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SUCCESS

Sindh Union Council and Community Economic Strengthening Support Programme

SUCCESS is funded by the European Union

RSPN

Impact of financial access interventions of

Sindh Union Council and Community Economic Strengthening Support (SUCCESS) Programme

on Poor Households

IMPACT OF FINANCIAL ACCESS INTERVENTIONS OF SINDH UNION COUNCIL AND COMMUNITY ECONOMIC STRENGTHENING SUPPORT (SUCCESS) PROGRAMME ON POOR HOUSEHOLDS

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Impact of Financial Access Interventions of Sindh Union Council and Community Economic Strengthening Support (SUCCESS) Programme on Poor Households

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ABBREVIATIONS AND ACRONYMS

CDPP	Centre for Development and Public Policy
CIF	Community Investment Fund
CO	Community Organisation
EU	European Union
FGDs	Focal Group Discussions
GoS	Government of Sindh
HH	Household
IGG	Income Generating Grant
KIIs	Key Informant Interviews
LSO	Local Support Organisation
M&E	Monitoring and Evaluation
MIP	Micro-investment Plan
NRSP	National Rural Support Programme
ODK	Open Data Kit
PSC	Poverty Scorecard
RSPs	Rural Support Programmes
RSPN	Rural Support Programmes Network
RVs	Revenue Villages
SOP	Standard Operating Procedures
SRSO	Sindh Rural Support Organisation
SUCCESS	Sindh Union Council and Community Economic Strengthening Support
ToR	Term of References
TRDP	Thardeep Rural Development Programme
UC	Union Council
VO	Village Organisation

EXECUTIVE SUMMARY

The overarching objective of this study is to assess the impact of Community Investment Fund (CIF), Income Generating Grant (IGG), and saving components of the Sindh Union Council and Community Economic Strengthening Support (SUCCESS) Programme funded by the European Union (EU) and being implemented by the Rural Support Programmes (RSPs) working in Sindh[1]. All three components (CIF, IGG and savings) are integral part of the SUCCESS Programme's social mobilisation approach. CIF and IGG are incentives for the poor households to organise as it provides them the financial capital to start income generating activities and improve their livelihood.

As of October 2020, the SUCCESS programme has assisted a total of 125,000 households with total portfolio of PKR 1.5 billion for CIF and PKR 0.56 billion for IGG. The CIF is a revolving grant (loan) to poor households while IGG is a one-time grant to the poorest households who do not have the means to repay the CIF. Livestock has been one of the most important sectors where 82% of all beneficiary households invest CIF and IGG financing, followed by 10% in agriculture, and 8% in enterprise. The overall average amount of IGG was PKR 15,433 and average amount of CIF loan was 17,552. The CIF loan recovery rate stood at 95%.

The Poverty Scorecard (PSC) tool is used to assess the changes on the on the poverty status of CIF and IGG beneficiaries with before and after approach. A household survey covering 4,023 (2015 CIF and 2008 IGG Beneficiaries) randomly selected sample households has been conducted to collect data on key indicators in eight districts of the SUCCESS Programme, namely Dadu, Jamshoro, Kambar Shahdadkot, Larkana, Matiari, Sujawal, Tando Allahyar, and Tando Muhammad Khan.

The impact of financial intervention through CIF and IGG on poor households, as measured by the PSC, is found to be positive. The CIF and IGG were targeted towards households having PSC score 0 to 23 during the time of baseline survey (2016). A cross-tabulation of current and baseline poverty score bands[2] suggests that out of the total sample of 2015 CIF beneficiary households, 42% moved to a higher PSC band since the baseline. Similarly, of the 2008 sample IGG beneficiaries 44.5% moved to a higher PSC band.

1. The SUCCESS Programme aims to reduce household poverty in 8 districts in Sindh and promote women's empowerment and help them engage more efficiently with the local government. The SUCCESS programme is being implemented by National Rural Support Programme (NRSP), Sindh Rural Support Organisation (SRSO) and Thardeep Rural Development Programme (TRDP) with technical support of the Rural Support Programmes Network (RSPN). SUCCESS is being implemented in 8 districts of Sindh Since 2016.

2. A Poverty Scorecard (PSC) band analysis has been done by dividing the beneficiaries into different poverty bands from 0-11, 12-18, 19-23, 24-34, 35-59 and 60-100.

Members of the SUCCESS programme submit a small amount of cash as savings each month to their community organisations.

98% of the sample beneficiaries invested their CIF/IGG financing on income generating activities and livelihood asset creation. About 2% of the sampled beneficiaries utilsed the CIF/IGG on health or other emergent consumption activities.

For the sample beneficiaries who invested in livestock, the average net profits from sale of livestock stood at PKR 10,782 for CIF beneficiaries and PKR 6,102 for IGG beneficiaries. CIF beneficiaries who took multiple loans saw a higher profit from animal sales at PKR 15,582. Yearly earnings from milk and meat production remained similar across different sub-samples, and averaged around PKR 4,260. The current market value of CIF/IGG animals currently with household is at PKR 35,982, which remains an unrealised potential of the CIF/IGG investments.

For the beneficiaries who invested in agriculture, purchase of seed and fertilizer using CIF/IGG financing remained the most popular activities. Net seasonal profits for IGG beneficiaries remained at PKR 10,143, while for CIF beneficiaries the profits were more almost triple at PKR 29,665. Profits for multiple CIF loan takers were again higher.

For enterprise investment, 14% beneficiaries used the CIF/IGG to expand their current businesses while 84% invested in new setups. Popular set-ups included shops (karyana/confectionary/vegetable carts etc), embroidery and handicraft based businesses, and mechanic/puncture shops. Of these 64% setups were not directly run by the female beneficiary but rather her husband, son, or some other family member. Monthly profits were at PKR 2,030, with little difference across CIF and IGG beneficiaries. Of those who had utilised the financing to expand previous setups, profits stood a little more than double as compared to before.

With reference to the overall contribution of CIF and IGG, profits earned through CIF and IGG investments in livestock, agriculture, and enterprise were calculated at 7%, 11%, and 14% respectively of the overall baseline household income for PSC band 0-23. However, actual benefits are estimated to be higher as the unrealised monetary potential is quite high; 88% of households still possess the animal (and/or the offspring of) bought through CIF or IGG. Similarly, the value of business invested using CIF/IGG financing averaged at PKR 18,312.

The cost effectiveness of CIF loans can be gauged by the following analysis: For an amount of PKR 20,000, the average CIF service charges and associated costs for the beneficiary would be around PKR 1,400. Comparing the costs with average annual income earned from CIF gives a very low cost benefit ratio at 0.07. Moreover, the average annual service charge[3] of 4.4% per annum for CIF is relatively low as compared to other sources of finance, such as most microfinance sources, where interest rates remain around 20-25% per annum in the country.

The use of income from CIF and IGG investments was highest on food at 46%, followed by 19% on health expenditures, and 9% on clothing. About 8% of the income was invested back into the livestock/agriculture/enterprise activity, while an overall 7% was saved by the beneficiary. Other usages of the income included spending on transport and communications (5%), education (4%), and housing and utilities at 2%. This pattern did not vary much with the type of financing.

Women empowerment indicators suggest that CIF loan and IGG financial support have a positive impact on the women's intra-household decision making with respect to visit to family, friends, and relatives; getting medical advice or treatment for herself and children; enrolling boy and girl child into school; dealing with children's school teacher; making everyday goods and large assets household purchases; using contraceptives; marriage of children; and taking CIF/IGG or any other loan. Female beneficiaries have also reduced their time spent on household unpaid activities and increased time in self-employed (paid) activities. Mobility in terms of visits to family and friends, visits to markets, visits to other villages to participate in community institutions meetings, visits to public services facilities, and visits to banks has also improved after the SUCCESS interventions.

With regards to the assets owned by beneficiaries, only 18% reported owning as asset. However, of those who owned an asset 51% reported acquiring the asset solely through CIF/IGG and a further 15% through the income generated from CIF/IGG activities. An additional 5% pooled in money from other sources along with the CIF/IGG financing (or the income earned through CIF/IGG) to acquire the asset.

3. While some LSOs have a fixed service see, in many others the decision to charge a service fee (and the amount charged) is left for the LSO and community to collectively decide.

Survey results as well as the focal group discussions (FGDs) with beneficiaries revealed that community members are aware of the benefits of savings. About 49% of women reported having savings with their community organisation (CO). IGG beneficiaries were able to save 6% of their earnings from investment, while CIF beneficiaries saved 9% of the earned income from investment. 22% of CIF beneficiaries and 15% of IGG beneficiaries with savings had withdrawing from their savings with COs. The highest utilisation of savings was for health (59%) and food (33%) expenditures.

Key informant interviews' (KII) findings suggest that local support organisations (LSO) set up under the SUCCESS programme are performing well. The loan conditionalities target the poorest of the poor and put emphasis on the viability of micro-investment plans. Moreover, loan conditionalitieis are generally known to all members. LSOs monitor the activities of its staff and beneficiaries effectively with a well-defined mechanism to ensure recovery. A conflict management system has been put in place as well. KIIs findings also pointed out that some LSOs have also acquired the capacity to manage the revolving CIF fund on their own without RSPs' support. LSOs plan to collect CIF processing fee/services charges and use that money to ensure sustainability and revolving of CIF once the SUCCESS programme ends.

FGDs findings suggest that LSO members, CO members and the general community trust each other. This trust exists because CO officials conduct their work in a fair manner and all CIF/IGG support are approved on merit. There is consensus that the financial management skills of women have improved significantly after handling CIF and IGG. The positive spillover of the Programme is that even non-members now want to join COs as they have witnessed the improvement in the lives of CO members.

FGD findings further revealed that on the domestic front, violence has decreased, primarily because women now contribute financially towards household expenses. They are also more aware of their rights. Male members of beneficiary households also admitted that women can now manage their businesses, are more financially literate, and can do various out of home activities and visit markets on their own.

1. INTRODUCTION

1.1 | Background

The purpose of this research report is to examine the impact of Community Investment Fund (CIF), Income Generating Grants (IGG) and saving components of the Sindh Union Council and Community Economic Strengthening Support (SUCCESS) programme (2015-2021) aimed at providing financial access to the poor households in eight districts in Sindh. These programme components provide incentives to poor rural households to get organised into community organisations, start income generating activities by identifying their Micro Investment Plans (MIPs) and strengthening their management capacity to run the community institutions that they have formed on sustainable basis.

The Local Support Organisations (LSOs) manage the CIF as a revolving fund while offering micro loans to poor women households identified with poverty scorecard (0-23) and provide an average amount of PKR 16,000 to a maximum amount of PKR 30,000 per loan. By January 2020, a total of 312 LSOs and 174 VOs had established their CIF worth PKR 1.5 billion and provided loans to 76,948 women to start income generating activities. About 82% of the CIF beneficiaries invested in livestock, 10% in agriculture and 8% in enterprise in the informal sector.

The IGGs provide assistance to the poorest women community members who do not have the capacity to borrow from the CIF and repay the capital they need. The poverty scorecard is used to identify the eligible households to ensure that only the poorest households with a poverty score of (0-12) at the baseline access the IGG. The average grant value under IGGs is PKR 15,000 and maximum PKR. 25,000. By January 2020, a total of 2,143 VOs and 73 LSOs have received IGG worth PKR. 694 million and provided grants to 27,567 women to start income generating activities. Ninety percent of the IGG beneficiaries invested in livestock, 7 percent in micro enterprises and 3 percent in agriculture.

The SUCCESS programme is funded by the European Union (EU), based on an integrated community based poverty reduction strategy, including Social Mobilisation (formation of community institutions), CIF, IGG, Micro Health Insurance, Technical and Vocational Skills Training, and Community Physical Infrastructure.

Ms. Pathani is from village Haji Imam Bukhsh, NRSP district Sujawal. She was granted an IGG, that she used to buy a cow which gave birth to a calf. She sells the excess milk and earns Rs. 100 per day.

The SUCCESS programme is implemented by Rural Support Programmes Network (RSPN), National Rural Support Programme (NRSP), Sindh Rural Support Organisation (SRSO) and Thardeep Rural Development Programme (TRDP) in eight districts of the Sindh province, namely Kambar Shahdadkot, Larkana, Dadu, Jamshoro, Matiari, Sujawal, Tando Allahyar and Tando Muhammad Khan. The RSPs under the SUCCESS Programme provide social guidance and technical and financial assistance to the rural poor in Sindh.

1.2 | Objectives of the study

The overarching objective of this study is to assess the community investment fund, income generating grants, and saving components in achieving its objectives and contributing to the overall impact of the programme with the purpose of documenting and learnings for wider dissemination and accountability of the stakeholders implementing the programme.

The organisation of this research report is as follows: Chapter 2 provides a literature review on the concept of financial inclusion and underlines the key features of the RSPs' approach of financial inclusion through CIF, IGG and Savings. Chapter 3 focuses on the methodology by summarising the key methods used in the study. Chapter 4 presents study results and findings by analysing the overall CIF and IGG portfolio and examining the survey results. Chapter 5 follows with a detailed discussion of the results.

2. LITERATURE REVIEW

Of Late, financial inclusion has emerged as an important element in the global development agenda. The United Nations General Assembly considers it as a key enabler to achieve at least seven of its Sustainable Development Goals (UNSGA, 2015). Financial inclusion enshrines the principle of universal accessibility of financial services to individuals and businesses at affordable rates. Access to financial services offers many benefits – ranging from increased incomes and saving, higher expenditure on food, health, and education, consumption smoothening, and graduating out of poverty. It is considered an essential element to promote growth and raise living standards.

