



Sindh Union Council and Community Economic  
Strengthening Support Programme  
SUCCESS is funded by the European Union



# Perspectives and Evidence on Poverty Graduation

RSPs Annual Strategy Retreat 2019

By Tariq Husain | November 2019





# **Perspectives and Evidence on Poverty Graduation**

## **RSPs Annual Strategy Retreat 2019**

By Tariq Husain | November 2019

# CONTENTS

---

	<b>ABBREVIATIONS AND ACRONYMS</b>	<b>1</b>
	<b>EXECUTIVE SUMMARY</b>	<b>3</b>
<b>1.</b>	<b>INTRODUCTION</b>	<b>10</b>
1.1.	Organisations and projects at RSPs Annual Strategy Retreat 2019	10
1.2.	Contributors and their presentations	11
<b>2.</b>	<b>CONCEPTS AND MEASURES OF POVERTY</b>	<b>14</b>
2.1.	Official measures of poverty	14
2.2.	Poverty Score Card	14
2.3.	Poverty targeting	15
2.4.	Inclusion of households in project interventions	16
<b>3.</b>	<b>NATIONAL AND INTERNATIONAL PERSPECTIVES</b>	<b>18</b>
3.1.	Presentation by Mr Shoaib Sultan Khan	18
3.2.	Presentation by Mr Qaim Shah	20
<b>4.</b>	<b>POVERTY REDUCTION STRATEGY AND PROGRAMMES IN SINDH</b>	<b>25</b>
4.1.	Government of Sindh's Poverty Reduction Strategy	25
4.2.	Sindh Union Council and Community Economic Strengthening Support (SUCCESS) Programme	26
4.3.	People's Poverty Reduction Programme and the union council-based approach	30
<b>5.</b>	<b>SRSP INITIATIVES IN KHYBER PAKHTUNKHWA</b>	<b>34</b>
5.1.	Women's Economic Empowerment and Market Development Project	34
5.2.	Community Investment Fund programme	35
5.3.	Poverty impact of an asset transfer programme	36

## ANNEXURES

Annex 1: Tested interventions in a typical graduation programme	37
Annex 2: Objectives, outputs and activities of Union Council Based Poverty Reduction Programme, 2009-2012	38
Annex 3: Choices made by the poor in Micro Investment Plans – SUCCESS programme data for Community Investment Fund loans	41
Annex 4: Choices made by the poor in Micro Investment Plans – SUCCESS programme data for Income Generating Grants	42
Annex 5: Choices made by the poor in Micro Investment Plans – SUCCESS programme data for Technical and Vocational Skills Training	43

## BOXES

Text Box 1: Poverty Score Card household classification	3
Text Box 2: Household-based graduation interventions	4
Text Box 3: Unit cost of SUCCESS interventions	5
Text Box 4: Recommendations of Meeting The Challenge	18

## FIGURES

Figure 1: The graduation model according to the Consultative Group to Assist the Poor (CGAP)	37
Figure 2: Percentage of community investment fund loans used for agriculture, livestock and enterprise, by district, in the SUCCESS programme (out of 69,036 borrowers)	41
Figure 3: Percentage of Income Generating Grants used for agriculture, livestock and enterprise, by district, in the SUCCESS programme (out of 22,883 grant recipients)	42
Figure 4: Percentage of households opting for training in eight sectors, by district, in the SUCCESS programme (out of 14,050 trainees)	43

## TABLES

Table 1: Poverty graduation impact of 6 projects implemented in KP, Punjab and Sindh during 2009 to 2019	8
Table 2: Classification of households based on the Poverty Score Card	15
Table 3: Programmatic interventions for poverty graduation from international sources	20
Table 4: Poverty graduation in the Southern Punjab Poverty Alleviation Programme, 2009-2017	22
Table 5: Unit cost of pro-poor interventions in the SUCCESS programme	28
Table 6: Poverty graduation in the Union Council Based Poverty Reduction Programme, 2009-2012	31
Table 7: Poverty graduation in the People's Poverty Reduction Programme	32
Table 8: Poverty graduation in the Women's Economic Empowerment and Market Development Project	35
Table 9: Poverty graduation in the SRSP's community investment fund programme	35
Table 10: Poverty graduation in the PPAF-SRSP asset transfer programme	36

# ABBREVIATIONS AND ACRONYMS

---

ADB	Asian Development Bank
AKRSP	Aga Khan Rural Support Programme
BHU	Basic Health Unit
BISP	Benazir Income Support Programme
BRAC	Building Resources Across Communities (earlier Bangladesh Rural Advancement Committee)
CDLD	Community-Driven Local Development
CGAP	Consultative Group to Assist the Poor
CIF	Community Investment Fund
CMST	Community Management Skills Training
CO	Community Organisation
CPI	Community Physical Infrastructure
ECE	Early Childhood Education
EU	European Union
EUR	Euros
GIS	Geographic Information System
GoS	Government of Sindh
HDI	Human Development Index
IFAD	International Fund for Agricultural Development
IGG	Income Generating Grant
KP	Khyber Pakhtunkhwa
LMST	Leadership Management Skills Training
LSO	Local Support Organisation
MHI	Micro Health Insurance
MIS	Management Information System
MPI	Multidimensional Poverty Index
NPGI	National Poverty Graduation Initiative
NPGP	National Poverty Graduation Programme



NRSP	National Rural Support Programme
NSER	National Socio-Economic Registry
O&M	Operations and Management
OPD	Outpatient Department
PEACE	Programme for Economic Advancement and Community Empowerment
PKR	Pakistani Rupee
PPAF	Pakistan Poverty Alleviation Fund
PPR	Programme for Poverty Reduction
PPRP	People's Poverty Reduction Programme
PRS	Poverty Reduction Strategy
PSC	Poverty Score Card
PSLM	Pakistan Social and Living Standards Measurement
RGC	Rural Growth Center
RSP	Rural Support Programme
SAPAP	South Asia Poverty Alleviation Programme
SDG	Sustainable Development Goal
SEMIS	School Education Management Information System
SPPAP	Southern Punjab Poverty Alleviation Programme
SRSO	Sindh Rural Support Organisation
SRSP	Sarhad Rural Support Programme
SSN-TUP	Social Safety Net - Targeting Ultra Poor
SUCCESS	Sindh Union Council and Community Economic Strengthening Support
TA	Technical Assistance
TRDP	Thardeep Rural Development Programme
TVST	Technical and Vocational Skills Training
UCBPRP	Union Council Based Poverty Reduction Programme
UNDP	United Nations Development Programme
USD	United States Dollar
VO	Village Organisation
WEEMD	Women's Economic Empowerment and Market Development Project

# EXECUTIVE SUMMARY

## BACKGROUND

1. This document is based largely on the RSPs Annual Strategy Retreat organised by the Rural Support Programmes Network (RSPN) in September 2019 that elicited presentations on seven projects from Pakistan, two from neighbouring countries and a randomised control trial of poverty graduation in six countries of Africa, Asia (including Pakistan) and Latin America. The Pakistan projects included countrywide initiatives as well as projects in Khyber Pakhtunkhwa (KP), Punjab and Sindh.
2. The presentations on Pakistan included projects supported by Australia, the European Union (EU), Germany, the International Fund for Agricultural Development (IFAD), Italy, the United Kingdom and the Governments of Azad Jammu and Kashmir, Balochistan, KP, Punjab and Sindh. The implementing partners included the Rural Support Programmes (RSPs) and the Pakistan Poverty Alleviation Fund (PPAF). All these projects focused on lifting "graduating" the poor out of poverty.

### Poverty Graduation: An Overview

3. The projects used the Poverty Score Card (PSC) for classifying households according to their poverty status (refer to Text Box 1). This is a tested tool used by the social protection and poverty reduction programmes supported by government and international organisations as well as the PPAF and the RSPs.<sup>1</sup> A project can use government data or carry out

<sup>1</sup> "It estimates the likelihood that a household has consumption below a given poverty line" and "It is a practical way to monitor poverty rates, track changes in poverty rates over time, and target services" (Mark Schreiner, "Simple Poverty Scorecard® Poverty-Assessment Tool Pakistan," 2009 [[http://www.simplepoverty-scorecard.com/PAK\\_2005\\_ENG.pdf](http://www.simplepoverty-scorecard.com/PAK_2005_ENG.pdf)], and "A Simple Poverty Scorecard for Pakistan", 2010 [<https://journals.sagepub.com/doi/10.1177/0021909609353579>].

### Text Box 1: Poverty Score Card household classification

- PSC 0-11: extremely poor or ultra-poor
- PSC 12-18: chronically poor
- PSC 19-23: transitory poor
- PSC 24-34: transitory vulnerable
- PSC 35-40: transitory non-poor
- PSC 41-100: non-poor

a census in an area to establish PSC scores. The scores are validated through community consultation in order to minimise survey errors.

4. The next step is to mobilise communities, generally in a three-tier structure. The primary tier consists of community organisations (COs), which are self-help groups of 15-25 members each covering a small settlement or the hamlet of a larger village. Larger village organisations (VOs) are formed by community organisation representatives, and union council level local support organisations (LSOs) by VO representatives. It takes time to build up from the CO to the LSO level.
5. Poverty graduation projects organise a given percentage of all the households in the project area and extend poverty reduction interventions to a given percentage of poor households in one or more PSC categories. The proportion of a specific PSC category that receives a specific intervention depends on the resources available to a project. It is related to the unit cost of an intervention which also varies from one project to another.
6. The PSC score is used for selecting beneficiary households for household-based interventions. Community-level interventions (generally small infrastructure) are identified by community institutions. In the RSP projects in Sindh, the community



institutions are all-women organisations. Elsewhere, they are a combination of all-men, all-women and mixed organisations. All the projects have specific targets for women to be included in each intervention.

7. The household-based interventions observed in Pakistan have much in common across projects and with international experience.<sup>2</sup> They invariably include transfer of assets to the poor either in kind or with the help of a cash grant or interest-free loan (as in EU-assisted and Government of Sindh projects). Graduation projects also emphasise livelihood training and savings. Depending on the context, they may also offer other assistance (see Text Box 2).

#### Text Box 2: Household-based graduation interventions

- Consumption Support: in the form of cash or food transfers
- Asset Transfer: often goats or chickens, or money to invest in petty trade business
- Livelihood Training: beneficiaries are trained with skills to generate a sustainable income with the new asset (for example: rearing livestock, petty trade, selling vegetables or honey)
- Savings Component: beneficiaries open individual savings accounts at local banks, post offices, or are encouraged to save with rotating savings and credit organisations
- Health Component: services range from health education to aid in accessing government services
- Additional Services: veterinary consultation for livestock, business development training

#### The Role of the Rural Support Programmes

8. Three features of the RSPs make them unique in the context of poverty graduation. One of them is that **they are the government's partners in poverty reduction but autonomous in terms of governance and management.** Federal and provincial governments have endorsed this model over the decades at the policy and operational levels, provided financial and technical support to RSP-implemented initiatives, and appointed key officials to RSP boards for coordination.

<sup>2</sup> Interventions common to a well-known multi-country initiative are reported in Innovations for Poverty Action, "Ultra Poor Graduation Pilots" (<https://www.poverty-action.org/program-area/social-protection/ultra-poor>) and reproduced in the text box below.

9. This is a model that was nurtured carefully and evaluated rigorously at the Aga Khan Rural Support Programme (AKRSP) in Gilgit-Baltistan, starting in 1982. It is consistent with recognition across the world that governments should "support, financially and administratively, the establishment of independent non-governmental...support mechanisms to catalyse the formation of organisations of the poor...building on the success cases on the ground" [including AKRSP].<sup>3</sup>
10. This is a recognition of the different roles of state institutions and RSP-type autonomous support mechanisms: the elected and administrative institutions of the state are not intended to organise the poor for participatory development, and autonomous support mechanisms are needed for this purpose. The RSPs enable communities to create a socio-economic pillar, the social capital that matters and is missing in most approaches to development.<sup>4</sup>

**11. Focusing social capital on poverty graduation** is the second unique aspect of the role of the RSPs. This reflects the fact that poverty exists at the household level and the RSPs engage poor households individually and on a large scale across the country, which no other organisation can do at present and in the foreseeable future. Thus, poverty graduation programmes that are based on community institutions and household targeting through the PSC are the RSPs' niche.

12. The RSPs also **distinguish between the conceptual package and the programmatic package** of interventions, which are tailored to specific projects and their context. The conceptual package is at the core of the socio-economic pillar. It emphasises organising the poor (the three-tier approach) and building their skills and capital. It provides the foundation for poverty graduation as well as

<sup>3</sup> This was a key recommendation of *Meeting the Challenge: Report of the Independent South Asian Commission on Poverty Alleviation*, Secretariat of the South Asian Association for Regional Cooperation, Kathmandu, 1992. The commission consisted of highly-regarded South Asian intellectuals, policy managers and practitioners concerned with poverty issues. The report was adopted by South Asia's heads of state and government at their Dhaka Summit in 1993. More recent poverty graduation initiatives in South Asia and elsewhere have maintained this direction.

