



POLICY DOCUMENT

How Concern Understands
Extreme Poverty (HCUEP)

CONTROLLED DOCUMENT CONTROL SHEET	
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Contents

<u>1. Introduction</u>	<u>1</u>
<u>2. Purpose of the Policy</u>	<u>1</u>
<u>3. Policy Aim</u>	<u>1</u>
<u>4. Scope of the Policy</u>	<u>2</u>
<u>5. How Concern Understands Extreme Poverty – Core Conceptual Framework</u>	<u>2</u>
<u>5.1. Assets and Return on Assets</u>	<u>3</u>
<u>5.2. Intersectional Inequalities</u>	<u>4</u>
<u>5.3. Shocks and Stresses</u>	<u>4</u>
<u>5.4. Vulnerability</u>	<u>4</u>
<u>6. Guiding Principles</u>	<u>5</u>
<u>7. Application and Implementation</u>	<u>5</u>
<u>8. Accountability for and Assessing Effectiveness of the Policy</u>	<u>7</u>

1. Introduction

Concern Worldwide's Policy Statement and Theory of Change 2026–2035 reaffirms the organisation's commitment to the elimination of extreme poverty and the reduction of suffering, primarily in fragile countries. This policy, *How Concern Understands Extreme Poverty (HCUEP)* builds on the commitments of the Policy Statement by articulating Concern's understanding of the multidimensional nature of extreme poverty and explaining how this understanding informs our work.

Concern has long recognised that understanding the drivers of extreme poverty, alongside the strengths and assets of people, communities and local actors, is essential to designing and implementing impactful programmes. The application of this multidimensional understanding of extreme poverty has underpinned Concern's programming since HCUEP was first adopted in 2010. This revised policy¹ ensures that Concern's understanding of and approach to addressing extreme poverty is more responsive to the fragile and conflict-affected contexts in which Concern works, and to the realities of people living in extreme poverty and affected by crises.

Concern's Policy Statement and Theory of Change inform all of Concern's work. Concern's *Approach to Emergencies* paper sets out how Concern delivers rapid, appropriate and effective humanitarian responses. The Approach to Emergencies paper and HCUEP comprise Concern's foundational programme policy framework for translating our commitment to people living in extreme poverty and affected by crises into practical analysis, decision-making and appropriate, context-relevant programme choices. Together, these documents support a deeper understanding of the factors that shape people's lives and guide how Concern works with communities, partners and local actors to save and protect lives, support preparedness and recovery, promote dignity and equality, protect and develop livelihoods, and build more resilient systems.

2. Purpose of the Policy

HCUEP sets out the conceptual framework and fundamental principles that guide Concern's understanding of extreme poverty. It provides a flexible lens for Concern programming to support analysis, decision-making and programme design for those living in conditions of extreme poverty and those affected by crises.

3. Policy Aim

This policy seeks to ensure that Concern's multidimensional understanding of extreme poverty is applied across sectors, programmes and contexts to deliver on the organisation's Theory of Change. The policy commits Concern to using HCUEP to improve programme quality, and decide how programmes are designed, monitored, reviewed and adapted.

1. The revision was informed by a comprehensive phased review process of the previous HCUEP policy involving a desk review drawing on evidence and learning from its application across programmes, an organisation-wide survey, consultation with country teams, technical and senior stakeholders and iterative drafting and validation by key governance groups.

HCUEP ensures that analysis and decision-making consider the interaction between assets and return on assets, intersectional inequalities, shocks and stresses, and vulnerability. Programmes should use this analysis to identify and address the drivers of extreme poverty holistically, while recognising the conditions, barriers, systems, strengths and priorities that shape people's lives.

HCUEP supports locally led, power-aware and systems-informed programming, and the coherent integration of fundamental programme approaches (Climate Adaptation, Conflict Sensitivity, Environment, Disaster Risk Reduction (DRR), Equality and Protection). Concern teams should apply HCUEP flexibly, with the depth of analysis and implementation varying according to context, needs, available resources and capacity. Where appropriate, partner organisations can be supported to apply HCUEP's conceptual framework in their work. Through this policy, Concern aims to make HCUEP a practical decision-making lens, informing context analysis, strategic planning, targeting, prioritisation of deeper analysis, programme design and organisational learning.

4. Scope of the Policy

Guided by Concern's Policy Statement and Theory of Change, this policy should be viewed alongside Concern's Approach to Emergencies, both of which apply across Concern's country programmes and sectors.

HCUEP should be applied through the other programme policies, strategies and guidance, particularly in country strategic planning, meta-evaluations, other MEL processes, tools and guides for context analysis and programme design.