In Pakistan, the poor, especially those living in rural areas, have limited access to the formal institutions of credit in Pakistan[4]. The unmet need of the poor by these institutions led to the emergence of alternative avenues of credit provision in Pakistan – microfinance schemes being the major initiative to this end. This Chapter presents a brief literature review of the microfinance efforts in Pakistan, followed by an introduction to two alternate modes of financing – the Community Investment Fund and the Income Generating Grants – that are being offered to poor rural women in Sindh under the SUCCESS programme.

2.1 | Microfinance in Pakistan

In Pakistan, microfinance services were initiated around three decades ago by numerous Non-Governmental Organisations (NGOs) involved in the development sector. Though not uniform in method, these schemes had a common aim – to provide credit to the unserved or underserved poor to improve their livelihoods. The turn of this century marked a watershed for microfinance when the government stepped in to support the initiative through providing legal as well as financial support through The Microfinance Institutions Ordinance 2001 by the State Bank of Pakistan[5] and Khushali Bank Ordinance 2000 by the Government of Pakistan. Another landmark

4. Non-institutional and informal sources accounted for about 65% of outstanding debt of rural households according to the Agriculture Census of 2000.

5. See State Bank of Pakistan (2005), The Role of Microcredit in Poverty Alleviation; Special Research Report in SBP First Quarterly Report, The State of Pakistan's Economy, FY05 January 2005

of that time was the development of the Pakistan Poverty Alleviation Fund (PPAF) with the aim to provide funds to NGOs to run their poverty alleviation programmes. The Pakistan Microfinance Network along with PPAF revolutionised the microfinance sector. Whereas the NGOs were dependent on aid before, they became more realistic in terms of the sustainability of their projects. The NGOs also converged to form the Pakistan Microfinance Network (PMN) – a forum that consolidated the concepts of sustainability, transparency, and accountability to microfinance institutions.

The Microfinance Institutions (MFIs) did make inroads in providing credit to previously unserved population. However, SBP (2011) contended that the 2 million borrowers were way below the potential, serving only 7% of the market. The report cited that the high operating cost (22%) due to the 'brick and mortar' branches and skilled human resources required to run these branches was a major hurdle in the efficiency of the MFIs. Inflationary trends in the market made repayment of loans a high risk. These inefficiencies, default risks, more reliance on cash, and persistently large unmet need for credit by the population paved way for the National Financial Inclusion Strategy (NFIS) (2018). It aimed to 1) Enhance the usage of Digital Payments; 2) Enhance Deposit Base; 3) Promote SME Finance; 4) Increase Agricultural Finance; 5) Enhance share of Islamic Banking (Government of Pakistan, 2018).

Notwithstanding these objectives, the NFIS (2018) failed to put due emphasis on the most underserved population – the women, especially those in the rural areas. High operating costs of bank branches meant that MFIs would find it difficult to reach the potential borrowers in remote and far-off areas. To overcome these issues, the SUCCESS programme initiated the CIF and IGG in eight districts of the Sindh province. Below we discuss the novel features of these interventions.

2.2 | Community Investment Fund (CIF)

CIF is a revolving capital fund that is managed by community based organisations. Unlike microcredit institutions, which rely on specialised structure and hence are costly to maintain in remote areas, CIF are run by local community institutions, which makes them a low-cost sustainable solution for the provision of funds to the poor. Further, the formal Microfinance Institutions (MFIs) often do not have the proper lens to lend to poor segments of the community.

CIF was pioneered by Society for Elimination of Rural Poverty (SERP) in Andhra Pradesh in the late-1990s (Khalil, 2013). In Pakistan, CIF was introduced in 2007 in District Layah of Punjab by the RSPN and Punjab Rural Support Programme (Shorebank, 2009). Since its inception, CIF has expanded considerably. As of June 2020, RSPs in Pakistan have supported

1,135 LSOs to access CIF. These LSOs have disbursed a total of PKR 7.8 billion to 451,400 poor households (RSPN, 2020)[6]. This expansion of CIF was largely funded by Pakistan Poverty Alleviation Fund (PPAF), the Government of Sindh and European Union.

CIF is targeted at women who belong to households who live at or below the poverty line. These poor and marginalised segments of the society are often not part of the conventional financial services offered by the banks. Many reasons are cited for this predicament. First, these people reside in areas where coverage of the formal financial institutions (FFI) is either absent or patchy at best. Second, the extension of credit to these people is considered risky as they may not be able to pay back the loan. Third, cumbersome procedures and lack of collateral make the poor reluctant to access these services (DFID, 2006; SBP, 2011). As a result, the people who need the credit the most are often not catered to by the FFIs is an alternative means to provide these unserved and underserved poor with affordable and convenient modes of financial services at their door-step.

CIF proved to be a transformative force in this regard as it provides a revolving credit to the poorest to be used in income generating activities to lift them out of the poverty trap. These loans are complimented with guidance and Micro Investment Plans (MIPs) for an efficient utilisation of loan money in starting income generating activities. Through initial small loans, the consumers of CIF learn to manage cash and thus be eligible for loans of a bigger amount later on. The CIF depends on the federated women's organisations that decide on the issues of CIF and its efficient maintenance.

2.3 I Income Generating Grants (IGG)

Unlike CIF, which is a loan, Income generating Grants (IGGs) are one-time cash grants to the poorest community members. These grants are accompanied by the guidance for these poor, which enables them to start income-generating activity to increase their household incomes. Women lead this effort through Community Institutions (CIs). For targeting women for the IGG, a Poverty Scorecard is used and households having a Poverty Score between 0-11 become eligible to access IGG. Micro Investment Plans (MIPs) are also used to support the needs of the households and guide the household for best utilisation of the IGG grant. IGG targets most vulnerable women who are not in the position of returning the cash assistance they received.

6. Outreach Issue 46 – Quarterly Newsletter of RSPN (2020)

2.4 | Women Empowerment through Social Mobilisation

Women empowerment is a core objective of the SUCCESS programme[7]. It believes that women led social mobilisation and community institutions can sustain and mainstream themselves as a viable alternative to the conventional approach to development. Women have reported increased confidence, better communications with other community members and acceptance of their social and economic role by their family members.

Social organisation is a precondition for CIF. Access to CIF is conditional on the presence of a multi-tier social organisation at the community level (Community Organisation - CO), a village level (Village Organisation - VO), and Union level (Local Support Organisation - LSO). The CO, the first tier of social organisation, comprise of about fifteen to twenty households at the neighborhood level. COs are involved in need identification and trainings at the household level. The VOs, the second tier, are the confederation of COs and are formed by two nominated members from each CO. The VOs focus on the village level infrastructure needs. The third tier – LSO, comprise of the VOs from a Union Council. The LSO is responsible for making a development programme for its members, liaise with external actors –government, donors, NGOs, and the private sector to achieve its goals.

CIF beneficiaries from Layyah have reported an increase in income (RSPN 2012a, RSPN 2012b), 95% of respondents reported an increase in self-esteem due to financial autonomy (RSPN 2011), about two-third have conveyed an increase in their mobility to visit nearby markets and attend COs meetings (RSPN 2011), eighty percent were able to make expenditure decisions (ibid). CIF, in the Layyah Project, had improved the decision-making ability of women participants and had an overall positive impact on them (ShoreBank, 2009)

Women's participation through CIF has empowered women in more than one way. Their income, mobility, participation in collective decision making, and power to make expenditure has increased post intervention. An assessment of the Government of Sindh funded "Union Council Based Poverty Reduction Programme" (UCBPRP) documented that CIF beneficiaries are not passive members of COs. Rather, CIF had encouraged active participation by community members in laying down the terms and conditions of the loan. Close to ninety percent of members had taken part in the management of CIF (cited from Khalil, 2013). The role of CIF in engendering a sense of autonomy among the female borrowers is obvious.

Well-functioning social institutions create a sense of ownership and provide platforms for community development initiatives. Women serve as the pivotal

7. NRSP, Sindh Rural Support Organisation (SRSO) and Thardeep Rural Development Programme (TRDP) are partner organisations working with the Sindh Government.

Ms. Aneesa, a widow from SRSO district Larkana, stitches clothes to earn a living for herself and her four children. However due to the unavailability of an electric sewing machine, she was not able to earn enough to meet their daily needs. After receiving an IGG, she purchased a second-hand electric sewing machine along with a solar battery. Now she earns enough to not only meet her family's expenses, but also save a little each month.

point in building a network for improving social empowerment. SUCCESS exclusively sets up and targets women's community institutions to expand their agency, which leads to social empowerment; From getting organised in a team, identifying a leader, to coming up with codes for discipline within the organisation to generate savings.

A survey conducted as part of the SUCCESS programme's mid-term review reported that access to IGG and CIF increased the household asset base. For a glimpse of the positive outcomes of CIF and IGG, from 355 households, 29% have one off-spring, 21% have two off-springs and 2% have 3 off-springs from their livestock bought through IGG/CIF. 23 percent (82) households sold their purchased livestock to repay their loans but kept the off springs (SUCCESS, 2019).

In summation, CIF has many benefits for the areas that it works in: It helps in building community institutions in the remote areas where none existed before; It garners women empowerment by placing management responsibilities of CIF on them; CIFs are low cost in comparison to microfinance institutions as the institutional overhead of COs, VOs, and LSOs are low; it builds social trust among people; and more importantly, it develops financial and economic skills of programme beneficiaries. As people involve themselves in income earning opportunities, it helps them to graduate out of poverty and eventually make them eligible for formal microcredit services.

3. METHODOLOGY AND APPROACH

This study uses both quantitative method, by conducting a household survey, and qualitative method, by holding focus group discussions and key informant interviews, to assess the impact of CIF and IGG on poor households. Due to the limitation and unavailability of reliable controls, the design of the assessment is limited to measuring the overall impact of CIF and IGG intervention using a 'before and after' approach.

To ensure consistency and standardisation across eight programme districts, a common framework and methodology, indicators, data collection tools and guidelines have been used for analysis and reporting.

3.1 | Scope of Assignment

The study is structured around testing 13 hypotheses that are grouped in five families of outcomes. For each hypothesis, a list of specific indicators to be analysed and their construct is presented as following:

Family 1: Poverty graduation

H1: CIF and IGG ensures inclusion of women from the poor and poorest households in the development process.

H2: Access to and utilisation of capital (CIF and IGG) improves the poverty score of beneficiary households

H3: Access to and utilisation of capital (CIF and IGG) increases household income and productive asset base

H4: Women CIF and IGG beneficiaries invest more in income generating activities and livelihood assets

Family 2: Women empowerment

H5: Access to CIF/IGG improves women's intra-household decision making.

H6: Access to CIF/IGG improves women's economic participation

H7: Access to CIF/IGG improves women's mobility

Family 3: Cost effectiveness, Cost Benefit Analysis

H8: CIF/IGG provide cost effective financial access to the poorest and poor households

H9: CIF/IGG has a low cost benefit ratio

Family 4: Institutional Sustainability

H10: CIF contributes to the financial sustainability of community institutions (LSOs)

Family 5: Social cohesion and discipline of saving

H11: CIF and saving programme increases trust.

H12: The poor are willing and able to save if provided with saving mechanism

H13: Pool of individual savings at CO provides necessary capital to invest in livelihood, for emergencies and consumption smoothening

3.2 | Qualitative Methods: Focus Group Discussions (FGDs)

FGDs have been conducted by gathering CIF and IGG beneficiaries to assess the impact of the programme. This has ensured covering all those aspects which were not taken up by the household survey. Questions have been asked from participants about the impact and effectiveness of the programme. Community leader' and beneficiaries' perspectives have also been drawn by conducting FGDs with separate groups of women and men. Purposive sampling - the common method for selecting participants for FGDs - has been used for this part of the study. Under this method, members of the community who can provide the most comprehensive information are selected. A total 16 FGDs with LSOs were conducted based on the following selection criteria:

a. LSO in a UC which is already selected for survey/ sample;

b. LSO where at least 7 executive members exist;

c. LSO where beneficiaries have utilised CIF/IGG in all three categories (Agriculture, Enterprise, and Livestock). However, this conditionality was relaxed to utilisation in two of the three categories in the case of district TMK, where no CIF/IGG was used for agricultural purposes.

The profile of participants for the FGDs was:

i. 7 executive members of LSO and 3 non-CO female members of the community.

ii. 7 male family members of LSO members and 3 male family members of non-CO members of the community.

3.3 | Key Informant Interviews (KIIs)

KIIs have been conducted by interviewing people who are involved in the programme at LSOs level. Key informant interviews are "qualitative, and in-depth in order to get first-hand knowledge about the programme. Three Key informant interviews have been conducted in each district with programme management at LSOs level and implementation team members at RSPs level.

3.4 | Quantitative Methods: Household Survey

A detailed CIF/IGG beneficiary household survey has been conducted by selecting sample beneficiaries within sample villages or union councils taken from each of the 8 programme districts. The questionnaire has been developed and discussed thoroughly with RSPN and the CDPP Survey team before conducting the CIF and IGG Beneficiary Assessment Survey.

3.4.1 Sampling Design for Household Survey

Simple Random Sampling (SRS) technique has been used to draw a sample from population. Using 80% power of sample, 95% confidence coefficient and 3% Standard error of estimate, a master sample 2007 of CIF and 2000 of IGG is computed (See Box 3.4.1).

