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LONGITUDINAL MONITORING AND INDEPENDENT IMPACT ASSESSMENT OF CLP-2

Final Evaluation Report – Volume I

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Oxford Policy Management

June 2016

Oxford Policy Management

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e-Pact, is a consortium led by Oxford Policy Management and co-managed with Itad.

Acknowledgements

We gratefully acknowledge the collective efforts of a number of enthusiastic people who contributed their time, effort and wisdom to this endeavour.

This work would not have been possible without substantial support received by staff of the Chars Livelihood Programme (CLP), and in particular by the CLP Innovation, Monitoring, Learning, and Communication (IMLC) unit.

In addition, the authors would like to acknowledge the contributions of our field team who implemented the qualitative fieldwork and provided substantial research support, in particular Mamun-ur-Rashid and Omar Faruque Siddiki and their team at dRI.

We would also like to thank the UK Department for International Development (DFID) and the Australian Department for Foreign Affairs and Trade (DFAT) for their cooperation throughout this project.

Finally, we would like to express our gratitude to all of the participants of the two workshops held in Dhaka during the implementation phase of this evaluation, who provided very useful and valuable comments and insights for our work.

All errors are, naturally, our own.

Disclaimer

This assessment is being carried out by Oxford Policy Management (OPM) within the context of e-Pact. The project manager is Paul Jasper. The remaining core team members are Denis Nikitin, Ferdous Jahan, Stephanie Brockerhoff, Michele Binci, Alex Hurrell, Sarah Keen, and Tahera Ahsan. For further information contact Paul Jasper (paul.jasper@opml.co.uk).

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Executive summary

Introduction: Background to CLP-2 and its evaluation

The Chars Livelihoods Programme (CLP) was a large and ambitious poverty alleviation programme targeting the extreme poverty and deprivation experienced by households living on hard-to-reach and remote riverine islands – chars – in Bangladesh. Its second phase, CLP-2, started in April 2010 and ended in April 2016.

The core objective of CLP-2 was to reach 78,000 participant households and to lift 85% of those out of extreme poverty. The wider objectives were to create sustainable livelihood opportunities for households, to spur overall local economic development, to reduce vulnerability, and to achieve sustainable graduation out of extreme poverty.

Achieving these objectives required addressing several extreme and char-specific constraints. To do this, CLP-2 devised a complex system of several interrelated interventions. These focused on four key areas: infrastructural activities, livelihood activities, market development activities, and human development activities.

The UK Department for International Development (DFID) and the Australian Department for Foreign Affairs and Trade (DFAT) commissioned this evaluation in order to assess the effectiveness of CLP-2 in achieving its objectives, to analyse the sustainability of CLP-2's impact, and to draw lessons from CLP-2's experiences for future programming. More specifically, the evaluation focused its efforts around the priority areas of CLP-2 graduation, poverty, livelihoods, sustainability, efficiency, and perceptions on changes to the local economy. The specific questions asked in this evaluation are listed in the table below.

	Area of investigation	Evaluation questions
1	Graduation	How many members of core participant households (CPHHs) met the graduation criterion developed by CLP-2? What are the major factors that cause graduating households to become non-graduated?
2	Poverty	What is the number of people from CPHHs who were lifted out of extreme poverty – as defined by CLP's specific poverty line? What was the impact of CLP-2 on this number and on the poverty gap?
3	Livelihoods	How have livelihoods of CPHHs changed in the following areas: income, expenditures, savings, and assets? What was CLP's impact on this?
4	Sustainability	To what extent is the graduation of people from CPHHs according to CLP's graduation criterion sustainable? How sustainable are other observed impacts over time and what are the perceptions about the future sustainability of these impacts beyond the CLP implementation phase? What are the major factors that drive sustainable graduation?
5	Efficiency	To what extent does CLP-2 represent good value for money (VfM)? To what extent was the targeting appropriate? What was the level of inclusion error? To what extent did the programme target various social groups, such as the disabled and elderly?
6	Perceptions around changes in the local economic context	How have livelihoods and the local economic context changed as a result of CLP-2?
7	Others: vulnerability, social capital, nutrition practices, female **empowerment**, food security, malnutrition	How have indicators related to these areas changed? What was CLP's impact on these indicators?

This report presents the key finding of the evaluation in a non-technical format and offers recommendations for future livelihood programming. The target audiences are key stakeholders, the policy community, and the general public. This report, which is Volume I of the two-volume Final Evaluation Report, deliberately presents results in a way that is accessible to non-technical audiences, which means that in-depth technical and methodological details and discussions have not been included here. For such information, please refer to the technical report

('Longitudinal Monitoring and Independent Assessment of CLP-2: Final Evaluation Report – Volume II: Technical and Methodological Annexes', i.e. OPM 2016a), which accompanies the present report.

This executive summary presents our key findings structured along the lines of the main body of this Volume I. For a restructured presentation of findings linked explicitly to the questions mentioned above, please refer to section 10 of this volume.

Methodology

Mixed methods approach

This evaluation has been implemented with the explicit goal of integrating quantitative and qualitative research approaches and results. Throughout this evaluation we have aimed to closely integrate quantitative and qualitative components of the evaluation. The qualitative component included primary data collection in CLP-2 areas. The quantitative component included analysing CLP-2 household survey data – making use of advanced econometric techniques (PSM, panel regression analyses) to address questions of CLP-2 impact. However, not all questions could be answered using insights from both components.

