

2015

A Comparative Analysis of BISP Cash Grants with CIF & Assets Transfer



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Introduction

In last five years, different poverty reduction initiatives have been undertaken by national and international funding agencies including Government of Pakistan in which extremely poor and destitute have been targeted for poverty alleviation. Most prominent initiatives amongst these are the direct cash transfer (like BISP), assets transfer and access to financial services for economic activities. All these initiatives had one thing common; that is the use of Pakistan Poverty Scorecard (PSC) for the selection/identification of targeted beneficiaries.

This study is an effort to measure the impact of these different types of interventions and investigate which intervention is the most efficient and effective in terms of benefits to the poorest households. For this purpose, one Union Council named Hajipur was selected in District Rajanpur, where following three different types of interventions were carried out during the last 4 years i.e;

- Income support to the poorest households; by Benazir Income Support Programme (BISP)
- Transfer of productive assets to the poorest households; through Pakistan Poverty Alleviation Fund (PPAF)
- Financial services to the poorest households; through PPAF funding

In all three interventions, the Poverty Scorecard (PSC) data of the national survey conducted by the BISP (Govt. of Pakistan) was used for the selection of poor households and same tool (Poverty Scorecard) was used to assess the poverty status of benefited households after the intervention. A comparative analysis exercise was carried out to measure the change in their overall poverty scores.

The BISP Poverty Scorecard (PSC)

Launched originally in 2009, the Benazir Income Support Programme (BISP) was designed to provide monthly cash grants to the poorest 20% of the population, equivalent to more than 6 million families. It had two main objectives:

- The short-term objective was to cushion the negative effects of the food and fuel price crisis on the poor
- The medium-term objective was to develop a modern safety net programme that will protect the population against chronic and transient poverty

To be eligible to receive the BISP cash transfer, a household must had to satisfy two broad criterions. Firstly, must achieve a certain poverty score and secondly, must have at least one female (part of the household) who is or has been married (ever-married) and who holds a valid Computerized National Identity Card (CNIC).

For this, the World Bank designed a simple Scorecard having different poverty assessment indicators, which was used by BISP later-on for national rollout. This was for the first time that a national survey was conducted in 2010-11 by BISP-Government of Pakistan (through Rural Support Programmes and other consulting firms). The collected data by BISP not only serves the purpose of identifying poorest households for BISP cash transfer but also being used by BISP/Government of Pakistan to serve the poor through different other poverty alleviation interventions.

| Poverty Score Bands | |
|---------------------|-----------------------|
| Score Ranges | Poverty Categories |
| 0-11 | Extremely poor |
| 12-18 | Chronically poor |
| 19-23 | Transitory poor |
| 24-34 | Transitory vulnerable |
| 35-59 | Transitory non-poor |
| 60-100 | Non Poor |

Assets Transfer and Community Investment Fund (CIF)

NRSP has also used BISP's PSC data for many poverty alleviation projects. Purpose was the selection of poorest households and to undertake household level targeted poverty alleviation interventions. In such cases BISP scorecard data was used as baseline and to improve the poverty rankings. Poorest families were selected and provided assets, grants, financial services etc based on their poverty scores.

Under the PPAF funded Livelihood Enhancement and Protection (LEP) project, the households within the range of PSC 0 to 11 (Extremely Poor) were provided with Productive Assets (Livestock, Enterprise etc); so that they could improve their poverty scores and move to a higher poverty bands. Households which fall in the PSC range of 12 to 18 (Chronically Poor); were provided with credit (access to microfinances) through Community Investment Fund (CIF). Idea was that the beneficiaries could invest the money in their livelihood activities so that they may improve and sustainable their livelihoods; further moving in the higher poverty bands.

