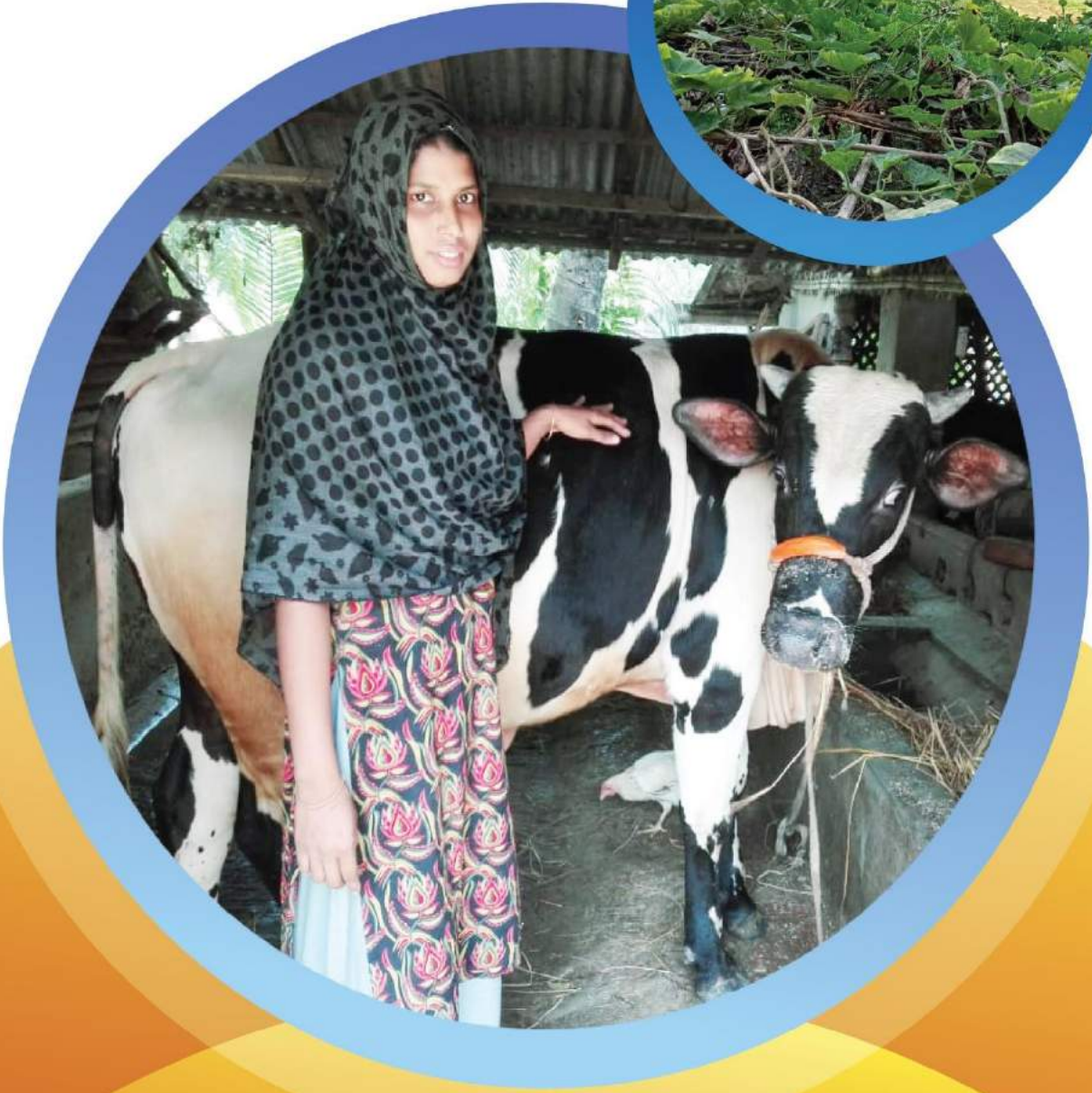


# Impact Study on Income of Nuton Jibon Livelihood Project (NJLIP)



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Human Development Research Centre  
humane development through research and action

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# Impact Study on Income of Nuton Jibon Livelihood Project (NJLIP)

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Dhaka: June 2022

## ACKNOWLEDGEMENT

The "Nuton Jibon Livelihood Improvement Project (NJLIP)" of the "Social Development Foundation (SDF)" came into being in August 2015 and was completed in June 2021. The Project worked towards an improved livelihood of the poor and extremely poor in the project areas. After the completion, the Project intended to understand the improvement of the beneficiary households' income due to the NJLIP's interventions. It is crucial to SDF as the data will be used to compare income change from the baseline and assess the extent of the Project's success and achievement at completion. Earlier, the SDF entrusted the Human Development Research Centre (HDRC) to carry out the Baseline Survey and Mid-term Impact Assessment of the same Project. This time, the SDF authority again entrusted the HDRC to carry out this assessment with many methodological challenges within a concise duration.