5. How Concern Understands Extreme Poverty – Core Conceptual Framework

Concern understands extreme poverty as a multidimensional condition shaped by the interaction between assets and return on assets, intersectional inequalities, shocks, stresses and vulnerability. These dimensions are mutually reinforcing both in deepening experiences of poverty and, when addressed, enabling positive change. Inequality can limit access to assets, reduce returns on those assets, and increase exposure to risks. Shocks and stresses can erode assets, deepen exclusion, heighten vulnerability and exacerbate inequality. Vulnerability is shaped by people's exposure to risk, the systems around them, the assets they can use and protect, and the inequalities they experience.

HCUEP moves beyond income-based measures of poverty by recognising the agency, strengths and priorities of people living in extreme poverty, while also analysing the systems, power relations, barriers and external pressures that shape their opportunities and outcomes. The four core elements of the framework should therefore be considered together, with a particular focus on how they interact, and used to inform context analysis, targeting, programme design, review and adaptation processes, monitoring, learning and advocacy.



5.1. Assets and Return on Assets

Concern understands assets as the resources, capabilities, relationships and forms of influence that people draw on to live with dignity, meet their needs, manage risks and pursue their priorities. These are:

- **human assets** such as knowledge, skills, health and education;
- **physical assets** such as shelter, infrastructure, tools, equipment, materials and access to services;
- **natural assets** such as land, water, forests and other environmental resources;
- **financial assets** such as income, savings, credit, cash, livestock or other productive resources;
- **social assets** such as relationships, networks, community structures and mutual support, including the trust, reciprocity and collective action that make up social capital; and
- **political assets** such as voice, agency, rights, representation and influence over decisions that affect people's lives.

Return on assets refers to the extent to which people are able to use, protect and benefit from these assets in ways that improve wellbeing, reduce vulnerability, strengthen resilience and ultimately support lasting pathways out of extreme poverty.

5.2. Intersectional Inequalities

Inequality refers to the ways in which unequal power relations, discrimination, exclusion and social norms shape people's access to assets, services, opportunities, protection, voice and influence. These inequalities may be linked to gender, age, disability, displacement, ethnicity, religion, geography, socio-economic status or other context-specific factors. These factors often overlap to deepen disadvantage or privilege and therefore must be viewed with an intersectional lens. Concern recognises that inequality is both a driver and consequence of extreme poverty, affecting people's ability to use their assets, exercise their rights, participate in decisions and achieve equitable outcomes. Addressing intersectional inequalities requires analysis of who is excluded, why, and what needs to change in relationships, systems, norms, policies and practices.

5.3. Shocks and Stresses

Shocks and stresses refer to the risks, hazards, trends and disruptive events that can undermine people's wellbeing, assets, safety, dignity and opportunities. These may include sudden-onset shocks such as conflict, violence, climate-related and natural hazards, disease outbreaks, displacement and economic crises, as well as longer term stresses and structural pressures including climate change, market disruption, political instability, weak or under resourced systems, persistent protection threats and other context-specific shocks and stresses. These longer-term stresses act as drivers of extreme poverty, shaping livelihoods, ecosystems, health, food systems, access to services and exposure to future risk. Concern recognises that these shocks and stresses are not experienced equally. People living in conditions of extreme poverty are often more exposed to them, have fewer resources to anticipate, absorb, adapt to and recover from them, and may face repeated or overlapping shocks that deepen poverty and vulnerability. Analysing risks, shocks and stresses helps Concern understand the wider conditions that shape extreme poverty and identify how programmes can reduce exposure, manage risk, protect assets, support anticipation, prevention and adaptation, and strengthen resilience.

5.4. Vulnerability

Vulnerability refers to the extent to which people, households, communities or systems are susceptible to harm from shocks and stresses, and their capacity to anticipate, cope with, adapt to, and recover from them, as well as the structural conditions that increase their exposure to harm and limit their capacity to anticipate, prevent or adapt to change. Vulnerability is shaped by a combination of people's exposure to hazards, their access to and control over assets, the inequalities they experience, the strength of systems and services around them, and the choices and opportunities available to them. Concern recognises that vulnerability is dynamic and context specific. It exists before and can change during and after shocks and stresses, increasing or decreasing over time as people's circumstances, environments and systems change. Analysing vulnerability helps Concern understand who may be most susceptible to harm, how that susceptibility may change, and what support, systems or changes are needed to reduce harm, protect dignity, strengthen resilience and enable lasting improvements in people's lives.

6. Guiding Principles

The following principles guide how HCUEP should be applied across Concern's programmes, partnerships, analysis and decision-making. They are intended to support the consistent, practical and contextually appropriate application of Concern's understanding of extreme poverty.