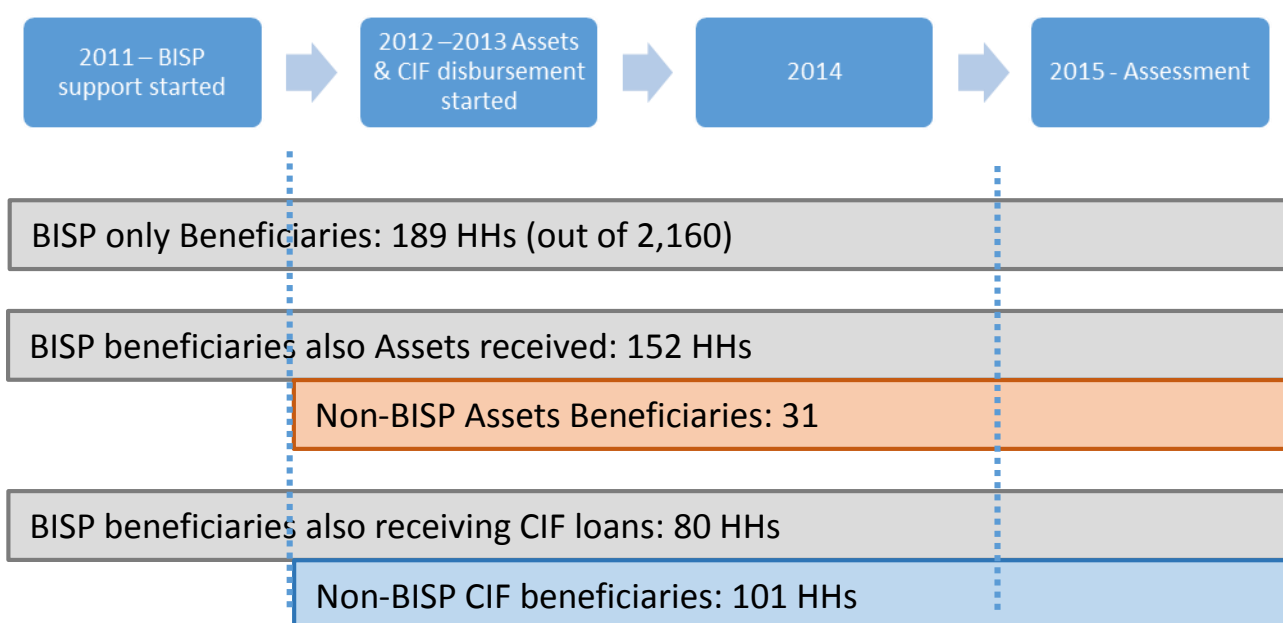
While some of these families were also receiving monthly grants from BISP, NRSP took an initiative to provide these families with assets (sewing machines, various shops, livestock etc.) and skills (electrician, mechanic, barber etc.) according to their poverty score rankings. NRSP also targeted poorest families and facilitated them with access to microfinance opportunities so that they may improve and sustain their livelihoods.

Profile of Local Support Organization (LSO) Hajipur

Union council Hajipur is part of Jampur Tehsil in district Rajanpur with a population of 32,566 (5,337 Households) settled in 21 villages. In 2010, under the PPAF funded Social Mobilization (SM) project; NRSP started social mobilization process with women community members who belonged to poor families. These women households were mobilized and they established community organizations (COs) at the Mohalla/Settlement level. Later on, these women COs formed Village Organizations at the revenue village levels. And in June 2011, the formed Village Organizations established the Local Support Organization at the Union Council level and named it LSO Hajipur. Currently, the LSO is working with 21 VOs and 281 COs. Through this 3-tier network of COs, VOs, and LSO; a total of 3,747 (70%) households have been organized in the UC. The LSO has an established office and comprises of 30 General Body members, all of them are women. The executive body of the LSO comprises of 7 women members.

In May – June 2012, under the PPAF Livelihoods Enhancement and Protection (LEP) project; 189 households were provided with Assets including Livestock, Enterprise Shops etc and all of them fall in the poverty range of 0 to 11 (extremely poor). In 2012-13, under the PPAF funded LEP, SM and Livelihoods Enhancement and Enterprise Development (LEEDs) projects; the LSO Hajipur received PKR 3.5 million for Community Investment Fund (CIF) which was used to provided small loans to households. These households were mostly selected using the poverty scorecard data, providing loans to households within the score range of 0 to 23. Following are some of the outputs of CIF initiated by the LSO:

- 577 loans disbursed; as of February, 2015
- PKR 8.2 million disbursed; as of February, 2015
- PKR 4.1 million; current amount of CIF; as of February, 2015
- 1,648,600 is the active portfolio; February, 2015
- 103 active loans (100% female); February, 2015