BOX 3.4.1: Sample Distribution

Master Sample for CIF

Confidence Coefficient = 95%

Power of Sample = 80%

Standard error of estimate= 3% *(Gross Enrolment Rate)*

Event Prevalence Rate (Estimated) = 80.3% (Poverty Rate Success Baseline)

$$SampleSize = Z_{1-\alpha/2} Z_{1-\beta/2} \frac{p(1-p)}{SE} = 1380$$

Population Size = 66,306

Finite Population Correction Factor = 1380 x $\sqrt{\frac{(n-N)}{(N-1)}}$ = 1365

Design effect @1.4 = 1365 x 1.4 = 1911

Non-Response Error @5% = 1911 x 1.05 = **2007**

Master Sample for 8 districts = **2007**

Master Sample for IGG

Population Size = 25,412

Finite Population Correction Factor = 1380 x $\sqrt{\frac{(n-N)}{(N-1)}}$ = 1342

Design effect @1.4 = 1342 x 1.4 = 1878

Non-Response Error @5% = 1878 x 1.05 = **1972**

Master Sample for 8 districts = **1972 = 2,000**

Note: Finite population correction factor is used for sample size adjustment. $fpc = \sqrt{\frac{N-n}{N-1}}$

The Sampling frame comprising of LSOs and VOs was given by RSPN to draw Secondary Sampling Unit (SSU), Primary Sampling Unit, Sample household, and replacement Sample. Using Multistage sampling technique at stage one, from all tehsil of districts "1 LSOs/ Union Councils as a Secondary Sampling Unit (SSU)" has been selected at random. At stage two, from each LSOs "Two Enumeration Units: Villages/VOs per LSO" have been selected at random as a Primary Sampling Units (PSU).

Table 3-1 Distribution of CIF Loan by Type of Investment

Districts	Agriculture		Enterprise		Livestock		Total
	Count	%	Count	%	Count	%	
Dadu	1,148	13%	1,992	22%	5,656	64%	8,797
Jamshoro	407	9%	958	22%	3,013	69%	4,378
Kambar ShahdadKot	4,041	21%	1,098	6%	14,443	74%	19,582
Larkana	476	5%	533	5%	9,536	90%	10,545
Matiari	0	0%	239	5%	4,958	95%	5,197
Sujawal	1	0%	266	4%	6,749	96%	7,016
Tando Allahyar	0	0%	86	1%	7,315	99%	7,401
Tando Muhammad Khan	1	0%	417	12%	2,972	88%	3,390
Total	**6,074**	**9%**	**5,590**	**8%**	**54,642**	**82%**	**66,306**

Table 3-2: CIF Sample Allocation By District and Type of Investment

Districts	Adjusted Sample Allocation	Agriculture	Enterprise	Livestock	Number of SSU LSO @20 HH Sample	Number of PSU VO @10 HH Sample
Dado	300	100	100	100	15	30
Jamshoro	300	100	100	100	15	30
Kambar Shahdadkot	400	100	100	200	20	40
Larkana	400	100	100	200	20	40
Matiari	150	0	0	150	8	15
Sujawal	150	0	0	150	8	15
Tando Allahyar	150	0	0	150	8	15
Tando Muhammad Khan	150	0	0	150	8	15
Total	**2,000**	**400**	**400**	**1200**	**100**	**200**

Table 3-3: Distribution of IGG by Type of Investment

Districts	Agriculture		Enterprise		Live Stock		Total
	Count	%	Count	%	Count	%	
Dadu	222	4%	908	16%	4,553	80%	5,683
Jamshoro	32	2%	418	20%	1,606	78%	2,056
Kamba rShahdadkot	421	15%	220	8%	2,250	78%	2,891
Larkana	52	1%	161	4%	3,646	94%	3,859
Matiari	1	0%	2	0%	2,052	100%	2,055
Sujawal	7	0%	49	1%	4,700	99%	4,756
Tando Allahyar	1	0%	2	0%	2,639	100%	2,642
Tando Muhammad Khan	1	0%	22	1%	1,447	98%	1,470
Total	737	3%	1,782	7%	22,893	90%	25,412

At stage three from each village at least 5 beneficiary households have been selected using random number method. Sample lists with additional 25% replacement sample was prepared, prior to field operations and shared with RSPN and field teams for data collection.

Total beneficiaries who have received CIF loan at least 365 days (one year) earlier from the current evaluation were 66,306. Beneficiaries who had received loan for livestock were 82%, followed by Agriculture at 10% and Enterprise at 8%.

Probability proportion to size technique has been used to allocate master sample to each districts. But to generalise the findings at districts level, sample is adjusted by minimum sample size of 196 with 95% Confidence coefficient and 7% standard error of estimate and sample by category remains above 96 with 95% Confidence coefficient and 10% standard error of estimate sample size. Therefore, it was decided at the inception phase that adjusted sample for each district should not be less than 96. Table 3.2 reports sample distribution for CIF Impact Assessment Survey for eight SUCCESS programme districts.

Table 3 4: IGG Sample Allocation By District and Type of Investment

Districts	Adjusted Sample	Agriculture	Enterprise	Livestock	No. of SSU LSO @ 20 HH	No. of PSU VO @ 10 HH
Dadu	400	150	100	150	20	40
Jamshoro	250	0	100	150	13	25
Kambar Shahdadkot	450	200	100	150	23	46
Larkana	300	50	100	150	15	30
Matiari	150	0	0	150	8	15
Sujawal	150	0	0	150	8	15
Tando Allahyar	150	0	0	150	8	15
Tando Muhammad Khan	150	0	0	150	8	15
Total	**2,000**	**400**	**400**	**1,200**	**100**	**200**

For IGG around 90% of the women beneficiaries invested in livestock, while 7% in micro enterprises, and 3% in agriculture. To draw a representative sample for enterprise and agriculture, a similar approach like CIF has been adopted. Therefore, sample for each category i.e. Agriculture 400, Enterprise 400 and livestock 1200 were computed for the study. Table 3.4 shows sample distribution for IGG.

Beneficiary population distribution shows unequal distribution of beneficiaries by category and by district. This unequal distribution also prevails in sampled LSOs and VOs and required numbers of sample does not exist in selected LSO's and VO's. But keeping in-view reserved share for enterprises and livestock category during the survey, booster sample is drawn at random to fulfill sample coverage requirement. Booster sample was drawn and shared with RSPN along with selected household poverty score.

3.5 | Training Programme

After the preparation of questionnaire and development of software application Survey CTO for conducting survey through Computer Assisted Personal Interview (CAPI), a 6-day customised training programme was conducted from 7-12 September, 2020 at Training Resource Centre, Hyderabad, Sindh. All field survey team members from eight SUCCESS programme districts were trained centrally to ensure uniformity. A total of 40 field staff with 32 female enumerators and 8 male supervisors attended the training. To ensure the comprehension of survey questionnaire and validity of the software application for data collection, a pretesting activity was organised on September 11, 2020. This activity was conducted in 7 villages of two districts—Jamshoro and Tando Muhammad Khan, with different groups of participants.

Ms. Ghulam Fatima, from NRSP district, utilised her CIF of Rs. 20,000 to support her family by starting a grocery shop in her village.

Enumerators and Supervisors at the 6-Day training session, held at Training Resource Centre Hyderabad.

The contracting organisation—Centre for Development and Public Policy (CDPP) acquired android based devices for this assignment. Mobile phones were also used by some enumerators for this assignment. The questionnaire was discussed thoroughly in English and Sindhi languages during the training session. Both CDPP team (Dr. Talat Anwar and Mr. Zahid Jamal) and RSPN Research team (Ms. Amna Ejaz and Ms. Sultana Ali) were fully involved during the training and pretesting process.

4. STUDY RESULTS AND FINDINGS

This chapter presents study results and findings. The first section of this chapter analyses the overall CIF and IGG portfolio using administrative data from the SUCCESS programme implementers. The second section presents findings from the household survey to evaluate the impact of CIF and IGG on the recipient households.

4.1 I CIF portfolio analysis

The section reviews the overall CIF portfolio using the administrative data gathered from the RSPs. Table 4. 1 provides data on overall CIF Portfolio. By October 31 2020, a total of PKR1.5 billion CIF fund was sub-granted to 313 LSOs established by NRSP, SRSO and TRDP whereas the LSOs disbursed a total of PKR 2.0 billion CIF to 88,707 poor households. The total number of loans was 115,687 with 26,980 households taking repeat loans. The average CIF amount size is PKR 17,552 per loan.

Table 4-1: Overall CIF Portfolio as of October 31, 2020 *(Source: RSPN, Islamabad)*

	NRSP	SRSO	TRDP	Total
Number of LSOs sub-granted CIF	121	98	94	313
CIF sub-granted to LSOs(PKR in millions)	484	650	422	1,556
Number of LSOs disbursed CIF to beneficiaries	121	98	94	311
CIF disbursed to beneficiaries by LSOs (PKR in million)	676	811	544	2,031
Number of households benefited	27,457	42,489	18,761	88,707
Number of total loans	38,525	52,323	24,839	115,687
Average CIF loan Size (PKR)/beneficiary	17,538	15,502	21,896	17,552
CIF revolved by LSOs (PKR in millions)	241	192	157	589
Percent of CIF amount revolved	50	29	37	38
Number of LSOs revolved CIF	92	75	58	225
Percent of LSOs revolved CIF	76	77	61	72
Number of LSOs revolved 1 time	67	75	46	188
Number of LSOs revolved 2 times	25	-	12	37
Non-performing loans Amount (PKR million)	0.73	1.02	1.66	3.4
Non-performing loans (%)	0.11	0.13	0.31	0.17
Recovery Rate (%)	98	95	91	95

CIF amount was revolved with an overall revolving rate of 38%, with 188 (72%) LSOs revolving the CIF at least once. The highest revolving rate was achieved by NRSP at 50%, followed by TRDP at 37% and SRSO at 29%.

The overall CIF Loan recovery rates remained high at 95%. The highest recovery rate was attained by LSOs in NRSP at 98% followed by SRSO at 95% and 91% by TRDP. Non-performing loans remained at PKR 3.4 million. Non-performing loans as % of CIF disbursement to beneficiaries by LSOs appears to be very low. The overall non-performing loans ratio was at 0.17%. However, the non-performing loan ratio was higher in TRDP (0.31%) compared with SRSO (0.13%) and NRSP (0.11%).

Table 4-2: CIF Receipts and expenses as of October 31, 2020 (PKR in Million) at LSOs *(Source: RSPN, Islamabad)*

	NRSP	SRSO	TRDP	Total
A. CIF Received from RSP in LSOs Account	484.0	650.1	422.3	1556.4
B. Bank profit	0.4	47.4	0.92	48.7
C. Service Charges/processing/membership fee received by LSOs	21.1	24.9	43.6	89.5
D. Sub-Total (A+B+C)	**505.5**	**722.4**	**466.8**	**1694.6**
E. Operational Expenses from the CIF income	1.1	-	7.07	8.1
F. Bank charges	4.9	12.3	3.6	20.8
G. Expenditure on Fixed Assets from CIF income	1.2	-	-	1.2
H. Sub-Total (E+F+G)	**7.1**	**12.3**	**10.7**	**30.1**
I. Net CIF Amount with LSOs (D-H)	***498.4***	***710.1***	***456.1***	***1664.5***
J. Increase in CIF Amount (I-A)	**14.4**	**59.9**	**33.8**	**108.1**
K. % Increase in CIF Amount	**3.0**	**9.0**	**8.0**	**7.0**

Table 4.2, presents data on CIF receipt and expenses by LSOs in order to assess the financial sustainability of LSOs to run the CIF. As stated earlier, as of October 2020, a total of PKR 1.5 billion was received from RSPs as CIF in LSOs accounts with the largest share to SRSO at PKR 650 million.

LSOs have three streams of receipts in their accounts: First, the CIF grant received from RSPs; second, bank profit on their accounts; and third is the services charges and loan processing fees that LSOs receive from CIF beneficiaries. In total, bank profit on CIF investment was at PKR 48.7 million, with the bulk of profit accrued by LSOs in SRSO programme areas at PKR 47.4 million.

The main reason for high bank profit for the LSOs in SRSO managed districts is that most of the LSOs in the area have been able to open saving accounts, whereas the LSOs in TRDP and NRSP managed districts have mostly current accounts. Also, the overall portfolio of CIF is larger in SRSO as compared to TRDP and NRSP.

In total, PKR 89.5 million was received on account of service charge, processing and membership fee by LSOs with the highest amount received by TRDP at PKR 43.6 million.

Currently, the expenses at LSO level include operational expenses (running offices petty cash, stationery costs, and utility bills) and bank charges to process the CIF payments to and recoveries from beneficiaries. As of October 2020, the total expenses for all LSOs stand at PKR 30 million which is 22% of the total operating revenue of PKR 138 million (excluding CIF grants received from the project). With a total receipt of PKR 1,694.6 million and an expense of PKR 30.1 million, the net CIF amount with LSOs is PKR 1,664.5 million, indicating a 7% or PKR 108.1 million increase in CIF amount, and thus endorsing that CIF is financially self-sufficient to cover its current costs during the project period. However, during the project period, some of the operational costs are directly paid from the project budget. These costs include honorarium for community book-keepers and operational costs of the RSP staff supporting the LSOs to manage the CIF. This current cost is estimated at 7% of the total CIF portfolio. To be financially self-sustainable post project, the LSOs thus need to increase their services charges up to 10%.

