during the day, each financial literacy session was held in the evening. Twenty women would sit around the light of one kerosene lamp and strain to see the posters and other props as field staff walked through the curriculum. Still, their excitement was obvious, especially when they contemplated increased salaries and what they could do with the funds.

Classes started in mid-January 2010 and lasted until mid-February. This time also gave other members of the PnP team a chance to prepare the livelihoods component of the intervention.

## OUTCOMES AND LESSONS LEARNED

The women's initial enthusiasm started to wear thin in February, near the tail end of the training sessions. They expressed a desire to put these lessons into practice but they were not sure how. Some appeared frustrated that they were only talking about money management; the common question was, 'you keep saying we should save, but where is the money to save?'

Many of the women did have some small sums tucked away and badly needed a more secure place for their savings. Kate Morris, an intern with PnP, wondered if a 'village bank' savings model could be adapted for use within each group. The basic model of a village bank program—popularly used in Africa—is for a group of women to manage a lockbox that holds the group's savings. Through a system of trust and joint ownership of different keys that only together can lock and unlock the box, a group is trained on the bookkeeping and management of each other's savings.

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<sup>12</sup> For more information, please visit: <http://www.accion.org/page.aspx?pid=1637>

Morris conducted research on this model and wrote a detailed manual<sup>13</sup> adapting the village bank methodology for PnP's use. Morris and Kaushik wondered if this could be introduced immediately after the financial literacy sessions concluded in order to provide a channel for women to save.

In the initial weeks, however, it became clear that the women did not have a sufficient level of trust among each other to make this a feasible option. Some of the households had lived in the slum for several years, but many others were recent transplants from other areas. The bonds that build over time in rural settings among villagers were noticeably absent in these urban slums. Kaushik and Morris thought about creative ways to lock the box, establish multiple owners (to provide multiple layers of security), or even keep ownership with PnP staff somehow, but none of these options were viable when balanced against the inherent lack of trust.

The team's thoughts turned once again to livelihoods. Kaushik said, 'Our biggest lesson was that we should have run this training in parallel with livelihood development. The women could have used the extra income from their livelihood to practice what we preached in the sessions.'

In January and February, when half of the PnP staff held the financial literacy sessions, the other half had been busy lining up livelihood opportunities. Still, there was a gap of a few weeks before the initial skills training could begin. The PnP team noticed that the women's enthusiasm for the program waned considerably in this period. Despite ACCION's effective financial literacy tools and training methodology, the PnP team learned there was no substitute for the tangible lessons the women could derive from the real-time application of their own hard-earned income.

## LIVELIHOODS & GOVERNMENT LINKAGES

In the original program proposal, PnP had planned to carry out the livelihoods and government linkage components of the intervention in close succession. The women would get started on a small-scale livelihood so that they could pick up new skills and start earning an income. This would then be quickly followed by enrolment of the entire household into a government employment scheme that would help diversify the source of income and guarantee dignified employment in

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13 To request copies of the manual for community savings, please e-mail [pd@pnpindia.in](mailto:pd@pnpindia.in).

the longer term for some portion of the year.

In April 2010, PnP kicked off a series of trainings for its beneficiaries through a partnership established with the Khadi Village Industries Commission (KVIC).<sup>14</sup> Through this partnership, PnP was able to offer the women a choice between candle making, incense stick rolling, or tailoring as livelihoods. PnP decided to cover the fees for all KVIC training and the initial cost of raw materials for each individual livelihood. The beneficiaries understood that it was their responsibility to procure the raw materials after the completion of training.



*A trainer from KVIC (foreground, left) shows UPP beneficiaries how to make candles in different shapes.  
Photo credit: Vivek Kaushik*

The training sessions went well in the first 2-3 weeks. Most of the beneficiaries expressed a renewed enthusiasm for the PnP intervention when it became clear that they could earn an income from the activity. The field staff even noted an increase in the women's confidence. For example, after some of the women had successfully produced their own candles using the given standard moulds, they requested different moulds so they could experiment with alternative shapes and colours. A few had good ideas about shapes—such as human and animal shapes—that would sell better than the conventional designs in the local marketplace.

In that same month of April 2010, however, with little prior warning, the local government suddenly cracked down on the stone-collecting activity in the riverbeds. The government had at times issued warnings against 'commercial activity' in the riverbeds, but these warnings had been issued primarily in the rainy season and lifted in the months following. This time, the ban was a permanent one. Officials speculated that the extraction of stone was environmentally unsound and would upset the natural balance of the nearby waterways. Officers were stationed at a number of popular sites to enforce the ban on stone collecting. Hundreds of

<sup>14</sup> For more information, please visit: <http://www.kvic.org.in/>

the poorest households in Dehradun lost their primary source of income almost overnight. Within a week's time, 180 of PnP's 400 households migrated to other towns in search of work.

'This was a major blow to our program,' said Kaushik. 'We were devastated when we lost almost half of our beneficiaries. But it was also the biggest learning for us—in the future, we must provide stable livelihoods first to our households so they have no reason to migrate.'

### **DESCRIPTION OF THE ACTIVITY: INDIVIDUAL LIVELIHOODS**

The migration negatively impacted the morale of most of the PnP team members, but Kaushik felt strongly about continuing with the 220 households that remained. The idea was to train the beneficiaries in a particular skill, ensure that they started to make progress on conducting an individual livelihood activity—like candle-making—and then enrol the households into government employment schemes that would provide them access to other income-generating projects and opportunities. Kaushik hoped to introduce the households to local officials and prove their below-poverty-line status, making them eligible for government programs.

It was important to show that the beneficiaries had some productive skill, even if it was in an area that would be unrelated to the employment scheme. For example, one promising scheme involved construction work with an emphasis on road construction. The government would be more likely to hire households for these infrastructure projects if they observed the household was already involved in some productive activity and not sitting idle.

The individual livelihood activity, in addition, would act as a fall back option for the household between infrastructure projects. The government could not guarantee work for every day of the year, though it would strive to provide enough opportunities to constitute at least 100 days worth of income-generating activity.<sup>15</sup> Regardless of the benefits and projects provided by the government, it was imperative for every household to maintain a variety of livelihood options.

During the skills training, the PnP team slowly introduced the concept of the government livelihood schemes. Introducing this concept early would allow time to elicit feedback from the beneficiaries, process their concerns, and prepare them for the enrolment formalities. PnP introduced the construction worker schemes,

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<sup>15</sup> For more information on The Mahatma Gandhi National Rural Employee Guarantee Act (MNREGA), please visit: <http://nrega.nic.in>

which included the building of roads, mall construction, and maintenance of public administration buildings. This seemed to be the most promising in terms of local officials' willingness to screen and enrol beneficiaries. Women could play a role in these projects, though it was estimated that approximately two-thirds of the roles would employ the men of the household. Nonetheless, Kaushik hoped these jobs would help fill the void left by the ban on stone collecting and provide more dignified jobs to the beneficiaries' husbands.

Throughout the months of May and June 2010, the KVIC training continued. Individuals were trained in batches, so at least 10-12 weeks were necessary for all of the women to cycle through the training sessions.

### **OUTCOMES AND LESSONS LEARNED**

In early June, the first batch of trainees attempted to carry forward their newfound livelihoods. Early on in the process, almost all of them found it difficult to procure the raw materials. Although the trainers had recommended where to purchase these materials, the women found that the suppliers would not honour their requests for reduced pricing and many felt they were mistreated. Members of the PnP team could bargain on the women's behalf, but this practice would not be sustainable in the longer term. A group of women, they thought, would have greater bargaining power with the suppliers than individuals. In the next phase of livelihood development, the team considered methods to establish group livelihoods (described in the next section).

The PnP team also faced problems on the government linkage front. Depending on which administrative department Kaushik spoke to, he received conflicting information about the employment schemes. Some officials told him there were simply not enough construction projects at the moment and that beneficiaries could not be enrolled when projects were inactive.

Other officials told him that beneficiaries could not be enrolled without some proof of ID. Officials were generally dismissive of the HCH identification cards, especially noting that the majority of women never used the facility. They also appeared reluctant to travel to the slum areas and provide identification to households that currently had no documentation. This practice, they claimed, could promote fraud especially as most of the households migrated from other states and did not permanently reside in Uttarakhand. Unless they could produce identification from their original place of residence, the state authorities did not want to risk duplicate or erroneous identification.