<sup>4</sup> The Federal Government, in 1998, established the PPAF as an apex non-governmental entity with a broader mandate, which is reflected in PPAF's goal of establishing, strengthening and empowering institutions of the poor (community institutions) and institutions for the poor (autonomous support mechanisms) (<http://www.pfaf.org.pk/RBF.html>).

complementary programmes for income generation and social development.

13. The programmatic package includes interventions that are implemented directly by the RSPs and funded for the duration of a project, and goods and services that are obtained through linkages with government departments and other entities. Ensuring linkages for pro-poor service delivery through the public sector is the responsibility of the government. Mobilising the poor according to the conceptual package is the job of the RSPs.

### Graduation Initiatives in Sindh

14. The EU-funded Sindh Union Council and Community Economic Strengthening Support (SUCCESS) programme, which is being implemented in eight districts by three RSPs and RSPN, illustrates how the conceptual and programmatic packages are combined for poverty reduction. SUCCESS started with a census of 5.69 million people in 850,000 households and found 475,000 (56 percent of the total) in the PSC 0-23 category. With a budget of EUR 82 million over 5 years, it will organise 611,000 households (70 percent of the total), including all the 475,000 poor households, through their women members.
15. SUCCESS aims to graduate the poor (in the PSC 0-23 category) out of poverty, empower rural women and communities, and improve access to social services. Ernst and Young, the SUCCESS technical assistance team engaged by the EU, has been supporting the Government of Sindh (GoS) in developing and implementing its poverty reduction strategy. GoS aims to scale up Community-Driven Local Development (CDLD) across the province through its People's Poverty Reduction Programme.<sup>5</sup>
16. The SUCCESS conceptual package includes community institutions (COs, VOs and LSOs) and their capacity development through training, motivation and awareness raising. At the CO level, each and every member prepares a Micro Investment Plan (MIP) and

decides how she will increase household income by pursuing an opportunity that she herself can manage. She decides this in consultation with her household, other CO members and SUCCESS field staff.

17. Based on this (and with unit costs shown in Text Box 3), households in the PSC 0-23 category are eligible to receive programmatic interventions:
  - Income-Generating Grants (IGGs), but only if the CO says they should get a grant instead of an interest-free loan in view of their financial circumstances and inability to repay a loan;
  - interest-free loans from the Community Investment Fund (CIF), which is a grant from the programme given to and managed by community institutions with RSP support;<sup>6</sup> and,
  - Technical and Vocational Skills Training (for men and women), which is expected to lead to employment or self-employment.

#### Text Box 3: Unit cost of SUCCESS interventions

- Income Generating Grant: average PKR 15,000 per household, maximum PKR 25,000.
- Loan from Community Investment Fund: average PKR 16,000 per household, maximum PKR 30,000.
- Micro Health Insurance premium: PKR 1,000 per household, per year.
- Technical and Vocational Skills Training: average PKR 13,000 per trainee, maximum PKR 45,000.
- Community Physical Infrastructure: average PKR 400,000 for a village infrastructure scheme, maximum PKR 900,000.

18. In addition to these household-level income-generating interventions, SUCCESS has resources for providing:
  - Micro Health Insurance (MHI) to 25 percent of the poorest (starting from the lowest PSC score); and,
  - a grant to each VO for a community-identified Community Physical Infrastructure (CPI) scheme.
19. For fostering linkages between government departments and community institutions, SUCCESS works through joint development committees that

<sup>5</sup> This programme is the most recent GoS initiative for poverty reduction in line with its first one, which was launched in 2009. In combination with SUCCESS, GoS has extended the approach by now to all the rural areas of the province.

<sup>6</sup> The programme budget for IGGs and CIF covers only 33 percent of the poor in the PSC 0-23 category.

bring together community representatives (typically female LSO leaders), RSP representatives and heads of government departments. These committees are notified by Deputy Commissioners (DCs); they are chaired by the Deputy Commissioner at the district level and the Assistant Commissioner (AC) at the *taluka* level.

20. Some observers of SUCCESS and similar initiatives have taken the position that these projects are following a preconceived one-size-fits-all approach, which does not reflect diversity across districts and households. The fact is that the MIP does not lead to a few common choices but actually fully accommodates diversity.<sup>7</sup> Data from SUCCESS show the kind of diverse choices made by poor rural women and men and the variations observed across the eight programme districts:

- 69,036 CIF borrowers found 64 different uses for the loans, with significant differences across districts;
- Similarly, the investment choices of 22,883 IGG recipients varied significantly across districts;
- Training preferences of 14,050 individuals (88 percent of them women) included 37 types of technical and vocational skills in eight main categories. The range of preferences varied significantly across districts.

21. This and other information available so far suggests that:

- The poor make profitable choices through the MIP for CIF, IGGs and training that are consistent with their resources and local markets. A process or research method that can improve upon the choices made by tens of thousands of poor rural women has not been identified so far.
- Impact on incomes and assets (income-generating assets, consumer durables and human capital) is visible within months. This is consistent with the national and international evidence reported below. It is largely sustainable and often

enhanced over time.

- MHI has saved the poorest in distress from overwhelming burden and pauperisation.
- Many LSOs and VOs have established linkages with government and non-governmental service providers. The government has not institutionalised these linkages but they are taking place by reason of mutual convenience, depending on departmental resources and targets.
- With active encouragement from RSPs, there has been immense increase in women's confidence, greater say in household decision making and increased mobility for some (especially the community leaders).

#### **Impact Assessments: International and National Evidence**

22. In 2002, Building Resources Across Communities (BRAC)<sup>8</sup> pioneered the Targeting the Ultra-Poor Programme and supported over half a million very poor households. To test the BRAC model, the Consultative Group to Assist the Poor and the Ford Foundation launched 10 pilot programmes in seven countries in 2006. The impact assessment found:

#### ***Strong positive impacts sustained over time***

- The poverty graduation rate was between 75 percent and 98 percent.
- Income: 37 percent increase in earnings and diversified assets and source of income. Value of productive assets tripled.
- Food consumption: statistically significant 9 percent increase.
- Assets: beneficiaries' productive assets increased by 15 percent.
- Household savings increased by 96 percent one year after the programme ended.

#### ***A cost-effective approach***

- Return on investment on per household cost ranged from 133 percent to 433 percent.

<sup>7</sup> This is also true for business processes such as bank loans and vehicle purchase, where a common process caters to a large number of diverse consumers and leads to diverse outcomes.

<sup>8</sup> Earlier known as the Bangladesh Rural Advancement Committee.

- The cost-effectiveness of the programme was high, with annual household income gains of 7-25 percent.
23. Several impact assessment studies in Pakistan have estimated poverty graduation in projects implemented across the four provinces of the country and supported by government, IFAD, other donors and PPAF. Presentations on six projects implemented in KP, Punjab and Sindh during 2009-2019 included impact assessments using the PSC measure. Social mobilisation, asset transfer and training were common to all six projects, with other interventions listed with the findings in Table 1.
24. The sample size used in the before-and-after comparisons of PSC scores varied from 230 to 10,941 households. The main findings (refer to Table 1) are:
- In five of the projects, the entire sample was in the PSC 0-23 category before the intervention and in one project, 90 percent of the sample was in this range. After the intervention, 45 to 55 percent of these households had graduated above PSC 23 in four of the six projects.
  - Among the poorest (PSC 0-11), 20 to 72 percent of the households had graduated to higher levels in five of the six projects.

### **Concluding Note**

25. Given the national and international evidence assembled over the years, the impact of graduation programmes on poverty reduction is beyond doubt by now. Gains in community empowerment and women's status are evident in all the graduation projects in Pakistan. Lessons about project design, approaches to specific interventions, linkages with the government and sustainability issues are being learned across the country and leading gradually to improvements.
26. A pro-poor policy environment that produces results has been evident in Sindh. The Federal Government's 2019 Ehsaas initiative has focused renewed attention on poverty reduction. The IFAD-assisted National Poverty Graduation Programme (NPGP) was launched in 23 districts across the country in 2019 with the involvement of the PPAF and the RSPs. Implementation capacity and social capital are in place for a coordinated countrywide initiative for sustainable reduction in poverty.

Project and Province	Financing Partner(s)	Implementing Partner	Districts	Households in Sample	Percentage of Households by Category						Main Programmatic Interventions (in addition to social mobilisation)		
					PSC 0-11		PSC 12-18		PSC 19-23			PSC 24-100	
					Before	After	Before	After	Before	After		Before	After
UCBPRP Sindh <sup>a</sup>	Government of Sindh	SRSO	Shikarpur, Kashmir	542	79	21	0	100	0	0	2009	2012	IGGs, CIF, TVST, MHI, CPI
					7	16	21	45	55				
SPPAP Punjab <sup>b</sup>	Government of Punjab and IFAD	NRSP	Bahawalnagar, Bahawalpur, Muzaffargarh, Rajanpur	705	58	36	7	100	0	0	2009	2017	Asset creation, vocational and entrepreneurial training, CPI, agriculture and livestock development
					4	21	24	49	51				
PEACE KP <sup>c</sup>	European Union	SRSP	Buner, Chitral, Lower Dir, Upper Dir, Shangla, Swat, Malakand	344	22	35	33	90	10	10	2013	2019	Asset transfer, visits, enterprise development training, basic numeracy and literacy
					2	23	25	50	50				
Asset Transfer Programme - KP <sup>c</sup>	PPAF	SRSP	Kohistan, Shangla, Batagram, Swat, Upper Dir	600	53	47	0	100	0	0	2015	2016	Asset transfer, need-based visits, enterprise development training
					23	57	19	99	1				
WEEMD - KP <sup>c</sup>	Australian Government	SRSP	Peshawar, Nowshera, Charsadda	10,941	43	30	27	100	0	0	2011	2019	CIF, value chain development, adult literacy, women's business centres, nutrition education
					22	15	28	55	45				
PPRP - Sindh <sup>d</sup>	Government of Sindh	SRSO	Badin, Sanghar, Mirpur Khas	230	24	76	0	100	0	0	2017-18	2019	CIF
					18	49	19	85	15				

**Sources:**

- <sup>a</sup> "Impact Assessment of Union Council Based Poverty Reduction Programme (UCBPRP) Implemented by SRSO," August 2012 (p. 8), Sustainable Development Policy Institute, Islamabad.
- <sup>b</sup> "Southern Punjab Poverty Alleviation Programme 2 (SPPAP2), Final Impact Survey Report," May 2018 (p. 46), International Fund for Agricultural Development, Rome.
- <sup>c</sup> SRSP presentation at the learning event.
- <sup>d</sup> PPRP presentation at the learning event.

**Abbreviations**

CIF	Community Investment Fund	PPAF	Pakistan Poverty Alleviation Fund
CPI	Community Physical Infrastructure	PPRP	People's Poverty Reduction Programme
GoS	Government of Sindh	PSC	Poverty Score Card
IFAD	International Fund for Agricultural Development	SPPAP	Southern Punjab Poverty Alleviation Programme
IGG	Income Generating Grant	SRSO	Sindh Rural Support Organisation
KP	Khyber Pakhtunkhwa	SRSP	Sarhad Rural Support Programme
MHI	Micro Health Insurance	TVST	Technical And Vocational Skills Training
NRSP	National Rural Support Programme	UCBPRP	Union Council Based Poverty Reduction Programme
PEACE	Programme for Economic Advancement and Community Empowerment	WEEMD	Women's Economic Empowerment and Market Development Project





2019 NATIONAL CONVENTION OF LSC

JUNE 20, 2019 | ISLAMABAD



# INTRODUCTION

---

## 1.1 ORGANISATIONS AND PROJECTS AT THE RSPs ANNUAL STRATEGY RETREAT 2019

1. The event, organised by the Rural Support Programmes Network (RSPN) in September 2019, elicited eight main presentations by representatives of Rural Support Programmes (RSPs) and other organisations. Much of the content came from approaches and evidence observed in KP, Punjab and Sindh provinces, but two presentations also included references to other countries. Three organisations were invited to present their programmes but could not participate for various reasons: the Asian Development Bank (ADB), invited to present the Benazir Income Support Programme (BISP) Graduation Programme; the Pakistan Poverty Alleviation Fund (PPAF), invited to present the National Poverty Graduation Programme (NPGP), which is supported by the Government of Pakistan and the International Fund for Agricultural Development (IFAD); and, the Southern Punjab Poverty Alleviation Programme (SPPAP), supported by the Government of Punjab and IFAD. Important elements of SPPAP and NPGP were covered by another speaker.
2. The presentations drew upon the specific experiences of the following projects:

### **From Pakistan:**

- Programme for Poverty Reduction (PPR), supported by the Government of Italy and PPAF and implemented in Chitral by the Aga Khan Rural Support Programme (AKRSP);
- SPPAP, supported by the Government of Punjab and IFAD, working in 10 districts of Southern

Punjab and implemented by the Government of Punjab and the National Rural Support Programme (NRSP);

- People's Poverty Reduction Programme (PPRP), financed by the Government of Sindh (GoS), which covered four districts earlier, has been rolled out in another six districts and is implemented by the Sindh Rural Support Organisation (SRSO);
- Sindh Union Council and Community Economic Strengthening Support (SUCCESS), supported by the European Union (EU), working in eight districts and implemented by NRSP, SRSO and Thardeep Rural Development Programme (TRDP);
- NPGP, supported by the Government of Pakistan and IFAD, recently launched through PPAF in 23 districts across the country and implemented by RSPs and other non-governmental organisations (NGOs);
- Women's Economic Empowerment and Market Development Project (WEEMD), supported by the Government of Australia and implemented in KP by Sarhad Rural Support Programme (SRSP); and,
- Programme for Economic Advancement and Community Empowerment (PEACE), supported by the EU and implemented by SRSP in five districts of KP;

### **From Other Countries:**

- South Asia Poverty Alleviation Programme (SAPAP), implemented in Bangladesh, India,



Nepal, Maldives and Pakistan with the support of the United Nations Development Programme (UNDP);

- Andhra Pradesh (India) Poverty Reduction Projects supported by the World Bank and the Government of Andhra Pradesh; and,
- randomised control trials of poverty graduation projects in Bangladesh, Ethiopia, Ghana, Honduras, India, Pakistan and Peru, the results of which were reported in *Science*.<sup>9</sup>

## 1.2 CONTRIBUTORS AND THEIR PRESENTATIONS

3. The event was moderated by Dr Tariq Husain, Senior Consultant at RSPN, and included the following presentations:

### **National and international perspectives:**

- “Social Mobilisation in South Asia: The Journey of Rural Support Programmes,” by Mr Shoab Sultan

Khan, Chairman, RSPN.