The findings of KIIs with programme implementers at LSO and programme levels and FGDs at the beneficiaries' level also support the above analysis. It can mainly be attributed to the fact that although loan conditionalities target the poorest of the poor, it is done so by putting heavy emphasis on the viability of their micro-investment plan.

Most of the LSOs have developed the capacity to manage the revolving of CIF with a modest level of support from the RSPs. The system has effectively monitored the activities of its staff and beneficiaries with an adequate mechanism to ensure loan recovery and avoid leakages and pilferage. The CIF is a key financial inclusion instrument for the poor households on sustainable basis. The sustainability of the impact of CIF on the poor households can only be achieved if all the poor households access the CIF multiple times until and unless they graduate from poverty. According to the SUCCESS poverty census data around 475,000 households (56%) in the eight SUCCESS programme districts fall in the poor category (PSC 0-23). The CIF resources available with the LSOs can only serve 30% of the poor households. This calls for the SUCCESS donor and RSPs to mobilise more resources for the LSOs to reach all the poor households with CIF. Alternatively, CIF will have to be revolved effectively.

4.2 | Beneficiary Experience

For any programme or intervention to be successful and sustainable in the long run, it is critical for the processes involved to be simple and easy to understand for the beneficiary. For this purpose, the household survey asked a series of questions regarding beneficiary experience in obtaining CIF and IGG and the costs incurred at different stages.

Inquiring about a series of documentation requirements, issues with payments, facilitation by local RSP and community organisation staff, and ease of visit to the LSO office to obtain payment, Table 4.3 reveals that more than 80% of the beneficiaries found the processes to be easy or extremely easy. A similar pattern was seen across the districts, depicting that the current processes in place are functioning well.

Table 4-3: Beneficiary Experience in Accessing CIF/IGG *(Source: CIF & IGG Survey, 2020)*

	Application Process	Documentation Requirements	Payment Delays	Facilitation by Officials	Ease of Visits	Overall (N=4023)
Extremely Easy - 1	53.24	47.98	46.23	55.56	57.3	52.06
2	33.06	32.20	31.32	30.40	32.07	31.81
3	6.91	10.73	11.68	10.44	8.60	9.67
4	3.21	3.44	4.08	1.84	1.04	2.72
5	2.14	2.97	2.93	1.32	0.40	1.95
6	0.62	1.08	0.89	0.07	0.15	0.56
7	0.12	0.36	0.50	0.00	0.07	0s.21
8	0.17	0.49	0.47	0.05	0.07	0.25
9	0.30	0.32	0.67	0.05	0.05	0.28
Extremely Difficult - 10	0.22	0.44	1.22	0.27	0.25	0.48

With regards to the various costs associated with obtaining CIF and IGG, on average beneficiaries incurred a cost of PKR 1,139. Breaking this down by the type of financial service, for CIF, beneficiaries on average paid a total of PKR 1,399, or about 8.7% on an average loan size of PKR 16,000. For IGG, the total average cost stood at PKR 877, or 5.8% on an average grant size of PKR 15,000 (Table 4.4).

Table 4.4 further depicts that relatively higher travel and service charges had to be paid for CIF than for IGG. District wise, travel costs were highest for beneficiaries in Jamshoro (PKR 595) and lowest for those in Tando Allahyar (PKR 235). Service charges vary across districts as each LSO has a separate criterion for charging a services fee, if any.

Beneficiaries were asked about the number of visits it took for them in total to obtain CIF or IGG, from submitting application, to meeting all documentation requirements, and finally for receiving the cash. For 81% of CIF beneficiaries and 89% of IGG beneficiaries, the entire ordeal was carried out in one visit. For about 16% and 9% respectively, it took up to two visits, while for the rest two to three percent of the beneficiaries, it took more than two visits for receiving the financing. Beneficiaries were them asked whether the time they spent in obtaining CIF or IGG could have been utilised elsewhere in a productive paid activity, and if so, what they could have earned through it in that time frame. This way an opportunity cost was estimated, which interestingly was not too different for CIF or IGG beneficiaries. On average, obtaining a CIF or IGG costed beneficiaries about PKR 142 in unrealised earnings (Table 4.4)

Any other costs that beneficiaries may have had to pay averaged at PKR 15.

Table 4-4: Average Cost Incurred in Obtaining CIF/IGG (PKR) *(Source: CIF & IGG Survey, 2020)*

	CIF (n=2015)	IGG (n=2008)	Overall (N=4023)
Travel Costs	403	376	389
Opportunity Cost	146	138	142
LSO Service Charges/Membership Fees	841	340	591
Other Costs	9	23	15
Total Costs	1,399	877	1,139

Experience of Paying Back CIF Loan

As part of the overall beneficiary experience, questions about repayment schedules and whether beneficiaries had any difficulty paying back the CIF loan were also asked. Almost 86% of the beneficiaries reported that they were satisfied with the current repayment schedule. A majority of the rest preferred an annual repayment schedule.

As for ease of repayment, about 95% of the sample beneficiaries said that they were able to make regular repayments for the CIF loan (Table 4.5). For the rest (104 beneficiaries), repayment was done by either borrowing from friends or relatives (44%), selling own assets (32%), or working more hours (11%), as listed in Table 4.6. A small percentage (4%) also reduced consumption in order to meet CIF repayment installments.

Table 4 5: Were you Able to make Regular Repayments for CIF? *(Source: CIF & IGG Survey, 2020)*

	One Loan (n=1082)	Multiple Loan (n=933)	Overall (n=2015)
Yes	94%	96%	95%
No	6%	4%	5%

Table 4-6: If you had difficulty paying back CIF, how did you manage? *(Source: CIF & IGG Survey, 2020)*

	One Loan (n=62)	Multiple Loan (n=42)	Overall (n=104)
Sale of Own Asset	37%	26%	32%
Sale of Asset jointly Owned	4%	1%	3%
Sale of Asset owned by others	0%	1%	0%
Loan from relative/friends	38%	52%	44%
Loan from Commercial	0%	2%	1%
Loan from Money lender	3%	2%	2%
Reduced consumption	5%	4%	4%
Searched / increased Work hours	10%	9%	11%
Had enough saving	1%	0%	1%
Other	3%	2%	2%

4.3 I CIF / IGG Utilisation

As stated earlier, of all the CIF and IGG granted till October 2020, 82% was invested in livestock, 10% in agricultural activities, and 8% in enterprise.

According to survey results, 98% of the sample households invested the CIF/IGG on income generating or asset creation activities. 87% of CIF/IGG financing was invested as per the micro-investment plan developed by beneficiaries prior to receiving CIF/IGG funds. 11% of the financing was either not fully utilised for an income generating purpose (i.e. household spent partial financing on other household expenses related to health, food etc) or the households invested in an income generating activity other than that stated in their micro-investment plan (for example, they took the CIF for agricultural purposes, but bought an animal instead).

2% of surveyed households reported to have not utilised the CIF or IGG at all for any income generating activity. For a majority of these households the money went towards health or some other urgent expenditure.

In this section we take a deeper look at how the beneficiaries invested in livestock, agricultural, and enterprise activities and what the returns were. When analysing the returns to investment, particularly for CIF, we take into account whether beneficiaries have received one loan or more than one loan.

4.3.1 Livestock

In line with the overall pattern of CIF/IGG investment and taking into account minimum sampling requirements to achieve generalisable results, the sample was designed such that 60% of the beneficiaries surveyed had invested their CIF/IGG financing in livestock.

A majority of the beneficiaries who invested in livestock bought animals (CIF 93%; IGG 91%), while some also spent money on animal feed (CIF 5%; IGG 7%), construction of animal sheds (less than 0.2%). 2% beneficiaries spent the CIF/IGG taken for livestock on 'Other Activities', either productive or on everyday household consumption. Of the animals bought, goats were the most popular animal of choice at 76% mainly because of lower cost and greater ease of rearing the animal (Figure 4.1). Other animals bought included buffalos, cows, sheep, while only a handful of households opted for buying poultry, and that too from the remainder amount left over after investing in a different animal. For the larger animals where CIF/IGG amounts were not enough, households added own savings as well to cover the costs.

Figure 4-1: Animals Bought Through CIF/IGG

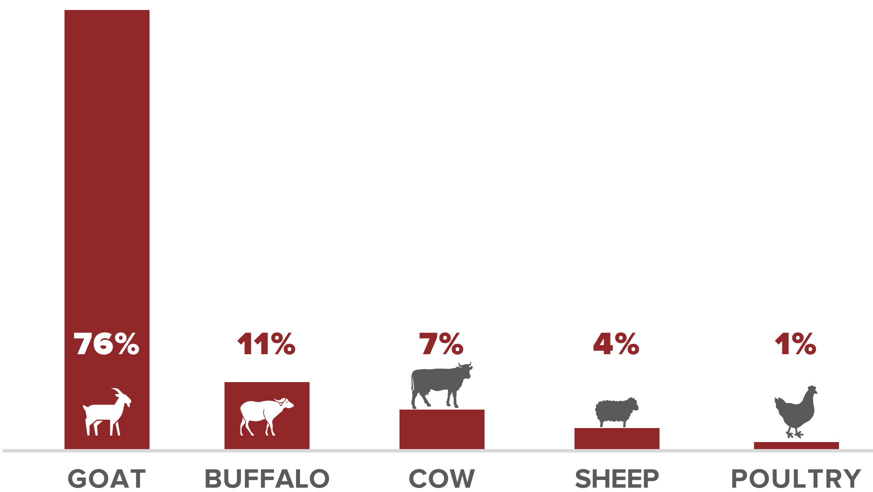


Table 4.7 aggregates beneficiary investment behavior in livestock and looks at the overall picture, rather than taking each category of animal separately.

Of the households that invested in livestock, about 63% previously owned an animal. Post CIF/IGG, 92% households reported owning at least one animal, with no difference across the type of financial intervention households had received. The average herd size previously owned was 1.67 for CIF and 1.56 animals per household for IGG beneficiaries, which subsequently increased to 1.99 and 1.93 respectively post CIF/IGG financing.

Table 4.7 also gives the number of households that sold livestock bought through CIF and IGG, and the profit they made. Interestingly, a very small percentage (14%) of households sold livestock, with the highest (19%) being those who have taken CIF multiple times. Not surprisingly, thus, this group has also sold the most number of animals on average (1.69 animals) and had the highest net profit. In contrast, only 10% of IGG households reported selling an animal and made an average net profit of PKR 6,102.

Table 4.7 further reveals that about 88% of households in total still own either the animal(s) bought through CIF/IGG, or its offspring. With a household level aggregate current market value of almost PKR 36,000, many of these animals continue to be a source of milk and meat for their households, which can be consumed at home, thus leading to better diet for the family, or sold in the market for added income. The average annual income earned through the meat and milk was recorded to be PKR 4,260.

Table 4-7 : Returns to Investment from Livestock *(Source: CIF & IGG Survey, 2020)*

	CIF			IGG (n=1225)	Overall (n=2413)
	Total (n=1188)	One Loan (n=677)	Multiple Loans (n=511)		
Number of households owning livestock before CIF/IGG	733	410	323	779	1,512
% households owning livestock before CIF/IGG	**62%**	**61%**	**63%**	**64%**	**63%**
Average Herd size before CIF/IGG	1.67	1.45	1.97	1.56	1.62
Number of households owning livestock after CIF/IGG	1090	624	466	1124	2,214
% households owning livestock after CIF/IGG	**92%**	**92%**	**91%**	**92%**	**92%**
Average Herd size after CIF/IGG	1.99	1.85	2.19	1.93	1.96
Change in Average Herd size CIF / IGG	**0.32**	**0.4**	**0.22**	**0.37**	**0.34**
Number of households that sold livestock	192	105	87	113	305
Average Number of Animals Sold (of those that sold animals)	1.57	1.47	1.69	1.43	1.5
Net profit from sale of livestock* (for animal selling HHs)- PKR	**10,782**	**6,805**	**15,582**	**6,102**	**8,442**
Number of Households currently owning CIF/IGG animals	956	525	431	995	1,951
Current Market Value of Animals Owned - PKR	**38,894**	**33,098**	**45,918**	**33,139**	**35,982**
Annual average net income from meat and milk* - PKR	**4,402**	**4,252**	**4,599**	**4,124**	**4,260**

**Net profit and net income are calculated after deducting animal rearing costs (feeding, handling and disease treatment costs)*

4.3.2 Agriculture

For agricultural investments, the highest usage of CIF/IGG was on the purchase of seeds at 51%, followed by chemical fertilizers at 35%, purchase of pesticide spray at 6%. Labor payments, payments for machinery use, water payments and other running expenses made up about 8% in total (Table 4.8). Not much difference was seen in investment patterns of CIF versus IGG beneficiaries.

The total costs incurred by CIF and IGG beneficiaries on agricultural activities also did not vary significantly and averaged at around PKR 15,985 (Table 4.9). The profit margins, however, were recorded to be much higher for CIF beneficiaries, and that too for households that had benefitted from multiple CIF loans. While the collected data does not provide a conclusive answer, this difference in profits could arise from whether the land was previously being utilised for agriculture or not[8], and the availability and access to other inputs, such as water, previously saved seed, etc.