This experience perfectly fit the stereotype of India's bureaucratic public administration. 'In my initial conversations with the Principal Secretary and others, I had been given very clear information and was optimistic that something could be done,' said Kaushik. 'The more visits we made, the more confusing and conflicting information we received. It was frustrating.'

From the beginning of the PnP intervention, Kaushik and team had invited public officials to the events, such as the health camps and one or two of the financial literacy sessions. At the health camps, the officials were allowed to make brief speeches, promoting PnP's work and encouraging all beneficiaries to partake in the program. Kaushik had hoped that this exposure would have forged greater trust between the beneficiaries and public officials. With multiple visits, perhaps the officials would move to formally recognise these settlements. However, the most recent conversations discouraged him and he knew he could not hold out hope for the local authorities to provide the necessary documentation to the beneficiaries.

Simultaneously, from within the skills training sessions, the beneficiaries were giving more negative than positive feedback on the government-sponsored construction worker schemes. Many households had been previously involved in these (although it was unclear whether it was in Uttarakhand or other states), and most beneficiaries had had bad experiences: low and erratic pay, less than dignified working conditions, long hours, and verbal abuse were commonly cited.

Beneficiaries made it clear that they did not want to take on government construction work as their primary livelihood. They instead wished to make livelihoods from the KVIC training sessions—the candle-making, incense stick-rolling and tailoring—their primary livelihoods, and supplement this activity with government-sponsored construction projects when they needed the extra income. Kaushik and team had to quickly explore methods to make these new livelihood activities more viable, lucrative, and dependable.

### **DESCRIPTION OF THE ACTIVITY: GROUP LIVELIHOODS**

The PnP team spent the next month designing high-level process manuals for group livelihood platforms such as jewellery making and candle making units. The idea was to build small clusters of common activity, where 5-10 women would band together, each specialise in the different functions required to produce the finished product, and jointly manage the cluster. These women as a group could then negotiate better prices for the raw materials.

Also imbedded in this model was the concept of proprietorship. One of the beneficiaries—likely the one chosen to manage the cluster—would be named the proprietor, and the cluster would be registered as a place of employment with the local government. A proprietorship can register for the Employee State Insurance Employment Scheme (ESIES), which would offer certain protections and benefits for the employees. Kaushik felt this had good potential to first provide beneficiaries with a government-issued identification card that recognised their ESIES status, and second, to enrol them in one government scheme, making it easier for them to be enrolled in other public sector programs. Meanwhile, the ESIES gave beneficiaries access to subsidised healthcare at certain facilities, contributions into a provident fund,<sup>16</sup> and protection against wages below the minimum level.

### *Outcomes Demonstrate a Need to Revise Group Model*

This idea of forming a livelihood cluster and formally registering it with the government seemed promising until the PnP team tested the theory with three beneficiary groups.

‘Our beneficiaries had lower levels of literacy than we had originally realised,’ said Kaushik. ‘Even the person named the proprietor is an ultra poor person after all. The groups struggled with the forms and compliance to register for the ESIES. The registration process was much longer than we had been led to believe.’

Multiple trips to state administration offices were required, and approval was never guaranteed. Kaushik did some extra research on the subject and spoke to managers of more established companies based in the area. Apparently, even mid- to large-size corporations found the ESIES process frustrating and time-consuming. For the ultra poor this frustration was compounded by the fact that each day spent in the state office meant one day without income.

Even if initial approval was granted, the proprietor would have to renew the ESIES upon the request of the state government or at least on a semi-annual basis. The proprietors saw very little upside to this cumbersome process.

Meanwhile, another concern was brewing—the seemingly petty complaints arising from group members who did not want to work together. PnP’s field staff were outwardly frustrated by this development. ‘They kept saying, “we are doing everything to provide a livelihood for them, and they can’t even agree to work

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<sup>16</sup> A government-sponsored program that encourages regular contributions from employees, matched by employers, which accumulate in an account that provides retirement benefits and access to certain health care programs and insurance schemes. For more information, please visit: <http://www.epfindia.com/epf.htm>.

together!” Kaushik recalled.

When the team probed deeper, it became clear that the inherent lack of trust among households in these slum areas would prevent many of them from working together and self-managing the clusters. For years, they had lived among each other on a small plot of land with no property rights, and no basic infrastructure, fighting to get through each day with enough to eat. Such a precarious existence would naturally create rivalries and conflict in the slums. It would be difficult for households to overcome this in a livelihood setting where one’s daily wages would depend on the cooperation and good behaviour of their neighbours. As Kaushik put it, ‘we are in no position to sort out the social dynamics of these slums. They must police themselves and learn to resolve their disputes.’ He patiently explained to his field staff that this was an understandable development, and that they would have to work around this.

Lastly, physical space was a major constraint, especially in the NKC slum. Most homes were too small to double as a site for a livelihood cluster, and due to timings, it was impractical to use the community schoolhouse as an alternative site. Even sitting out in the open would be difficult given the narrow trails between houses and limited land allocation for slum residents’ use. Without building a new physical structure from scratch, which would be a costly and impractical endeavour for each cluster, it would be difficult to provide a secure site for women to sit together and collaborate.

After a few weeks of exploring the group livelihood option, ‘ironically, we moved back to the individual livelihood model,’ said Kaushik. ‘The cluster approach is definitely the longer-term solution, but we have to give them an individual livelihood in the short term and have them build up some confidence and security. We should also encourage the building of trusted bonds over time, though we cannot be around in the future to enforce certain behaviour.’

***Model Revised: Independent Livelihoods & Commitment to Group Meetings***

The PnP team decided not to force the concept of the livelihood clusters, and instead promoted the idea of forming self-help groups (SHGs) of beneficiaries who would assemble on a weekly basis. SHGs typically meet to aggregate savings from members and disburse loans, when appropriate, to members. Kaushik hoped that the group format and weekly meetings—centred around savings, not livelihoods—would help build trust over time.

More importantly, however, the SHG is a construct that is recognised by the government of India. The National Bank for Agriculture and Rural Development (NABARD), established by an act of Parliament in 1982, actively encourages the creation of SHGs as an effective vehicle for fostering strong community bonds and promoting financial inclusion for the poor.<sup>17</sup> On its website, NABARD describes its mandate as, ‘facilitating credit flow for promotion and development of agriculture and integrated rural development. The mandate also covers supporting all other allied economic activities in rural areas, promoting sustainable rural development and ushering in prosperity in the rural areas.’<sup>18</sup>

NABARD is known for extending credit to early-stage MFIs, usually before other commercial investors would be interested. NGOs also consider NABARD a reasonably dependable partner, primarily with respect to its ‘SHG-Bank Linkage’ program. NGOs that had successfully formed SHGs could apply to NABARD to formally recognise each SHG as an entity; this entity could then open a bank account in its name. NABARD would provide identification to each SHG, and this entity could then open a bank account with a nationally recognised bank—such as Punjab National Bank, which PnP eventually chose—to manage the group’s finances. The women within each group would be card-carrying members of the SHG entity.

Kaushik and team explained this arrangement to the beneficiaries, who reacted with great enthusiasm. None had ever used a formal bank account but were eager to have a secure vehicle for saving. This would also be the first step in procuring an official form of identification for the women, even if it was on a group basis.

The PnP team formed the first SHG on 15th November 2010. Each SHG would have five members. Successive SHGs were formed, one per week, as formation required a few days to elicit cooperation and signatures from the members and train them on their responsibilities and SHG meeting procedures.

To assist with SHG formation and management, PnP named three SHG leaders, one for NKC: Sharada Devi, and two for Doiwala: Susheel Sharma and Jogaram. All lived in or near the communities they served, but were economically a bit more stable compared to the Ultra Poor Program beneficiaries. The basic requirements to serve as an SHG leader were:

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<sup>17</sup> For more information, see: <http://www.nabard.org>

<sup>18</sup> National Bank for Agriculture and Urban Development (NABARD). “NABARD Role and Functions: Overview” <http://www.nabard.org/nabardrolefunct/nabardrole&functions.asp>

- Must have passed the 10th standard
- Be able to read and write in Hindi
- Have some influence in the community
- Be respected and trusted by the beneficiaries

The SHG leaders' primary responsibility was to help form the SHG groups, assist with the training, and monitor the group's activity week after week to ensure cooperation and fair practices among group members. The SHG leaders would also assist with the members' livelihoods, which are described in greater detail below. PnP compensated the SHG leaders with a monthly stipend of Rs. 2,000 (approximately \$45) plus Rs. 500 (approximately \$12) for every SHG successfully formed. The SHG leaders were extremely grateful for this additional income, and PnP found in them three highly effective and hard-working resources that helped to accelerate the process of SHG formation and registration.