Notwithstanding, the successful administration of this study, with high policy and future programme design utility, would not be possible without the commitment and dedication of all those involved in this process. We are grateful to SDF for entrusting HDRC to carry out this critical assignment. In this regard, we express our sincere gratitude to SDF Chairperson, Mr Md Abdus Samad (Former Senior Secretary, Government of Bangladesh).

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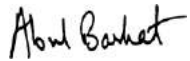
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Prof Abul Barkat, *PhD*  
*Study Team Leader; and*  
*Chief Advisor, HDRC*

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## ABBREVIATIONS

BDT	Bangladesh Taka
CAP	Community Action Plan
CDD	Community-Driven Development
DO	Development Objective
FGD	Focus Group Discussion
GoB	Government of Bangladesh
HDRC	Human Development Research Centre
HH	Household
IGA	Income Generating Activity
IGAs	Income Generating Activities
NJG	Nuton Jibon Group
NJLIP	Nuton Jibon Livelihood Improvement Project
OTG	One Time Grant
PDO	Project Direct Objective
PWD	Person with Disability
PWDs	Person with Disabilities
ROI	Return of Investment
SDF	Social Development Foundation
SF	Shabolombi Fund
SSNP	Social Safety Net Programme

## EXECUTIVE SUMMARY

### Background

The "Nuton Jibon Livelihood Improvement Project (NJLIP)", Social Development Foundation (SDF), came into being in August 2015 and was completed in June 2021. The Project aimed to improve the livelihoods of the poor and extremely poor in the project areas. After the completion, the Project had to understand the improvement of household income and livelihoods of the intervened extreme poor and poor households, including youths and vulnerable households, compared with control and new villages. Consequently, the objective of the assignment was to undertake an impact assessment to determine the performance of the development objective (DO) indicator "Beneficiary households with an incremental income increase of at least 30%" at the project closing. SDF entrusted the Human Development Research Centre (HDRC) to complete the assignment.

### Methodology

The impact study followed a mixed-method approach. A cross-sectional survey with a structured questionnaire covered 2,000 households (treatment: 1,000 and control 1,000). The samples were randomly selected, adopting a frame of treatment and control households from NJLIP. The survey also facilitated 12 Focus Group Discussions (FGDs) with beneficiary groups and 5 case studies. The impact assessment adopted an experimental design adopting the difference-in-difference (DiD) method for the impact assessment of income. Necessary descriptive and comparative analysis was performed to meet the scope of work. The net financial return was assessed through the return on investment method.

### Findings

The intervention household's net income changed by BDT 74,319 during the NJLIP period. Around 66% of incremental income among intervention households can be attributed to NJLIP actions. Between baseline and endline, almost half of intervention households (49.9%) achieved at least a 30% increase in income, compared to 33.7 per cent for control households—a difference of 16.2 percentage points. Notably, among the NJLIP beneficiary categories, the "Vulnerable group" earns significantly less than the intervention households' average income, indicating a need for targeted social safety net support for this group. The intervention group's income poverty was significantly reduced over the course of the project, as evidenced by the use of international poverty lines. In addition, the Intervention group's poverty rate is currently notably lower than that of the Control group. The intervention households earn the majority of their income from "*business and IGAs*" (25.5%), "*salaried jobs*" (20.1%), "*livestock and poultry*" (16.2%), "*wage labour*" (11.8%), and "*remittance*" (10.2%). The intervention households exhibit a compositional shift in terms of income source. The difference between the Intervention and Control groups over the project's duration is most visible in the intervention households' inclination toward "*livestock and poultry*" and "*business and IGAs*"—areas where the NJLIP support was critical. The lack of land ownership, uncertainty about agricultural activities, and a deficient supply chain are plausible explanations for the lack of interest in crop and aquaculture. Although the Government's social safety net has expanded its coverage, its contribution to household income remains small.