Table 4-8: CIG/IGG Spending on Agricultural Activities (% distribution) *(Source: CIF & IGG Survey, 2020)*

	CIF	IGG	Overall
Seed	46%	57%	51%
Fertilizer	34%	35%	35%
Pesticide	7%	4%	6%
Labor	5%	1%	3%
Machinery Purchase	1%	0%	1%
Machinery Rent	4%	1%	3%
Canal Water	1%	0%	0%
Other Running Costs	1%	0%	0%
Other Costs	1%	0%	1%

Table 4-9: Seasonal Earnings from Agriculture (PKR) *(Source: CIF & IGG Survey, 2020)*

	CIF			IGG (n=369)	Overall (n=778)
	Total (n=409)	One Loan (n=191)	Multiple Loan (n=218)		
Costs	15,856	16,436	15,349	16,113	15,985
Revenue	45,510	40,667	48,984	26,256	35,816
Profit	29,665	24,231	33,653	10,143	19,836

4.3.3 Enterprise

Investments in enterprise fell into three major categories; for both CIF and IGG, the highest percentage of enterprise activity pertained to retail shops (Karyana/confectionary/tuck shops, vegetable carts), followed by embroidery and handicraft work, and finally mechanic/puncture shops. Other miscellaneous activities, such as setting up barber shops, restaurants or prepared food carts, and fishery and marine activity made up about 25% of the overall investments in enterprise (Table 4.10). Per Table 4.11, about 86% of all enterprise setups (82% CIF, and 90% IGG) were new whereas 14% (18% CIF and 10% IGG) invested in expansion of old setups.

8. Many of the household who invested in agriculture had access to land, but could not cultivate due to a lack of finances.

Table 4-10 : Type of Enterprise *(Source: CIF & IGG Survey, 2020)*

	CIF (n=438)	IGG (n=416)	Overall (n=854)
Shop (any type)	57%	49%	53%
Clothing (embroidery / shop)	18%	19%	19%
Mechanic / Puncture Shop	3%	3%	3%
Other (Barber shop, restaurant, fishery and marine activities)	22%	29%	25%

Table 4-11 : Type of Setup *(Source: CIF & IGG Survey, 2020)*

	CIF (n=438)	IGG (n=416)	Overall (n=854)
New business	82%	90%	86%
Expansion of Old Setup	18%	10%	14%

While CIF loans and IGG funding is given to the female beneficiaries of SUCCESS programme in hopes that they will be the sole users of the money, it is not always so. To gauge this better, the beneficiaries were asked who mainly was responsible for running the enterprise under CIF/IGG investment. Interestingly, in majority of the cases, either the women ran the enterprise herself, or someone else ran it entirely, and very little 'joint-running' was reported. About 30% of CIF beneficiaries and 36% of IGG beneficiaries solely ran the enterprise, 'husband or son' ran the enterprise for 55% CIF and 53% IGG beneficiaries, while other family members, besides husband or son, ran the enterprise for 10% of the households. Only 3% of beneficiaries reported running the enterprise alongside her husband or other family members (Table 4.12).

Table 4-12 : Who Runs the Enterprise? *(Source: CIF & IGG Survey, 2020)*

	CIF (n=438)	IGG (n=416)	Overall (n=854)
Self	30%	36%	33%
Self with Others	3%	2%	3%
Husband/Son	55%	53%	54%
Others	12%	9%	10%

Table 4-13 : Monthly Earnings from Enterprise (PKR) *(Source: CIF & IGG Survey, 2020)*

	CIF			IGG (n=416)	Overall (n=854)
	Total (n=438)	One Loan (n-220)	Multiple Loan (n=218)		
Monthly Sales	8,746	7,768	9,770	8,419	8,279
Monthly Cost	6,747	5,774	7,633	6,250	6,249
Monthly Profit	2,022	1,994	2,136	2,169	2,030
Current Value of Business	20,528	16,144	24,636	15,978	18,312

Table 4.13 presents a snapshot of the sales, costs, and profits of enterprises setup with CIF/IGG investments. On average, beneficiaries earn a profit of PKR 2,030 per month with insignificant difference between CIF or IGG investment. However, with regards to the current value of business, CIF beneficiaries who have taken multiple loans record the highest current value at PKR 24,636, while IGG beneficiaries have the lowest current enterprise value at PKR 15,978. This difference can mainly be attributed to the type of enterprise setup through CIG or IGG funding, as depicted in Table 4.10 earlier.

Another aspect worth investigating is that of enterprises that were expanded with the help of CIF or IGG investments. Table 4.11 shows that albeit only 14% overall enterprise investments went towards expansion of previous setups, current monthly profits for such enterprises are higher, at PKR 3,274, as compared to the overall profit of PKR 2,030 reported in Table 4.14. Moreover, these enterprises have been able to more than double their profits after receiving CIF/IGG financing.

Table 4-14 : Monthly Earnings from Enterprise Expanded using CIF/IGG (PKR) *(Source: CIF & IGG Survey, 2020)*

	Now (n=119)	Before (n=119)
Monthly Sales	14,007	8,568
Monthly Cost	10,733	7,075
Monthly Profit	3,274	1,493

4.3.4 Contribution of CIF and IGG to Overall Household Income

As per the sections above, the average profits from CIF and IGG investments stood at PKR 12,702 per annum, or PKR 1,059 per month, for livestock[9]; PKR 19,836 per season, or PKR 1,653 per month, for agriculture[10]; and PKR 2,030 per month for enterprise. Comparing them with the baseline (2016[11]) monthly income of PKR 14,594 for households with PSC 0-23, the estimated contribution of livestock investment to overall income stands at 7%, agriculture investment at 11%, and enterprise investment at 14%. The overall estimated contribution of CIF/IGG investments to the monthly household income thus stands at 11%.

Seemingly, the investments in livestock yield the lowest returns, while those in enterprise yield the highest. However, this analysis only tells a partial story, as investments in livestock act as a store of value as well for the 88% of the households who are yet sell their CIF/IGG animals (and/or offspring). While the same is true for enterprise set-ups as well, the current value of businesses owned is almost half the current value of animals owned.

With respect to CIF investments specifically, larger gains are enjoyed by households who have completed more than one round of CIF, as depicted in Table 4.15. The difference in returns between one versus multiple CIF cycles is largest for net profits earned through sale of livestock, mainly because multiple loans directly translate into a larger herd size in most cases. For enterprise, the current value of business increases by more than 50% in case of multiple loan cycles (Table 4.16). Overall, the results from multiple loan cycles seem robust for poverty graduation.

Table 4-15: A Comparison of Returns for Single and Multiple CIF Cycles by Type of Investment

Type of CIF investment		Households with one Cycle of CIF	Households with Two Cycles of CIF
Livestock	Net profit from sale of livestock (n=192 animal selling HHs)	6,805	15,582
	Annual average net income from meat and milk (n=956, livestock owning households)	4,199	4,402
Micro Enterprise Average annual Profit (n=438)		23,928	25,632
Agriculture Input Average seasonal net income (n=409)		24,231	33,653

9. Profits from livestock are as net earnings from sale of livestock plus the average net income from milk and meat production.
10. For agriculture, the average growing season is usually 6 months. However, since only one CIF loan can be taken in a span of 12 months, the seasonal profits are taken as yearly contribution to overall income.
11. Socio Economic Baseline Survey Report (2017), Apex Consulting Islamabad

Table 4-16: Current Value of Livestock and Enterprise Assets Owned for Single and Multiple CIF Cycles

Type of CIF investment	Households with one Cycle of CIF	Households with Two Cycles of CIF
Livestock (Current Market Value of Animals Owned) (n =956)	33,098	45,918
Micro Enterprise (Current Value of Business) (n=409)	16,144	24,636

Cost Effectiveness of CIF loans

For an average loan amount of PKR 20,000, the CIF service charges and associated costs for the beneficiary are estimated to be around PKR 1,400. Dividing PKR 1,400 by the average yearly profit of PKR 18,968 gives a very low cost-benefit ratio of 0.07. This cost of CIF loan is relatively low at about 8% per annum compared with other sources of finance like Microfinance[12] whose interest rates[13] are around 20-25% per annum. The interest rate charged by the informal lenders is much higher, up to 80%, than other formal sources.

Informal credit market in Pakistan is characterised by exorbitantly high interest rates and rapid disbursement of credit. It happened to be the major source of rural credit. Inability of formal credit institutions to reach the poor results in dependence of the poor on the informal market. In an exploitative environment where the poor are charged with very high interest rate, CIF as an alternative source of finance can play an important role in elimination of exploitation by informal lenders.

4.3.5 Use of Income earned through CIF and IGG

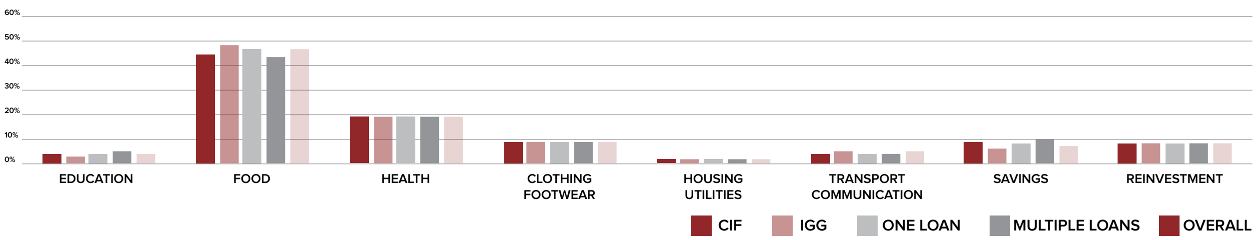
Beneficiaries were asked how they spent the income earned through the CIF/IGG investments, the results for which are plotted in Figure 4.2. Overall, about 46% of this income was spent on food, followed by 19% on health expenditures, and 9% on clothing. Interestingly, about 8% of the income was invested back into the livestock/agriculture/enterprise activity, while an overall 7% was saved by the beneficiary. Other usages of the income included spending on transport and communications (5%), education (4%), and housing and utilities at 2%.

Surprisingly no major variation in the use of income was seen across the two types of financial intervention, nor the three major types of CIF/IGG investment. However, it should be noted that the percentage of income being saved was highest, at 10% as compared to the average 7%, for households that had obtained multiple CIF loans.

12. See State of Micro Finance in Pakistan, 2018 Akhuwat.

13. Pakistan's Financial Inclusion Programme, Development Impact Study of DFID, 2016

Figure 4-2: Use of Income Earned Through CIF/IGG Investments



4.4 | Savings

It is hypothesised that the poor can save if provided with saving mechanism. This section focuses on the poor's willingness and ability to save if provided with savings mechanism.

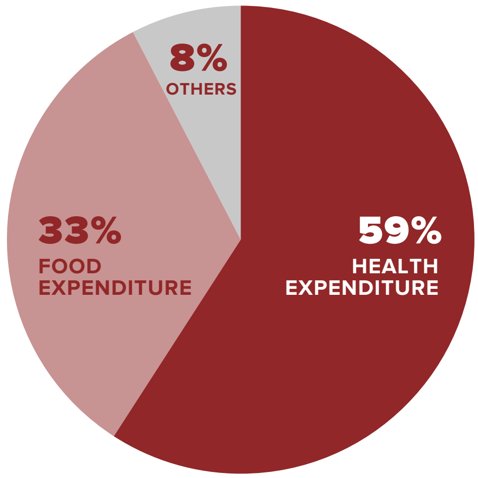
An overwhelming majority (91%) of CIF and IGG beneficiaries expressed that it is important to save some amount each month. About 48.6% reported that they had savings with the CO, that can be used in times of emergencies instead of taking loan from others on expensive term. Of those who did not save with their CO, 6.3% had savings elsewhere, mainly in the form of cash in hand (89%), in committees (10%), or with neighbours (less than 1%). For the rest 45% beneficiaries who had no savings, either with the CO or elsewhere, a lack of income was reported to be the top most reason for not having any savings. On a positive note, less than 2% of these beneficiaries reported savings being useless as their reasoning for no savings.

Table 4-17: Savings behaviour of the CIF and IGG beneficiaries *(Source: CIF & IGG Survey, 2020)*

	CIF (n=1012)	IGG (n=933)	Overall (n=1945)
Average saving with CO in each meeting (PKR)	141	70	107
Total average saving of beneficiaries with the CO (PKR)	1,671	1,067	1,381
Savings Withdrawn (% of Beneficiaries with Savings)	22%	15%	19%
Saving Withdrawn (Average Amount - PKR)	1,670	1,412	1,570

Table 4.17 provides data for those beneficiaries who have some savings with their CO. The average saving with the CO in each meeting for CIF and IGG beneficiaries was reported to be PKR 141 and PKR 70 respectively. In general, average saving with the CO in each meeting for CIF beneficiaries was higher by 50% than for IGG beneficiaries. Total average saving with the CO for CIF and IGG beneficiaries was PKR 1,671 and PKR 1,067 respectively, with the savings of sampled CIF beneficiaries was almost 57% higher than the IGG beneficiaries.

Figure 4-3: Utilisation of Savings Withdrawn from COs



The sub-sample of beneficiaries who saved with COs were further probed whether they had ever withdrawn a part (of whole) of their savings. 22% of those CIF beneficiaries with savings and 15% of IGG beneficiaries with savings had thus far withdrawn an average amount of PKR 1,570 from their savings (Table 4.17). As shown in Figure 4.3, utilisation of savings was mainly to meet health expenditures (59%), followed by food expenditures (33%), and for other reasons such as to meet educational expenses, to make deposits at time of bank account opening, to buy clothes, or to help out a friend or relative in need.

Pooling of savings as source of capital

The pooling of savings at the community organisation level can be an important source of capital, which can provide funds for business expansion, and can be used in emergencies for smoothening consumption.