Graduation from CLP-2 programme

CLP-2 developed a programme-specific indicator to assess how participant households 'graduate' out of poverty. Graduation out of poverty generally relates to the idea that households sustainably move onto a path of improving livelihoods and wellbeing and out of extreme poverty. The CLP-2 graduation criterion is a composite index that covers several dimensions of participants' lives: income, savings, nutrition, assets, the status of women, vulnerability, and access to services. If a household meets six out of the 10 underlying criteria within three months of the end of programme support, it is considered to have graduated.

Our analysis shows that the proportion of participant households meeting the graduation criterion has consistently increased over time. **Across cohorts, in October 2015 the proportion of households that achieved the graduation criterion was around 90%. This translates into over 276,000 individuals** living in participant households that can be considered to have graduated using this criterion. There is significant variation in how easily households meet the various underlying criteria of the graduation criterion, with savings, income sources, and access to water being the most difficult criteria to meet.

Economic wellbeing: Poverty and income

We use four main indicators in order to assess how the economic wellbeing of participant households has changed due to CLP-2. First, consumption poverty – defined as the proportion of participant households with consumption levels under the lower rural Rangpur poverty line. Second, the consumption poverty gap. This indicates the average distance in consumption levels of poor households from the minimum consumption level needed to be considered non-poor. Third, asset poverty, which indicates whether households hold assets with a value below the 30th percentile of the comparable rural Rangpur distribution. Fourth, reported yearly household income in Bangladeshi taka (BDT).

Our analysis indicates that, as measured using all four indicators, the economic wellbeing of participant households improved significantly after receiving CLP-2 support for one year—a change that was sustained until after direct support from CLP-2 to households ended.

In terms of consumption poverty, three to five years after the start of CLP support the poverty rate among participant households was on average 37 percentage points lower than without support. This translates into about 113,000 individuals lifted out of extreme poverty due to CLP-2 across all cohorts. A significant and sustained decrease of, on average, 12 percentage points in the poverty gap from one year after CLP-2 support started onwards also indicates that even for households that did not move over the poverty line wellbeing improved significantly.

Similarly, asset poverty decreased by 36 percentage points for participant households after one year into the programme. Reported per capita income in participant households also increased by over 5,000 BDT after one year of CLP-2 support. In both cases, changes were sustained further down the timeline.

Why do positive changes differ between households?

Our research has identified several factors that either hinder or support participant households in regard to benefitting from CLP-2 support, and hence improving their wellbeing. These were analysed both qualitatively and quantitatively.

In terms of inhibiting factors, exposure to severe floods and erosion is a key factor negatively affecting a household's ability to benefit from CLP-2. This is despite the efforts under CLP-2 to mitigate the severity of such shocks via, for example, raising households on plinths or erosion grants. We find both qualitative and quantitative evidence for severe negative consequences of erosion and floods. Our analysis indicates, however, that over time the resilience of participant households to these shocks increases as the ability and strategies used to prevent, mitigate, and cope with shocks improves.

In addition, qualitative evidence indicates that weak links and communication systems with the mainland are seen as preventing households from fully benefitting from CLP-2 support. This is because such weak links prevent households from having access to markets, traders, basic services, and government officials, which are seen as important in order for households to improve their wellbeing.

Finally, certain household characteristics inhibit households from benefitting from CLP-2. Such characteristics are **high dependency ratios, female household headship, having many daughters of marrying age, and high levels of debt when entering the programme.** We find both quantitative and qualitative evidence for such negative effects.

In terms of supporting factors, the main ones that our qualitative research identifies are a combination of diversification of household income sources with low dependency ratios, access to loans and reinvestment of savings into productive assets, and positive intra-household dynamics where household members jointly work to manage assets and income-generating activities.

Savings and assets

Initial descriptive quantitative analysis has shown that participant households exhibited low average levels of cash savings, but with high variations in these levels across households. One of the key triangulation goals of the qualitative research was to see whether this finding is supported and to investigate how savings were conceptualised among participant households and how saving behaviour changed due to CLP-2.

A key finding of this research is that **CLP-2 participants conceptualise saving not just as a cash accumulation strategy, but as part of a broader financial strategy that includes reinvestment in assets, such as jewellery and productive assets that can be easily liquidated.** Such assets could be, for example, poultry. When households save cash, they mostly do so through village savings and loans groups (VSLs).

Our quantitative analysis of programme impact corroborates these findings. We do find significant increases in cash savings that can be ascribed to the CLP-2 intervention. However, these increases are low and, on average, do not exceed 3,000 BDT even after three to five years of CLP-2 support. Interestingly, we find that cash savings for female-headed households do not increase at all. On the other hand, the total value of assets held by households not only increased significantly (by over 29,000 BDT) after one year of CLP-2 support, but continued to expand to an increase of over 46,000 BDT compared to baseline after three to five years.