If PnP received the NABARD sanction, Sharada, Susheel, and Jogaram planned to help register bank accounts at Punjab National Bank for each SHG. The SHG leaders felt comfortable looking after 10 SHGs on a longer-term basis. Before PnP relinquished all SHG monitoring duty to the leaders, they would work with each SHG to determine how much the SHG could compensate the leaders for their time. This would ensure compensation for the leader and critical support and oversight for the SHGs on a longer-term sustainable basis.

The one condition that troubled Kaushik all throughout November and December was the risk that NABARD would not recognise SHGs with members that did not possess personal identification. In the past, most of the SHGs that had earned recognition from NABARD had submitted official paperwork on all their members. Kaushik spent two-to-three weeks in December carefully crafting a proposal that described the vicious cycle of extreme poverty the PnP beneficiaries faced and how formal identification at the SHG level could help them break out of these circumstances. Kaushik described the various risk mitigation measures put in place by the program such as oversight by the SHG leaders, regular check-ins by the PnP team, the new income-generating activities the beneficiaries were involved with, and the other forms of support the PnP program had provided.

On 21st December, Kaushik submitted the proposal and 'request for sanction' letter to NABARD. Thanks to repeated in-person visits and personal appeals, the Self Help Promoting Institution (SHPI)—a group within NABARD whose purpose

is to promote SHG formation through NGOs)—heard his case. With the formal application and request for sanction submitted, the PnP team could only wait and hope for positive news.

Meanwhile, the PnP team worked to line up the livelihoods. The income-generating activities had to be carried out individually, yet have a component that would allow for group-based negotiations on raw materials and supplies. In other words, the ultra poor would have to work together to ensure access to the inputs their livelihoods required, but would otherwise work independently to earn an income.

By early January, the PnP team had prepared livelihoods in vegetable vending, “*kirana*” shops (convenience stores or stalls that sold household items such as soap, cleaner, toothpaste, etc.), goat rearing, poultry farming, and fish vending. As before, PnP agreed to assist with the initial procurement of raw materials, but after these were exhausted, beneficiaries would be expected to procure supplies on their own and sustain the livelihood activity.

Two factors, however, prevented PnP from fully subsidising the cost of these raw materials as it had during the KVIC training. One factor was the obligation within the new SHG scheme of introducing group members to a range of financial services and training them on how to self-sufficiently manage their financial obligations. Kaushik felt that outrightly purchasing materials for them would compromise the spirit and purpose of the SHG, increase the risk that officials would not take the SHGs as seriously, and also make it difficult for beneficiaries to take on this responsibility in subsequent cycles, as was observed during the KVIC phase.

Another factor that had to be considered in the design of the livelihoods, unfortunately, was PnP’s dwindling budget. ‘We were learning something new every day in this experience of our first pilot,’ said Kaushik, ‘and we had to change course a few times, which added to our costs.’

For these reasons, PnP introduced the concept of a ‘soft loan’ to accompany the livelihoods. The team purchased starter kits of the raw materials needed to initiate each livelihood, however, these were given to the beneficiaries on the condition that they pay back half of the original cost. For example, the materials to set up a *kirana* shop cost roughly Rs. 3,000 (approximately \$60). These materials were given to the beneficiary, along with training on how to set up a *kirana* shop. Then, after a one-month grace period, the beneficiary had to pay back the ‘loan’ in three monthly instalments of Rs. 500 each. This way, PnP would partially recoup the cost

of the raw materials and the beneficiaries would start to build a credit discipline.

The PnP team quickly drew up a blueprint for each livelihood, which detailed what raw materials would comprise the starter kit and how to train the beneficiaries on the necessary skills and best practices. Each blueprint also contained calculations of the expected profit margins from each activity. Each woman was trained in basic bookkeeping and encouraged to keep her daily operational costs low so as to increase her profit margins.

The three months between January and the end of March 2011 were spent assigning a livelihood to each beneficiary. In a given cluster of houses, the team ensured that the livelihoods were varied. No two women should be conducting the same activity and hence, be directly competing with one another. In the entire slum, however, there was deliberate duplication—for example, in all of Doiwala there were at least 10 *kirana* shop owners. The women planned to set up their shops in different corners of the slum and on the periphery, but were told to share their experiences with one another and purchase their raw materials as a group from the local suppliers.



*A Doiwala resident stands in front of her new kirana shop  
Photo credit: Sachi Shenoy*

The women could request the assistance of their SHG leaders, if necessary, to help them negotiate fair pricing and treatment. In addition, the SHG structure would serve as a network of support that would encourage its members to save

more, indirectly earning more week after week. PnP, fresh from having learned from the KVIC livelihood phase, wanted to ensure that beneficiaries would never feel alone and vulnerable during this critical period of launching a sustainable livelihood for themselves. The group-based negotiations, SHG leaders, and fellow SHG members all provided different points of recourse and support in the event of a problem. This peer support, Kaushik hoped, would prevent anyone from falling through the cracks or giving up on their livelihoods.



*Doiwala resident poses with two new goats provided by PnP  
Photo credit: Sachi Shenoy*

By the end of March, all 220 beneficiaries had been assigned a livelihood and had completed training. A loan repayment schedule was drawn up for each beneficiary, a sample of which is shown in Appendix D.

In the final week of March, much to the team's delight, NABARD sent PnP a letter approving the SHG-Bank Linkage program for PnP's beneficiaries. 'On that day, holding the letter, we finally felt that all of our efforts and struggles had paid off!' said Kaushik.

## OUTCOMES AND LESSONS LEARNED

Even prior to the NABARD sanction, the revised livelihood scheme appeared to be successful. For weeks, the beneficiaries maintained 100% repayment on their loans and field staff reported consistently high attendance in the weekly SHG meetings. In general, all beneficiaries appeared satisfied with the livelihood activity they had been granted; most households reported a feeling of confidence that their average household earnings would increase over time.

In a few cases, the beneficiaries did experience problems with the livelihood. For example, a few candle-making moulds were found to be faulty, and in another

case two goats passed away prematurely. PnP's policy was to seek solid proof of the problem, after which the team would then work to replace the asset at no additional charge to the beneficiary. The affected beneficiary was also given an extended grace period in which to repay her loan.

Kaushik acknowledged that in the process of granting livelihoods to individual beneficiaries, the team learned a lot and eventually perfected a method with criteria to determine the best possible match. He felt that such a deliberate, systematic matching of livelihood to beneficiary helped to increase the likelihood that the livelihood activity would be sustained.

First, the field staff would ask questions about any prior employment history—what had the household dabbled in before and what were the individual's core skills? As much as possible, PnP wanted to grant livelihoods that matched an existing skill set.

Second, field staff were increasingly encouraged to gather regular feedback from the beneficiaries, on a weekly basis initially, and then fortnightly to correspond with the SHG meetings. Field officers inquired about any problems the women were having with their livelihoods and would draw up a list of issues that could potentially jeopardise repayment. Early on one interesting issue surfaced: many of the candle makers came forward and requested smaller candle moulds. They instinctively felt there was less customer demand for the larger candles that would be marketed at Rs. 5, and that they could sell a greater number of the smaller Rs. 1 candles. The PnP team exchanged the larger moulds for the smaller ones, and sure enough, within a few weeks time the candle makers reported increased sales.

Third, PnP discovered there was great benefit to having the beneficiaries tag along with the field team as they gathered the raw materials for the first time versus having the starter kits readily available. For example, after selecting eight women from Doiwala who would sell fish as a livelihood activity, one field officer took all eight women to the fish wholesaler and they observed as he negotiated the amount and pricing. Not only were these women better able to mimic this process on their own in the near future, but field staff also hypothesised that the wholesaler may have been influenced by seeing the field officer represent this group of women. When the wholesaler interacts with them in the future, he is less likely to distort the prices, assuming they represent a more formal group.

Finally, the team credits the soft loan mechanism for instilling a level of discipline that had not existed in the first livelihood cycle. After the KVIC trainings, even though the team had emphasised to the women that they were on their own after the initial basket of raw materials had run out, ‘the very act of giving them something for free created some complacency,’ said Kaushik. ‘Or maybe it was not complacency, but they were simply unwilling or unable to get raw materials on their own and many gave up quickly, not even trying.’