- “Graduation Approach to Poverty – IFAD Experience and Approach” (which included NPGP and SPPAP), by Mr Qaim Shah, former Senior Country Programme Officer for Pakistan and Afghanistan, IFAD.

### **Poverty reduction strategy and programmes in Sindh:**

- “Government of Sindh’s Poverty Reduction Strategy (PRS),” by Ms Hina Shahid, Research Expert, and Ms Durre Mahmood, Policy Expert, SUCCESS Technical Assistance (TA) Team to Government of Sindh.
- “SUCCESS Programme’s Approach to Poverty Graduation,” by Mr Fazal Ali Saadi, Programme Manager, SUCCESS, RSPN.
- “Government of Sindh’s PPRP,” by Mr Ghulam Rasool Samejo, Team Leader, PPRP, SRSO.

### **RSPs’ experience in KP:**

- “Impact of AKRSP’s Poverty Reduction

9. Abhijit Banerjee, Esther Duflo, Nathanael Goldberg, Dean Karlan, Robert Osei, William Parienté, Jeremy Shapiro, Bram Thuysbaert and Christopher Udry, “A multifaceted programme causes lasting progress for the very poor: Evidence from six countries,” *Science*, May 2015 (<http://gap.hks.harvard.edu/multifaceted-program-causes-lasting-progress-very-poor-evidence-six-countries>). The first 2 authors have been awarded the 2019 Nobel Prize in Economics. *Science* is published by the American Association for the Advancement of Science, the world’s oldest and largest general science organisation.

Programme in Chitral," by Mr Muzaffar Uddin, General Manager, AKRSP.

- "SRSP's Community Investment Funds leading to Poverty Graduation in Khyber Pakhtunkhwa," by the SRSP Team consisting of Mr Masood ul Mulk, Chief Executive Officer, Mr Waiq Khan, Team Leader, Community Investment Fund (CIF), Ms Nageen, Community Activist from District Charsadda, and Ms Naseem Bibi, Community Activist from District Nowshera.
- "Results on Poverty Graduation from Three Programmes," by Mr Atif Zeeshan, Programme Manager, Monitoring and Evaluation, SRSP.

All the Pakistan projects discussed during this event used the PSC for identifying poor households. They then engaged communities, including poor and non-poor households, through social mobilisation and help the poor households through targeted pro-poor interventions. Measures of poverty other than the PSC are used for other purposes by other development actors in the country. There is often lack of clarity in project design and evaluation about the purpose of various indicators and how they should be used. In Section 2, an overview of poverty measures is provided to shed light on this matter.







# CONCEPTS AND MEASURES OF POVERTY

## 2.1 OFFICIAL MEASURES OF POVERTY

4. The role of social mobilisation in poverty reduction needs an understanding of concepts of poverty and how economic growth, government programmes and social mobilisation relate to them. While poverty reduction is a national goal, it is interpreted in different ways for different purposes. Official estimates of the incidence of poverty are based on the Cost of Basic Needs approach. This approach focuses on the consumption patterns of households and estimates the amount of money needed to meet basic household needs. It takes into account household spending on food as well as non-food expenditures (on things such as clothing, shelter and education) that are necessary for households.<sup>10</sup>
5. Poverty reduction in relation to the official poverty line depends largely on pro-poor economic growth. Thus, government planners favour labour-intensive growth for employment generation.<sup>11</sup> The problem is that economic growth in Pakistan has been slow for several years; moreover, growth has not translated strongly into job creation. To reduce unemployment and poverty that is not addressed through growth, the government puts in place a variety of programmes, including public works and credit-based employment, supported by an employment policy and vocational training. In addition, social protection programmes aim to help those who are destitute or unable to benefit from economic growth or special job-creation initiatives.

6. In addition to the monetary poverty line, there is also an official Multidimensional Poverty Index (MPI). This is a non-income based index of deprivation that complements consumption-based poverty estimates. The MPI focuses on deprivation in three dimensions, health, education and standard of living, each of them with an equal weight. These dimensions are assessed through a total of 15 indicators. The MPI is expected to provide a basis for public policy and resource allocation at the national, provincial and district levels.<sup>12</sup> The official position is that:
 

While national poverty line and headcount continue to be estimated using outcome based consumption data, the MPI will be used as a deprivation index up to district level. This will be used for designing development policy interventions [and] tracking [the Sustainable Development Goal] objective of inclusive growth.<sup>13</sup>

## 2.2 POVERTY SCORE CARD

7. At the household level, the government uses the PSC for identifying poor households. This is a tested and cost-effective tool. It is used by BISP (the Federal Government's social protection programme), PPAF (the apex entity for supporting poverty alleviation), IFAD (which focuses on reducing rural poverty) and the RSPs. Nine of the 12 indicators in the PSC that are used for scoring revolve around household ownership of assets.<sup>14</sup> The 13<sup>th</sup> indicator is about the number

10. Government of Pakistan, Finance Division, Economic Adviser's Wing, *Pakistan Economic Survey 2015-16*, p. 283 (<http://www.iris.punjab.gov.pk/Economic%20Surveys-New/Economic%20Survey%202015-16.pdf>).

11. Although other sectors may be added from time to time, planners tend to give priority to agriculture, small and medium enterprises, housing and construction for pro-poor growth. They also recognise that in Pakistan, for several years, the absorptive capacity of the formal sector has been low, and a large majority of the employed workforce has been engaged in informal sector activities dominated by low productivity and marginalised jobs.

12. Foreword to the Multidimensional Poverty report by the Minister for Planning, Development and Reform.

13. Pakistan Economic Survey 2015-16, p. 284. Official poverty data have not been available since the official poverty headcount stood at 24.3 percent (fiscal year 2015-16) and the MPI poverty headcount at 38.8 percent (fiscal year 2014-15).

14. These assets are: number of rooms in the house, flush toilet, refrigerator, freezer, washing machine, air conditioner, air cooler, geyser, heater, cooking stove, cooking range, microwave oven, car, tractor, motorcycle, scooter, television, cow, buffalo, goat, sheep and agricultural land.



of household members; it is not used for scoring but for calculating the number of people per room in the housing unit.

8. The PSC allows what is called a proxy means test for poverty. In the words of the PSC's originator, "the tool uses 10 [now 13] low-cost indicators from Pakistan Social and Living Standards Measurement (PSLM) Survey to estimate the likelihood that a household has consumption below a given poverty line."<sup>15</sup> "Poverty scores can be computed on paper in the field in about five to 10 minutes. The poverty scorecard is a practical way for pro-poor programmes in Pakistan to monitor poverty rates, track changes in poverty rates over time, and target services."<sup>16</sup>
9. The PSC is used for classifying poor and non-poor households in the following categories:

15. Mark Schreiner, "Simple Poverty Scorecard® Poverty-Assessment Tool Pakistan", 18 September 2009 ([http://www.simplepovertyscorecard.com/PAK\\_2005\\_ENG.pdf](http://www.simplepovertyscorecard.com/PAK_2005_ENG.pdf)).

16. Mark Schreiner, "A Simple Poverty Scorecard for Pakistan", first Published June 18, 2010 (<https://journals.sagepub.com/doi/10.1177/0021909609353579>).

**Table 2: Classification of households based on the Poverty Score Card**

PSC Score	Category
PSC 0-11	Extremely poor or ultra-poor
PSC 12-18	Chronically poor
PSC 19-23	Transitory poor
PSC 24-34	Transitory vulnerable
PSC 35-40	Transitory non-poor
PSC 41-100	Non-poor

## 2.3 POVERTY TARGETING

10. Poverty targeting, in principle, should target administrative units as well as households on the basis of poverty-related criteria. Household-level poverty targeting at the national level started after the national PSC survey in 2009 that was undertaken for BISP. The data helped BISP to establish what is called the National Socio-Economic Registry (NSER). Based on the NSER data, poor households are identified according to the classification shown in Table 2. Surveys for updating the NSER are being carried out in 2019.
11. Targeting of administrative units takes place in different ways in the projects presented at this event:
  - District selection is sometimes, though not always, based on some notion of poverty or deprivation.<sup>17</sup> For example, the NPGP used a multi-dimensional poverty index (not the MPI) for this purpose. In other cases, districts may be selected by the provincial government in consultation with the donor.
  - In projects supported by the Government of Sindh and the EU, generally all *tehsils/talukas* within a selected district are included. In other projects, the

17 Based on official sources, RSPN reports that there are 142 districts in Pakistan, including the 4 provinces of the country, the State of Azad Jammu and Kashmir, the Gilgit-Baltistan region and the Islamabad Capital Territory. This number excludes the 6 frontier regions of the former Federally Administered Tribal Areas, which are akin to tehsils rather than districts.



basis of selection of *tehsils/talukas*<sup>18</sup> is not always clear, though it tends to depend on government decisions in this regard, in consultation with the donor.

- In the GoS- and EU-assisted projects, but not in others, all rural union councils in<sup>19</sup> a *tehsil/taluka* are included. A certain percentage of households (e.g. 70 percent) has to be organised. Specifically, all households in the project's target group have to be organised.

## 2.4 INCLUSION OF HOUSEHOLDS IN PROJECT INTERVENTIONS

12. While the lowest poverty band is invariably included in a project, there is no fixed approach for deciding which other categories of the poor and vulnerable will be included, what proportion of target group households will be included in specific project interventions, and what would be the unit cost of a given intervention. These aspects are determined during project design and vary by donor and project. Across the projects

discussed in this event, including various RSP-implemented projects, the general trend is that:

- The PSC score is used for selecting beneficiary households for household-based interventions. Community-level interventions (generally small infrastructure) are identified by community institutions. The benefits of infrastructure are not limited to either the poor or the members of community institutions.
- The proportion of a specific group (PSC 0-11, 0-18 or 0-23) that receives a specific intervention depends on the resources available to the project. It is related to the unit cost of an intervention, which also varies from one project to another.<sup>20</sup>
- The Prime Minister's Interest Free Loan scheme (started in 2013) is open to households in the PSC 0-40 category.
- In the RSP projects in Sindh, community organisations are all-women organisations. Elsewhere, they are a combination of all-men, all-women and mixed organisations. All the projects have specific targets for women to be included in each intervention.

<sup>18</sup> Tehsils (or the equivalent talukas in Sindh Province) are sub-district administrative units.

<sup>19</sup> The union council is the lowest tier of administration in Pakistan. Based on official sources, RSPN reports that there are 5,586 rural union councils in the country.

<sup>20</sup> The unit costs for 5 interventions in the SUCCESS programme are reported in Table 5.



# NATIONAL AND INTERNATIONAL PERSPECTIVES

## 3.1 PRESENTATION BY MR SHOAB SULTAN KHAN

13. Mr Khan's presentation included a history of RSP-related initiatives as well as their conceptual foundations and achievements. Mr Khan has often emphasised that the state system includes an administrative pillar and a political pillar, and that the RSPs enable communities to create a socio-economic pillar, which is often the missing link in approaches to poverty reduction. Over the years, Mr Khan has also distinguished between the conceptual package and the programmatic package of interventions offered by the RSPs, which are tailored to specific projects and their context.
14. The conceptual package is at the core of the socio-economic pillar and the RSP approach. It emphasises organising the poor and building their skills and capital. It is well established that this function cannot be performed by the administrative or political pillars of the state: government departments and elected institutions do not have the capacity to engage all or an overwhelming majority of people, especially the poor and vulnerable, at the household level, in planning, implementing and monitoring their own development agenda.
15. The RSPs' programmatic package includes two kinds of interventions, those that are implemented directly by the RSPs and funded for the duration of a project, and goods and services that are obtained through linkages with government departments, NGOs and commercial entities. Ensuring linkages for pro-poor service delivery through the public sector is the responsibility of the government. Mobilising the poor according to the conceptual package, and capacitating them to identify and implement the programmatic package, is the job of autonomous support mechanisms such as the RSPs.