In addition, when looking at the relative distribution of values held by households in terms of cash and other assets, we find that **over the course of CLP-2 participation the importance of cash to store value decreases.** Households prefer to store value in assets – in particular in land – as time progresses. Again, this corroborates the qualitative finding that households perceive storing value in assets as a saving strategy.

Our qualitative research also shows that participant households save for four main reasons: first, to mitigate against shocks to the household. Second, to invest in new assets and new income-generating activities. Third, to be able to invest in the accumulation of human capital. Finally, to save for any sizeable expenses that require larger amounts of cash, such as, for example, bulk purchases of food.

Interestingly, the qualitative research also found that saving behaviour, such as participating in VSLs, has been taken up by non-participants. Moreover, savings groups have shown to be surprisingly resilient to shocks, and across time.

Changes in the local economic context

Key CLP-2 interventions

The qualitative research component also explored changes that have occurred in the local economic context of participant households, in particular with regard to engagement with markets and service providers. Under the assumption that an improvement in the local economy would benefit participant households further CLP has attempted to change the local economic context through a combination of demand and supply side interventions. On the demand side, the interventions aimed at improving the rearing and agricultural practices of CLP-2 households, thereby increasing the demand for functioning markets. On the supply side, market development

initiatives aimed to create value chains that would enable chars dwellers to sell products and produce for the wider economy.

Our research shows that the demand side interventions increased the volume and diversity of agricultural output on the chars. These improvements were mentioned more widely by female participants, who were particularly appreciative of the new skills they had learned. The exact materialisation of these changes varied by research site. For example, differences in soil quality affected changes in agricultural practices. Similarly, cultural norms sometimes affected the way in which women could participate in increased production. In general, respondents indicated that following CLP-2 rearing practices would lead to an increase in returns on their assets.

In addition, our research shows that **participants and non-participants make use of livestock service providers (LSPs) – even after CLP-2 support in a certain area ends.** The exact way in which participant households do this, however, varies across research sites. For example, factors such as remoteness and limited accessibility remained a challenge for LSPs in regard to offering services. With respect to access to traders (for agricultural output) and input dealers, our qualitative research points to variation across research sites. Differences were partly due to differences in the distance from chars to other markets.

CLP's market development initiatives focused on facilitating the emergence and operation of dairy, meat, and fodder markets. Key elements were setting up char business centres (CBCs) and char input dealers (CIDs). Our research suggests that both CBCs and CIDs were partly effective in improving market linkages by building the capability of producers, dealers, and traders, and promoted organised production groups that were trained to engage with and identify business opportunities. However, respondents often expressed the view that this approach might not have gone far enough and more widespread and deliberate supply side interventions might have increased CLP-2's impact and sustainability.

Women and markets

Our qualitative research indicates that **women in the chars typically do not visit markets on the mainland, as doing so contradicts cultural norms**. However, on the chars themselves, changes have taken place and women now actively engage with traders visiting the chars, small shops, or markets on the chars.

Spillovers to non-participants

The qualitative research found strong evidence that **non-participants have adopted the farming and livestock rearing practices promoted by CLP-2. Similarly, non-participants reported making use of the services of LSPs, but to a lesser extent.**

Empowerment and voice

Our qualitative research also investigated issues around the empowerment and voice of char dwellers. A particular focus was female empowerment and how the situation of women on the chars has changed due to CLP-2 activities. Evidence emerged of four broad areas of empowerment.

Social empowerment

First, there is some quantitative evidence that the status of women has improved within their households, especially in regard to participation in decision-making. However, qualitative evidence points to a more nuanced improvement in this respect, in that **women now participate in the decision-making process without necessarily having the final say. In addition, women now actively engage in activities outside their houses. However, this is limited to the char they live on.** Moreover, women actively and morally support one another against injustice and violence. There is also an increased awareness of the negative effects of girls' child marriage – although changes with respect to the actual practice seem to be limited. Respondents also reported that the frequency of domestic violence has decreased on the chars. Finally, overall, there is a general perception that Village Development Committees (VDCs) acted as empowerment vehicles – in particular for men. Respondents reported that members of those groups continued to raise issues on community development within the community and with local government.

Economic empowerment

The transfer of the **assets provided by CLP-2 to women in the household directly increases female empowerment among participant households – and allows them to directly earn income.** There is some qualitative evidence that participant households, over time, invest in assets controlled by men. In general, as corroborated by other evidence, economic opportunities to engage in meaningful economic activities have increased across the chars due to CLP-2.

Political empowerment

Our qualitative research also points to **changes in the level of political empowerment that households experience on the chars.** First, respondents reported that char dwellers now face less stigmatisation from mainland dwellers, politicians, and service providers than before CLP-2 support. Second, char dwellers now actively engage with local government and demand services and law enforcement support. Finally, char dwellers are registered as voters and are hence more likely to receive support and services from government officials.

Efficiency

Questions related to targeting and VfM were addressed quantitatively in this evaluation. In terms of targeting, we find that **CLP-2 generally had low levels of inclusion error. Over 90% of all participant households could be considered extremely poor at baseline.**

In terms of cost-effectiveness, we find that **CLP-2 is effective, in that the increase in household income substantially outweighs the costs to achieve that increase.** However, compared to other livelihood programmes in Bangladesh, CLP-2 is less cost-effective. Part of this can be attributed to the fact that CLP-2 had a sizeable infrastructure development component and is operating in geographically very remote and poor areas.