FGDs with both male and female members of beneficiary households were conducted to capture community perspectives about savings. The findings suggest that although initially community members mocked the idea of savings, they no longer do so as they are now more aware of the importance of savings and have also witnessed and benefitted from savings in time of emergencies.

Participants noted that savings are also necessary for the expansion of business. Initially, women did not follow the given instructions and delayed submitting of savings. However, this has now changed, and women generally now submit savings on time. People have realised that saving is important and therefore they directly contact the CO office bearer and deposit savings. In some cases, people also save some amount at home for a particular purpose.

4.5 | Trust, Empowerment and Wellbeing

Level of Trust

Trust among community members can play an important role in matters related to money lending, borrowing, and collection of savings. It is thus important to assess whether or not introduction of CIF and saving programmes have led to an increase in the level of trust between CO members.

FGDs with beneficiaries and KIIs at programme level in eight districts were conducted to get feedback on level of trust among the members and to know the community perspectives about savings. The FGDs and KIIs' findings suggest that members and community trust each other since the lending process is based on merit.

Women beneficiaries, however, expressed their distrust over political leaders, saying politicians are only after votes. The beneficiaries do not fully trust government officers as according to them, government officials do not work properly. Most of them expressed their satisfaction with the RSP field team in general but some had complained that they do not work properly at times. It was revealed that disputes occur sometimes when IGG are distributed, as some women complain that the PSC based process is not fair. The CO leaders usually then explain and satisfy these women.

Discussion further revealed that after women's access to capital through CIF and IGG, domestic violence has decreased, primarily because women contribute financially to the household expenses, so male members have come to realise their contribution in building a financially stable home. Another reason is the increased awareness of women, due to SUCCESS programme interventions, about their rights and knowledge of different offices and agencies.

Asset Ownership

This section examines the type of assets accumulated and assesses the hypothesis that access to and utilisation of capital (CIF and IGG) increases household income and productive asset base.

A mere 18% of women answered yes to owning an asset. Almost 65% of these women reported individual ownership, while the rest stated joint ownership with another member of the household (see Table 4.18). A significant proportion of women (51%) reported that the stated asset was acquired solely through CIF/IGG. The proportion of asset acquired jointly through CIF/IGG plus other sources and jointly through income generated by CIF/IGG plus other source was low.

Table 4-18: Type of Asset Ownership and Mode of Acquisition *(Source: CIF & IGG Survey, 2020)*	
	Total (%)
Percentage of Beneficiaries with asset(s) ownership	18%
Type of Ownership	
Joint	35%
Individual	65%
How was this asset acquired?	
Solely through CIF / IGG	51%
Solely through income generated by CIF/IGG	15%
Jointly through CIF/IGG + other source	3%
Jointly through income generated by CIF/IGG + other source	2%
Not through CIF/IGG or CIF/IGG income	28%
Don't know.	1%

The type of assets owned vary from livestock, to household items, jewellery, sowing machines, etc, as revealed in Table 4.19. Categorising them into productive and non-productive assets, it is seen that more than 86% of the assets fall into the 'productive' category.

Table 4-19 : Type of Assets Owned *(Source: CIF & IGG Survey, 2020)*	
Productive	
Livestock	79.7%
Land & Shop	3.9%
Sewing Machine	2.5%
Non-Productive	
Household Items	8.4%
Jewellery	3.9%
Transport & Communications	1.8%
Don't know.	1%

Empowerment

Women empowerment is one of the main objectives of the SUCCESS programme. The focus has been on women led social mobilisation and community institutions that can sustain themselves as a viable alternative to the conventional approach to development. Women's participation through CIF can empower women by increasing their intra-household decision making, economic participation and mobility.

This section examines the impact of CIF and IGG on women empowerment. Key indicators relating to intra-household decision making, economic participation, and mobility have been used to gauge the change before and after the use of loan or grant under CIF and IGG components.

Table 4.20 presents the data on women empowerment indicators for overall SUCCESS programme districts in rural Sindh. Women beneficiaries were asked as to who makes important household decisions. In all cases, the proportion of women who makes the decision themselves has increased whereas the proportion of men (husband) has decreased after the CIF and IGG intervention. The findings suggest that CIF loan and IGG financial supports have a positive impact on the women's intra-household decision making with respect to visit family, friends, and relatives; getting medical advice or treatment for herself and children; enrolling boy child into school; enrolling girl child into school; dealing with children school teacher; making everyday goods and large assets household purchases; using contraceptives; marriage of children; and taking CIF/IGG or any other loan.

Table 4-20: Women empowerment indicators: Access to CIF/IGG improves women's intra-household decision making, a before and after analysis (%) *(Source: CIF & IGG Survey, 2020)*

Women Empowerment as Gauged through Decision-Making Regarding		Before CIF/IGG	After CIF/IGG
		%	%
Visit to family, friends and relatives	Self	16.8*	25.5*
	Husband	48.2*	30.5*
	Self in consultation with any other member	34.4*	43.3*
	Others	0.4	0.4
	Not applicable	0.2	0.2
Getting medical advice or treatment for her self	Self	15.3*	24.1*
	Husband	44.6*	27.6*
	Self in consultation with any other member	39.5*	47.6*
	Others	0.4	0.5
	Not applicable	0.1	0.1
	Total	100	100
Getting medical advice or treatment for children	Self	15.1*	24.0*
	Husband	45.1*	27.7*
	Self in consultation with any other member	38.6*	47.2*
	Others	0.4	0.4
	Not applicable	0.7	0.7
Enrolling boy child into school	Self	8.6*	15.5*
	Husband	46.8*	31.7*
	Self in consultation with any other member	24.8*	32.8*
	Others	0.4	0.5
	Not applicable	19.4	19.4

Enrolling girl child into school	Self	7.7*	14.7*
	Husband	44.4*	30.1*
	Self in consultation with any other member	22.5*	30.0*
	Others	0.5	0.4
	Not applicable	24.9	24.7
Dealing with children's school/teachers	Self	7.6*	14.1*
	Husband	52.8*	38.8*
	Self in consultation with any other member	16.8*	24.6*
	Others	0.9	0.9
	Not applicable	21.8	21.7
Making every day (small) household purchases	Self	23.5*	32.6*
	Husband	46.8*	30.4*
	Self in consultation with any other member	28.8*	36.0*
	Others	0.6	0.7
	Not applicable	0.3	0.3
	Total	100	100
Making large household purchases (assets)	Self	10.5	17.7
	Husband	53.6*	36.1*
	Self in consultation with any other member	31.5*	42.1*
	Others	0.7	0.7
	Not applicable	3.7	3.5
Using contraceptives	Self	8.3*	14.8*
	Husband	49.5*	34.1*
	Self in consultation with any other member	25.4*	32.9*
	Others	1.3	1.1
	Not applicable	15.5	17.1
Marriage/Rishta of children	Self	8.7*	17.0*
	Husband	35.9*	21.6*
	Self in consultation with any other member	45.0*	51.4*
	Others	0.4	0.5
	Not applicable	9.9	9.6
Taking CIF/IGG and any other loan	Self	10.9*	17.9*
	Husband	44.6*	28.3*
	Self in consultation with any other member	36.0*	43.8*
	Others	0.4	0.4
	Not applicable	8	9.6

**The differences in proportions are statistically significant at 0.05 level.*

In overall term, the proportion of women who makes decision to visit family, friends, and relatives has increased from 16.8% before intervention (the CIF loan or IGG support) to 25.5% after intervention, suggesting an increased role of women in intra-household decision making. The proportion of women who makes decision in consultation with other member to visit family, friends, and relatives has also increased from 34.4% before the CIF/IGG to 43.3% after the CIF/IGG intervention. On the other hand, the proportion of husbands who make decision to visit family, friends and relatives has decreased from 48.2% before the CIF/IGG to 30.5% after the CIF/IGG intervention. This differences in proportion of women taking part in different activities of life outside the home before and after CIF and IGG was found to be significant at 5% level of significance.

The results relating to intra-household decision making with respect to getting medical advice or treatment for herself and children; enrolling boy child or girl into school; dealing with children school teachers; making everyday goods and large assets household purchases; using contraceptives; marriage of children; and taking CIF/IGG or any other loan follow similar trends indicating an improvement in the status of women It appears that CIF and IGG support has been a catalyst in bringing a change in women empowerment through their involvement in business activities. Women are now more aware of their rights and can do various out of home activities and visit markets on their own.

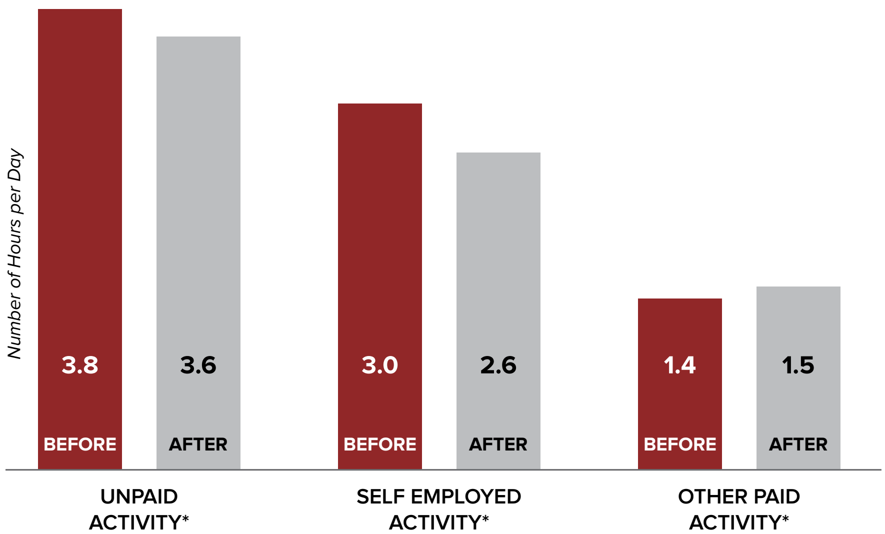
These are important changes that have been witnessed as a result of involvement of women in business activities owing to CIF and IGG support. Women are now more involved in intra-household decision making and can participate more in decisions that matters to their lives.

Time-Use

Women economic empowerment is the women's ability to participate equally in markets. Women tend to spend more times on unpaid household and care activities. It is, thus, important to assess whether CIF loan or IGG support has enabled women in the SUCCESS programme districts to spend more time on self-employment activities after the intervention. The survey has collected data on time spent by women on various activities before and after the intervention to test whether or not access to CIF/IGG improves women's economic participation.

Figure 4.4 shows the time spent on daily activities (in number of hours) before and after CIF loan or IGG support. The results indicate that CIF and IGG beneficiaries in general have reduced their time in household unpaid activities and increased time in other paid activities in all districts. However, results are only significant for the reduction in time in unpaid and self-employment activities while results for increasing time in paid activities are not significant.

Figure 4-4: Time spent on daily activities (in number of hours) before and after CIF/IGG



**The differences in proportions are statistically significant at 0.05 level.*

Mobility

Women mobility plays an important role in women empowerment. In this context, data on indicators in terms of number of visits to family and friends, visits to local and other markets, visits to other villages to participate in community institutions, visits to public service facilities, and visits to banks have been collected to examine whether or not access to CIF/IGG improved women's mobility.

The results reveal that overall mobility has increased; Women's visits to family and friends increased significantly after the CIF and IGG support. The proportion of women who paid one visit to family and friend increased from 24% before CIF and IGG project to 27% after the CIF and IGG support. Similarly, proportion of women who paid up to 5 visits to family and friend increased from 1.7% before CIF and IGG to 2.7% after the CIF and IGG support.

The number of visits to local and other markets also increased significantly after the CIF or IGG investment. The proportion of women who paid 2 visits to local and other markets increased from 15.8% before CIF and IGG loan to 18% after the CIF and IGG support. On the contrary, visits to educational facilities have decreased. These results may have been due to the closure of educational institutes following the Covid-19 pandemic. On the other hand, the proportion of women who paid 3 and 4 visits to health facilities has increased respectively, from 9.9% before CIF/IGG to 12.8% after CIF/IGG and from 3.3% before CIF/IGG to 5.2% after the CIF/IGG in overall term.

The number of visits to other villages to participate in community institutions has also increased. The proportion of women who paid up to 5 visits to family and friends increased significantly after the CIF and IGG support.

The visits to public service facilities have also increased after the CIF/IGG. The proportion of women who paid one visit to public service facilities has increased from 12.1% before CIF and IGG loan to 14.2% after the CIF and IGG support. On the other hand, proportion of women who paid two visits remained stagnant before and after CIF/IGG.

The number of visits to banks by women also increased significantly after the CIF or IGG investments. This change may be attributable to the CIF and IGG, as disbursement of loan and grant is directly made to women through the bank accounts. The proportion of women who paid one visit to banks increased substantially from 15.4% before CIF and IGG loan to 33.1% after the CIF and IGG support. Similarly, proportion of women who paid 3-4 visits to banks increased significantly after the CIF and IGG support in overall term. This validates the hypothesis that access to CIF/IGG improves women's mobility.

The findings from Focus Group Discussions corroborate most of the results of women empowerment. Before programme intervention, women were just confined to their homes. They were not aware of the importance of matters relating to the health, and education of the family. After the programme intervention, women feel empowered and now could deal with all the financial matters, run businesses and contribute to home. This is because they have started dealing with others for their business and shopping. This increased confidence and the sense of empowerment reflects in other spheres of their life as well. Earlier, their children's marriages were arranged without their consent, which has changed in post intervention period. Now women are empowered because they themselves can run their businesses. They can even visit hospitals by themselves. Domestic violence has decreased owing to participation in the programme and awareness of their rights. Women are optimistic about their future as their children are getting education and they are hopeful that this education will open up employment opportunities for their children. The programme has instilled hope and brought positive change among the women CO members. Women shared that they even now meet the schoolteacher and ask about children's education and they are full of hope for a bright future as they understand education of children is one of the key factors to achieve their goal.