16. Mr Khan referred to the original articulation of this approach through the 1992 report *Meeting The Challenge*, which was adopted by South Asia's heads of state and government at their Dhaka Summit in 1993<sup>21</sup>. This report was greatly influenced by Mr Khan's work with AKRSP, starting in 1982. It also reflected diverse experiences and considered perspectives from other countries of South Asia. The report (on p. 94) emphasised that "The centrepiece of the strategy and the policy framework would have to be the mobilisation of the poor themselves through their own organisations." Its other main recommendations are reproduced in Text Box 4.

### Text Box 4: Recommendations of *Meeting The Challenge*

#### Each Government should:

- Support, financially and administratively, the establishment of independent non-governmental... support mechanisms to catalyse the formation of organisations of the poor... building on the success cases on the ground [including AKRSP].
- Commit adequate financial resources on a long-term basis to these support mechanisms to enable them to provide the required services to the organisations of the poor.
- Other organisations of the State system and the banking system should be reoriented, *inter alia*, by devolving appropriate powers and responsibilities ... with the aim of providing the necessary support.

Source: Page 139, *Meeting The Challenge*

17. The RSPs foster organisations of the poor at three levels. The primary tier consists of community organisations (COs), which are self-help groups of 15-25 members each covering a small settlement or the hamlet of a larger village. Poverty reduction interventions for individual households are identified and planned at the CO level.

21 *Meeting The Challenge*; Kathmandu: Report of the Independent South Asian Commission on Poverty Alleviation, Secretariat of the South Asian Association for Regional Cooperation, 1992. The commission consisted of highly-regarded South Asian intellectuals, policy managers and practitioners concerned with poverty issues.

18. Then there is the village organisation (VO), a federation of COs intended for planning and coordination at the village level. The VO membership (general body) consists of two members (preferably the president and manager) from each CO. The key function of the VO is to implement village level activities, including Community Physical Infrastructure (CPI).
19. The third tier is at the union council level and called the local support organisation (LSO), which is a federation of all the VOs in the union council. The membership (general body) of the VO is expected to include at least two members from each VO. The key function of the LSO is coordination and implementation of development activities at the union council level, establishing linkages with government and other development organisations, and providing guidance and support to VOs and COs. The LSO is also responsible for managing a grant, which it receives from the RSP to provide and recover interest-free loans to the poor.
20. Prior to social mobilisation, however, the project undertakes a complete census of the project area to identify poor households by means of the PSC. The RSP validates survey findings through communities, minimising survey error. Depending on the resources available for a project, the RSP aims to:
- organise a given percentage of all the households in the project area; and,
  - support a given percentage of poor households in each PSC category with poverty reduction interventions
21. At the operational level, Mr Khan outlined how the Micro Investment Plan (MIP) takes shape at the core of the programmatic package for poverty reduction. The MIP entails engagement between RSPs and each and every poor household identified for inclusion in a given project. Every poor household identifies an opportunity through which they believe they can increase their income, if they are given a small grant or interest-free loan. A concrete example of the diversity of choices made by poor households in this process is given in Section 4.2, based on data from SUCCESS.
22. In consultation with the RSP and each other, all CO members prepare their MIPs by deciding how they will increase household income through:
- an Income Generating Grant (IGG) if they are extremely poor, do not have the capacity to take and repay loans, and the CO decides to give them a grant in view of their financial circumstances;
  - an interest-free loan from the revolving Community Investment Fund (CIF) for other CO members, those who can borrow and repay relatively easily; and,
  - Technical and Vocational Skills Training (TVST) for a household member, either male or female, leading to employment or self-employment.
23. Where resources are available, the RSPs also offer:
- Micro Health Insurance (MHI) to the poorest households; and,
  - community-identified Community Physical Infrastructure (CPI).
24. Mr Khan's presentation also included a summary of the outreach of RSPs:<sup>22</sup>
- 460,236 community organisations (COs), out of which 237,876 are women's COs;
  - 7,854,270 households are members of the COs (54 percent of the members are women);
  - 145 out of the 148 districts in the country and 4,332 out of the 5,846 union councils;
  - 1,908 LSOs at the union council level (782 are women-only); and,
  - outreach extends to a population of 51.1 million.

22. National and international evidence on the impact of poverty reduction initiatives is presented below.



### 3.2 PRESENTATION BY MR QAIM SHAH

25. Mr Shah's presentation summarised the global and national challenge in terms of poverty reduction, introduced a typical poverty graduation approach, described poverty graduation projects implemented through the PPAF and the RSPs (several of them with IFAD support), and made a case that the prerequisites for scaling up graduation as a national programme are in place. He started by pointing out the global challenge for poverty reduction: more than 700 million people live on less than USD 1.90 per day (Purchasing Power Parity), while the Sustainable Development Goal (SDG) Number 1 is zero poverty by 2030. In Pakistan:

- 38.8 percent of the people are poor in terms of the Multidimensional Poverty Index (2014-15 data);<sup>23</sup>
- the country is placed 150th out of 189 countries in the Human Development Index (HDI);
- in terms of the gender gap, it is 148th out of 149 countries; and,
- in relation to climate change, it is deemed to be the 7th most vulnerable country.

26. Currently, 5.7 million poor households are receiving unconditional cash transfers under the BISP. The graduation approach provides evidence that supporting many of these families through the right kind of response, such as asset transfers and vocational training, and linking them to markets and, after graduation, to value chains can move them up the poverty ladder sustainably. Mr Shah observed that graduation programmes typically consist of a coordinated and sequenced multi-sectoral package of support over 18-36 months. A similar approach is reported in the research findings of Innovations for Poverty Action. The programmatic interventions for graduation mentioned in the presentation and the research findings are reproduced in Table 3.<sup>24</sup>

23 Poverty data for the official poverty line and multidimensional poverty are not available since 2014-15.

24. This represents international good practice as described in Annex 1 and may be compared with a typical programmatic package offered by the RSPs (described in paragraphs 23-24), the package funded by GoS under UCBPRP during 2009-2012 (Annex 2), and the package offered by SUCCESS with EU support during 2016-2021 (paragraphs 49-50).

**Table 3: Programmatic interventions for poverty graduation from international sources**

As Reported in the Presentation	As Reported by Innovations for Poverty Action <sup>25</sup>
<i>Duration: 18-36 months</i>	<i>Duration: 24 months</i>
Food or a regular cash transfer	Consumption Support: in the form of cash or food transfers
Seed capital, transfer of a productive asset, or links to employment	Asset Transfer: often goats or chickens, or money to invest in petty trade business
Livelihood skills training and soft-skills training	Livelihood Training: beneficiaries are trained with skills to generate a sustainable income with the new asset (for example: rearing livestock, petty trade, selling vegetables or honey)
Savings promotion, access to financial services, and related skills	Savings Component: beneficiaries open individual savings accounts at local banks, post offices, or are encouraged to save with rotating savings and credit organisations
Coaching or mentoring	Health Component: services range from health education to aid in accessing government services
Women's development/empowerment	Additional Services: veterinary consultation for livestock, business development training

27. Mr Qaim Shah explained that, in 2002, Building Resources Across Communities (BRAC)<sup>26</sup> pioneered the Targeting the Ultra-Poor Programme and supported over half a million very poor households. To test the BRAC model, the Consultative Group to Assist the Poor (CGAP) and the Ford Foundation launched 10 pilot programmes in 7 countries in 2006. The impact assessment found:

***Strong positive impacts sustained over time***

- The poverty graduation rate was between 75 percent and 98 percent.

25. Innovations for Poverty Action, "Ultra Poor Graduation Pilots" (<https://www.poverty-action.org/program-area/social-protection/ultra-poor>), report on the Ultra Poor Graduation programme that was piloted in 7 countries on three continents (Ethiopia, Ghana, Honduras, India, Pakistan, Peru and Yemen). CGAP and the Ford Foundation partnered with local organisations to apply this graduation model based on BRAC's Challenging the Frontiers of Poverty Reduction/Targeting the Ultra Poor (CFPR/TUP) programme. By investing in a multifaceted approach, the programme aimed to graduate ultra-poor households out of extreme poverty to a more stable state and eliminate the need for long-term safety net services. The components were adjusted to fit the country context.

26. Earlier known as the Bangladesh Rural Advancement Committee.



- Income: 37 percent increase in earnings and diversified assets and source of income. Value of productive assets tripled.
  - Food consumption: statistically significant 9 percent increase.
  - Assets: beneficiaries' productive assets increased by 15 percent.
  - Household savings increased by 96 percent one year after the programme ended.
- A cost-effective approach**
- Return on investment on per household cost ranged from 133 percent to 433 percent.
  - The cost-effectiveness of the programme was high, with annual household income gains of 7-25 percent.
28. In Pakistan, the PPAF supported a pilot graduation project called the Social Safety Net - Targeting Ultra Poor (SSN-TUP, 2007-2010) in Sindh coastal areas under the IFAD-financed Microfinance Innovations and

Outreach Programme. This covered 1,000 households through 5 NGOs in 5 *talukas* (200 households each). Mr Shah presented the findings of the SSN-TUP Impact Survey conducted in January 2012: Beneficiary income: increased by 178 percent (2008–2012), who earned PKR 34,122 more in a year than the non-beneficiaries.

- Beneficiaries diversified their sources of income.
  - Assets grew by 189 percent (from before the programme up to the survey).
  - Livestock was the most common asset preferred by the poor for asset transfer and had the largest impact in terms of increasing assets' worth over time.
  - Household savings increased from PKR 711 to an average of PKR 9,676
  - The poverty graduation rate was 84 percent, as reported by partner organisations, and 44 percent as estimated by the study.
29. These findings led to the replication of this IFAD-supported pilot project's poverty graduation approach. The approach was replicated by PPAF under the World Bank Livelihood Enhancement Programme, covering approximately 73,000 households (438,000 persons) during 2009-2015, and also through another project covering 20,000 households (120,000 persons) with German and Italian assistance during 2012-2018.
30. IFAD's large-scale involvement with poverty graduation in Pakistan started with SPPAP in 2010. It initially operated in 4 districts (Bahawalnagar, Bahawalpur, Muzaffargarh and Rajanpur) and now extends to 10 districts with 80,000 beneficiary households. Its poverty graduation target is 51,000 households. The cost comes to USD 562 per household, or USD 61 per person, for interventions that include asset creation, vocational and entrepreneurial training, CPIs, and agriculture and livestock development. The IFAD-supported Gwadar-Lasbela Livelihoods Support Programme started in 2013 in 2 districts, aiming at 20,000 beneficiary households. Its poverty graduation target is 10,000 households. The NPGP



started in 2018 in 23 districts across the country, aiming at 156,240 beneficiary households at a cost per household of USD 467.

31. Findings from the 2018 impact assessment of the IFAD-assisted SPPAP showed (see Table 4):

PSC Score	Respondents in 2009		Respondents in 2012	
	Number	%age	Number	%age
0-11	408	58%	31	4%
12-18	251	36%	146	21%
19-23	46	7%	171	24%
0-23	705	100%	348	49%
24-100	0	0%	357	51%
Total	705	100%	705	100%

*Source: "Southern Punjab Poverty Alleviation Programme 2 (SPPAP2), Final Impact Survey Report," May 2018 (p. 46), International Fund for Agricultural Development, Rome.*

32. Other findings included the following:

- 79 percent respondents reported modest to significant increases in incomes.
- Overall, 70 percent reported increases in income from livestock.
- 98 percent beneficiaries of small houses expanded income generation opportunities.
- Living and health conditions of 76 percent beneficiaries significantly improved through infrastructure support.
- 45 percent accumulated savings equivalent to one-month income or expenditures.
- 41 percent reduction in unemployment rate

33. The presentation summarised key lessons from SPPAP:

- Poverty graduation approaches and models are replicable and results can be scaled up.
- Targeting is a key element of poverty graduation programmes.
- Community organisation approaches need to ensure membership and participation of all ultra-poor

and poor (e.g., mandatory participation of poor; exempt PSC 0-11 from community contribution and compulsory savings).

- Flexibility in design is needed to respond to individual household solutions and operational constraints (e.g. cost of household packages).
- Vocational trainees need to be linked with credit sources.
- Poverty graduation is a continuing process and not a one-off intervention. It requires a long-term strategy with emphasis on an outcome-driven and sustainable approach, rather than the project target and input-driven approach. Thus, the project should reassess each beneficiary household afresh to see what kind of assistance and support (both project and non-project sources) is required, and what kind of linkages or partnerships could support these households to keep them moving along the poverty graduation trajectory and beyond PSC 34.