Sustainability

Our findings on sustainability are based on both quantitative evidence and on qualitative research regarding the perceptions of future sustainability of CLP-2's impact. There are several key messages with respect to sustainability that result from our research: first, **we find no significant**

evidence for a reversal of CLP-induced improvements in the welfare of participant households. This is a very robust finding across different quantitative and qualitative research methods.

Second, **CLP has created resilience to shocks in participant households.** We find both quantitative and qualitative evidence that being affected by erosion or floods does affect households, but less so for households that have received the full support of CLP-2 and have been able to build coping strategies.

CLP-2 did not create a situation where households, on average, continuously increased their level of wellbeing. Rather, we find that the largest proportion of CLP-2 attributable gains are achieved at year one after baseline.

Finally, qualitative research points to **the introduction of some sustainable practices and behaviour changes among CLP-2 participants.** These include VSLs, which have taken root in many chars and continue to exist beyond CLP support. In addition we find evidence for sustainable agricultural practices among char dwellers that were adopted via knowledge spillovers and market-based interventions.

Recommendations

We recognise the success of CLP-2 in promoting transformative social and economic change among its participants and their broader communities, which has led to significant gains in graduation and welfare outcomes. At the same time, our qualitative and quantitative analyses point to a number of directions in which the implementation and management of programmes similar to CLP-2 could be further strengthened, and we summarise these in a series of recommendations. In this summary, we present all recommendations related to future livelihood programming. Please refer to the full text for further recommendations on monitoring and evaluation activities of such programs.

1. If working within the context of the chars, assess the effectiveness and relevance of interventions related to erosion and flood protection. Specifically:

    a. Consider whether and how plinth construction practices could be further strengthened or modified.
    b. Review the current practice regarding flood and erosion grants to assess their effectiveness, and explore ways of modifying them.

2. Our research also shows that high dependency ratios posed a structural constraint on the effectiveness of CLP-2. Future livelihood programming may want to take up the task of mitigating the impact of such ratios.

3. Our research shows that the VSL component has proven to be an effective means of promoting productive investment and a vehicle of social change and collective action, especially for women. Future programming should acknowledge the success of VSLs, both in relation to promoting savings and as a vehicle for women's empowerment, and further strengthen this component.

4. Expanding access to larger affordable loans can further improve households' ability to invest in productive assets and should be considered.

5. We recommend that future programming take notice of the tendency of CLP participants to invest in land and consider additional efforts to raise the productivity of agricultural activities.

6. Future programmes should clearly explain the role of vouchers as a temporary discount for veterinary services and not an entitlement to participants. They should further emphasise awareness-raising activities aimed at promoting appreciation of the value of timely veterinary care – preventive as well as curative.

7. The importance of cash savings as a policy objective should be reassessed in future programming.

8. Markets and the local economy should be developed more widely and form part of future core programming. Having access to markets and being equipped to engage with markets in an empowered way was perceived as being of crucial importance for the sustainability of change over time and for ensuring that households continue on an upward development trajectory.

9. The approach to women's empowerment – including economic empowerment – must be more nuanced, proactive, and grounded in the fact that CLP women tend to feel more empowered in their own communities, where CLP has given them status and support.

10. Building resilience to shocks during the project cycle was one of CLP's key achievements. Future programming should aim to go further and seek to promote more intensive and continuous growth despite these shocks.

11. A related strategic priority should be reducing the role of remoteness and distance as a factor limiting development in the chars.

12. Similarly, future programmes which operate in the chars could build on recent improvements in the quality and accessibility of money transfer services that can support the flow of resources from employment outside the chars.

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Abbreviations

BDT	Bangladeshi Taka
CBCs	Char business centres
CIDs	Char input dealers
CLP-1	Chars Livelihood Programme Phase 1
CLP-2	Chars Livelihood Programme Phase 2
CPHHs	Core participant households
DAC	Development Assistance Committee
DFAT	Australian Department for Foreign Affairs and Trade
DFID	UK Department for International Development
FGDs	Focus group discussions
GoB	Government of Bangladesh
HIES	Household Income and Expenditure Survey
IMLC	Innovation, Monitoring, Learning, and Communication unit
IMOs	Implementing organisations
KIIs	Key informant interviews
LSPs	Livestock service providers
MFIs	Microfinance institutions
M4P	Making markets work for the poor
NGOs	Non-governmental organisations
OECD	Organisation of Economic Co-operation and Development
OPM	Oxford Policy Management
OTUP	Other Targeted Ultra Poor Programme
PRIME	Programmed Initiatives for Monga Eradication
PSM	Propensity score matching
STUP	Specifically Targeted Ultra Poor Programme
TUP	Targeting the Ultra Poor Programme