General Well-being

The household survey asked a series of questions regarding perceptions about the general well-being of households before and after receiving CIF and IGG. Sampled beneficiaries were asked whether they had more to eat now or before receiving the financing, to which 73% reported they had more now, 7% reported that they had more before, and about one-fifth stated no change in their consumption (Table 4.21). Similarly, for health, beneficiaries were asked whether the general health of their households was better before or after the CIF/IGG. Again, about 74% reported the health to be better now, 5% reported it to be better before, and again about one-fifth reported no change. Interestingly, not much difference was recorded between CIF or IGG beneficiaries in either case.

Table 4-21: Household General Well-being before and after CIG/IGG *(Source: CIF & IGG Survey, 2020)*

	CIF (n=2015)	IGG (n=2008)	Overall (N=4023)
Do you have more to eat now or did you have more before?			
Have more to eat now	72%	73%	73%
Had more to eat before	8%	7%	7%
No change	20%	20%	20%
Is your family's health better now or before taking CIF/IGG?			
Better Now	73%	75%	74%
Was Better Before	6%	3%	5%
No change	21%	22%	22%

Finally, with regards to the returns generated through CIF/IGG activities, beneficiaries were asked whether it made a considerable difference in their overall income, and whether they thought that this additional income was sustainable or not. About 84% stated that yes, the returns generated through CIF/IGG activities did make a considerable difference in their overall income. Moreover, 81% of these stated that yes, they did feel this to be a sustainable increase, while 3% were not sure whether they would be able to sustain this income in the future (Table 4.22).

Table 4-22: Beneficiary Perception about CIF/IGG Income *(Source: CIF & IGG Survey, 2020)*

	CIF (n=2015)	IGG (n=2008)	Overall (N=4023)
Did the CIF/IGG make a Considerable Difference in Income?			
Yes	84%	84%	84%
No	16%	16%	16%
Did the CIF/IGG lead to a Sustained Increase in income?			
Yes	81%	81%	81%
No	16%	16%	16%
Don't Know	2%	3%	3%

4.6 | Poverty Graduation

Increasing women's financial inclusion is important for poverty reduction. Women disproportionately experience poverty since they remain dependent upon their husbands for financial support, and they also usually have no control over household spending. In this context, this sub-section examines whether CIF and IGG ensure inclusion of women from the poor and poorest households.

CIF exclusively targets the poorest women (PSC between 0-23) who are generally not catered to by a typical microfinance scheme. Another distinguishing feature of CIF is that instead of merely giving cash handouts, it encourages women to develop micro investment plans for income generating activities when applying for CIF. A majority of beneficiary households invested CIF loan and IGG financial assistance in livestock followed by agriculture and enterprise sectors.

The results as measured by the household survey and FGDs indicate that 100% of women sample beneficiary households (4023) were provided CIF and IGG as per the poverty scorecard criteria laid out by each RSP. The programme design ensures membership to COs and a micro-investment plan geared towards income generating activities as a precondition for the loan and grant. Thus, CIF and IGG work as an incentive for the poor women to participate in the COs.

Perspective of non-CO members about the impact of programme intervention on CO members and their poverty was also collected during the FGDs. Non-CO members acknowledged observing a visible change in the lives of CO members. Non-CO members further confirmed that women who have benefited from CIF and IGG financial support now have more animals and financial resources to spend on necessities such as food and education and thus have improved their lives as compared to before.

Results relating to CIF beneficiaries beginning to access financial services from other sources are not encouraging. Only 0.5% of CIF beneficiaries reported to have taken a loan from other sources after availing CIF loan. Instances show that out of those 0.5% beneficiaries, 0.35% have taken loans from commercial banks whereas 0.09% took the loans from relatives, friends, and neighbors, and 0.05% each from microfinance institutions and other sources. This suggests that the expected spillover after gaining experience in handling finance has not taken place. The spillover depends on various factors including the terms and conditions of loans and the presence of commercial and microfinance institutions in the rural areas. Hence, it is premature to expect spillover in the absence of these factors.

Movement Across Poverty Bands

Increasing access to financial services is essential for inclusive growth and poverty reduction. When people participate in the financial system, they are better able to manage risk to start a business, increase basic assets to earn a livelihood and improve their education and health status. In this context, we also examine whether access to and utilisation of capital (CIF and IGG) improves the poverty score of beneficiary households.

The poverty scorecard is a tool to track changes and monitor poverty trends over time. The scorecard represents data on household socioeconomic characteristics, basic amenities of life, and basic assets to earn a livelihood.

CIF and IGG targets poor households with a PSC score of 0-23 to ensure that only the poor households can access capital, and start income generating activities. IGG was targeted at the poorest households with a PSC score of 0-11 to guarantee that only the poorest households can access the grant funding. In Larkana and Kambar Shahdadkot however, the decision to hand out IGG was left to the community, with only the maximum cutoff PSC defined by the respective RSP at score 23. In Sujawal, Tando Allahyar, and Tando Muhammad khan less than 2% of IGG funding went to households with PSC above 11 that the community had identified as being deserving – households mainly being run by widowed women or disabled persons.

The household survey collected data on PSC indicators in order to reassess household poverty dynamics and analyse whether any change in the incidence of poverty, as measured through the PSC, as occurred since the Baseline survey in 2016. Dividing the data into two major poverty bands - i.e less than and more than PSC 23 – Table 4.23 reveals two critical pieces of information. First, the table confirms that as per the Baseline survey, all sampled households fulfilled the PSC band requirement for receiving CIF and IGG. Second, Table 4.23 states that as per the current survey, 24% of CIF beneficiary households have moved out of the 0-23 poverty score band. Similarly, 9% of the IGG beneficiary households have moved out of the poverty score band 0-23.

Table 4-23: Distribution of Households across Poverty Bands *(Source: CIF & IGG Survey, 2020)*

Poverty Score Bands	CIF (n=2015)		IGG (n=2008)	
	Baseline-2016	Current Survey-2020	Baseline-2016	Current Survey-2020
0-23	100%	76%	100%	91%
24 and Above	0%	24%	0%	9%

While the overall movement of households beyond PSC 23 is quite promising, it is also pertinent to look at how each household has performed individually since 2016. So, while Table 4.23 provided an overall picture of the incidence of households within the two poverty score bands, Table 4.24 presents a cross-tabulation analysis to take a deeper look at how each household has individually performed. Table 4.24 also breaks down the poverty bands further to understand the dynamics better.

It is pertinent to note here that the current Report only presents a picture of where the households stand with regards to the poverty score bands. The Report does not seek to answer Why this is so, as that remains beyond the current scope.

The cross-tabulation presented in Table 4.24[14] illustrates the dynamic and multi-dimensional nature of poverty. In overall terms, 839 of the 2015 CIF beneficiary households, or 42% improved their poverty score band. 612 households, or 30% remained in the same poverty score band. Finally, 564, or 28% households fell into a lower PSC band.

Table 4-24: Movement of Households across Poverty Score Bands Before and After CIF *(Source: CIF & IGG Survey, 2020)*

		Poverty Score Distribution Current Survey 2020						
		0 – 11	12—18	19 – 23	24 - 34	35 - 59	60 – 100	Total
Poverty Score Distribution Baseline 2016	0 – 11	131 (39.7)	119 (36.1)	40 (12.1)	30 (9.1)	10 (3)	0	330 (16.3)
	12—18	228 (24.8)	313 (34)	201 (21.8)	149 (16.2)	29 (3.2)	0	920 (45.6)
	19 – 23	110 (14.4)	226 (29.5)	168 (22)	214 (28)	45 (5.9)	2 (0.3)	765 (37.9)
	24 – 34	0	0	0	0	0	0	0
	35 – 59	0	0	0	0	0	0	0
	60– 100	0	0	0	0	0	0	0
	Total	469 (23.3)	658 (32.7)	409 (20.3)	393 (19.5)	84 (4.2)	2 (0.1)	2015 100)

Note: Figures in parentheses are percentages.

14. The different colours in Table 4.24 demonstrate different movement; the yellow colour in the diagonal indicate no movement – the number and percent of households remains in the same poverty score band in the baseline 2016 and current survey, 2020. The rust colour in the right diagonal indicates the number and percent of households moving to higher poverty score bands in the current survey. The grey colour in the left diagonal depicts number and percent of households moving to lower bands of poverty in the current survey.

Breaking it down by each of the bands, the table indicates that at the time of baseline 330 households were in the poverty score band of (0-11), whereas in the current survey 39.7% percent of them remained in the same band, 36.1% moved to the poverty score band of (12-18), 12.1% moved to (19-23), 9.1% moved to (24-34) and 3% moved to the higher poverty score band of (35-59). More importantly, out of 920 beneficiary households, 21.8%, 16.2%, and 3.2% who were in the poverty band of 12-18 in the base year 2016 moved to a higher poverty band of 19-23, 24-34, and 35-59 respectively in the current survey, 2020. Similarly, out of 765 beneficiary households, 28%, 5.9%, and 0.3% who were in the poverty band of 19-23 in the base year moved to higher poverty band of 24-34, 35-59, and 60-100 respectively in the current survey, 2020. In contrast to this, out of 765 beneficiary households, 14.4% and 29.5% who were in the poverty band of 19-23 in the base year moved to lower poverty band of 0-11 and 12-18, respectively in the current survey, 2020.

For IGG beneficiaries Table 4.25 states that of the overall households, 872 out of 2008, or 43% of the sampled improved their poverty band. 891 households, or 44% remained in the same poverty score band. And 245, or 12% fell into a lower poverty score band.

Digging deeper, Table 4.25 indicates that at the time of baseline 1468 beneficiary households were in the poverty score band of (0-11), whereas in the current survey 48.9% percent of them remained in the same band, 33.3% moved to poverty score band of (12-18), 10.2% moved to (19-23), 6.8% moved to (24-34), and 0.7% moved to the higher poverty score band of (35-59). Again, like CIF, no household moved to the highest poverty band (60-100). More significantly, out of 312 beneficiary households, 14.4%, 9.9%, and 1% who were in poverty band of 12-18 in the base year 2016 moved to a higher poverty band of 19-23, 24-34, and 35-59 respectively in the current survey, 2020. Similarly, out of 228 beneficiary households, 14.9% and 3.9% who were in the poverty band of 19-23 in the base year moved to higher poverty band of 24-34, and 35-59 respectively in the current survey, 2020. Whereas, no household moved to the highest poverty band (60-100). In contrast to this, out of 228 beneficiary households, 26.3% and 32.5% who were in the poverty band of 19-23 in the base year moved to lower poverty band of 0-11 and 12-18, respectively in the current survey, 2020.

A CIF investment in a small flour mill financially supports a family as well as their village community during the COVID-19 lockdown in Village Sono Khan Rind, TRDP district Jamshoro

Table 4-25 : Movement of Households across Poverty Score Bands Before and After IGG *(Source: CIF & IGG Survey, 2020)*

		Poverty Score Distribution Endline 2020						
		0 – 11	12—18	19 - 23	24 - 34	35 - 59	60 – 100	Total
Poverty Score Distribution Baseline 2016	0 – 11	718 (48.9)	489 (33.3)	150 (10.2)	100 (6.8)	11 (0.7)	0	1468 (73.1)
	12—18	111 (35.6)	122 (39.1)	45 (14.4)	31 (9.9)	3 (1)	0	312 (15.5)
	19 – 23	60 (26.3)	74 (32.5)	51 (22.4)	34 (14.9)	9 (3.9)	0	228 (11.3)
	24 – 34	0	0	0	0	0	0	0
	35 – 59	0	0	0	0	0	0	0
	60 – 100	0	0	0	0	0	0	0
	Total	889 (44.3)	685 (34.1)	246 (12.3)	165 (8.2)	23 (1.1)	0	2008 (100)

Note: Figures in parentheses are percentages.

5. DISCUSSION

There are many definitions of financial inclusion in literature. Financial inclusion protects the principle of universal accessibility of financial services to individuals and businesses at affordable rates. It is a much broader term defined as the availability and equality of opportunities to access financial services through a process by which individuals and businesses can access appropriate, affordable, and timely financial products and service.

In developing countries like Pakistan, women disproportionately experience poverty and remain dependent upon their husbands as they have no control over household spending and finance and thus appear to one of the most vulnerable groups in the society. In this backdrop, the objective of the CIF and IGG is to provide financial access to the poor women so that they can play an important role in the development process in the country.

This study assessed the impact of CIF, IGG, and saving components of the SUCCESS Programme. In this chapter, we present a discussion of the key findings structured around the five family of hypotheses given in Chapter 3, Section 3.1

Family 1: Poverty Graduation

As per the SUCCESS programme planning, the CIF was designed to be geared towards households with PSC 0 to 23, while the IGG was meant for the poorest households with PSC 0 to 11. Analysis of secondary data pertaining to all CIF and IGG disbursed thus far along with a rigorous analysis of the sample beneficiaries covered in the household survey confirmed that 100% of CIF has gone to beneficiaries that fulfill this criterion. For IGG, funding has gone to household with PSC less than 11 in a majority of the districts. In Larkana and Kambar Shahdadkot however, the decision to hand out IGG was left to the community, with only the maximum cutoff PSC defined by the respective RSP at score 23. In Sujawal, Tando Allahyar, and Tando Muhammad khan less than 2% of IGG funding went to households with PSC above 11 that the community had identified as being deserving – households mainly being run by widowed women or disabled persons. Moreover, FGDs further confirmed that CIF and IGG were being handed out on merit and to the most deserving.