34. With a total cost of USD 150 million (IFAD USD 100 million, government USD 50 million), the IFAD-supported NPGP reflects these lessons. Its goal is to assist the ultra-poor and very poor in graduating out of poverty on a sustainable basis and simultaneously improving their overall food security, nutritional status and resilience to climate change. It is designed to reach 156,240 poor households in 23 districts of Balochistan, Punjab, KP and Sindh. These districts have been selected from Extreme Poverty Zones 1 and 2, assessed by a multidimensional poverty index (which is used for district selection, not impact assessment). The theory of change anticipates that beneficiary households will escape poverty and/or attain a higher level of socio-economic wellbeing on a sustainable basis.

35. Going forward, it should be appreciated that:

- A credible targeting mechanism is available in the shape of BISP PSC data.
- The demonstrated success of approaches used in previous projects can now be scaled up.
- Sufficient social capital is available: 573,000 community organisations exist (organised by RSPs).

- Tested and proven graduation models and social mobilisation capacity can be combined to deliver the graduation model.
36. Policy engagement is needed for continuous interaction with government in formulating and refining federal and provincial poverty reduction strategies. Partnership is key to create synergies and complementarities among development partners, such as the following:
- Interest-free loan is a key part of the National Poverty Graduation Initiative (NPGI) under the government's Ehsaas programme.
  - Collaboration with BISP is needed for data sharing and the possibility of a dashboard for live tracking.
  - With increasing outreach, the cash transfer amount saved by graduating households could be ploughed back in NPGI.







# POVERTY REDUCTION STRATEGY AND PROGRAMMES IN SINDH

## 4.1 THE GOVERNMENT OF SINDH'S POVERTY REDUCTION STRATEGY (PRS)

37. The presentation by Ms Hina Shahid included a poverty diagnostic, an introduction to the PRS and a status report on its implementation. The poverty diagnostic is summarised as follows:

### **Determinants of poverty:**

- Rural poverty is a direct feature of lack of income-generating assets.
- Urban poverty is a direct feature of lack of employment and incomes.

### **Key aspects of poverty alleviation:**

- Survival issues: drinking water, housing, sanitation, nutrition, health. These issues drain income and are avoidable.
- Income issues: organised infrastructure and market facilities, education and skills. These are factors that raise income.

38. The PRS is based on 3 key strategies:

### **Strategy 1 Community-Driven Local Development (CDLD), the foundation:**

- Builds on and expand the Union Council Based Poverty Reduction Programme (UCBPRP) programme to all districts<sup>27</sup>
- Improves programme approach and implementation
- Mainstreams CDLD and integrate approach with line departments.

### **Strategy 2 - Addressing urban poverty:**

- Targets small towns within rural districts

- Targets employment opportunities and enterprise development
- Develops urban economic clusters

### **Strategy 3 - Addressing rural poverty through rural growth centres/service hubs:**

- Identifies hubs that serve clusters of villages
- Consolidates services and facilities, provide growth opportunities

39. The PRS was developed as a collaborative effort by the Government of Sindh-supported by the SUCCESS TA team, approved in March 2018 and launched by the Chief Minister at the Sindh Development Forum. It received formal approval by the Provincial Cabinet in October 2018, with a target budget of PKR 72 billion envisaged for implementation. Since then, the PRS has been adopted as formal GoS policy and GoS has moved actively into implementation.

40. The government has taken the following key decisions for PRS implementation:

- Strategy 1 will be implemented through PPRP and Strategies 2 and 3 under the auspices of the Urban Directorate of the Planning and Development Department.
- In October 2018, the Chief Minister approved four districts as target districts for potential development as pilot rural growth centres – Thatta, Tharparkar, Badin and Sujawal. Larkana was added in July 2019.
- Key 2018-19 and 2019-20 annual development plan allocations have been made for the expansion of PPRP and for starting the pilot programme for rural growth centres. The Chief Minister has approved Sujawal as the first potential site for pilot implementation.

27 UCBPRP is briefly described in Section 4.3.

41. In terms of the implementation of Strategy 1:

- The GoS has finalised the PC-I for the implementation of the new expansion programme. This entails the expansion of the CDLD approach to all the remaining districts of Sindh not already covered by the ongoing PPRP.
- GoS has made some new decisions about the PPRP expansion, including: adding selected peri-urban districts of Karachi and Hyderabad; and, bifurcation of the expansion programme, whereby two districts will be covered using the traditional social mobilisation approach and other districts through a separate programme, which will focus on employment opportunities and enterprise development.

42. For Strategy 2 (Urban Development):

- A session with experts on Tackling Urban Poverty through Enterprise Development was conducted in collaboration with the Urban Directorate, Planning and Development Department.
- GoS made some new decisions about PPRP expansion, including: adding selected peri-urban districts of Karachi and Hyderabad; placing four districts in a separate programme, which will focus on employment opportunities and enterprise development; PPRP is adding elements of Strategy 2 (urban poverty) including urban economic clusters and enterprise development) as a key focus for PPRP expansion.

43. For Strategy 3 (Rural Growth Centres):

- Consultation workshops on Rural Growth Centre (RGC) options have been held in Sujawal and Tharparkar.
- District profiles with further comprehensive GIS mapping and statistical research have been prepared for all target districts, together with exploratory visits to identify potential clusters and rural growth centre locations.
- Stakeholders Consultation at Sujawal District voted for pilot rural growth centre sites
- The Chief Minister has approved the proposal

from the Planning and Development Department identifying Chuhar Jamali in Sujawal District as the first potential rural growth centre pilot site.

- The Urban Directorate is now proceeding with the detailed stage of feasibility assessment and infrastructural gap analysis.
- Consultative session with stakeholders at Mithi, Tharparkar has been conducted in collaboration with Urban Directorate.

#### 4.2 SINDH UNION COUNCIL AND COMMUNITY ECONOMIC STRENGTHENING SUPPORT (SUCCESS) PROGRAMME

44. Mr Fazal Saadi's presentation started with a note on the evolution and spirit of the RSPs, included an overview of the programme and a profile of the poor in the eight programme districts, a summary of the choices made by poor women through the MIP process, main outcomes and impact, and lessons and challenges. By way of background, the presentation recalled that:



- SUCCESS is among the recent initiatives that have emerged from the experiences of Mr Shoaib Sultan Khan in Pakistan (particularly Sindh) and neighbouring countries (including India).
  - It started when the European Union approached Mr Khan after seeing women's empowerment and other achievements of the GoS-financed UCBPRP, which is described in Section 4.3.
  - It incorporates pro-poor interventions tried and tested in Pakistan since 2008 with assistance from Australia, European Union, Germany, IFAD, Italy, the United Kingdom and the Governments of Azad Jammu and Kashmir, Balochistan, KP, Punjab and Sindh.
  - Its philosophy is to trust and empower people to improve their lives, and change hearts and minds. This comes from Mr Khan and his mentor, Dr Akhter Hameed Khan. This is the way AKRSP started in 1982 and it is what defines the RSPs.
45. The following key elements introduce the programme:
- SUCCESS objectives relate to: graduating the poor (PSC 0-23) out of poverty; better access to social services; empowering women and communities; and realising GoS support for community-driven local development.
  - The budget is EUR 82 million and the programme duration is 5 years (February 2016 to January 2021).
  - The implementing partners are NRSP (four districts), SRSO (two districts), TRDP (two districts) and RSPN (to facilitate a coordinated and harmonised approach).<sup>28</sup>
  - The programme area consists of districts Sujawal, Matiari, Tando Muhammad Khan, Tando Allahyar, Larkana, Kamber Shahdaskot, Dadu and Jamshoro.<sup>29</sup>
- For targeting the poor, SUCCESS conducted a 100 percent census of 5.69 million people in 850,000 households and found 475,000 households (56 percent of the total visited) in the PSC 0-23 (or poor) category. It is expected to organise 611,000 households through their women members.
46. The presentation emphasised the importance of understanding the target group – the poor – in order to devise relevant interventions, as all too often experts make recommendations without considering the resources and priorities of the poor. For example, much has been made of small initiatives, including some sponsored by the corporate sector, that focus on better-off households with greater education and assets who are very different from the SUCCESS target group. SUCCESS data from its census of households leads to a specific profile of the poor:
- 92 percent of the poor are landless, with a few owning less than a subsistence holding.
  - 87 percent of adults (96 percent of women) had not attended school.
  - 8 percent owned a motor cycle/scooter and none owned a car or tractor.
  - 53 percent owned livestock, averaging 0.8 heads of cattle and 0.8 goats per household.
  - 91 percent of those working outside the house earn from agricultural or off-farm labour that pays daily wages in cash or kind.
  - 73 percent owned a mobile phone and only 0.1-1.6 percent owned various household appliances.
  - 81 percent of the men and 71 of the women had national identity cards but less than 1 percent of the poor had birth certificates.
  - 76 percent of the households had electricity and 84 percent had access to improved sources of water.
  - 48 percent did not have a toilet in the house and only 11 percent had a flush toilet.
47. SUCCESS offers support to its target group that includes both a conceptual package and a programmatic

28 The specific objective of the RSPN component is to promote a common approach in programme design, implementation, and the standardisation of processes to ensure that programme delivery is efficient and effective. The role includes overall coordination, harmonisation of procedures, generating evidence through research, and communications and advocacy.

29 District names and spellings are consistent with those used in the Population Census, 2017.

30 These terms have been introduced in Section 3.1.



package of interventions.<sup>30</sup> The conceptual package revolves around social mobilisation. The foundation for social mobilisation in SUCCESS is to organise 70 percent of the households in the programme district into COs of approximately 15 households each. Representatives of COs from each village form a VO, and VO representatives form union council-level LSOs. This process establishes the three tiers of community institutions.

48. At the CO level, each and every CO member prepares the MIP and decides how she will increase her household income by pursuing an opportunity that she herself can manage. She decides this in consultation with her household, other CO members and SUCCESS field staff. Based on this (and with unit costs shown in Table 5):

- Households in PSC 0-23 are eligible for IGGs, but only if the CO says they should get a grant instead of an interest-free CIF loan in view of their financial circumstances and inability to repay

a loan. As of October 2019, 79 percent of the households in the PSC 0-9 category, 14 percent in the PSC 10-18 band and 7 percent in PSC 19-23 had received IGGs<sup>31</sup>.

- Households in PSC 0-23 are eligible for interest-free loans from the CIF, which is a grant from the programme given to and managed by community institutions with RSP support.<sup>32</sup>

49. Households in PSC 0-23 are eligible for technical and vocational training (for men and women), which is expected to lead to employment or self-employment. In addition to these household-level income-generating interventions, SUCCESS has resources for providing:

- MHI to 25 percent of the poorest (starting from the lowest PSC score, following community validation). 91 percent of the households in the PSC 0-12 category, 6 percent in the PSC 13-15 band and 3 percent in PSC 19-23 have been provided MHI<sup>33</sup>; and,
- a grant to each VO for a community-identified CPI.

Intervention <sup>a</sup>	Cost in PKR		Cost in EUR		Cost in USD	
	Maximum	Average	Maximum	Average	Maximum	Average
Income generating grant <sup>b</sup>	25,000	15,000	147	88	163	98
Loan from community investment fund <sup>b</sup>	30,000	16,000	176	94	196	105
Micro health insurance premium <sup>c</sup>	--	1,000	--	6	--	7
Technical and vocational skills training <sup>d</sup>	45,000	13,000	265	76	294	85
Community physical infrastructure <sup>e</sup>	900,000	400,000	5,294	2,353	5,882	2,614

**Notes:**

<sup>a</sup> PKR amounts have been converted at the rate of EUR 1 = PKR 170 and USD 1 = PKR 153.

<sup>b</sup> The cost is per household reached through a woman household member of the community organisation.

<sup>c</sup> This is the premium paid per family, per year. The coverage is up to PKR 25,000 per year for the hospitalisation of an insured family member.

<sup>d</sup> The cost is per trainee.

<sup>e</sup> The cost is for a village-level infrastructure scheme.

30 These terms have been introduced in Section 3.1.

31 Based on the resources available to NRSP and TRDP, these partners provided IGGs to households in the PSC 0-9 category. With the availability of additional resources as result of exchange rate gain, TRDP also provided IGGs to households in the PSC 10-23 band to widows and households with disabilities. In SRSO, the target group for IGGs is PSC 0-23 and within this range the identification of beneficiaries is done by CO.

32 The programme budget for IGGs and CIF covers only 33 percent of the poor in the PSC 0-23 category.

33 Based on the availability of resources, TRDP provides MHI to households in the PSC 0-15 category, and NRSP and SRSO to PSC 0-12 households. In SRSO, however, one additional MHI card is given to each CO to cover any of the most needy households in the PSC score 13-23 band, if CO members so decide.