Survey Methodology

As mentioned earlier, main objective of this study was to measure the impact of all three interventions including BISP cash transfer, PPAF assets transfer and CIF in terms of change in status of poverty for the targeted beneficiaries. Separate list of beneficiaries were prepared for BISP, Asset and CIF. Since Asset beneficiaries had the lowest number; so the same number of beneficiaries was taken from the other two interventions (i.e; BISP and CIF). The total sample size was 553 of which 189, 181 and 189 were the beneficiaries of Assets, CIF and BISP respectively. Moreover, 6 Assets beneficiaries migrated from the area and BISP PSC score of 101 CIF beneficiaries were not known; so in both cases 6 Asset and 101 CIF beneficiaries were not made part of the sample reducing the total sample size from 553 to 452. Following is the detail of survey sample and timelines of all three interventions:

| Activity | BISP Survey | BISP Beneficiaries | Assets Transferred | CIF Beneficiaries | Impact Assessment survey |
|-------------|-------------|----------------------------------|--------------------|--------------------|--------------------------|
| Timeline | Mar, 11 | Aug, 11 | May-Jun, 12 | May, 12 to Apr, 13 | Dec, 14 |
| Sample Size | 5,337 | 189 out of 2,190 (PSC - 0 to 16) | 183 out of 189 | 80 out of 181 | Total Sample 553 |

NRSP engaged its field staff as enumerators for this survey exercise who gone through a one day training event in which they were briefed on survey tools and data to be collected from the beneficiaries. Survey was completed in three weeks' time and was monitored by senior professional for quality control. Further it took two additional weeks for the completion of data entry, cleaning, analysis and finalization of report.

Study Findings

Impact of BISP Grants on Poverty

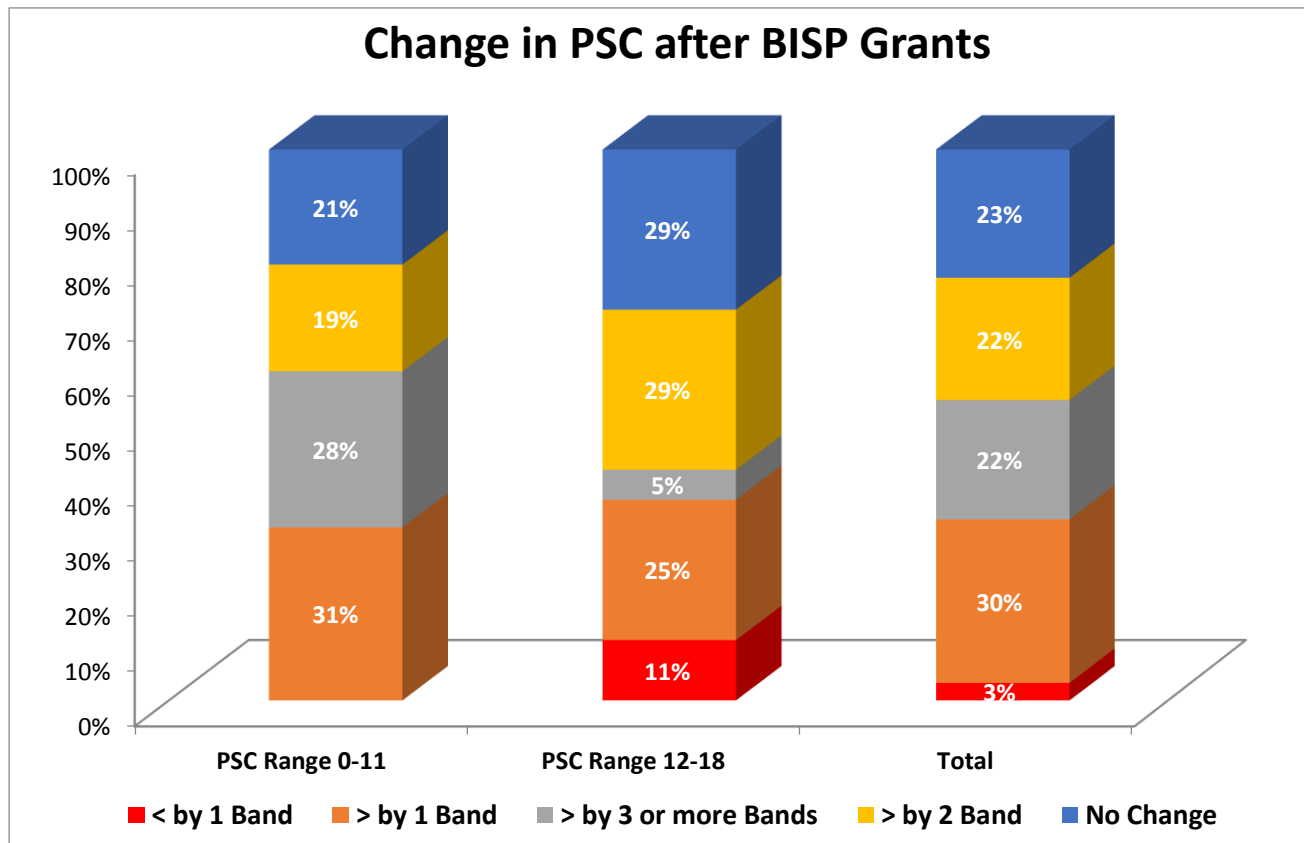
189 BISP beneficiary households were made part of this survey/study exercise and BISP itself was the primary source for the collection of baseline PSC scores by NRSP. These beneficiaries who fall under PSC score ranging from 0 to 16.7 (Extremely Poor and Chronically Poor) were/are being facilitated with quarterly cash grants from BISP which gradually increased from PKR 2,000 to 4,500. Until now, on average each beneficiary is facilitated with PKR 45,000. Table above shows the details of change in BISP cash grants for each beneficiary in different intervals.

