POLICY BRIEF

Livelihoods Impacts of **BRACE** Interventions

25th October 2021

Introduction to BRACE

The Balochistan Rural Development and Community Empowerment Programme (BRACE) which was launched in 2017, a five-year rural development programme funded by the European Union with a grant of 34 million Euros (PKR 3.77 billion). It supports the Government of Balochistan in the socio-economic development of the rural poor in nine districts of Balochistan. The aim is to partner with local authorities to build and empower resilient communities and identify and implement socio-economic development activities on a sustainable basis. The National Rural Support Programme (NRSP) implements the Programme in Kech and the Balochistan Rural Support Programme (BRSP) in the remaining eight districts. The Rural Support Programmes Network (RSPN) has a coordination role, assuring standard implementation and monitoring, undertaking socio-economic research, and sharing evidence with the Technical Assistance (TA) Component team for the formulation of community led local development policy.

Study to Assess Three Interventions

BRACE commissioned a study in the first half of 2021 to assess three main household-based interventions extended to female and male members of Community Organisations (COs) – Income Generating Grants (IGGs), interest-free loans from the revolving Community Investment Fund (CIF), and Technical, Vocational and Education Training (TVET). The overarching objective of the study was to assess outcomes and livelihood impacts related to the above-mentioned interventions. The study included a sample survey of 1,063 beneficiaries and 311 non-beneficiaries in three Programme districts (Kech, Khuzdar and Loralai).

Implementation Status of Interventions

By 31 December 2020, BRACE had disbursed PKR 272 million in Income Generating Grants (IGGs) to 5,790 of the poorest CO members (average grant of PKR 47,000 to each household) and PKR 71 million to 2,588 of the poor for CIF (average loan of PKR 27,500 to each household). In addition, 1,678 of the poor had received training in various skills/trades through Technical Vocational and Education Training (TVET) such as mobile repairing, electrician, motorcycle repairing, etc. Approximately 70% of these 10,056 beneficiaries received the interventions in 2020 and the remaining in 2019. Implementation was adversely affected by regulations that emerged in 2018 and affected the registration, banking, and basic operations of community institutions.

Socio-economic Context

The study took place at a time when the country had been going through serious disruption of life and livelihoods due to the coronavirus disease 2019 (COVID-19) pandemic for more than a year. Moreover, economic growth had slowed down to 1.9 percent per year in 2018-19 and was minus 1.5 percent in 2019-20. Double-digit food inflation has prevailed in rural areas in recent years, and unemployment and poverty have increased substantially. Balochistan, which already had the highest incidence of poverty in the country, was seriously affected.

How the Poor Responded

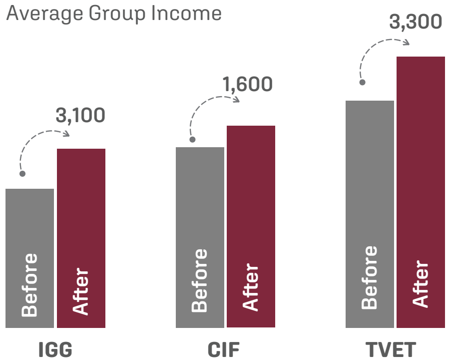
Beneficiary investment in livestock, agriculture inputs and micro-enterprises varied considerably across districts for both CIF borrowers and IGG recipients. In TVET, preferences for training also varied considerably across districts. These variations reflect the flexibility provided to the poor through the Micro Investment Plan (MIP) process: before a household receives an intervention, the MIP engages each member of a CO to decide, in consultation with household and CO members, how s/he will increase income by pursuing an opportunity that s/he herself can manage.

The study documented how activities supported through the three interventions were undertaken as household activities where the individual recipient along with the spouse was involved in decision making, and the spouse along with other household members were contributing to labour. 70 percent of the female IGG beneficiaries and 58 percent of the female CIF beneficiaries contributed labour to their income-generating activities. However, their dependence on their husbands was greater than that of the men on their wives.

Changes in Household Income and Wellbeing

Based on survey data, average beneficiary household income per month in 2021 was reported to be PKR 16,800 for all beneficiaries as a group, and PKR 7,100 for the female beneficiaries.

Impact of Interventions on Income
Average Group Income



- IGG beneficiaries reported an average increase in income (net of cost) of PKR 3,100 per month, which is the equivalent of 23 percent of their average monthly household income
- CIF beneficiaries reported an average increase in income of PKR 1,600 per month (11 percent of their average monthly household income)
- TVET beneficiaries reported an average increase in income of PKR 3,300 per month (16 percent of their average monthly household income)
- Poverty graduation: 24 percent more of the IGG beneficiaries moved from PSC 0-18 to PSC 24-100, and 30 percent more of the TVET beneficiaries moved from PSC 0-23 to PSC 24-100, compared to the comparison group of non-beneficiaries

Qualitative evidence from female and male beneficiary focus groups consistently pointed to several specific ways in which beneficiary income helped improve food consumption for all household members (including children), access to health care, and children's education. There is also some evidence of increased mobility of female beneficiaries (but not when it came to banks and government offices).

Possible Improvements

The study suggests that there is need for reflection on the allocation of IGG and CIF funds, by each implementing partner, in proportion to the population of the poor at the district and union council levels. For this purpose, data from the 2017-18 BRACE Poverty Score Card census may be used.

At the household level, there are indications that prevailing incentive are leading beneficiaries towards grants and away from the CIF, and may be creating dependency on the IGGs. BRACE needs to consider how to motivate the target group to rely more on the CIF and less on the IGGs. One option is to offer similar amounts of IGGs and CIF loans, instead of the substantially larger IGGs offered in the BRSP districts.

There is also the challenge of fixed amount per beneficiary for IGGs and CIF versus responding more flexibly to the needs of the poor in the BRSP districts. With reference to the MIP, fixed amounts are not consistent with the intended pro-poor orientation of the interventions, which is based on decision making by the poor. BRSP maintains that fixed amounts to avoid social conflict and grievances in the communities.

Survey data suggests that income from IGGs and CIF is positively correlated with the amounts made available to the beneficiaries for these interventions (income is greater when the assistance is greater). In future programmes (if not in BRACE), the average amount of assistance could be determined with reference to a target increase in average real income over a given period of time.

As a point for reflection, a target of a 15 percent increase in real income over one or two years may be realistic in view of the income associated with IGG and CIF activities. The study indicates that project assistance of PKR 50,000 per beneficiary could help achieve this target. This could be offered through IGGs as well as appropriate CIF products (loans for one or two years).

A majority of TVET beneficiaries in the survey (and 71% percent of the men among them) reported that they were not currently earning from the trade in which they received training. Moreover, the beneficiaries included in this study were divided between those who thought that the market had ample opportunity and those who felt otherwise. It could be useful to organise district-level group discussions among beneficiaries with diverse experiences of local market conditions (separately for women and men). BRACE Programme staff and key community members could also benefit from joining this kind of discussion.

The lack of livestock disease control inhibits investment in livestock and some of the beneficiary households reportedly lost a considerable amount of their scarce assets due to livestock deaths. Thus, the provision of timely veterinary advice and services during procurement and the livestock production and management cycle needs attention.

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