In contrast, the loan instilled in the women a sense of urgency that they had to pay the loan back in order to remain in the program. They had one month to generate enough income to pay back the first instalment and hence, they did not have the choice of not following up on the livelihood activity. Said Kaushik, ‘They need this push to get going on the livelihoods. After one or two cycles they look more confident that they can do this and they keep going.’

Kaushik was well aware of the debate among practitioners regarding how appropriate it is to introduce credit to highly vulnerable, ultra poor populations. Indeed, the soft loan methodology had not factored in to the original program design, and Kaushik himself would have had reservations about creating indebtedness among this group. As the team encountered the seemingly insurmountable challenges around traditional livelihoods and the government employment schemes, however, this solution emerged as the only feasible way to promote sustainable income generation for this segment.

For those who oppose the provision of credit to the ultra poor, the PnP intervention offers a compelling counterpoint. The livelihoods package was partially subsidised, so beneficiaries did not have the burden of paying back the entire cost and what they did have to repay was manageable and helped to establish the practice of repaying credit. The beneficiaries were also given at least one month as a grace period before any repayment was due, which helped to ease the tension of a typical credit cycle. Also, it was important that supplies—not cash—were given to beneficiaries. In their marginalised state, it is completely logical to expect that cash would be immediately spent on consumption for items like food, and not used to purchase working capital. PnP’s methodology removed the element of choice but also pushed beneficiaries down a more productive path.

For subsequent pilots, Kaushik is committed to the soft loan methodology. He feels it is more effective than a traditional safety net approach, not only as it positively affects the beneficiaries’ outcomes but also as it encourages the right behaviour for

field staff. 'The very model of soft loans forces us to monitor the program closely and to track our clients' behaviour. Our field staff are much more serious when we expect repayments to be made, and they are very receptive to clients' feedback,' said Kaushik. 'In previous safety net programs, I could not encourage my staff to have this level of follow-up and to get clients' feedback. They just did not have the incentives. I have gotten the question: "if I am giving them an asset, why should I monitor it?" There is mutual accountability with a loan.'

'Plus, without client feedback how would we ever have known about the market demand for Rs. 1 candles versus Rs. 5 candles? Our clients have helped us increase our own market knowledge of the poor,' said Kaushik.

As of July 2011, the PnP team has successfully registered 20 SHGs with the NABARD SHG-Bank Linkage program. 20 accounts have been opened at the local branch of Punjab National Bank, meaning that now 100 women have access to an account and a safe place to save. Field staff report between 80-85% SHG meeting attendance on average, and Kaushik estimates that each beneficiary has saved an average of Rs. 300, or approximately \$6, in the last two to three months since the bank accounts have been opened. Loan repayment remains at 100% and so far all beneficiaries are forging ahead with their newfound livelihoods. On average, across the beneficiary class, the women report between Rs. 1500-2000 (roughly \$35-\$45) in increased income per month since the start of the livelihoods intervention.

For the longer term, Kaushik believes strongly in the group livelihoods model. While the beneficiaries appear to be doing well in their current activities, the 'sole proprietorship' model has its limitations and beneficiaries may eventually hit a ceiling as to how much they can earn on a daily basis. Kaushik also worries about the competition in the area: for example, how many of the 10+ vegetable vendors in Doiwala will prevail, or how will each vendor carve out her own geographical territory to ensure continued business? The PnP team feels its beneficiaries are savvy enough to work through these challenges, but wonders about the limitations inherent in the local market economy.

Of course, for group livelihoods to work, strong and trusted bonds must develop among households in these slums. Such bonds take time to develop and are inherently fragile, at risk of fracturing in urban communities that house more transient populations and attract families from different ethnic groups and backgrounds. Kaushik is optimistic that the discipline of fortnightly SHG meetings, continued

oversight and guidance from the SHG leaders, and peer support will help forge stronger bonds and eventually spark increased commerce and economic activity in these communities.

## CONCLUDING REMARKS

Looking back on PnP's experience with its first Ultra Poor Program pilot, it would be easy to label it a series of experiments involving substantial trial and error to eventually arrive 24 months later at a model that beneficiaries embraced. Indeed, the intervention that is currently flourishing within NKC and Doiwala is significantly different in design, content, and scope than what was outlined in the 2009 proposal. A closer look at the month-by-month successes and failures, however, reveal incredibly valuable lessons for other practitioners who are interested in developing programs to uplift the urban ultra poor. In India at least, there are too few examples of such urban programs—rural interventions are far more common—and even fewer documented guidelines for fellow practitioners.

Kaushik hopes this story will encourage others to venture into similar, high-risk urban areas. In India, this translates into the non-notified slums that house the most vulnerable and transient populations, those that are at the greatest risk of migration or worse, forced eviction by local authorities. Practitioners—MFIs and NGOs alike—typically avoid these areas. PnP recommends the following 'formula', gleaned directly from the lessons learned in the current pilot for effectively serving these vulnerable urban populations:

# 1

### ***Start the intervention with livelihood activities and skills training***

The single biggest reason for sudden migration is a household's search for income-generating activity. Providing this at the very beginning and showing the beneficiaries that they can start earning an income relatively quickly stabilises the situation considerably. The beneficiaries' increased confidence is noticeable upon earning an income, and with this foundation they become more receptive to other products and services that are offered in conjunction.

2

***Pursue only the single most effective opportunity for public sector partnership***

Despite the frustrations experienced with appealing to government authorities, PnP still advocates this level of partnership given the dire need for formal identification and linkage to other institutions, such as banks. 'The government often is the only channel to resolve these needs,' said Kaushik.

Rather than rely on public sector schemes to fulfil long-range goals like sustained employment, Kaushik recommends pursuing government support for 'one-time' approval on initiatives that open doors to other benefits. Once PnP received NABARD's endorsement, for instance, it could immediately link its beneficiaries to Punjab National Bank and open accounts. As account holders, the beneficiaries would receive identification and access to many other institutions and programs.

3

***Ask beneficiaries to cover some of the intervention's costs***

When working with the ultra poor, practitioners are rightfully sensitive to their vulnerabilities and it seems inappropriate to ask them to pay anything toward a product or service. In PnP's experience, however, the soft loan instantly changed beneficiaries' behaviour by teaching them to take full ownership of the livelihood and work hard to fulfil the credit terms. They took this responsibility seriously and the fact that they could sustain this newfound income source increased their self-confidence.

What is perhaps most exciting about the lessons presented here is the potential for this model to reduce the overall per-beneficiary cost of ultra poor interventions. The price tag of many traditional safety net programs is upwards of \$500 per beneficiary. Even accounting for the trial and error, revisions made to PnP's first pilot, and only considering the remaining 220 beneficiaries, PnP spent a little over \$300 on each beneficiary in this first attempt. That figure comes to roughly \$280 per beneficiary if each is able to repay their loan.

Kaushik is confident that in subsequent pilots the team can bring this cost down to between \$100-\$150 per beneficiary by halving the program timeline, kicking off the

soft loan program and livelihoods activity at the start, running other interventions (such as healthcare and financial literacy) in parallel, and relying on both private and public sector partnerships to help defray some of the costs.

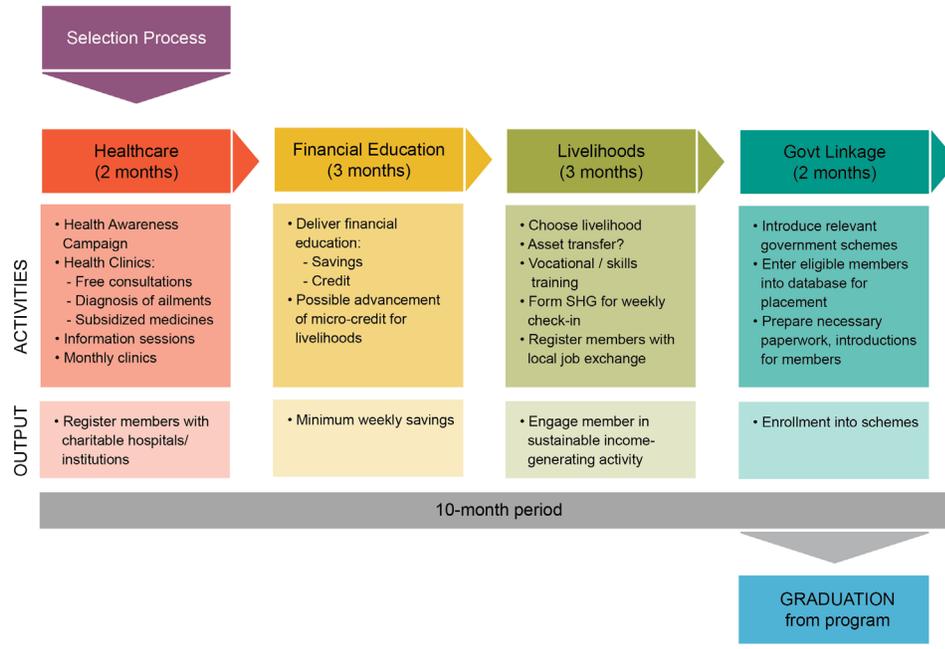
A lower-cost ultra poor intervention, one that is rooted in increasing the productive capacity of its beneficiaries, has a greater likelihood of scaling to reach hundreds more in need and building the necessary foundations to help participating households improve and maintain a more dignified quality of life.