| BISP Cash Grants in different intervals | |
|---|-------------------|
| Period | Cash Grants (PKR) |
| Aug, 11 to Dec, 11 | 2,000 |
| Jan, 12 to Jul, 13 | 3,000 |
| Aug, 13 to Jun, 14 | 3,000 |
| Jul, 14 to-date | 4,500 |

Overall 87% increase in PSC scores of BISP beneficiaries has been recorded during the survey. 71% extremely poor beneficiaries who fall in PSC range from 0 to 11 before the BISP intervention; reduced to 18% only.

| PSC Bands | Status of Surveyed BISP Beneficiaries | |
|-----------|---------------------------------------|------------|
| | Before BISP | After BISP |
| 0-11 | 71% | 18% |
| 12-18 | 29% | 31% |
| 19-23 | 0% | 21% |
| 24-34 | 0% | 25% |
| 35-59 | 0% | 4% |
| 60-100 | 0% | 1% |

Moreover, 51% beneficiaries now have PSC scores ranging from 19 to 73 which were 0% before the intervention. It is important to note that 5% beneficiaries now fall in the poverty band categories of being Non-Poor. Poverty Bands analysis indicated that 30% beneficiaries improved by 1-Band and 44% improved by 2 or more than two Poverty Bands; whereas set-back towards lower Poverty Bands for 3% beneficiaries was also recorded during the survey.