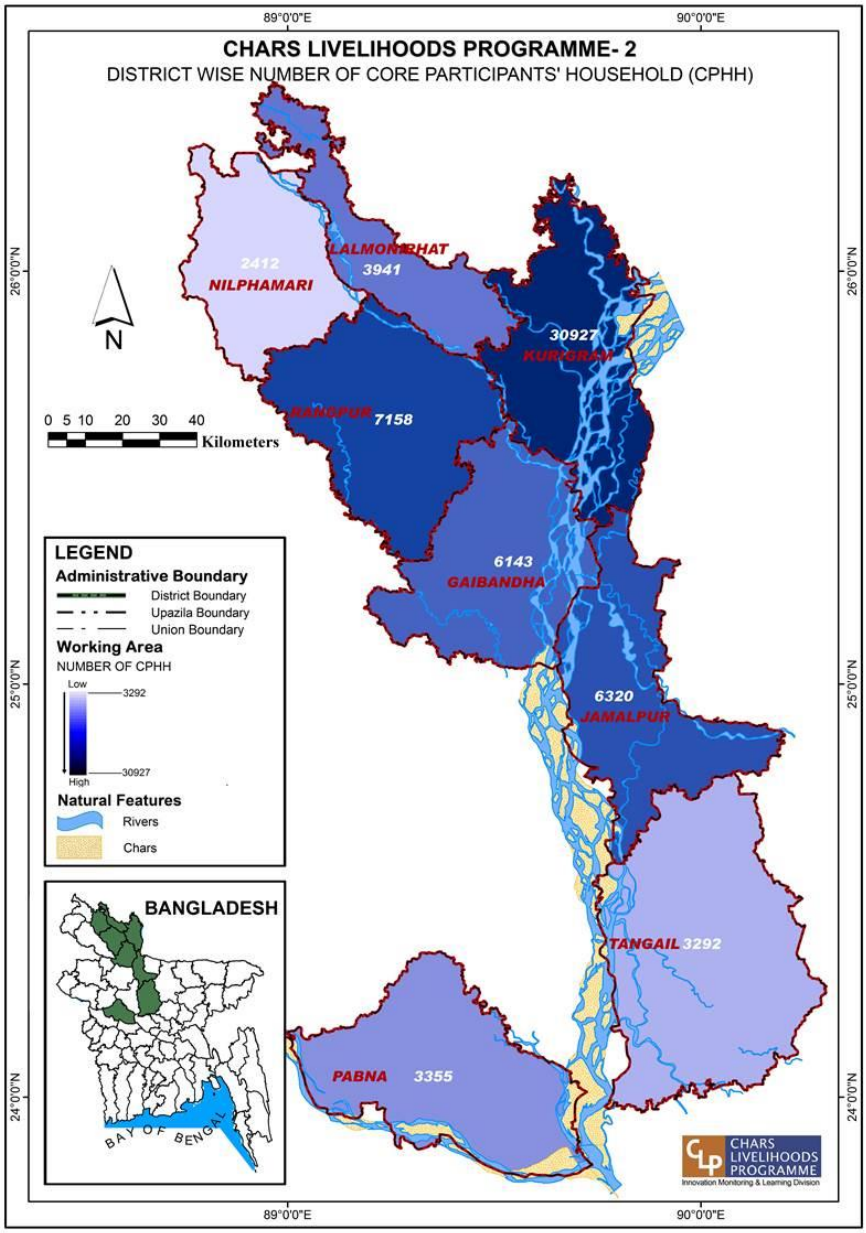
UP	Union Parishad
VDCs	Village Development Committees
VfM	Value for money
VSLs	Village savings and loans groups

1 Introduction

1.1 Background to CLP-2 and its evaluation

CLP was a large and ambitious poverty alleviation programme targeting the extreme poverty and deprivation experienced by households living on hard-to-reach and remote riverine islands – chars – in north-western Bangladesh (see Figure 1 below). CLP has operated in the area for over 10 years. The first phase of the programme, CLP-1, was implemented from 2004 to 2010. The second phase, CLP-2, started in April 2010 and ended in April 2016.[1]

Figure 1 CLP-2 districts and distribution of participant households



[1] CLP-2 was co-funded by DFID and DFAT, sponsored by the Rural Development and Cooperative Division in the Ministry of Local Government, Rural Development and Cooperatives in the Government of Bangladesh (GoB), and managed by Maxwell Stamp PLC.

CLP-2 was ambitious, both in terms of coverage and its objectives: the core objective (outcome-level) of CLP-2 was to reach 78,000 participant households and to lift 85% of those (66,300) out of extreme poverty, as measured by programme-specific CLP-2 graduation criterion.[2] The wider objectives were to create sustainable livelihood opportunities for households on the chars, to spur overall local economic development in char areas, to reduce the vulnerability of char dwellers, and to thereby achieve sustainable graduation out of extreme poverty of households on the chars.[3] (Oxford Policy Management (OPM) 2015a)

Achieving these objectives required addressing several extreme and char-specific constraints and barriers that ultra-poor households in the region face, both internally, within the household, and externally, at the community and environmental level. Household-level constraints include, for example, lack of assets, job skills and basic services, and low levels of voice and empowerment of household members. At the community and environmental level, frequent flooding and erosion, the lack of service providers, limited markets and severely restricted livelihood options constrain households in regard to moving out of extreme poverty.

In order to achieve its objectives, CLP-2 devised a complex system of several interrelated interventions that were designed to tackle these constraints and barriers. These interventions have been described in detail elsewhere and we provide a summary within the context of our theory of change exercise that was presented in the Inception Report and is also included in Volume II of the Final Evaluation Report (OPM 2016a).