# APPENDICES

## APPENDIX A: INTERVENTION MAPS

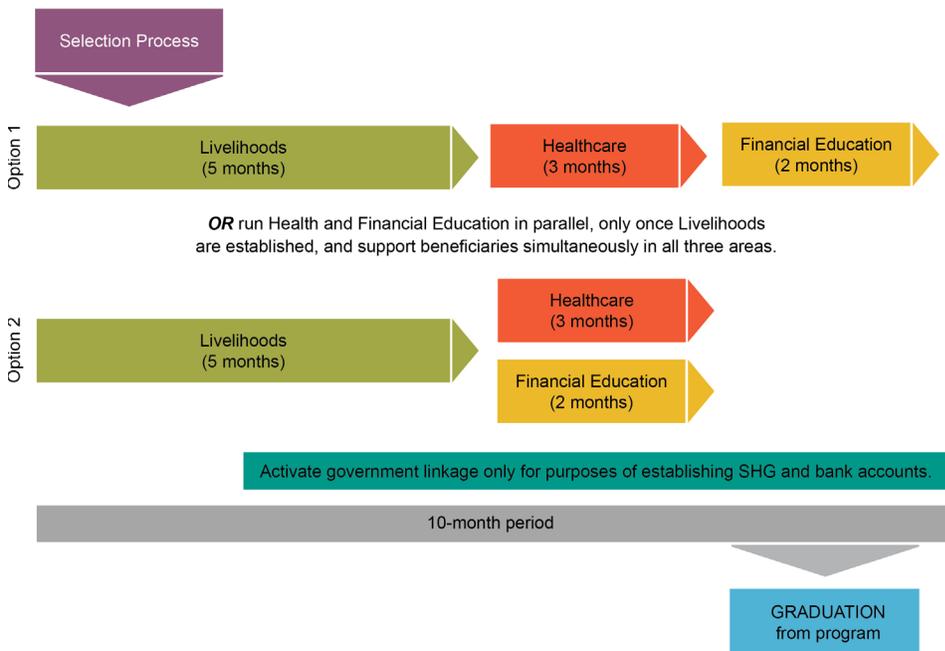
**Figure 2: PnP Original Ultra Poor Intervention**

**Goal:** To sustainably enroll urban slum-dwelling destitute households into relevant government schemes within a 10-month timeframe



**Figure 3: PnP Revised Ultra Poor Intervention**

The PnP team would make the following changes if a version two were conducted.

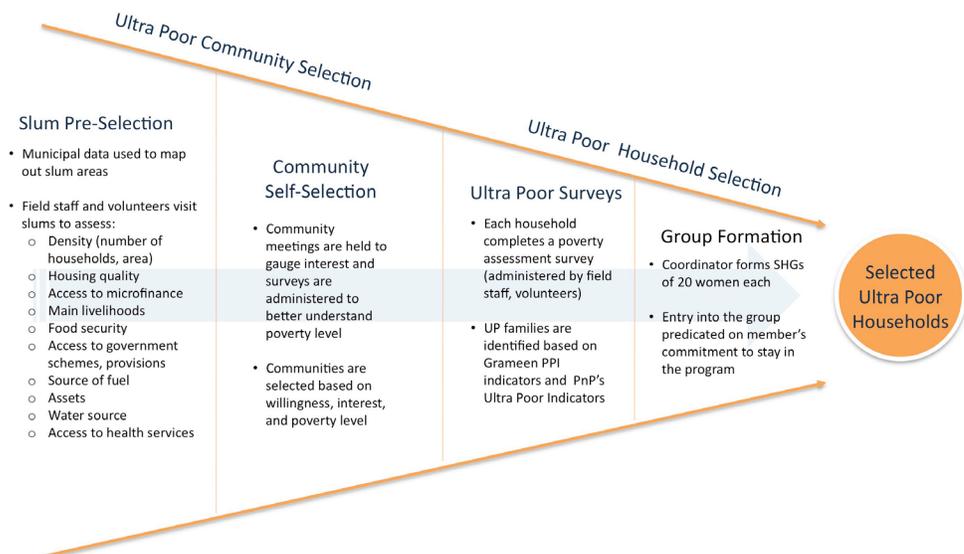


## APPENDIX B: CLIENT SELECTION PROCESS

### Background

Partners in Prosperity used a five-stage filtering process to select the poorest of the poor households for participation in the program. Internationally accepted indicators, internally developed indicators, and the community's own input were all critical components of the selection process. See Figure 4 for an overview of the process.

Figure 4: Overview of Selection Process



### Step ONE: Slum Pre-Selection

- Municipal data was used to map out slum area
- Using the table 'Assessment Criteria for Differential Vulnerability' (Figure 5), the PnP team narrowed down the eligibility of slums to those that scored predominantly in the 'Extreme' or 'Vulnerable' categories.

Figure 5: Assessment Criteria for Differential Vulnerability

Details		<b>Extremely Vulnerable Condition (score of 0)</b>	<b>Moderately Vulnerable Condition (score of 1)</b>	<b>Extremely Vulnerable Condition (score of 0)</b>
<b>Slum Status</b>		Live in unauthorized settlement, i.e. non-recognised slum located on private land / central government land, near railways	Live on land belonging to local authorities with possibility of sanction, or live on leased land	Own land, have authorized quarters or live in registered slum
	<b>Housing</b>	<ul style="list-style-type: none"> <li>House is <i>kaccha</i><sup>19</sup> with weak structure</li> <li>High density population in the area</li> <li>No separate place for cooking and minimal ventilation</li> </ul>	<ul style="list-style-type: none"> <li>Fairly <i>pucca</i> but with mud / brick walls with plastic or thatch roof</li> <li>Marginally better than the earlier category</li> </ul>	<ul style="list-style-type: none"> <li>Permanent structure</li> <li>Ventilation present</li> <li>Definite space / veranda for cooking</li> </ul>
<b>Basic Services</b>	<b>Toilet</b>	<ul style="list-style-type: none"> <li>No toilets, with defecation in the open by all – men, women and children</li> </ul>	<ul style="list-style-type: none"> <li>Majority do not have bath facilities</li> <li>Use common toilet</li> <li>Children’s use of toilets is low</li> </ul>	<ul style="list-style-type: none"> <li>Majority have definite private / public place for defecation and bathing</li> </ul>
	<b>Water</b>	<ul style="list-style-type: none"> <li>No water supply in the slum</li> <li>People have to go out of the area for water</li> </ul>	<ul style="list-style-type: none"> <li>Number of taps disproportionate to the need in the slum</li> <li>Irregular supply</li> </ul>	<ul style="list-style-type: none"> <li>Many public taps supplied 2-3 times per day</li> </ul>
	<b>Drainage</b>	<ul style="list-style-type: none"> <li>No Drains, or drains are clogged</li> <li>Roads not <i>pucca</i>, definitely <i>kaccha</i></li> </ul>	<ul style="list-style-type: none"> <li>Open drains</li> <li>Roads <i>kaccha</i> or <i>pucca</i> and narrow but have cemented lanes</li> </ul>	<ul style="list-style-type: none"> <li>Majority of the area has underground drains</li> <li>Paved roads (cemented)</li> </ul>
	<b>Electricity</b>	<ul style="list-style-type: none"> <li>Tapped / No Electricity</li> </ul>	<ul style="list-style-type: none"> <li>Pay landlord for point wise or other</li> </ul>	<ul style="list-style-type: none"> <li>Metered individual electricity connections</li> </ul>
<b>Employment</b>	<b>Pattern</b>	<ul style="list-style-type: none"> <li>Earning below Rs 1000 per family per month</li> <li>Daily wage earner with irregular income pattern</li> </ul>	<ul style="list-style-type: none"> <li>Earning Rs. 1000-2000 per household</li> <li>Daily wager but regular self employment</li> </ul>	<ul style="list-style-type: none"> <li>Earning greater than Rs. 2000 per household</li> <li>Majority service class</li> </ul>
	<b>Hazard</b>	<ul style="list-style-type: none"> <li>Majority are in hazardous work such as rag picking, the sex trade, recycling, and stone chipping</li> </ul>	<ul style="list-style-type: none"> <li>Vendors, semi and unskilled labourers engaged in odd jobs</li> </ul>	<ul style="list-style-type: none"> <li>Private or government job holders, petty traders, shopkeepers etc.</li> </ul>

