No Household Left Behind
A LOOK AT THE IMPACT EVALUATION OF THE AFGHANISTAN “TARGETING THE ULTRA-POOR” PROGRAM

Improving livelihoods and women’s empowerment among the ultra-poor in Afghanistan; expanding knowledge on poverty reduction in fragile and conflict-affected settings.

Program Details

LOCATION:
Six provinces in Afghanistan

TARGET GROUP:
Ultra-poor households

IMPLEMENTING AGENCY:
Microfinance Investment Support Facility for Afghanistan (MISFA)

NUMBER OF PROGRAM RECIPIENTS:
7,500 households; about 52,500 people

TIMELINE:
2015–2018

TOTAL FINANCING:
$15 million

FUNDING PARTNERS:
International Development Association (IDA)

Key Findings

- An impact evaluation of the Targeting the Ultra-Poor (TUP) program in Afghanistan suggests that big-push interventions can dramatically reduce poverty in fragile and conflict-affected areas.
- One year after the intervention ended, consumption had increased by 30% and poverty decreased by 20 percentage points (from 82% in the control group).
- The intervention improved women’s labor participation in a context where gender gaps in access to assets and inputs, and discrimination in paid employment, are the norm.
- The program is cost-effective, with an estimated internal rate of return of 26%.
- These results are the first positive and significant impacts of a TUP program in a conflict setting, with larger consumption increases than those reported in TUP programs in more stable settings (Banerjee et al. 2015; Bandiera et al. 2017).

Context

While global poverty has declined remarkably over the past 30 years, gains have not been equally distributed. In Afghanistan, the share of people living below the national poverty line increased from 38% in 2011/12 to 55% in 2016/17. The ultra-poor in Afghanistan face multiple, simultaneous constraints that often reinforce their socioeconomic status and may trap them in persistent poverty. Lacking skills, assets, and employment opportunities, ultra-poor households face slim prospects for a path out of poverty. The situation is particularly acute for women in these households: in our study areas in Balkh, less than 4% of primary women in the household can read and write, two in three of these women experience depression, and just over half of eligible girls attend school.
Afghanistan TUP Impact Evaluation

INTERVENTION

Productive asset transfer (cow, sheep, or goats)

Health subsidy of US$22

Entrepreneurship training

CONSTRAINTS at baseline

Low levels of human capital
4% of women are literate

47% of girls do not attend school

Financial constraints
68% of households are in debt; only 2% save anything

Food insecurity

Poor physical and mental health
67% of women are depressed

47% of children under 5 have diarrhea

30% increase in consumption

20 pp decrease in households living below the poverty line

Productive asset transfer (cow, sheep, or goats)

Health subsidy of US$22

Improvement in women’s empowerment and mental well-being

17 pp decrease in depression

23 pp increase of women with financial assets in their name

Financial, health, and education services

53% reduction in debt

68% of households are in debt; only 2% save anything

47% of girls do not attend school

4% of women are literate

42% of households skip or reduce meals for kids

All photos courtesy of MIFSA.
Afghanistan TUP Impact Evaluation

Low levels of human capital

Poor physical and mental health

Food insecurity

68% of households are in debt

47% of children under 5 have diarrhea

42% of households skip or reduce meals for kids

INTERVENTION

Biweekly coaching sessions

6 pp increase in school enrollment

8 pp decrease in child diarrhea rates

26 pp increase in likelihood of saving

53% reduction in debt

Financial constraints; only 2% save anything

67% of women are depressed

Monthly stipend of US$15 for a year

Entrepreneurship training

Linkages to financial, health, and education services

Biweekly coaching sessions

30% increase in consumption

20 pp decrease in households living below the poverty line

Improvement in women’s empowerment and mental well-being

23 pp increase of women with financial assets in their name

17 pp decrease in depression

22 pp increase in women’s labor force participation

IMPACTS

2 years after asset transfer

30% increase in consumption

20 pp decrease in households living below the poverty line

Improvement in women’s empowerment and mental well-being

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22 pp increase in women’s labor force participation

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*pp = percentage points
The Microfinance Investment Support Facility for Afghanistan (MISFA) collaborated with the World Bank to address these challenges through the Targeting the Ultra-Poor (TUP) graduation program, as part of the IDA-funded Access to Finance program. By providing a time-limited, sequenced, “big-push” package that combines a large investment in a productive asset, access to savings accounts, temporary cash support, skills training, coaching, and other complementary services related to education and health, the TUP aims to lift ultra-poor households out of poverty. Addressing multiple constraints simultaneously may offer an effective strategy for lifting households out of poverty in these settings if these constraints reinforce each other.

Impact Evaluation

The study covers 80 villages in Balkh province. Ultra-poor households were first identified using a community-led wealth-ranking exercise followed by a household survey to verify that selected households met strict selection criteria. Slightly less than 5% of the population in the study area (1,219 households) were identified as eligible and were randomly assigned through a public lottery to a treatment group that received the full TUP package (491) or control group that did not receive the program (728). Study design and response rates are shown in figure 1. A baseline survey was conducted in early 2016, the program was then rolled out for 12 months, and a follow-up survey was conducted in mid-2018, one year after program completion.

The results from this study contribute to understanding how multifaceted interventions can help reduce persistent poverty in one of the most difficult settings in the world and when most recipients are women.

Results

The TUP program transformed the well-being of ultra-poor households in the study villages across multiple dimensions. Per capita monthly consumption increased by 30% or US$7 with respect to the control group, and the share of households below the national poverty line decreased by 20 percentage points from 82%. This was achieved mostly through the expansion of labor choices of ultra-poor women. Household assets, revenues, and financial inclusion indicators improved, as did individual well-being indicators such as child education and health and the psychological well-being of both the primary women and men (see infographic on previous page).

These results are consistent with the underlying theory, and international evidence, that the TUP program helps ultra-poor households overcome multiple constraints simultaneously and provides a “big push” to improve their well-being and possibly put them on a path out of extreme poverty.

Moving Forward

The findings complement existing evidence that big-push graduation programs can transform the lives of the ultra-poor and highlight the potential of these interventions to reduce poverty, improve employment opportunities, and reduce gender gaps in fragile and conflict-affected areas. The results have already motivated the scale-up of the program in two more provinces in Afghanistan that are hosting internally displaced people and returnees. A follow-up survey is planned for 2019–20 to assess whether results are sustained in the longer run.

REFERENCES