To provide a *very* brief summary, CLP-2 activities have focused on four key areas: infrastructural activities, livelihood activities, market development activities, and human development activities. Infrastructural activities comprised raising participant dwellings on plinths, in order to prevent flood damage, building tube wells, to improve drinking water access, and installing improved latrines. In the context of implementing these activities, char dwellers were employed under the infrastructural employment programme.

Livelihood activities comprised an asset transfer programme, including complementary training, vaccination, deworming, and artificial insemination activities if the asset was livestock, stipends to prevent distress sales of assets, and homestead gardening. Market development activities were implemented from 2013 onwards and comprised a market development strategy targeting meat, fodder, and milk markets. Activities focused on increasing productivity at the household level but also on improving market access for households, and sustainable market development.

Lastly, human development activities comprised those that focused on social development (e.g. the formation of social development groups), social protection (e.g. the creation of community safety net programmes), education (e.g. establishing learning centres), health (via satellite clinics), and VSLs.

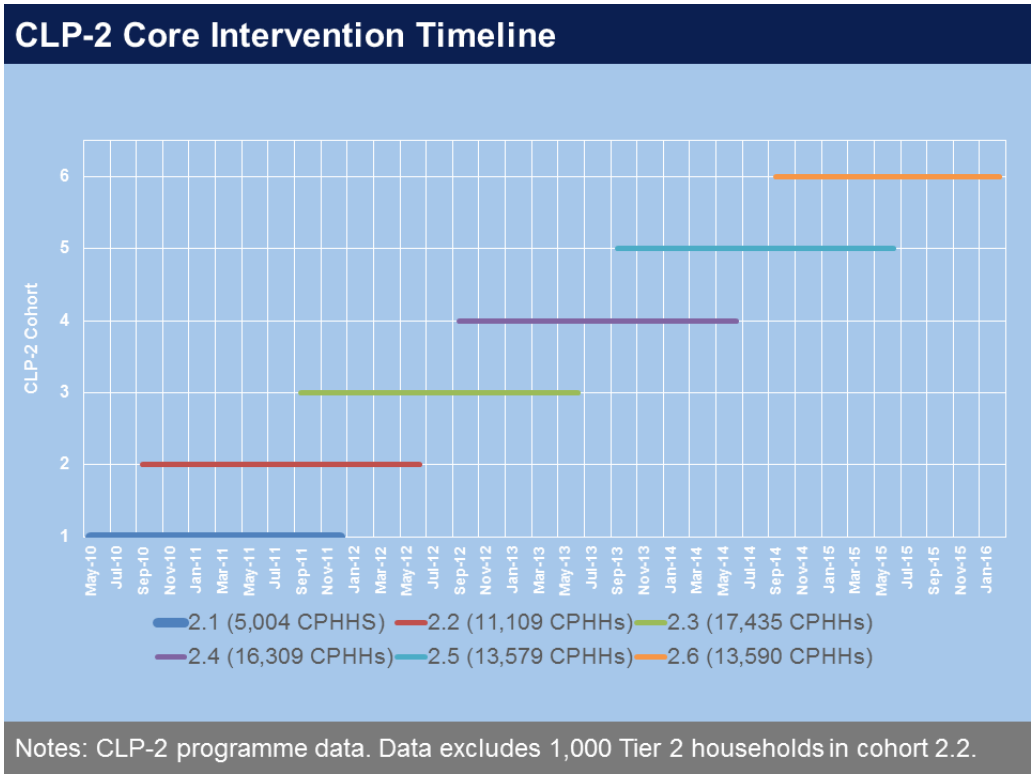
It is important to mention here that the key participant to most of these activities were women living in the participant households. For instance, women receive the asset, collect the stipend, and they receive livelihood trainings. The activities of CLP focus largely on women.

CLP-2 was implemented in phases whereby separate cohorts of participant households were recruited into the programme to receive the core intervention, i.e. the package of interventions described above, for a period of 18 months. The figure below indicates how the total number of core participants (CPHHs) was distributed across the different cohorts and the time periods for

[2] Please see Section 3.1 for a discussion of how graduation is measured in the context of CLP-2.
[3] For a presentation of our light-touch theory of change, which includes a more comprehensive description of the programme logic – including a problem description, inputs, outputs, outcomes, and impact – please see the Volume II report (OPM 2016a).

which the different cohorts received the intervention package.[4] It is important to note that the end of the core intervention period did not always mark the end of all support provided to households by CLP-2. For instance, market development activities continued across CLP-2 activity areas. In addition, in some instances CLP-2 returned to participant households to re-build plinths or latrines.

Figure 2 CLP-2 core intervention timeline



Notes: CLP-2 programme data. Data excludes 1,000 Tier 2 households in cohort 2.2.

CLP-2 participant households were selected based on a set of criteria, as well as based on a comprehensive selection and verification process within communities. Table 1 lists the CLP-2 selection criteria.