- **Prioritise the needs of people living in conditions of extreme poverty:** Concern will ensure that analysis, targeting, programme design and programme adaptation remain focused on people living in conditions of extreme poverty, recognising their agency, priorities, strengths and the structural conditions that shape their lives.
- **Ensure that benefits accrue primarily to people living in conditions of extreme poverty:** Concern will ensure that the benefits of its work improve the lives of people living in conditions of extreme poverty. This may require working directly with people, communities, institutions, service providers, markets, authorities or other actors who are not themselves living in extreme poverty, where doing so is necessary to influence systems, remove barriers or strengthen services in ways that primarily benefit those living in conditions of extreme poverty.
- **In anticipation of and in response to humanitarian crises:** Concern will apply a multidimensional framework, in line with our Approach to Emergencies paper, to identify and prioritise people most in need.
- **Promote locally led, power-aware analysis:** Concern will work with communities, partners and local actors to ensure analysis, design, decision-making and accountability are informed by local knowledge, needs and priorities of affected communities, representative groups and existing systems.
- **Address structural drivers of extreme poverty:** Concern will use HCUEP to identify and, where possible, address the underlying systems, policies, practices, power relations, social norms, shocks, and other structural drivers that sustain extreme poverty, while recognising that the depth of analysis and response will vary according to context, needs, resources and capacity.
- **Support integrated and systems-informed programming:** Concern will use HCUEP to promote coherent integration of fundamental programme approaches and to support multi-sectoral and systems-informed responses.
- **Strengthen programme quality and learning:** Concern will use HCUEP to inform programme design, monitoring, adaptation and learning, supported by practical guidance, evidence, examples and tools that help teams apply the framework consistently and proportionately.

7. Application and Implementation

Implementation of this policy relies on the coordinated efforts of directorates and teams across the organisation. HCUEP should be applied through existing strategy, programme design, implementation, monitoring, evaluation, accountability and learning processes, rather than as a standalone or parallel process. Its application should be proportionate to the context, needs, available resources and capacity, with an appropriate level of multidimensional analysis expected across all programmes and deeper analysis undertaken where feasible.

- **Strategy, Advocacy and Learning (SAL) Directorate:** guide the application of HCUEP through practical guidance, tools, learning and capacity development, evidence and technical support. The Directorate will support the integration of HCUEP into Country Strategic Plan guidance, sectoral policies and strategies, contextual analysis, programme design, monitoring, evaluation, learning and adaptation processes.
- **International Programmes Directorate (IPD) and Emergency Directorate (EmD):** will support country teams to apply HCUEP in ways that are appropriate to context, operational realities and funding parameters and support documentation of usage through the Grants Management System (GMS).
- **Technical Advisers:** will support the coherent application of HCUEP across sectors and programme approaches, ensuring that assets and return on assets, intersectional inequalities, shocks and stresses, vulnerability, and other relevant analyses are appropriately integrated into programme strategies, choices and tools.
- **International Advocacy Team:** will support the application of HCUEP evidence and learning in our advocacy work by providing guidance, tools, capacity strengthening and coordination support, helping teams translate contextual analysis and programme evidence into effective advocacy that aims to address the structural drivers of extreme poverty and to promote policies, systems, financing and practice that primarily benefit people living in conditions of extreme poverty.
- **Country Management Teams:** will ensure that HCUEP informs country strategies, programme portfolios, partnerships and key decision-making processes, including where and with whom Concern works, why and how. They will ensure that the depth of analysis and implementation is appropriate to context, need, available resources and capacity.
- **Programme Teams:** will apply HCUEP in context analysis, targeting, programme design, implementation, monitoring, adaptation and learning. Programme teams will work with communities, partners and local actors to ensure analysis and decision-making are locally informed, power-aware and responsive to changing contexts.
- **Monitoring, Evaluation and Learning Teams:** will support the use of HCUEP in results frameworks, monitoring, evaluation, accountability and learning processes, including tracking how programmes address the four core elements and how benefits accrue primarily to people living in conditions of extreme poverty.
- **Partnership and Support Functions:** will support the practical application of HCUEP by ensuring that partnership approaches, operations, logistics, finance, human resources and funding processes enable quality, locally led and contextually appropriate programming.

8. Accountability for and Assessing Effectiveness of the Policy

All programme policies are approved by the Senior Management Team and the Impact Committee which recommends their approval to the Concern Board. Every five years, the implementation of this policy is reviewed through a meta-evaluation which will be guided by the Strategy, Advocacy and Learning Directorate, and the policy itself will be reviewed on a 10-year cycle.

This policy will be implemented through practical guidance, tools and related organisational processes that support the application of HCUEP in strategy, programme design, monitoring, evaluation, accountability, learning and programme adaptation. Effectiveness will be assessed periodically using GMS data and will include consideration of how consistently HCUEP is applied across countries, sectors and contexts. Assessment will also consider how effectively programmes use the four core elements to inform decisions; how far HCUEP contributes to programme quality; how well HCUEP is integrated into core organisational processes; how evidence and learning are used to adapt programmes; and whether the benefits of Concern's work accrue primarily to people living in conditions of extreme poverty.