<sup>19</sup> *Kaccha* is a Hindi term that roughly translates into “informal, insecure, or weak”

<sup>20</sup> *Pucca* is a Hindi term that roughly translates into “formal, sturdy”

Figure 5 Continued: Assessment Criteria for Differential Vulnerability

<b>Details</b>	<b>Extremely Vulnerable Condition (score of 0)</b>	<b>Moderately Vulnerable Condition (score of 1)</b>	<b>Extremely Vulnerable Condition (score of 0)</b>	
<b>Credit</b> (loans & savings)	<ul style="list-style-type: none"> <li>• Loan from informal sector such as a mortgage or a loan having a high interest rate (&gt;10%)</li> </ul>	<ul style="list-style-type: none"> <li>• No savings or savings in irregular / informal forms</li> <li>• Loan from regular source such as landlord or employer</li> </ul>	<ul style="list-style-type: none"> <li>• Home loan from formal community group or institution</li> <li>• Saving regularly at a bank or SHG</li> </ul>	
<b>Status of Health &amp; Health Services</b>	<b>Morbidity</b>	<ul style="list-style-type: none"> <li>• Malnourished children seen</li> <li>• High incidence of illnesses reported</li> <li>• Reported cases of child mortality</li> </ul>	<ul style="list-style-type: none"> <li>• Better conditions than previous category</li> </ul>	<ul style="list-style-type: none"> <li>• None of the earlier conditions seen as a norm in the slum</li> </ul>
	<b>Service Coverage</b>	<ul style="list-style-type: none"> <li>• Majority of children are not immunized</li> <li>• Home deliveries by untrained dais</li> </ul>	<ul style="list-style-type: none"> <li>• Irregular immunizations</li> <li>• Majority institutional deliveries</li> </ul>	<ul style="list-style-type: none"> <li>• Full Immunization</li> <li>• All institutional deliveries</li> </ul>
	<b>Health Facility</b>	<ul style="list-style-type: none"> <li>• No public facility within 2-3 km</li> <li>• Most often visit quacks or stores</li> </ul>	<ul style="list-style-type: none"> <li>• Visit quacks and qualified doctors</li> <li>• Government facility used only for prolonged illnesses</li> </ul>	<ul style="list-style-type: none"> <li>• Visit qualified doctors for all ailments</li> <li>• Dispensary or government facility nearby</li> </ul>
<b>Support from Development</b> (NGO/Gov/CBO)	<ul style="list-style-type: none"> <li>• No government or non-governmental (NGO) programs</li> <li>• Limited community based efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Public sector programs present but functioning irregularly</li> <li>• Sectoral presence of NGOs weak</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively better supported by government and NGO efforts</li> </ul>	
<b>Education</b>	<ul style="list-style-type: none"> <li>• Majority of children out of school and working</li> <li>• Illiteracy in adult population</li> </ul>	<ul style="list-style-type: none"> <li>• Children going to school but high drop out rate and working</li> <li>• Adults have functional literacy</li> </ul>	<ul style="list-style-type: none"> <li>• All children finishing elementary education</li> <li>• Adults have completed elementary education</li> </ul>	
<b>Gender Status</b>	<ul style="list-style-type: none"> <li>• Low female gender status (seen in Incidence of domestic violence, limited choices over fertility)</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement seen over the 'worst' category</li> </ul>	<ul style="list-style-type: none"> <li>• Equitable gender status (seen as improvement over earlier category)</li> </ul>	
<b>Proof of Identity</b>	<ul style="list-style-type: none"> <li>• Majority do not have any documents (ration cards, voter ID, caste certificate)</li> </ul>	<ul style="list-style-type: none"> <li>• Some have ration cards, voter ID, caste certificate</li> </ul>	<ul style="list-style-type: none"> <li>• Majority have requisite papers</li> </ul>	

**Step TWO: Community Self-Selection**

Community meetings were held with potential clients to gauge interest, and surveys were administered to better understand poverty level. Communities were selected based on willingness to participate, interest, and level of poverty.

**Step THREE: Ultra Poor Surveys**

Each household completed a Detailed Household Survey (DHHS) administered by field staff and volunteers, which was used to calculate the Grameen Foundation's Progress Out of Poverty Index™ (PPI™) score and help identify ultra poor families. Ultra poor households were also identified using PPI indicators and PnP's Ultra Poor Indicators.

**Usage of Grameen Foundation's Progress Out Of Poverty Index™ (PPI™)**

Information from the DHHS was used to calculate the PPI for each individual household. The PPI is a simple and accurate way of measuring and tracking poverty. Each indicator in the PPI receives a score. There are ten country-specific indicators in total. All ten scores are tallied and the resulting total is the PPI score. This score is then measured against a table to determine the likelihood that a person falls below a certain poverty line. For example, if a person receives a score of 5, they have a 58.5% likelihood of being below the national poverty line, a 78.8% likelihood of being below the \$1/day poverty line, and a 99.1% likelihood of being below the \$2/day poverty line.

**PnP's Ultra Poor Indicators**

PnP used their own set of indicators along with the PPI indicators. These are displayed in Figure 6 on the following page. Eight out of the following eleven criteria had to be fulfilled in order for the household to be eligible for the program.

**Step FOUR: Group Formation**

Potential clients who fulfilled the criteria in step three were invited to a meeting where they were once again reminded of the components of the program and their commitment was assessed. Clients were then selected for the program and placed into groups of 20 by the field coordinator.

**Step FIVE: Finalisation of Selected Clients**

Clients were not required to sign a contract. When the final list of clients was drawn up, their individual Detailed Household Survey was filed according to their group. These files were kept in hard copy at the office.

Figure 6: PnP's Ultra Poor Indicators

<b>Indicators</b>	<b>Values</b>
1) Resident of urban / semi-urban slum	At least 10 years in the same place
2) Low average daily earnings	Less than \$2/day or less than Rs. 128/day
3) Little ownership of physical assets	Close to none - especially no TVs, fans, liquid propane gas (LPG), sewing machine, pressure cooker, <i>almirah</i> (wardrobe)
4) Infrequency of work	Women in the household do not work, and/or the main income earner is employed for 50% of the time or less
5) Male occupation	Manual labour
6) Basic education levels	Illiterate; very basic
7) Food insecure	Less than two meals per day on average
8) Poor health	Do not receive regular healthcare, and/or suffer from ailments such as: <ul style="list-style-type: none"> <li>• Tuberculosis</li> <li>• Poor maternal health</li> <li>• Malnutrition</li> <li>• Vitamin deficiency</li> <li>• Frequent stomach upsets</li> <li>• Malaria, dengue, cholera</li> </ul>
9) No access to (formal) financial services	Do not participate in microfinance, banking
10) <i>Kaccha</i> housing (unstable, poor quality)	Materials include cardboard and polythene
11) No access to government schemes	Do not have ration / voter cards or identification