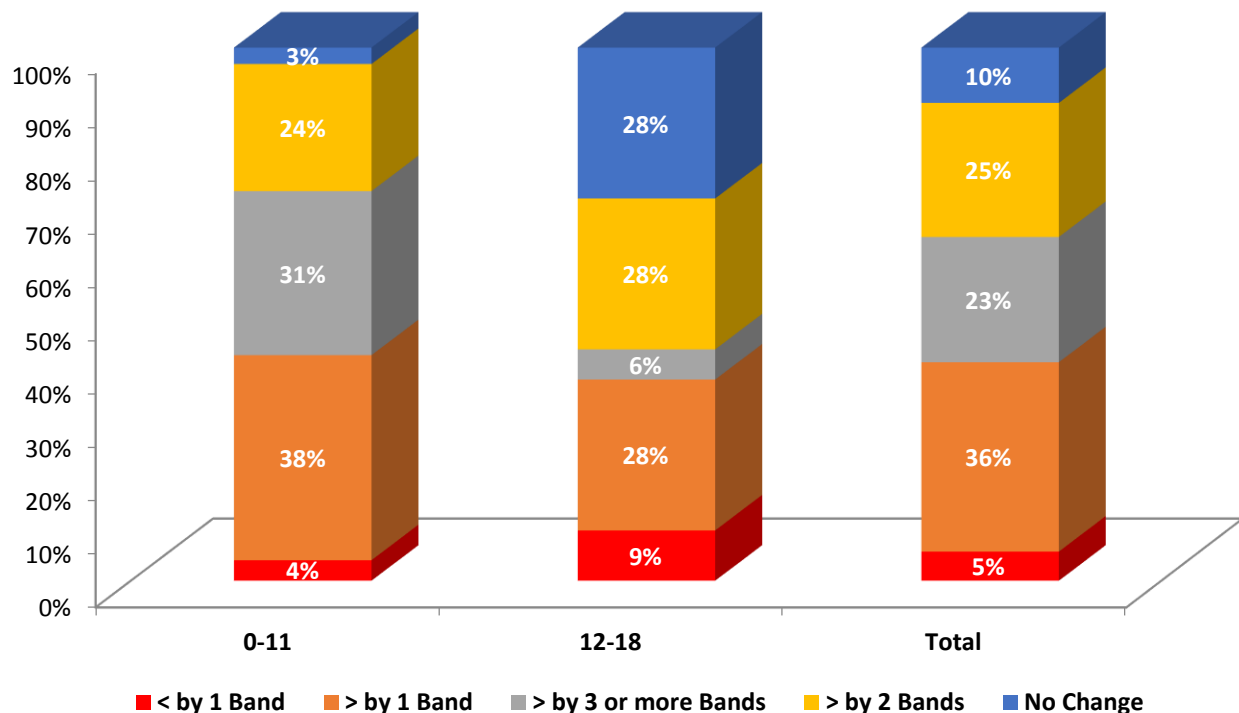
Impact of Assets Transfer + BISP Grants on Poverty

183 PPAF funded assets transfer beneficiary households were made part of this survey/study exercise and BISP itself was the primary source for the collection of baseline PSC scores by NRSP. These beneficiaries who fall under PSC score ranging from 0 to 16.7 (Extremely Poor and Chronically Poor) were facilitated with different productive assets including livestock, material for shops and enterprises etc. PKR 25,000 was the average cost of each asset provided to the selected beneficiaries; which though ranged from PKR 20,000 to 25,000. This is to note that all these beneficiaries were also facilitated with regular BISP grants costing PKR 45,000, as discussed before.

| PSC Bands | Status of Surveyed BISP Beneficiaries | |
|---------------|---------------------------------------|------------|
| | Before BISP | After BISP |
| 0-11 | 71% | 7% |
| 12-18 | 29% | 37% |
| 19-23 | 0% | 25% |
| 24-34 | 0% | 26% |
| 35-59 | 0% | 6% |
| 60-100 | 0% | 0% |

Overall 86% increase in PSC scores of Assets Transfer plus BISP Grant beneficiaries has been recorded during the survey. 71% extremely poor beneficiaries who fall in PSC range from 0 to 11 before the Assets Transfer and BISP Grants interventions; reduced to 7% only. Moreover, 57% beneficiaries now have PSC scores ranging from 19 to 53 which was 0% before the both interventions. It is also important to note that 6% beneficiaries now also fall in the poverty band categories of being Non-Poor. Poverty Bands analysis indicated that 36% beneficiaries improved by 1-Band and 48% improved by 2 or more than two Poverty Bands; whereas set-back towards lower Poverty Bands for 5% beneficiaries was also recorded during the survey.