50. For fostering linkages between government departments and community institutions, SUCCESS works through joint development committees that bring together community representatives (typically female LSO leaders), RSP representatives and heads of government departments. These committees are notified by DCs; they are chaired by the DC at the district level and the AC at the *taluka* level. In addition, SUCCESS provides technical assistance to GoS at the policy level, the progress of which is described in Section 4.1.

51. Some observers of SUCCESS and UCBPRP have taken the position that these projects and their implementers are following a preconceived one-size-fits-all approach, which does not reflect diversity across districts and households. It is important to note that a common process such as the MIP does not lead to a few common choices but actually fully accommodates diversity.<sup>34</sup> Data from SUCCESS (illustrated in Annexes 3-5) show the kind of diverse choices made by poor rural women and men and the variations observed across the eight programme districts:

**69,036 CIF borrowers found 64 different uses for the loans, with significant differences across districts:**

- Livestock loans: Dadu 66 percent and Tando Allahyar 99 percent of the borrowers;
- Enterprise loans: Tando Allahyar 1 percent, Dadu 22 percent; and,
- Agriculture loans: Matiari, Tando Allahyar, Sujawal and Tando Muhammad Khan 0 percent, and Kamber Shahdadkot 22 percent.

**Investment by 22,883 IGG recipients varied significantly across districts:**

- Livestock: Jamshoro 78 percent, Tando Allahyar almost 100 percent of recipients;

- Enterprise: almost zero in Tando Allahyar and Matiari, 20 percent in Jamshoro; and,
- Agriculture: almost zero in 4 districts, 9 percent in Kamber Shahdadkot.

**TVST preferences of 14,050 individuals (88 percent of them women) included 37 types of technical and vocational skills in eight main categories. The range of preferences varied significantly across districts:**

- Garments: Matiari 53 percent, Larkana 88 percent;
- Beauty salons: near 0 percent in Larkana and Kamber Shahdadkot, Dadu 18 percent;
- Automobile: Kamber Shahdad Kot zero, Matiari 29 percent;
- Electronics: zero in 6 districts, 8 percent in 2 districts;
- Crop-livestock development: zero in Dadu, Larkana, and 15 percent in Kamber Shahdadkot;
- Food processing: zero in 6 districts, 3 percent in Sujawal; and,
- Construction: zero in 7 districts, 3 percent in Tando Muhammad Khan.

52. This and other information available so far suggests that:

- The poor make profitable choices through the MIP for CIF, IGGs and training that are consistent with their resources and local markets. A process or research method that can improve upon the choices made by tens of thousands of poor rural women has not been identified so far.
- By all accounts, impact on incomes and assets (income-generating assets, consumer durables and human capital) is visible within months. This is consistent with the national and international evidence reported in Section 6. It is largely sustainable and often enhanced or multiplied over time.
- MHI has saved the poorest in distress from overwhelming burden and pauperisation.

34. This is also true for business processes such as bank loans and vehicle purchase, where a common process caters to a large number of diverse consumers and leads to diverse outcomes.

- Many LSOs and VOs have established linkages with government and NGO service providers. The government has not institutionalised these linkages but they are taking place by reason of mutual convenience, depending on departmental resources and targets.
- With active encouragement from RSPs, there has been immense increase in women's confidence, greater say in household decision making and increased mobility for some (especially the community leaders).

53. The following elements are considered important for enhancing sustainability:

- Community institutions instil the principles of participation, inclusiveness, self-help, and downward accountability.
- A cadre of honest and sincere local community leaders is created, including a trained cadre of community resource persons.
- Participation of communities in planning and implementation.
- The CIF is important for financial sustainability.
- Linking communities with government departments for services is important.

Beyond SUCCESS, the RSPs need to provide limited but ongoing technical support for continuing some key functions (e.g., linkages with government, monitoring of CIF and capacity building of community institutions for emerging needs).



### 4.3 PEOPLE'S POVERTY REDUCTION PROGRAMME AND THE UNION COUNCIL-BASED APPROACH

54. PPRP reflects the GoS decision to scale up UCBPRP, which GoS funded and was implemented by SRSO and TRDP. UCBPRP was initiated in 2009 in Kashmore and Shikarpur Districts, where it was implemented by SRSO. In 2010, GoS expanded it to Jacobabad and Tharparkar Districts, where it was implemented by TRDP. In 2017, GoS expanded UCBPRP to a further six districts of Sindh (Khairpur, Sanghar, Umerkot, Mirpur Khas, Badin and Thatta). This programme (referred to as Expanded UCBPRP) was implemented by SRSO, bringing UCBPRP coverage to a total of 10 districts. Together, UCBPRP and SUCCESS (launched in 2017) extended the RSP-implemented poverty reduction approach to 18 districts of Sindh. In 2017-18, GoS decided to rename the UCBPRP initiative as the People's Poverty Reduction Programme and extend it to the remaining rural districts of the province (Badin, Khairpur, Mirpur Khas, Sanghar, Thatta and Umerkot) and the rural union councils of Karachi.

55. UCBPRP was the first poverty reduction initiative in Pakistan in which a package of interventions consistent with *Meeting The Challenge*, relevant South Asian experience and international good practice was introduced (refer to Annex 1 for international good practice and Annex 2 for UCBPRP interventions). It was also the first large-scale RSP initiative in which an impact assessment of poverty graduation was undertaken. This was an independent assessment conducted in 2012 by the Islamabad-based think tank Sustainable Development Policy Institute in Shikarpur and Kashmore Districts. The main findings (reported in Table 6) were that:

- The percentage of beneficiaries in the PSC 0-11 category declined from 79 percent to 7 percent and of those in PSC 12-18 from 21 percent to 16 percent.
- Overall, the percentage in the PSC 0-23 category decreased from 100 to 45 percent, with 55 percent moving up into PSC 24-100.

**Table 6: Poverty graduation in the Union Council Based Poverty Reduction Programme, 2009-2012**

PSC Score	Respondents in 2009		Respondents in 2012	
	Number	%age	Number	%age
0-11	430	79%	40	7%
12-18	112	21%	88	16%
19-23	0	0%	116	21%
0-23	542	100%	244	45%
24-100	0	0%	298	55%
Total	542	100%	542	100%

*Source: "Impact Assessment of UC Based Poverty Reduction Programme (UCBPRP) Implemented by SRSO," August 2012 (p. 8), Sustainable Development Policy Institute, Islamabad.*

56. The impact of the UCBPRP approach on poverty reduction and women's empowerment has led the GoS to systematically expand the approach from 2009 to 2018 to the point where it now covers all the rural areas of the province. The PPRP is the most recent GoS-financed initiative in this process. The programme's target group is women in the PSC 0-23 category (PSC 0-11: extremely poor; PSC 12-18: chronically poor; and PSC 19-23: transitory poor). The programme duration is four years (2017-2021) and its budget of PKR 6.35 billion is provided by the Government of Sindh. The programme area covers six districts (focusing on 34 *tehsils/talukas* and 367 union councils).

57. In his presentation, Mr Ghulam Rasool Samejo recalled the objectives of the programme:

- The overarching objective of this project is to improve the quality of life of the marginalised communities that lack basic facilities by involving the RSPs..
- The specific objective is to build up the capacity of the deprived population, living in the rural areas through social mobilisation to empower the local communities both socially and economically enabling them to improve their livelihoods and increase their incomes through income generating grants and the community investment fund (i.e. interest free loans).



58. The scale of the programme is large and ambitious. Its expected outcomes are:

- organising 802,037 rural households;
- increased income of 25 percent of the targeted poor households;
- poverty reduced or eliminated for 25 percent of the targeted poor by the end of the programme (2021);
- 40 percent of a total of 7,218 total trained female or male household members will be employed or self-employed;
- 9,623 houses will be constructed for the poorest;
- 367 business groups will be developed.





59. A tracer study conducted during the second half of 2019 compared the pre- and post-intervention PSC scores of a sample of the households in Badin, Mirpur Khas and Sanghar Districts that had received CIF loans during the financial year 2017-18. The main findings (reported in Table 7) were that:

**Table 7: Poverty graduation in the People's Poverty Reduction Programme**

PSC Score	Respondents Pre-intervention		Respondents Post-intervention	
	<i>Number</i>	<i>%age</i>	<i>Number</i>	<i>%age</i>
0-11	56	24%	41	18%
12-18	174	76%	112	49%
19-23	0	0%	43	19%
0-23	230	100%	196	85%
24-100	0	0%	34	15%
Total	230	100%	230	100%

- The percentage of beneficiaries in the PSC 0-11 category declined from 24 to 18 percent and of those in PSC 12-18 from 76 to 49 percent.
- The percentage in the PSC 0-23 category decreased from 100 to 85 percent, with 15 percent moving up into PSC 24-100.





# SRSP INITIATIVES IN KHYBER PAKHTUNKHWA

## 5.1. WOMEN'S ECONOMIC EMPOWERMENT AND MARKET DEVELOPMENT PROJECT

60. The main purpose of this presentation by Mr Masood ul Mulk was to show how SRSP changed its approach to economic development of women, while retaining the focus on poverty graduation and social mobilisation. Mr Mulk first presented SRSP's traditional approach to enterprise development, which he described as:

- serving wishes and not the potential;
- focusing on the individual;
- offering training; and,
- asset transfer.

61. The challenge, he said, was to address the missing link, that is, the market. For this, it is important to



understand market trends and demands, absorption capacity, and linkages and integration. Sustainability is also a challenge. These are the challenges that SRSP addressed through WEEMD, which is funded by the Government of Australia.

62. The new approach that resulted from this learning and reflected in WEEMD revolved around a value chain concept being implemented during 2015-2019. The basic principle is that of poverty targeting and pro-women development and the approach is demonstration focused. It entails:

***Market assessment to identify existing potential sectors, identifying:***

- actors in the sector, from producers to consumers;
- their Inter-linkages; and,
- gaps and strengths.

***Value chain mapping of the selected sectors, identifying solutions in the form of:***

- commercial solutions;
- smart subsidies;
- market integration;
- exposure; and,
- collective management.

63. The project identified 6 sub-sectors (artificial garlands, cloth cluster, fresh milk, marigolds, and animal fattening and textile made-ups) using the following selection criteria for sectors and sub-sectors:

- local market demand;
- women's engagement in the sector;
- cultural acceptance;
- income generation/enhancement potential; and,
- potential for further employment.



64. Impact assessment data reported by Mr Mulk and reproduced in Table 8 shows the effect of the package of interventions introduced through WEEMD (CIF, value chain development, adult literacy, women's business centres and nutrition education) between 2015 and 2019:

**Table 8: Poverty graduation in the Women's Economic Empowerment and Market Development Project**

PSC Score	Respondents Pre-intervention		Respondents Post-intervention	
	Number	%age	Number	%age
0-11	4,738	43%	2,394	22%
12-18	3,242	30%	1,620	15%
19-23	2,961	27%	2,017	18%
0-23	10,941	100%	6,031	55%
24-100	0	0%	4,910	45%
Total	10,941	100%	10,941	100%

- The percentage of beneficiaries in the PSC 0-11 category declined from 43 percent to 22 percent and of those in PSC 12-18 from 30 percent to 15 percent.
- The percentage in the PSC 0-23 category decreased from 100 to 55 percent, with 45 percent moving up into PSC 24-100.

## 5.2. COMMUNITY INVESTMENT FUND PROGRAMME

65. This is another presentation in which SRSP documented its learning-by-doing approach, in this case for the community investment fund programme. Mr Waiq Khan gave the presentation and defined a Community Investment Fund as:

- A fund which is owned, run, and managed by the communities themselves.
- A socially viable and financially sustainable model that ensure women's access to capital (creating a second source of income within the family).

66. Mr Khan noted that the old SRSP programme lasted from 2009 to 2012 and was implemented in four districts (Mardan, Karak, Upper Dir and Batagram), covering 263 VOs and more than 12,000 women.

SRSP learned some lessons from this programme:

- Sustainability: there were gaps between income and expenditure at the VO level and a subsidy was required for managing the programme after project completion.
- Community capacity building: there was limited community-based CIF management training.
- Fund management: the targets were too high and there was limited time for delivery.
- The monitoring system had deficiencies.

67. The ongoing (2010-2019) CIF programme extends to 56 VOs in 5 districts (Peshawar, Nowshera, Charsadda, Swat and Chitral) and has engaged more than 4,000 women. It was funded through the Livelihoods Strengthening Programme (2010-2015) and WEEMD (2015-2019). The reasons for its reported success are that SRSP paid attention to the lessons mentioned above. It ensured better monitoring and greater community capacity building, cost effectiveness and financial viability.

68. Evidence reported by Mr Waiq Khan from the CIF programme of 2010-2019, reproduced in Table 9, shows that:

- The percentage of beneficiaries in the PSC 0-11 category declined from 25 percent to 4 percent and of those in PSC 12-18 from 51 percent to 21 percent.
- Overall, the percentage in the PSC 0-23 category decreased from 100 to 60 percent, with 40 percent moving up into PSC 24-100.