## APPENDIX C: DETAILED HOUSEHOLD SURVEY

Detailed Household Survey							
A BACKGROUND INFORMATION							
a	Name of the House Hold Head						
b	Male / Female						
c	Religion / Caste						
d	Jhuggi (Slum Cluster) No.						
e	Address						
f	Phone no.						
g	Name of the Researcher						
h	Interview date						
A1	Is this your own house?	Own / rent / lease / live with a relative / other					
A2	How long have you been staying here?	<input type="text"/> (number of years)					
A3	Where were you staying before coming here?	<input type="text"/> (name of place)					
A4	Why did you shift to this locality?	<input type="text"/>					
A5	Adults: Name of family member	Relationship with HH head	Age	Sex	Qualification	Occupation	Monthly Income
a							
b							
c							
d							
B CHILDREN							
B1	Children: Name	Sex	Age	Whether Disabled	Type of Disability	Whether Attending School	
a							
b							
c							
d							
e							
f							
Reasons of Not Going to School Ever				If Attending			
B2	Children: Name	For Male Child	For Female Child	Type of School	Class Currently Enrolled	Medium of Education	Monthly Expenditure on Education
a							
b							

**Continued: Detailed Household Survey**

c							
d							
e							
f							
<b>C FEMALE</b>							
C1	What do you do for a living?	Don't work / domestic maid / work from home / construction labour / employed					
C2	If employed, name and details of employer						
C3	Do you have to migrate for work? How often? How far?						
C4	Researcher to capture any comments related to above - such as did she work in the past, did she stop working because of health reasons, religion does not allow to work outside of home, children need mother at home etc						
C5	On an average, how many hours do you work in a day for earning an income?	1-3 hours / 3-6 hours / 6 - 8 hours / >8 hours					
C6	How much do you earn in a month?	<input type="text"/> (in Rs)					
C7	If you don't work currently, would you like to work?	<input type="text"/> Yes / No					
C8	What stops you from working?	Child care / lack of skills / don't know how to get jobs / not allowed to work					
C9	If lack of skills, would you like to receive job training? Will you attend job training sessions once per week?	<input type="text"/> Yes / No					
C10	What kind of training would you like to receive?	Literacy, specific skill (dairy, poultry, embroidery, vending, bangle-making, etc.)					
C11	Any other reason for not working?						
C12	What is the most suitable time in a day you'll be available for vocational training / education activities etc.	6:00 - 8:00 / 8:00 - 10:00 / 10:00 - 12:00 / 12:00 - 14:00 / 14:00 - 16:00 / 16:00 - 18:00 / 18:00 - 20:00					
<b>D MALE</b>							

## Continued: Detailed Household Survey

D1	What does your husband do?	Unemployed / Painter / Carpenter / Plumber / Electrician / Auto Driver / Salaried / Rickshaw Puller / Shop Owner / Vegetable Vendor
D2	Provide some details of your husband's work	<i>If salaried, then occupation and name of employer. If painter / carpenter / mason etc - then how does he source work. If auto driver, then own auto or rented?</i>
D3	How much does your husband earn daily?	
D4	How many days in a month does he normally work?	
D5	How much does your husband earn in a month?	
D6	Does your husband have to migrate for work? How far? How often?	
D7	Is anybody else in the family working? If so, who and how much do they earn? What do they do?	
D8	Do you have any other sources of income - rent in city or in village, livestock? If yes, how much?	
<b>E HEALTH CARE</b>		
E1	Where do you go when anyone in your family needs medical assistance?	RMP / MBBS doctor / Govt clinic / Nearby hospital / Quack
E2	How often does your family visit a local clinic - either an RMP, First Aid Clinic or MBBS doctor?	Once in 3-6 months / 1-3 month / Once a month / More than once a month
E3	What are the health problems that your family has faced recently for which you have visited a clinic?	Cough, Cold, Fever, Stomach Ache; Diseases such as Malaria, Typhoid, Diarrhoea; Chronic Problems (Sugar, Thyroid, Heart, Liver etc); Maternity Care / Pregnancy; Eye Care; Other
E4	How much money do you typically spend monthly on health related problems?	
E5	When did you last visit a big hospital? - OPD / In patient	< one month / 1 - 3 months / 3 - 6 months / > 6 months back
E6	Why?	

**Continued: Detailed Household Survey**

E7	How far is the hospital from your home?	10 minutes to reach / half hour / one hour			
E8	How do you travel to the hospital?	Walking / bus / auto / own vehicle			
E9	How much money did you spend for big hospitals - doctor, tests, medicines, hospitalisation etc - in your last visit				
E10	Do you have health insurance? If yes, have you ever claimed benefits?				
<b>F PROVISIONS</b>					
F1	On average, how many meals per day do you consume?	one / two / three			
F2	On average, what comprises a meal?	rice / potato / <i>daal</i> (lentils) / <i>chapatti</i> (breads) / vegetables / fish / chicken / salad			
F3	How many kilos of rice do you buy every month?				
F4	How many kilos of <i>atta</i> (wheat flour) do you buy every month?				
F5	How much do you spend for milk, vegetables, oil and meat every week?				
F6	How many days in a month do you fall short of food or eat only rice / chapatti with no vegetables?				
F7	If you pack a lunch box for your children, are there days when you have to send them without food?				
<b>G GOVERNMENT SERVICES</b>					
G1	Which of the following government cards do you have?	White ration card	<input type="checkbox"/>	Health insurance	<input type="checkbox"/>
		Pink ration card	<input type="checkbox"/>	Voter ID card	<input type="checkbox"/>
G2	Does anybody in your house receive regular pension from government?	Widow / Old Age / Unemployment / Disabled / Other			

**Continued: Detailed Household Survey**

G3	If other, indicate program	<input type="text"/>																																					
G4	Did you benefit from any of these schemes of the government?	Housing <input type="checkbox"/>	Employment / training <input type="checkbox"/>																																				
		Finance / SHG <input type="checkbox"/>	Childcare <input type="checkbox"/>																																				
<b>H COMMUNITY INFRASTRUCTURE</b>																																							
H1	Do you have a drinking water tap in your house?	<input type="text" value="Yes / No"/>																																					
H2	If no, how do you get water?	<input type="text" value="Tap is a few houses away / common tap in next lane / get a tanker / buy water"/>																																					
H3	Do you have a toilet in your house?	<input type="text" value="Individual toilet / shared toilet / no toilet / open defecation"/>																																					
<b>I HOUSEHOLD ASSETS</b>																																							
I1	<table border="1"> <thead> <tr> <th style="background-color: #FFFF00;">Name of asset</th> <th style="background-color: #FFFF00;">Number</th> <th style="background-color: #FFFF00;">Remarks</th> </tr> </thead> <tbody> <tr><td>Television</td><td></td><td></td></tr> <tr><td>Bicycle</td><td></td><td></td></tr> <tr><td>Scooter / Motorcycle</td><td></td><td></td></tr> <tr><td>Electrical Fan</td><td></td><td></td></tr> <tr><td>Mobile phone</td><td></td><td></td></tr> <tr><td>Sewing machine</td><td></td><td></td></tr> <tr><td>Pressure cooker / pressure pan</td><td></td><td></td></tr> <tr><td>Almirah / dressing table</td><td></td><td></td></tr> <tr><td>Goats / pigs</td><td></td><td></td></tr> <tr><td>Cows</td><td></td><td></td></tr> <tr><td>Chickens</td><td></td><td></td></tr> </tbody> </table>			Name of asset	Number	Remarks	Television			Bicycle			Scooter / Motorcycle			Electrical Fan			Mobile phone			Sewing machine			Pressure cooker / pressure pan			Almirah / dressing table			Goats / pigs			Cows			Chickens		
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Almirah / dressing table																																							
Goats / pigs																																							
Cows																																							
Chickens																																							
I2	What is your primary cooking fuel?	<input type="text" value="Gas / Kerosene / Wood / Other"/>																																					
I3	What is the secondary cooking fuel?	<input type="text" value="Gas / Kerosene / Wood / Other"/>																																					
I4	On average, how many days a month do you not have access to the primary fuel?	<input type="text" value="3-4 days / one week / two weeks"/>																																					
I5	Material of roof of house	<input type="text" value="Concrete / Asbestos / Tiles / Cardboard &amp; Polythene / RCC"/>																																					
I6	Material of walls of house	<input type="text" value="Brick / Cardboard &amp; Poly bag / Other"/>																																					
I7	Have you taken any loan from a microfinance company (weekly meetings)?	<input type="text" value="Yes / No"/>																																					
I8	Other source of loans	<input type="text" value="Relatives / Moneylender / Bank / Neighbours / Other"/>																																					

**Continued: Detailed Household Survey**

19 What amount do you owe in loans?  (In Rs)

110 Other Expenses (in Rs)

Rent		Monthly
School fees		Monthly
Water and electricity		Monthly
Cable TV		Monthly
Loan repayments		Monthly
Alcohol		Monthly
Cinema / Festivals / Functions		Annual