Change in PSC after PPAF Assets Transfer Plus BISP Grants



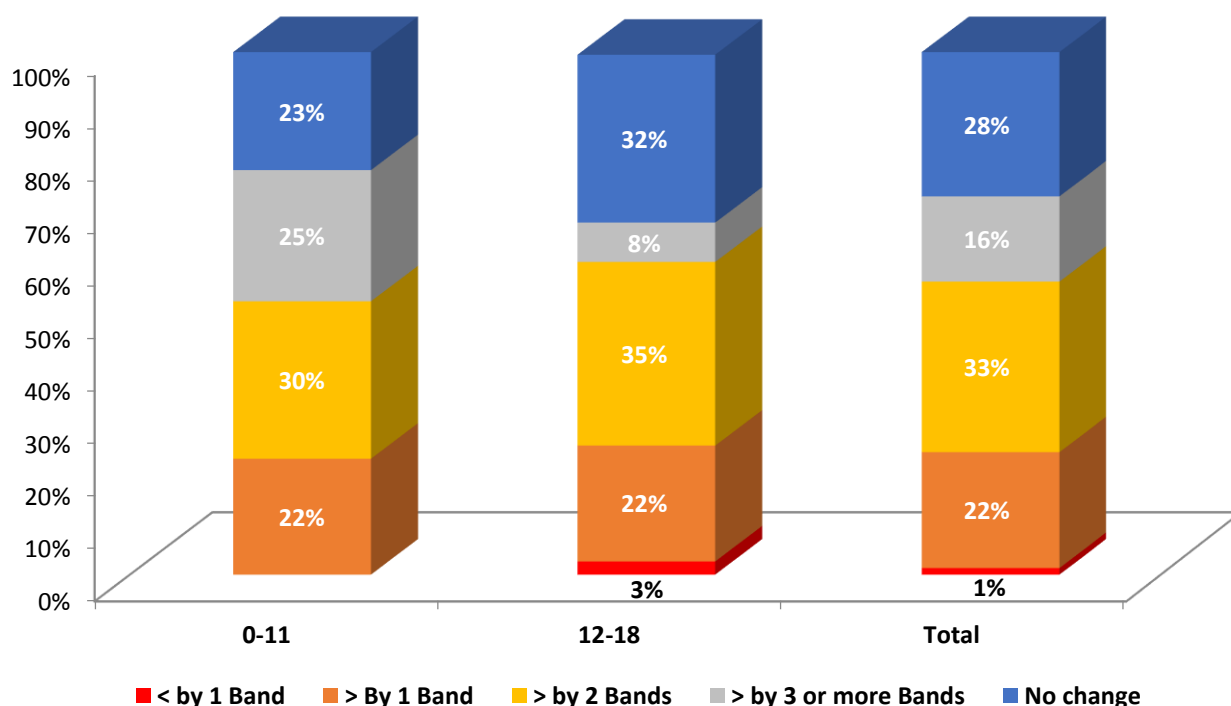
Impact of Community Investment Fund (CIF) + BISP Grants on Poverty

NRSP with the funding of PPAF provided a credit grant of PKR 3.5 million to Local Support Organization (LSO) Hajipur. Purpose was to meet financial needs and give access to easy microfinance loans for small farmers and enterprises in the area. As of February 2015, 577 loans (ranging from PKR 10,000 to 15,000) have been disbursed by the LSOs among which 80 beneficiary households were made part of this survey/study exercise and BISP itself was the primary source for the collection of baseline PSC scores by NRSP. These beneficiaries fall under PSC score ranging from 0 to 16.7 (Extremely Poor and Chronically Poor) and this is to note that all these beneficiaries were also facilitated with regular BISP grants costing PKR 45,000, as discussed before.

| PSC Bands | Status of Surveyed BISP Beneficiaries | |
|-----------|---------------------------------------|------------|
| | Before BISP | After BISP |
| 0-11 | 50% | 13% |
| 12-18 | 50% | 28% |
| 19-23 | 0% | 26% |
| 24-34 | 0% | 29% |
| 35-59 | 0% | 5% |
| 60-100 | 0% | 0% |