Positive evidence has started to emerge in favor of the hypothesis that access to and utilisation of CIF and IGG improve PSC of beneficiary; a cross-tabulation of current and baseline poverty score bands[15] suggests that out of

15. A Poverty Scorecard (PSC) band analysis has been done by dividing the beneficiaries into different poverty bands from 0-11, 11-18, 19-23, 24-34, 35-59 and 60-100.

the total sample of 2015 CIF beneficiary households, 42% moved to a higher PSC band since the baseline. Similarly, of the 2008 sample IGG beneficiaries 43% moved to a higher PSC band. Having said this, 28% of CIF and 12% of IGG beneficiary households fell into a lower poverty band than the baseline. This warrants a deeper examination, as given that this survey was carried out soon after the initial COVID-19 lockdown was lifted in Sindh, the results could be capturing a spillover effect.

Contribution of CIF and IGG activities to household income was assessed by analysing the profits from investments against the baseline income of SUCCESS households falling with PSC 0-23, as surveyed in 2016. Results revealed that as a percentage of the baseline income, returns from livestock stood at 7%, from agriculture at 11%, and from enterprise at 14%. However, the actual benefits are hypothesised to be higher as through the CIF and IGG investments, households have been able to develop a productive asset-base (especially in terms of livestock and business assets), the returns from which are yet to be fully realised. For example, about 88% of households still possess the animal (and/or the offspring of) bought through CIF or IGG. These prove to be a store of value that the household can tap into in the future. In the meanwhile, households can benefit from milk production of these animals.

Coming at it from a subjective point of view, 84% of women believed that returns from CIF and IGG activities had made a considerable difference in their overall household income. A further 81% believed this increase in income to be sustainable, thus further corroborating the findings. Non-CO members validated this finding, stating that they had witnessed a visible change in the lives of CO members and that the women who received CIF and IGG now have more financial resources to improve their lives.

A worrisome trend however was seen in terms of beneficiaries viewing assets as their personal ownership; only 18% responded positively to personally owning an asset, either individually or jointly with other family members, where in fact the percentage of beneficiaries who purchased livestock alone from their CIF or IGG financing was much higher. Hinting at the ingrained societal structure, this indicates that beneficiaries do not view assets bought through the CIF and IGG (received personally in their name) as their own. On the flip side, of the 18% that did respond to owning assets, 86% own productive assets. Of these, 51% reported acquiring the asset solely through CIF/IGG and a further 15% through the income generated from CIF/IGG activities. An additional 5% pooled in money from other sources along with the CIF/IGG financing (or the income earned through CIF/IGG) to acquire the asset.

Of the CIF and IGG received by households, 98% of the amount was reported to be utilised for income generating activities and livelihood asset creation, with 87% solely invested on the stated plan as envisaged within the micro-investment plan developed by the household prior to receiving

CIF/IGG funds. The rest of the 11% was either spent on another (income generating) activity or invested partially on income generating activities. Only about 2% of the sampled beneficiaries reported not utilising the CIF or IGG for any income generating activity. With such a large percentage of women actually following through with their stated micro-investment plans, it suggests that when presented with the means – which in this case was CIF and IGG financing – women are highly likely to invest in income generating activities. This is further corroborated with the result that about 8% of the income earned through CIF/IGG activities was re-invested.

Of the financing that was not spent on income or livelihood generating activity, women presented urgent needs such as expenditures on health, construction of house roof damaged during rains, or consumption smoothing as the main reasons. Spending on conspicuous or unnecessary consumption remained low.

Family 2: Women Empowerment

Women empowerment as measured by women's intra-household decision making indicators' suggest that CIF loan and IGG financial support have a positive impact on the women's intra-household decision making with respect to visit to family, friends and relatives; getting medical advice or treatment for herself and children; enrolling boy child into school; dealing with children's school teacher; making everyday goods and large assets household purchases; using contraceptives; marriage of children; and taking CIF/IGG or any other loan.

These findings are supportive to the evidence in literature that suggest that there is a strong link between financial inclusion and the women empowerment as access to finance to women increases their role in intra-household decision making. Women want to upgrade skills and many girls learned sewing and earn income. The positive spillover of the project is that even non-members want to join in as they have witnessed the improvement in the lives of CO members

Economic participation was gauged through the time spend on productive, income generating activities as compared to unpaid activities. Mixed results were found in this case. While beneficiaries had reduced the time spend on unpaid household activities, they had also reduced time spent on self-employed (paid) activities. On the other hand, increase in time spent on paid activities was seen, albeit the difference in time was statistically insignificant.

While activities around livestock generally remain with women in rural areas and women are also actively involved in agricultural activities, their roles in enterprise remains limited. For the enterprises invested in using CIF and IGG, beneficiaries were thus asked who primarily ran the enterprise. The result was not so promising, as 64% reported their husbands, sons or other members of the family as primarily responsible for running the business. Only 33% reported solely running the enterprise, while 3% ran it jointly with someone else.

Both the survey as well as FGD results reveal that overall mobility has increased; Beneficiary's visits to family and friends increased significantly after the CIF and IGG support. Similarly, visits to markets, visits to other villages to participate in community institution meetings, and visits to banks have all increased since receiving CIF/IGG. Visits to educational institutions, however, have decreased, possibly because of the closure of schools due to COVID-19.

Family 3: Cost Effectiveness and Cost Benefit

CIF is a revolving capital fund that is managed by community based organisations. Unlike microcredit institutions, which rely on specialised structure and hence are costly to maintain in remote areas, CIF are run by local community institutions, which makes them a low-cost sustainable solution for the provision of funds to the poor. Further, the formal Microfinance Institutions (MFIs) often do not have the proper lens to lend to poor segments of the community. CIF is targeted at women who belong to households who live at or below the poverty line. These poor and marginalised segments of the society are often not part of the conventional financial services offered by the banks

Rural communities tend to rely heavily on friends and family, or shop-keepers and agricultural input dealers for loans or credit. While social networks generally function well within rural societies as a cheap and reliable source of borrowing, they tend to be highly susceptible to shocks that impact the whole community or village. For a village that mostly relies on agriculture as a means of livelihood, for example, would collectively suffer in case of a bad cropping season. The CIF fund, allocated to the LSOs by the RSPs to be revolved within households therefore provides a safer option of lending. Moreover, at less than 8% each, CIF and IGG prove to me more cost effective than the formal lending options available to rural communities.

The cost effectiveness of CIF loans can be gauged by the following analysis: For an amount of PKR 20,000, the average CIF service charges and associated costs for the beneficiary would come to be around PKR 1,400. Comparing the costs with average annual income earned from CIF gives a very low cost benefit ratio at 0.07.

Family 4: Institutional Stability

According to secondary programme level data the total CIF amount disbursed as of October 2020 has revolved with an overall revolving rate of 38%, with 188 (72%) LSOs revolving the CIF at least once. Data further revealed that LSOs have three streams of receipts in their accounts: First, the CIF grant received from RSPs, second, bank profit on their accounts, and third is services charges, loan processing fee the LSOs receive from CIF beneficiaries. In total, as of October 2020, the bank profit on CIF investment stood at PKR 48.7 million, while PKR 89.5 million has been received as service charge, processing and membership fees. The latter two streams of receipts mean a growing monetary for the LSOs through which they will be able to not only grow the amount of CIF being revolved, but also ensure operational sustainability post SUCCESS and RSP support.

Key Informant Interviews with the LSOs office bearers and assistant programme managers further revealed that many LSOs have acquired the capacity to manage the revolving of CIF loan without much support from the RSPs. LSOs monitor the activities of its staff and beneficiaries effectively with a well-defined mechanism to ensure recovery. A conflict management system is also in place. LSOs plan to continue collecting CIF processing fee/ services charges and use that money to ensure sustainability and revolving of CIF once the SUCCESS programme ends.

Family 5: Social Cohesion and Discipline of Saving

Trust among community members can play an important role in matters related to money lending, borrowing, and collection of savings. FGDs findings suggest that LSO members, CO members and the general community trust each other. This trust exists because CO officials conduct their work in a fair manner and all CIF/IGG support are approved on merit. There is consensus that the financial management skills of women have improved significantly after handling CIF and IGG. The positive spillover of the Programme is that even non-members now want to join COs as they have witnessed the improvement in the lives of CO members.

Although an overwhelming majority (91%) of the CIF and IGG beneficiaries expressed that it is important to save some amount each month, only half currently had savings with their CO. However, a small percentage did have savings elsewhere, such as at home (cash in hand), in committees, or with neighbours. For those who did not save, a lack of income was reported to be the top most reason for not having any savings. On a positive note, less than 2% of these beneficiaries reported savings being useless as their reasoning for no savings.

In general, average saving with the CO in each meeting for CIF beneficiaries was higher by 50% than for IGG beneficiaries. Total average saving with the CO for CIF and IGG beneficiaries was PKR 1,671 and PKR 1,067 respectively, with the savings of sampled CIF beneficiaries was almost 57% higher than the IGG beneficiaries. These results indicate that although the poor may be willing to save, doing so is not always easy.

Mr Mohsin Solangi conducting a focus group discussion with CIF and IGG beneficiaries.

The sub-sample of beneficiaries who saved with COs were further probed whether they had ever withdrawn a part (of whole) of their savings. 22% of those CIF beneficiaries with savings and 15% of IGG beneficiaries with savings had thus far withdrawn some amount. Utilisation of savings was mainly to meet health expenditures (59%), followed by food expenditures (33%), and for other reasons such as to meet educational expenses, to make deposits at time of bank account opening, to buy clothes, or to help out a friend or relative in need.

FGDs further reveal that communities do understand the importance of savings as an important source of capital, which can provide funds for business expansion, and can be used in emergencies for smoothening consumption. findings suggest that although initially community members mocked the idea of savings, they no longer do so as they are now more aware of the benefits of savings and have also benefitted from savings in time of emergencies.

6. CONCLUSION

Financial inclusion protects the principle of universal accessibility of financial services to individuals and businesses at affordable rates. It is defined as the availability and equality of opportunities to access financial services through a process by which individuals and businesses can access appropriate, affordable, and timely financial products and service. In developing countries like Pakistan, women disproportionately experience poverty and usually have limited control over household spending and finance. In this backdrop, the objective of the CIF and IGG is to provide financial access to the poor women so that they can play an important role in the development process in the country.

The aim of this study was to assess the impact of CIF, IGG and savings components of the SUCCESS Programme in achieving its objectives and contributing to the overall impact of the programme. A household survey has been carried out to collect quantitative data across eight programme districts, covering 4,023 women beneficiaries. FGDs and KIIs have also been conducted with beneficiaries, community leaders, and programme implementers and managers at district level to capture qualitative aspects of the assessment.

Till October 2020, the SUCCESS programme assisted a total of 125,000 households with total portfolio of PKR 1.5 billion for CIF and PKR 0.56 billion for IGG. Livestock remained one of the most important sectors for investment at 82%, followed by agriculture at 10%, and enterprise at 8%. The overall average amount of IGG was PKR 15,433 while average amount of CIF was 17,552. The CIF loan recovery rate stood at 95%.

Results suggested that as compared to the 2016 baseline, 42% of the sampled CIF beneficiary households have moved to a higher PSC band in 2020. Similarly, 44.5% of the sampled IGG beneficiaries have moved to a higher PSC band. These results indicate a lower poverty level after the CIF and IGG interventions. Overall contribution of CIF/IGG income as a percentage of the baseline income came out as 7% for livestock, 11% for agriculture, and 14% for enterprise. Given the stock of animals unsold and value of businesses setup however, a larger unrealised benefit of the CIF/IGG remains. Across the board, returns to beneficiaries who had obtained multiple CIF loans remained higher. Estimated cost of borrowing for the beneficiaries in obtaining CIF loans proved to be more cost effective than other sources of finance.

Survey results and FGD discussions both revealed that although beneficiaries were well aware of the benefits of savings, only half currently had some savings with their CO. Withdrawal and utilisation of savings from COs had mainly been for health purposes, followed by for food expenditures. Women empowerment indicators suggested CIF and IGG to have a positive impact on the women's intra-household decision making and mobility. With regards to trust, FGD discussion revealed that LSO members, CO members and the community generally trusted each other.

The broader policy implication for the positive impact of CIF and IGG on income and savings coupled with the cost effectiveness of the approach emphasises that given the limited available resources with the government and foreign donors in the wake of Covid-19, the provision of financial access to the poor via CIF and community mobilisation approach should be the corner-stone of the country's poverty reduction strategy. A revolving fund such as the CIF that preconditions on income generating activities would lead to a larger coverage of the poor population and a greater impact on poverty reduction as compared with other approaches.

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ANNEX: LIST OF FIELD ENUMERATORS AND SUPERVISORS

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Tahira Ashfaq Mangi	Enumerator
Preh Merani	Enumerator
Sanam	Enumerator

Matiari	
Sibghtullah Malik	Supervisor
Mehak	Enumerator
Fareeda Jat	Enumerator
Sabeena Khan	Enumerator
Suman Abbasi	Enumerator
Tando Allahyar	
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