**Table 9: Poverty graduation in the SRSP's community investment fund programme**

PSC Score	Respondents Pre-intervention		Respondents Post-intervention	
	Number	%age	Number	%age
0-11	1,644	25%	270	4%
12-18	3,353	51%	1,370	21%
19-23	1,578	24%	2,282	35%
0-23	6,575	100%	3,922	60%
24-100	0	0%	2,635	40%
Total	6,575	100%	6,557	100%

69. Moreover:

- Out of the 11,007 women who are members of 56 VOs, 6,575 (60 percent) were interviewed to assess the immediate benefits of the intervention, and 96 percent of them reported an average income increase of PKR 6,122 per month.
- A survey of more than 1,100 CIF beneficiaries revealed that 35 percent of the income derived from CIF interventions was invested in better education and health of children.
- More than 79 percent of the funds are utilised directly by women by investing the funds in different income generating activities.

### 5.3 POVERTY IMPACT OF AN ASSET TRANSFER PROGRAMME

70. Mr Atif Zeeshan reported the poverty graduation impact of the PPAF-SRSP asset transfer programme in five districts (Kohistan, Shangla, Batagram, Swat and Upper Dir). This programme's interventions included PKR 50,000 per beneficiary as a grant, mobilisation

and need-based visits, and enterprise development training. This led to changes in the poverty status of the beneficiaries, as reported in Table 10:

- The percentage of beneficiaries in the PSC 0-11 category declined from 53 percent to 23 percent and of those in PSC 12-18 increased from 47 percent to 57 percent.
- Overall, the percentage in the PSC 0-23 category decreased from 100 to 99 percent, with 1 percent moving up into PSC 24-100.

**Table 10: Poverty graduation in the PPAF-SRSP asset transfer programme**

PSC Score	Respondents Pre-intervention		Respondents Post-intervention	
	Number	%age	Number	%age
0-11	318	53%	136	23%
12-18	282	47%	340	57%
19-23	0	0%	116	19%
0-23	0	100%	592	99%
24-100	0	0%	8	1%
Total	600	200	600	199

# ANNEXURE

## ANNEX 1: TESTED INTERVENTIONS IN A TYPICAL GRADUATION PROGRAMME

### A famous study led by 2019 Nobel Laureates

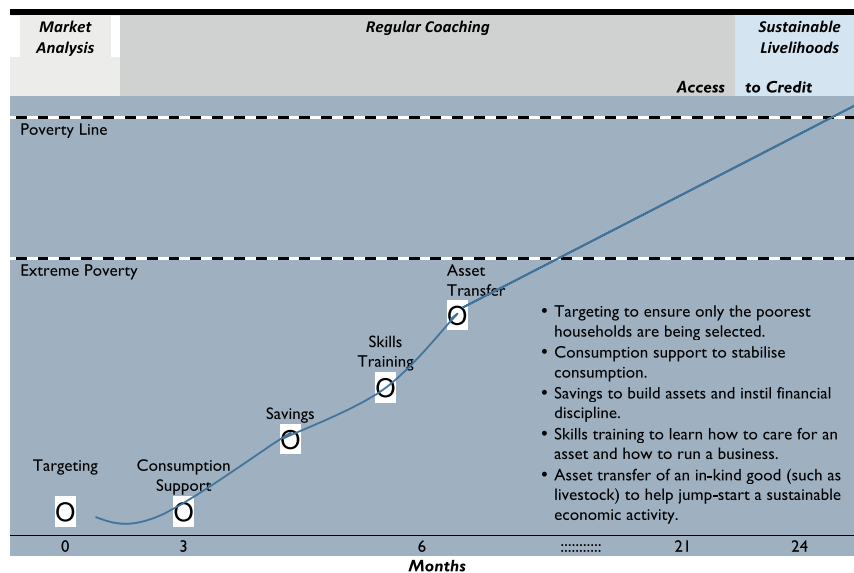
Graduation approaches often cite a study based on randomised control trials (RCTs) in six countries, including Pakistan.<sup>35</sup> The six interventions used for graduation that are mentioned in this study are targeting, productive-asset transfer, training in the use of the asset, consumption support, savings, high-frequency home visits, and support for health services (in five of the six countries).

The same six activities are mentioned in the basic graduation model articulated by the Consultative Group to Assist the Poor (CGAP), illustrated below in Figure 1:

- productive asset transfer: a one-time transfer of a productive asset;
- consumption support: a regular transfer of food or cash for a few months to about a year;
- technical skills training on managing the particular productive assets;
- high-frequency home visits;
- savings: access to a savings account and in some instances a deposit collection service and/ or mandatory savings; and, some health education, basic health services, and/or life-skills training.

### The CGAP Graduation Model

Figure 1: The graduation model according to the Consultative Group to Assist the Poor (CGAP)



Source: Syed M. Hashemi and Aude de Montesquiou, "Reaching the Poorest: Lessons from the Graduation Model," CGAP Focus Note No. 69, March 2011 (<http://www.cgap.org/publications/reaching-poorest-lessons-graduation-model>).

35. Abhijit Banerjee, Esther Duflo, Nathanael Goldberg, Dean Karlan, Robert Osei, William Parienté, Jeremy Shapiro, Bram Thuysbaert and Christopher Udry, "A multifaceted programme causes lasting progress for the very poor: Evidence from six countries," *Science*, May 2015 (<http://gap.hks.harvard.edu/multifaceted-program-causes-lasting-progress-very-poor-evidence-six-countries>). The first 2 authors have been awarded the 2019 Nobel Prize in Economics. *Science* is published by the American Association for the Advancement of Science, the world's oldest and largest general science organisation.



## ANNEX 2: OBJECTIVES, OUTPUTS AND ACTIVITIES OF UNION COUNCIL BASED POVERTY REDUCTION PROGRAMME, 2009-2012

*Source: Government of Sindh, Planning and Development Department, PC-I of Union Council Based Poverty Reduction Programme through RSPs in District Kashmore-Khandkot and Shikarpur (Second Revision), October 2011.*

### Objectives

- The overarching objective of the project is “to improve the quality of life of the poor and marginalised communities that lack basic facilities by involving the Rural Support Programmes”.
- The specific objective is to build up the capacity of the population living below the poverty line through social mobilisation to empower the local communities both socially and economically so that they move up the ladder of poverty and are able to improve their livelihoods and increase their incomes.
- In addition to poverty reduction, the project will also help improve social indicators relating to health, environment and education for the deprived people in the rural areas.

### Role of government

- In addition to supporting project interventions, the GoS will undertake the following initiatives in pursuit of poverty reduction: poverty reduction and skills development measures, strengthening social sector investment and improving service delivery, urban revitalization, raising agriculture productivity, encouraging industrial growth, energy sector, developing coal resources, and encouraging use of information technology in government.
- Through the implementation of above mentioned development initiatives the Government of Sindh has planned to introduce economic reforms which have a holistic approach for reducing poverty. The broad features of poverty reduction strategy focusing on a holistic approach include high economic growth, improvement in governance, investment in human capital and social safety net.
- The main pre-requisite of this project is government

commitment and support for social mobilisation. Government and communities need to learn to work together, building each other’s capacities through this project. Government needs to bring onto a common platform its line departments, its projects and district governments to foster a meaningful relationship with the RSPs. Government support is required at all levels for the success of this project.

### Outputs

#### **Output 1: Poor households identified through the poverty scorecard and organised into a three-tier system of community institutions (COs, VOs and LSOs)**

- Undertake PSC surveys of 87 UCs in District Kashmore-Kandhkot and District Shikarpur to identify the needs and priorities of households below the poverty line.
- Organise households into COs, clustered into VOs as per their demand and collect baseline information of each household organised and store it into an MIS.
- Undertake social mobilisation, using participatory techniques for needs assessment and social organisation of households i.e. 100 percent falling in the band 0-23 and 70 percent overall, including poor and non-poor.
- Support capacity building and strengthening of Community and Village Organisations in each village in the designated 87 UCs so as to enable them to assess their needs and become capable of independently managing, planning, mobilising resources and implementing the household and village level activities/needs on self-help basis by holding dialogues, meetings and workshops with the VOs.

#### **Output 2: Cadre of community activists developed**

- Capacity building of CO, VO and LSO members in managerial and subject specific trainings.
- Community Management Skills Training (CMST) and

Leadership Management Skills Training (LMST) are arranged for the presidents and managers of the COs/VOs for managing CO/VO affairs and records.

**Output 3: Income generating grants, interest-free loans, training and micro health insurance delivered to poor households and savings mobilised for internal lending**

- Provide IGGs to 6,383 households falling in the poverty band of 0-11.
- Provide CIF - an interest free loan - on revolving basis to 77,617 households in 0-18 poverty band through VOs and LSOs.
- Motivate COs/VOs to contribute their savings to the seed capital as part of their contribution to the CIF for internal lending.
- Provide MHI as a social safety net to 84,000 households that are in 0-18 category to pre-empt the beneficiaries falling back into the poverty trap because of a health related accident. The premium payable will be a maximum of PKR 850/= per year per subscriber family. The family composition was irrespective of the number of family members and also includes parents and unmarried sisters. Against the said premium, the service package with a ceiling of PKR 25,000/= per person per year includes outpatient department (OPD), day care, diagnostic services, hospitalisation (more than 24 hours stay), and maternity care. The package also includes accidental cover (disability compensation) and financial support of a sum of PKR 25,000/= as 'Funeral Charges' in case of death of a bread earner of the family.
- Provide Vocational Training that leads to either self or external employment of both males and females to 25,191 participants from households that are in the 0-18. 40 percent beneficiaries from 0-11 poverty band and 60 percent participants from households that are in the 12-18 poverty band.
- Productivity enhancement interventions to be carried out in agriculture, livestock, fisheries and enterprise development by establishing networking with existing line departments/ district governments and 244 community members trained in different interventions.

**Output 4: New drinking water and sanitation schemes completed and non-functional ones rehabilitated**

- Undertake survey and carry out mapping on the functioning of existing drinking water supply and sanitation schemes present in the programme area and devise a mechanism for their takeover by VOs for making functional the non-functioning schemes and as well be responsible for their management, operation and maintenance, if within the capacity of the VOs.
- Provide 801 VOs with grants for undertaking community physical infrastructure schemes that relate to provision of clean and safe drinking water to the households.
- Motivate VOs to rehabilitate closed or non-functional drinking water supply schemes as well as carry out lane/mohalla level sanitation projects on a self-help basis.
- [Note: there is also a line item in the PC-I for training traditional birth attendants.]
- Provide technical assistance to the VOs including technical support to design infrastructure improvements and guide construction; and their obligation and cost contribution, such as the provision of locally available materials and labour, and the responsibility for operation and maintenance (O&M) of completed works; train the staff of VOs to maximize community participation in planning and implementing the project.

**Output 5: Low cost village improvement undertaken**

- Undertake low cost village improvement in 56 villages. This includes setting up of sanitation and village waste disposals, bio-gas technology and energy efficient stoves.

**Output 6: Low cost housing provided to poor households**

- Provide low cost housing support to 5,442 households that are in the PSC 0-18 category in two districts. The specification of home will be 14 X 18 room size, one veranda, one small kitchen, one small toilet and one small bathroom or two-rooms [14x18 feet] without toilet, bath room and kitchen.