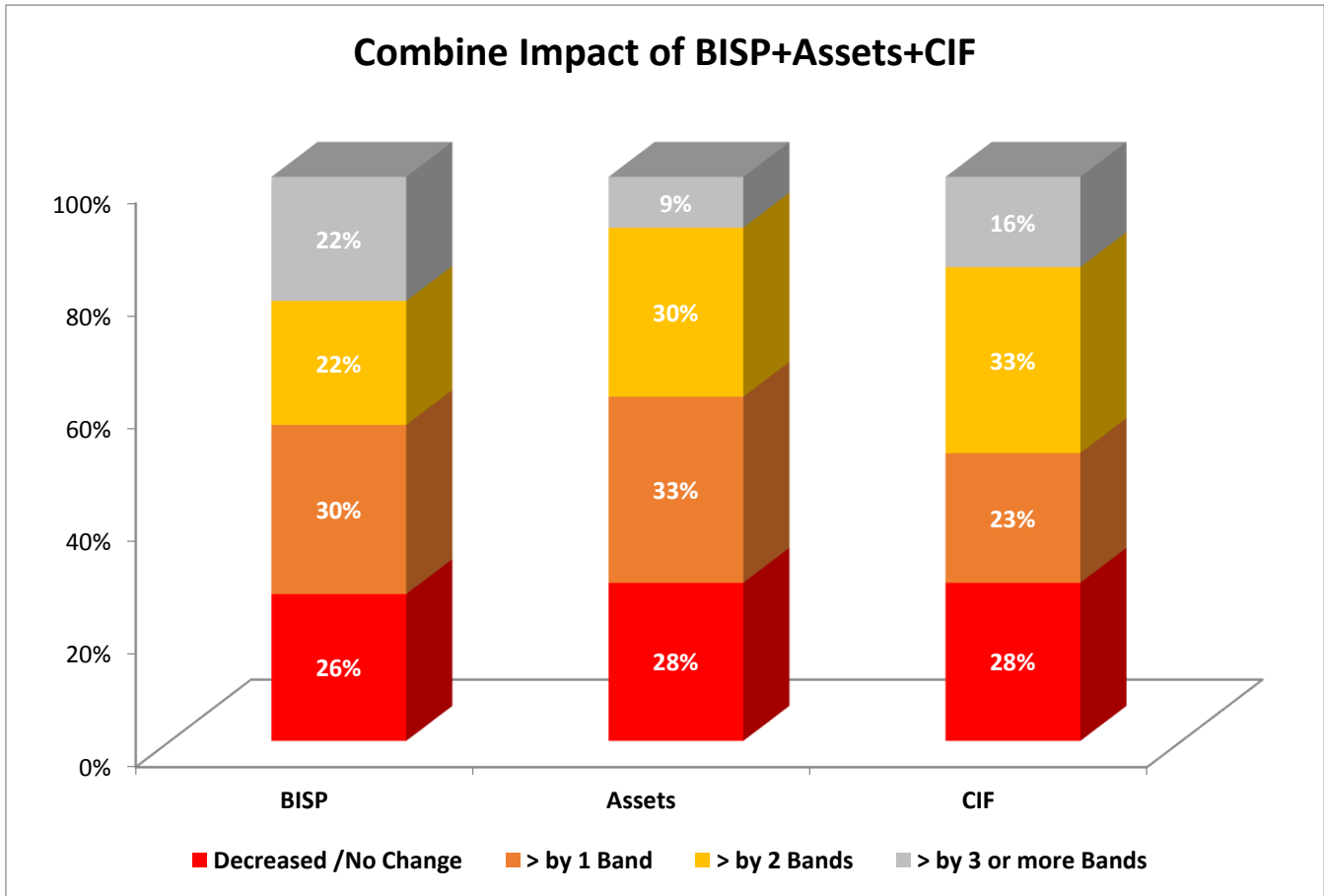
Overall 84% increase in PSC scores of CIF plus BISP Grant beneficiaries has been recorded during the survey. 50% extremely poor beneficiaries who fall in PSC range from 0 to 11 before the Assets Transfer and BISP Grants interventions; reduced to 13% only. Moreover, 60% beneficiaries now have PSC scores ranging from 19 to 45; which was 0% before the interventions. It is also important to note that, 5% beneficiaries now fall in the poverty band categories of being Non-Poor. Poverty Bands analysis indicated that 22% beneficiaries improved by 1-Band and 49% improved by 2 or more than two Poverty Bands; whereas set-back towards lower Poverty Bands for 1% beneficiaries was also recorded during the survey.