Table 1 CLP-2 household selection criteria

Criterion	Definition
1. Char household	Resident for at least six months in a village which has been classified by CLP as an island char.
2. Landless	Absolutely zero decimals of land ownership, including homestead land, and having no access to agricultural land, including share cropped land or land to be inherited under Bangladesh law. Households renting homestead land are still eligible.
3. Livestock-less	Selected households may not own more than two goats/sheep, 10 fowl and one shared cow.
4. Credit-less	Have no loan outstanding from any microfinance or credit programme.
5. Asset-less and income-less	Are not receiving cash or asset grants from any other asset transfer programme.
6. Participation	Are willing to attend weekly group meetings, participate in a livelihood programme and show how the asset will be cared for.

[4] Throughout this report, and the evaluation as a whole, we focus our attention on CLP-2 CPHHs. The programme also affected other households living in the char areas – non-core households. In addition, cohort 2.2 had an additional tier of CPHHs (Tier 2.2 – 1,000 households). We disregard this tier in the current evaluation.

The longitudinal monitoring and independent impact assessment of CLP-2

As mentioned in the terms of reference, DFID and DFAT commissioned this evaluation in order to pursue two objectives: first, to assess the effectiveness of CLP-2 in achieving its objectives and sustaining impact. Second, to draw lessons from CLP-2's experiences in order to inform the delivery of similar programmes, both within Bangladesh and globally.[5]

This evaluation was implemented as an ex-post evaluation of CLP-2, i.e. towards the end of the second phase of this programme, in order to learn from CLP's experiences and to inform future livelihood programming, which is imminent in Bangladesh. The timing of the evaluation was explicitly chosen so that findings could be produced before CLP operations ended and staff members could be informed about those. In addition, the timing was chosen so that results could feed into future livelihood programming in the country.

The more specific questions that this evaluation has sought to answer refer to the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) criteria of programme impact, effectiveness, efficiency, and sustainability. Following consultations with stakeholders, DFID, and DFAT during the inception phase, these evaluation questions have been restructured, as specified in Table 2 below. The evaluation focused its efforts on the priority areas of CLP-2 graduation, poverty, livelihoods, sustainability, efficiency, and perceptions around changes in the local economic context. The evaluation also touched on other areas of interest: in particular, following a workshop in Dhaka in January 2016, empowerment was included as one key area to investigate qualitatively.

[5] Please see Volume II for the full initial terms of reference for this evaluation (OPM 2016a).

Table 2 Key evaluation questions

	Area of investigation	Evaluation questions	Quantitative evidence?	Qualitative evidence?
1	Graduation	How many members of CPHHs met the graduation criteria developed by CLP-2? What are the major factors that cause graduating households to become non-graduated?	Yes	Yes
2	Poverty	What was the number of people from CPHHs lifted out of extreme poverty – as defined by CLP-specific poverty line? What was the impact of CLP-2 on this number and on the poverty gap?	Yes	
3	Livelihoods	How have livelihoods of CPHHs changed in the following areas: income, expenditures, savings, and assets? What was CLP's impact on this?	Yes	Yes
4	Sustainability	To what extent is the graduation of people from CPHHs according to CLP's graduation criteria sustainable? How sustainable are other observed impacts over time and what are the perceptions about the future sustainability of these impacts beyond the CLP implementation phase? What are the major factors that drive sustainable graduation?	Yes	Yes
5	Efficiency	To what extent does CLP-2 represent good VfM? To what extent was the targeting appropriate? What was the level of inclusion error? To what extent did the programme target various social groups, such as the disabled and elderly?	Yes	
6	Perceptions around changes in the local economic context	How have livelihoods and the local economic context changed as a result of CLP-2?		Yes
7	Others: nutrition practices, **empowerment**, food security, malnutrition	How have indicators related to these areas changed? What was CLP's impact on these indicators?	For some areas	For some areas

1.2 Objectives of this report

The objectives of this report are: (a) to present the key finding of the evaluation in a non-technical format; and (b) to offer recommendations for future livelihood programming in Bangladesh.

The target audiences of this report are key stakeholders, i.e. the GoB, DFID, DFAT, CLP-2, and local non-governmental organisations (NGOs), the policy community, and the general public. This report deliberately presents results in a way that is accessible to non-technical audiences. This means that in-depth technical and methodological details and discussions have not been included here. For such information, please refer to the technical and methodological companion to this report, which forms Volume II of the Final Evaluation Report (OPM 2016a).

1.3 Structure of the remainder of this report

The remainder of this report is structured as follows: first, Section 2 below will summarise the methodology used to answer the evaluation questions. In the following sections, we then present our main findings. In Section 3 we present quantitative results related to changes with respect to the CLP-2 graduation criterion. Section 4 presents how other measures of wellbeing of CLP-2 participants have changed and been influenced by the programme. This includes our estimates of the effect that CLP-2 had on consumption poverty rates and related measures. In Section 4.2 we present qualitative and quantitative evidence for factors that have inhibited or supported positive changes in households' lives. In Section 5 we present qualitative and quantitative results on household savings and assets, how they are conceptualised by CLP-2 participants, and how they have changed due to CLP-2. Section 6 presents qualitative results related to changes in the local economic context, while Section 7 presents results related to the empowerment and voice of CLP-2 participants. Section 8 focuses on questions related to efficiency and presents results relating both to CLP-2's targeting performance and, importantly, to our cost-effectiveness analysis. The report touches on sustainability issues in all of the preceding sections but in Section 9 key results with respect to the general sustainability of CLP-2's effects are provided, and insights into this subject are given. Section 10 concludes with a discussion of the evaluation findings and related recommendations for future programming.