**Output 7: Issues affecting school enrolment (especially those affecting girls and out-of-school children) addressed**

- Carry out an extensive survey in all the rural union councils to assess the state of enrolment in public and private primary schools (this survey will specifically mention out-of-school children) including the verification of SEMIS data and address the issues of enrolment especially of the girl child and out of school children; and to ensure a decrease in dropouts besides enhancing the teaching capacity of the teachers for delivery of modern quality education. 102 closed or non-functional primary schools would be functionalised.
- The issues to be addressed include improvements in building; adding missing facilities; availability of school; adding local (preferably female) teachers; upgrading teachers capacity and strengthening the stakes of the parents through setting-up functional and empowered school management committees, including their capacity building.
- In villages where there are no primary schools for girls,

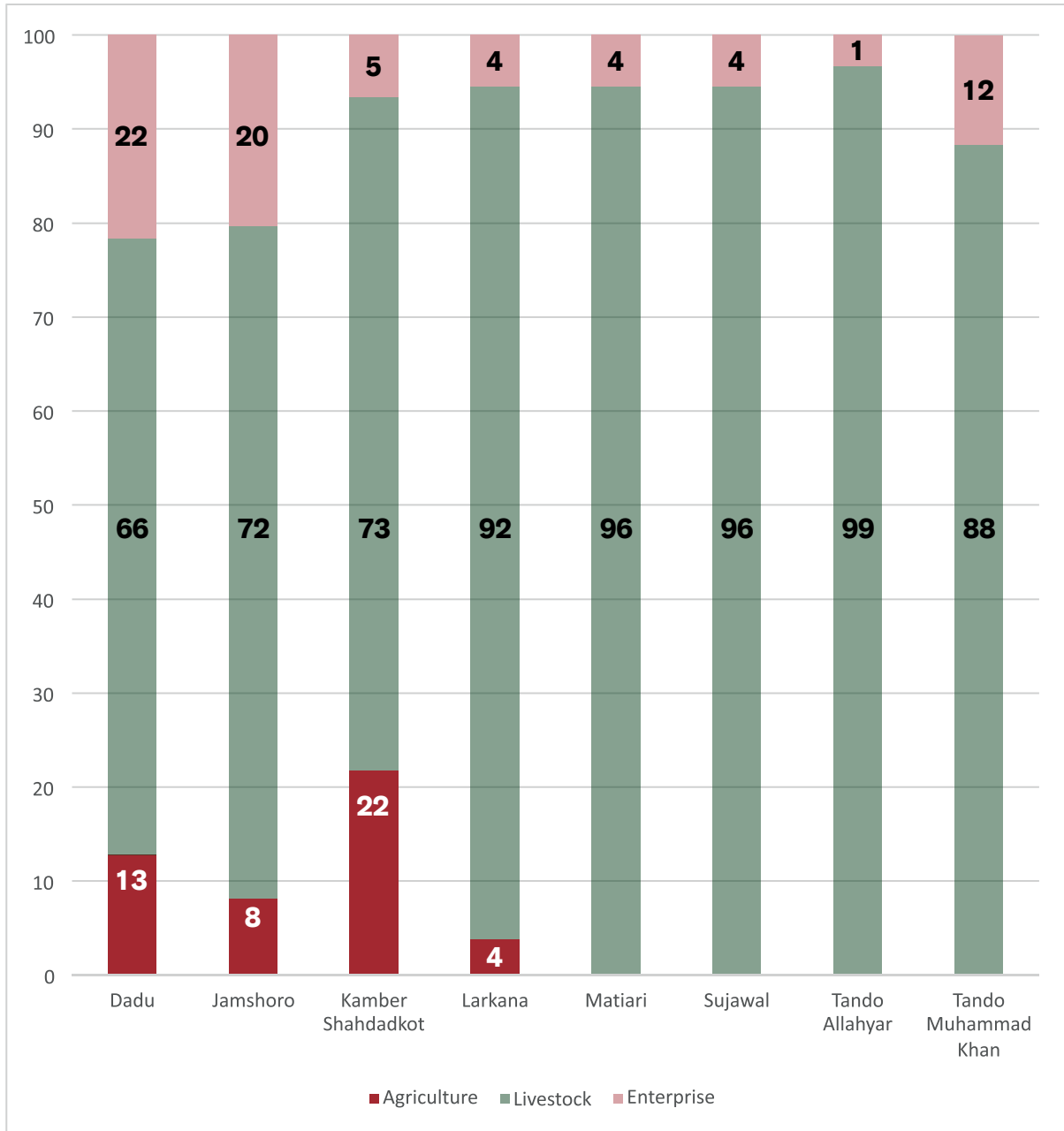
setup and run around 24 secondshift girls' primary schools in existing boys' primary school buildings besides setting up 9 Centres for imparting Early Childhood Education (ECE) in existing school buildings or space provided by the community.

**Output 8: Community-based system for monitoring government social sector facilities established**

- Train, motivate and build capacity of VOs and create linkages with various other programmes of the Government of Sindh, for monitoring and feedback on service delivery of schools, Basic Health Units (BHUs) and water supply and sanitation facilities in their respective villages/localities.
- Motivate organised communities to get involved in working of public sector service centres functioning in their area on a participatory basis for improvement of delivery.
- Motivate the organised VOs to undertake participatory monitoring and provide feedback on the working of educational and health facilities present in their village.

### ANNEX 3: CHOICES MADE BY THE POOR IN MICRO INVESTMENT PLANS – SUCCESS PROGRAMME DATA FOR COMMUNITY INVESTMENT FUND LOANS

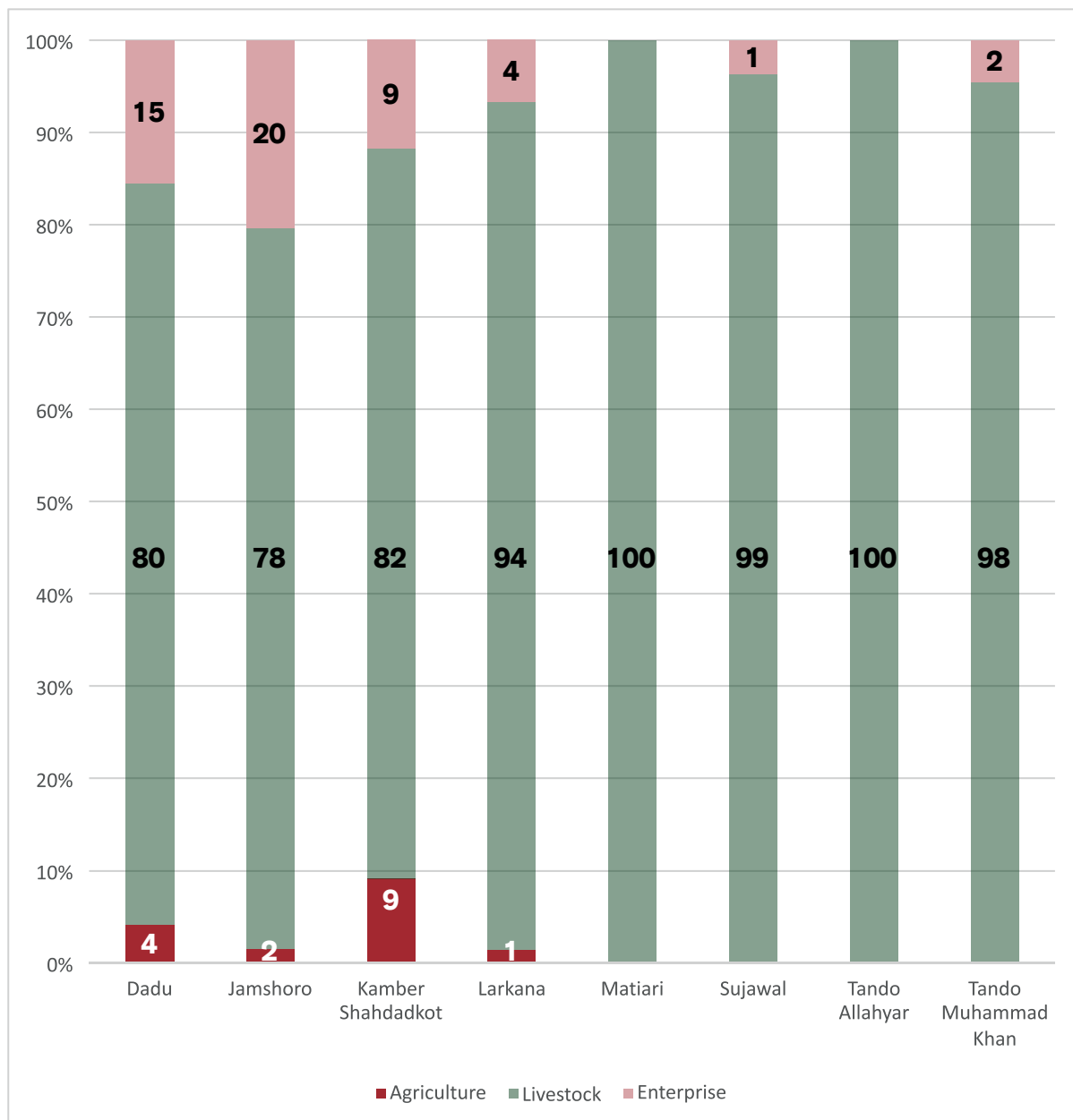
Figure 2: Percentage of Community Investment Fund loans used for agriculture, livestock and enterprise, by district, in the SUCCESS programme (out of 69,036 borrowers)





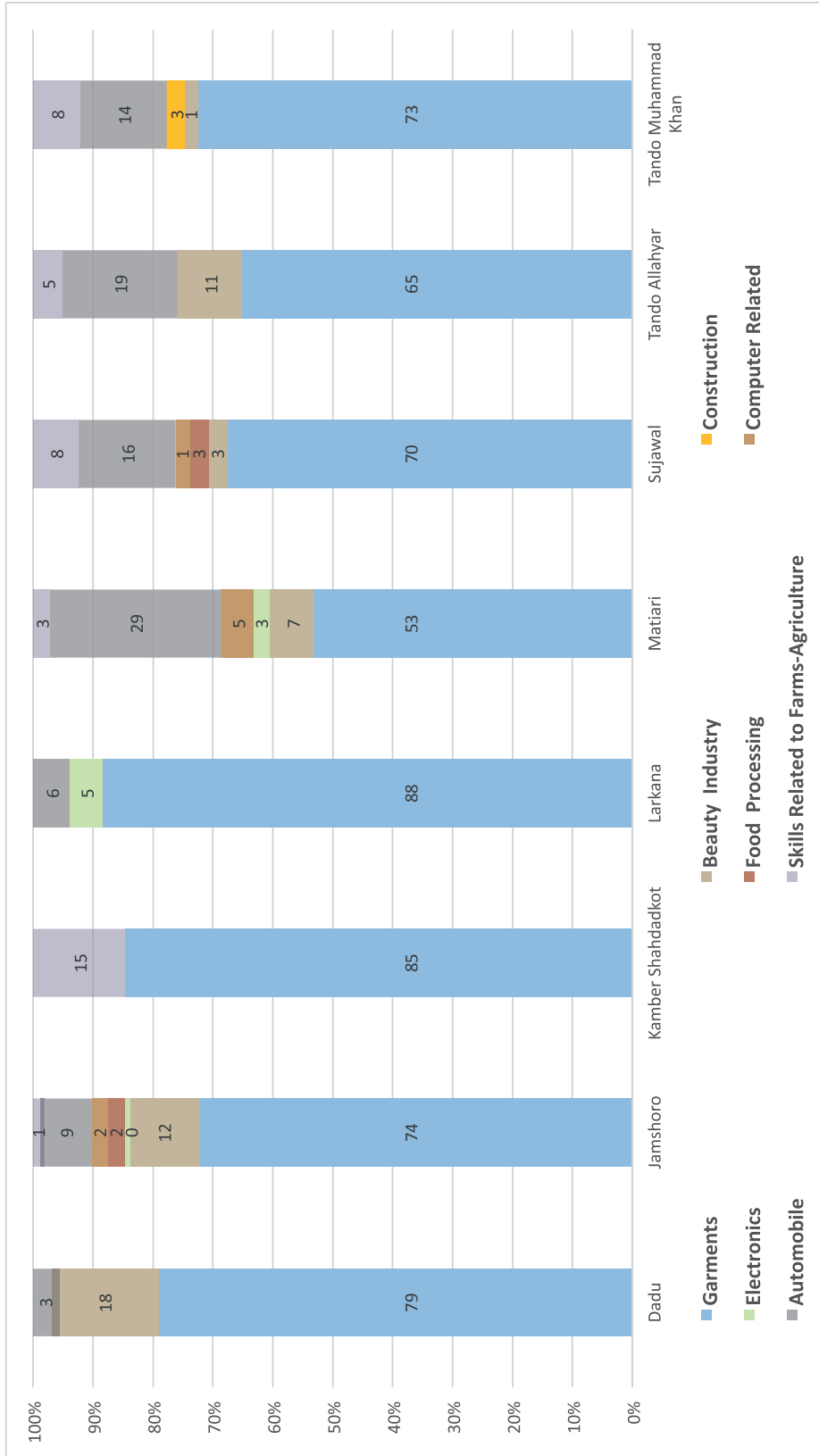
### ANNEX 4: CHOICES MADE BY THE POOR IN MICRO INVESTMENT PLANS – SUCCESS PROGRAMME DATA FOR INCOME GENERATING GRANTS

Figure 3: Percentage of Income Generating Grants used for agriculture, livestock and enterprise, by district, in the SUCCESS programme (out of 22,883 grant recipients)



**ANNEX 5: CHOICES MADE BY THE POOR IN MICRO INVESTMENT PLANS – SUCCESS PROGRAMME DATA FOR TECHNICAL AND VOCATIONAL SKILLS TRAINING**

Figure 4: Percentage of households opting for training in eight sectors, by district, in the SUCCESS programme (out of 14,050 trainees)







This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of Rural Support Programmes Network (RSPN) and do not necessarily reflect the views of the European Union.

EUROPEAN UNION

More information about the European Union is available on:

[https://eeas.europa.eu/delegations/pakistan\\_en](https://eeas.europa.eu/delegations/pakistan_en)

- European Union in Pakistan
- EUPakistan
- eudelegationpakistan



**Sindh Union Council and Community Economic Strengthening Support Programme**

**Rural Support Programmes Network**

3rd Floor, IRM Complex, Plot # 7, Sunrise Avenue (off Park Road)

Near COMSATS University, Islamabad, Pakistan

Phone: +92-51-8491270-99

More information about SUCCESS is available on:

[www.success.org.pk](http://www.success.org.pk)

- Facebook.com/successprogramme
- SUCCESSinSindh
- successinsindh