Any Other ( Pls Specify)

Item	Amnt	
		Monthly

## APPENDIX D: SAMPLE LOAN REPAYMENT SCHEDULE

Client Name	Client ID	ADD	Livelihood	Total Amount (In Rs.)		1 <sup>st</sup> Installment		2 <sup>nd</sup> Installment		3 <sup>rd</sup> Installment	
				Grant (Rs.)	Loan (Rs.)	Due Date	Amt. (Rs)	Due Date	Amt. (Rs)	Due Date	Amt. (Rs)
Sunita	UPP/NKC/SNT/TL/8.1.11/01	NKC	Tailoring	1,200	1,100	8.2.11	350	8.3.11	350	8.4.11	400
Neetu Rani	UPP/NKC/NTU/CS/8.1.11/02	NKC	Cosmetic Shop	1,500	1,500	8.2.11	500	8.3.11	500	8.4.11	500
Maheswari	UPP/NKC/MNH/TL/8.1.11/03	NKC	Tailoring	1,200	1,100	8.2.11	350	8.3.11	350	8.4.11	400
Meena Devi	UPP/NKC/MND/CD/8.1.11/04	NKC	Candle Making	1,200	1,100	8.2.11	350	8.3.11	350	8.4.11	400
Sheela	UPP/NKC/SIL/VCB/8.1.11/05	NKC	Vegetable Cart	1,500	1,500	8.2.11	500	8.3.11	500	8.4.11	500
Rekha	UPP/NKC/REH/TL/8.1.11/06	NKC	Tailoring	1,200	1,100	8.2.11	350	8.3.11	350	8.4.11	400
Sunita	UPP/NKC/SNT/TL/8.1.11/07	NKC	Tailoring	1,200	1,100	8.2.11	350	8.3.11	350	8.4.11	400
Roopvati	UPP/NKC/KPT/TL/8.1.11/08	NKC	Tailoring	1,200	1,100	8.2.11	350	8.3.11	350	8.4.11	400
Sarvesh	UPP/NKC/SR/TL/8.1.11/09	NKC	Tailoring	1,200	1,100	8.2.11	350	8.3.11	350	8.4.11	400
Bimlesh	UPP/NKC/DM/CD/8.1.11/10	NKC	Candle Making	1,200	1,100	8.2.11	350	8.3.11	350	8.4.11	400
Kamlesh	UPP/DWL/KM/RS/5.1.11/11	DWL	Kirana Store	1,500	1,500	5.2.11	500	5.3.11	500	5.4.11	500
Urmila Devi	UPP/DWL/LMD/RS/5.1.11/12	DWL	Kirana Store	1,500	1,500	5.2.11	500	5.3.11	500	5.4.11	500
Bhawna	UPP/DWL/DWN/RS/5.1.11/13	DWL	Kirana Store	1,500	1,500	5.2.11	500	5.3.11	500	5.4.11	500
Anita	UPP/DWL/ANT/RS/5.1.11/14	DWL	Kirana Store	1,500	1,500	5.2.11	500	5.3.11	500	5.4.11	500
Ghanshyam	UPP/DWL/GSM/RS/5.1.11/15	DWL	Kirana Store	1,500	1,500	5.2.11	500	5.3.11	500	5.4.11	500
Kailashi	UPP/DWL/MS/OT/20.1.11/16	DWL	Goat	1,500	1,500	20.2.11	500	20.3.11	500	20.4.11	500
Suman	UPP/DWL/SMN/ST/20.1.11/17	DWL	Goat	1,500	1,500	20.2.11	500	20.3.11	500	20.4.11	500
Kiran Devi	UPP/DWL/KRD/GT/20.1.11/18	DWL	Goat	1,500	1,500	20.2.11	500	20.3.11	500	20.4.11	500
Ful Devi	UPP/DWL/FD/GT/20.1.11/19	DWL	Goat	1,500	1,500	20.2.11	500	20.3.11	500	20.4.11	500
Anju	UPP/DWL/ML/GT/20.1.11/20	DWL	Goat	1,500	1,500	20.2.11	500	20.3.11	500	20.4.11	500
Rinki	UPP/DWL/RNK/GT/20.1.11/21	DWL	Goat	1,500	1,500	20.2.11	500	20.3.11	500	20.4.11	500

## APPENDIX E: BENEFICIARY PROFILES

### ANITA, RESIDENT OF DOIWALA

It is not clear where Anita and her husband, Ajay, lived prior to migrating to Dehradun. The only thing Anita will say about her life before the PnP program is that it was filled with hard, manual labour and constant uprooting in search of work. Anita and Ajay have lived in the Doiwala slum for roughly the past ten years and have been able to find work several days



*Photo credit: Vivek Kaushik*

a week on large construction sites. The work, however, is brutal for the women, says Anita, and the constant carrying of bricks, the shovelling of mud, the transfer of water buckets on the sites, etc. has led to her experiencing chronic fatigue and joint pain. She and Ajay have unsuccessfully tried to have children.

Since joining the Ultra Poor Program, Anita has been trained on how to successfully operate a kirana shop. She started off with a rather small storefront using the starter kit provided by PnP, and within a few weeks, expanded it to include a wider variety of household items and edibles. What she appreciates most about the PnP program are the soft loan, starter kit, and training she received—this has resulted in a livelihood that is profitable for her, without the need to over-exert herself physically. She says she is grateful for the chance that PnP gave her, as many MFIs in the area told her she did not meet the eligibility criteria for their loan programs.

Ajay still works as a manual labourer, and on good days, between his and Anita's earnings, they are now bringing in almost twice the income as before. The couple, however, hopes that as the kirana shop continues to do well and expand, that Ajay can work with Anita and turn to construction work only when it is absolutely necessary. The couple is discussing with the PnP team how they may borrow more to expand and diversify the kirana operation.

Anita's dream is to run a larger operation that becomes the 'shop of choice' for Doiwala's residents, and the centre of social activity. Most of all, she wants to live in a sturdier house, made of brick, with a reliable connection to water and electricity—a home in which she and Ajay can relax after a day's work.

**Continued: Beneficiary Profiles****BIMLESH, RESIDENT OF NKC**

Photo credit: Vivek Kaushik

Bimlesh migrated to Dehradun with her husband, Kedar, 15 years ago from a village in Uttar Pradesh in search of work. Since then, they have both lived in the NKC slum, in a small one-room house made of thatch, mud, and plastic bags. Bimlesh and Kedar have four children – three boys and one girl. Before Bimlesh was enrolled in PnP’s Ultra Poor Program, the entire family would

wake up at dawn, cook the day’s meals (rice and lentils) over firewood collected the night before, and head out for a full day’s work collecting and breaking stones from Dehradun’s riverbeds. The children had to work, says Bimlesh, so that the family could earn enough to provide a consistent two meals per day, and hopefully put a small amount aside as savings for the days they could not find work.

The riverbed work was very physically demanding, and at one point, Bimlesh tried to set up her own small *kirana* shop in NKC. However, she was unable to draw consistent profits from it and within a few months, abandoned the operation. At that point, she recalls, she felt resigned to relying on the stone-collecting activity.

After joining PnP’s program, Bimlesh learned how to make candles. It is a profitable business for her—up to 80% margins—and Bimlesh is able to process more than 7 kgs worth of wax each week, making her one of the more productive members of the program. Her candle-making enterprise came at a good time. Within a few weeks of her training, the local authorities banned stone collection in the riverbed and suddenly she became the sole income-earning member of her family.

Within a few weeks of the government ban, however, Kedar luckily found work as a tractor driver. He now earns the equivalent of \$2/day, and supplemented with Bimlesh’s candle sales, the family earns over \$3 on a good day. This is nearly three times the income the household had earned previously.

Bimlesh is now more optimistic about the future. Her dream is to send all four of her children to a good school so that they can get better jobs and move out of NKC. She has also asked the PnP team to help her restart her *kirana* shop. She feels

***Continued: Beneficiary Profiles***

she has the ability to run a large shop of her own someday, through which she would continue to make and sell her candles.

The candle-making activity has brought her luck, she says, and she appreciates the convenience of being able to make candles at home. With the extra earnings, the family has added vegetables and chicken to their meals. They will feel a sense of accomplishment, she says, when the children attend school.

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