The average annual household income of the Sabolombi Fund beneficiaries of NJLIP is BDT 218,066 (US\$ 2,565), with 42 per cent having a net annual income of more than BDT 200,000. Data indicate that around 58 per cent of the SF beneficiaries received at least three loans, 20 per cent received four or more loans, and 5 per cent received more than five loans (cycles). The annual income of the SF beneficiary households is positively associated ( $p=0.009$ ) with the loans received by the households. The average annual income of SF beneficiaries receiving four or fewer loans is BDT 207,429, while the average income is BDT 323,557 among those who received five or more loans (56% higher).

Among youth beneficiaries, 75 per cent received skill development training, 14 per cent received a grant, and 10 per cent of NJLIP youth beneficiaries received both skill development training and grants. Overall, 55 per cent of the youth beneficiaries are now self-employed, and 31 per cent are involved in

a salaried job. The average annual income of the youths is BDT 89,570, and they contribute 16 per cent of their household's total income. The average annual income is significantly higher (nearly 30% higher;  $p < 0.001$ ) among those who received training. In addition, the self-employed youths earn significantly higher (54% higher;  $p < 0.001$ ) than those involved in salaried jobs.

The average annual household income of the vulnerable group<sup>1</sup> beneficiaries of NJLIP is BDT 104,423 (US\$ 1,230), and 70 per cent of them annually earn less than BDT 100,000. The majority of vulnerable households adopted different agricultural activities as their income-generating activities. Goat rearing is (24.3%) the most common agriculture-based IGA among vulnerable households with an average annual income of BDT 23,800. Crop cultivation is more popular among the vulnerable groups than vegetable cultivation, although the annual income from vegetable cultivation (BDT 76,250) is nearly three times higher than crop cultivation (BDT 27,300). Small business (15%) is the most popular non-agriculture based IGA by the vulnerable households with an average annual income is BDT 37,206.

On average, the PG members reported a 69 per cent gross increase in income since baseline. Data indicate that the average annual household income of the surveyed PG members of NJLIP is BDT 219,128 (US\$ 2,578). Producer group members are primarily involved in crop/vegetable/fruit production, livestock/poultry rearing, dairy production, and fish cultivation. 58 per cent of the PG groups successfully attracted loans. The agriculture-based PG groups shared their knowledge and skills (43%) to improve their production capacity and also participated in different skill development training (32%). A 29 per cent of the PG groups created market linkages. However, the joint procurement of inputs and selling of agricultural goods have not progressed much; only 7 per cent of PG groups practice joint marketing/selling and only 5 per cent practice joint input collection. The bargaining power also has not improved much. A large portion of the PG groups needs mentoring and capacity development support to be self-sustainable.

The impact study found that NJLIP beneficiaries suffered a decrease in their regular income during the COVID-19. Reports by NJLIP reveal that 76 per cent of the project beneficiaries' income declined during the first year of the pandemic. NJLIP arranged aid and support for the beneficiaries by redistributing available resources and extracting resources from GoB.

## Recommendations

- To expand the opportunities to choose agriculture activities as a formidable livelihood option requires three folds interventions: (1) Ensure allocation and holding of khas land to the landless rural households; (2) Initiate crop insurance to minimize the pertinent uncertainties; and (3) Strengthen the supply chain of the agricultural products (including storage facilities) through connecting with the producers' groups.
- Strengthened collaboration with the private sector employers through the business associations is required to facilitate job placement for the youth, backed by demand-based skills training.
- In addition to increased coverage of social safety net programmes, improved services, and increased receivables amounts are required to alleviate poverty in a sustained manner.
- Social safety net supports must be tailored specifically to the vulnerable group because they lack resources and bear various obstacles.
- Encourage, train, and capacitate farmers in group farming activities to increase their bargaining power.
- Arrange capacity development and mentoring support to PG groups to lead to self-sustainability.

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<sup>1</sup> According to SDF Report 2020, The NJLIP considered people with **no-income, no-job, no-asset** as vulnerable group beneficiaries. The vulnerable group beneficiaries of NJLIP received a one time grant. Consequently, the majority (88%) of the vulnerable group beneficiaries of NJLIP joined the Nuton Jibon Groups (NJGs).

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