Change in PSC after CIF Plus BISP Grants



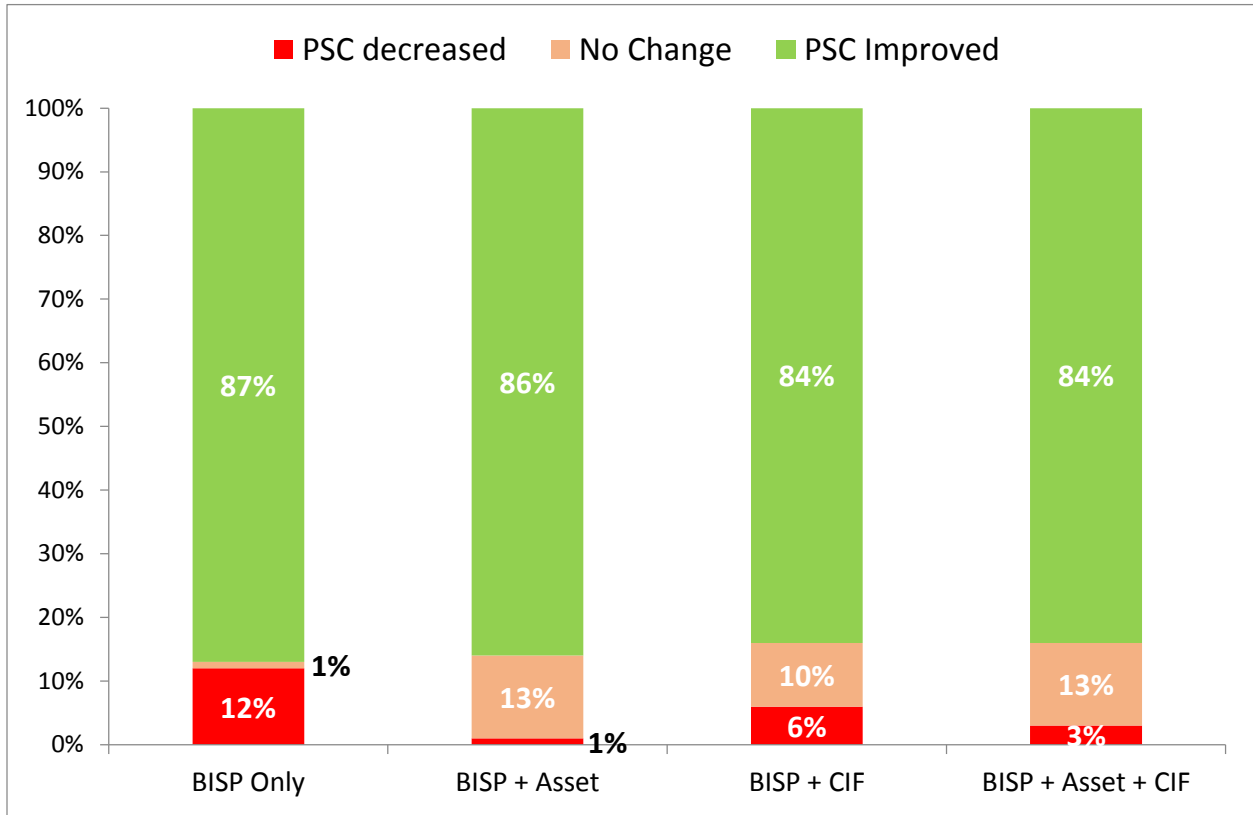
A Combine Impact of BISP, Assets Transfer and CIF on Poverty

Overall 84% increase in PSC scores of beneficiaries (facilitated with all three interventions i.e; BISP, Assets Transfer and CIF) has been recorded during the survey. Moreover, 61% beneficiaries now have PSC scores ranging from 19 to 45; which was 0% before the interventions. It is also important to note that, 5% beneficiaries now fall in the poverty band categories of being Non-Poor.



Summary of Findings

Following diagram summarizes the intervention wise change in PSC scores of beneficiary households:



Conclusion

Following are some of the major conclusions of this study:

- Though each of the three interventions (i.e; BISP, Assets Transfer, CIF) caused a major increase (85% on average) in PSC scores of the beneficiary households but there has no significant difference among all three interventions being more effective and efficient.
- In-terms of decrease in PSC scores of beneficiaries; BISP remained at top with 12% beneficiary households; followed by 6% in the case of BISP+CIF intervention beneficiaries.
- Comparing CIF with BISP; following are the major social and economic benefits of CIF has been recorded over the time:
 - Enhanced capacity of remote rural communities to manage financial resources for long-term basis
 - Fostering a cadre of office bearers specializing on micro credit in the LSOs
 - Ability of the CIF to revolve and hence enable the LSOs and support organizations to reach more and more people
 - Increase “inclusion” as compared to commercial micro credit