1.4 Volume II of the Final Evaluation Report – an overview

This report is presented as Volume I of the two-volume Final Evaluation Report. While Volume I is intended to be accessible to a wide audience, and explicitly tries to avoid technical language, Volume II contains detailed discussions of methodological issues and presents additional evidence in support of our findings. The two volumes complement each other and represent a single analytical product.

2 Methodology

2.1 Mixed methods evaluation

This evaluation has been implemented with the explicit goal of integrating quantitative and qualitative research. We aimed to explore the strengths of both quantitative and qualitative approaches in order to provide comprehensive answers to our evaluation questions. This has meant that the design and implementation of the quantitative and qualitative workstreams had to be carefully sequenced and adapted to each other.

During the inception stage the goal of integration was to bring both preliminary qualitative and preliminary quantitative data and results to bear on the overall design of the evaluation and the planning of evaluation activities. This meant implementing two inception missions: one with a general focus on starting the evaluation process and setting priorities for the evaluation and one with a qualitative focus, which included working on a light-touch theory of change. In addition, quantitative data analysis was frontloaded into the inception phase in order to inform the design of the qualitative research. As a result of this, we adopted a research design that deliberately focused on triangulating some of our quantitative evidence, but also on exploring some 'quantitative blind spots' qualitatively.

During the implementation and analysis phase the goal was to enable tight feedback loops between concurrent qualitative and quantitative work to support the fine-tuning of the quantitative analysis and the design of the qualitative instruments and research. One particular activity served as an anchor point for this: a quantitative–qualitative workshop held in Dhaka in January 2016, in which descriptive quantitative findings were presented and resulting areas of interest for further qualitative research were identified. The qualitative fieldwork started after this workshop – which meant that it could be adapted in light of the insights gained in the workshop.

During the reporting stage the focus was on developing a narrative of CLP's performance that drew on both the qualitative and quantitative findings. To this end, an intensive week-long workshop was held by the team in Dhaka in April 2016, where results related to the evaluation questions were discussed both from a qualitative and quantitative perspective, and integrated findings were presented to stakeholders in-country. In particular, insights from the qualitative work were checked by reference to the quantitative data in order to provide further robustness to our conclusions. Report drafting was also implemented concurrently by both quantitative and qualitative workstreams and drafts were shared among team members to ensure cross-method feedback. The result was a continuous iterative process that brought each workstream to bear on the other through sequential revisions of qualitative results in light of the most recent quantitative findings, and vice versa.

How generalisable are our findings?

The consequence of this mixed methods approach was that, depending on the area of investigation, different types of evidence were employed to answer our evaluation questions. This also resulted in different levels of confidence with respect to the generalisability of findings, depending on the areas looked at.

In our context, generalisability refers to the ability to make statements regarding CLP-2 and participants as a whole, based on our study sample, both quantitatively and qualitatively. With the methodological caveats mentioned in Sections 2.2 and 2.3 in mind, the following generally holds: first, findings based on quantitative analysis are generalisable to the population of CLP-2

participant households, given that they are based on data that come from a representative sample of those households. Second, findings based on qualitative analyses are not generalisable in the same sense – given that sampling is not representative. Third, some qualitative evidence can, however, be very strong and hence can indicate that findings hold more widely, based on a combination of our sampling approach and repeated identification of similar results. For example, it could be that across all research sites and data collection instruments respondents indicated that one certain trend holds – which would give us a strong indication that this trend might hold more generally in the study area. Finally, when combining findings from both approaches, our qualitative research can build on the representative nature of quantitative results and we can hence make more general statements.

In practice, this means that for our evaluation questions the following points can be made:

- We have strong, robust, and generalisable findings for questions related to the impact of CLP-2, which are based on a complex set of econometric analyses of CLP-2 household data. This includes findings around how CLP-2 affected households' poverty, income, consumption, cash savings, and value of assets. Note that our efficiency analysis is also partly based on these findings.
- Similarly, we have strong and generalisable descriptive findings on changes in the lives and livelihoods of participant households, based on qualitative and quantitative data analyses. This includes our analysis around CLP-2 graduation rates, saving patterns, and how they vary over time.
- In addition, some of our findings around the factors that support or inhibit CLP participant households in regard to benefitting from the programme build on a strong combination of both quantitative and qualitative analyses, and therefore hold more generally.
- Moreover, our qualitative analysis of saving behaviour of participant households is corroborated by quantitative results and hence supports general statements.
- Two areas of research have been addressed almost exclusively from a qualitative perspective in this evaluation: first, perceptions around changes in the local economic context. Second, questions around the empowerment of char dwellers. The evidence presented in this report with respect to these areas of research is therefore not generalisable to the wider CLP-2 population. In addition, it should be noted that qualitative sampling was not geared towards investigating these questions, but rather questions around variation in the level of wellbeing of participant households. (See Section 2.2.2.) However, the findings that we do present are the result of an intensive and rigorous analytical process and therefore do give a detailed indication for dynamics that possibly hold more widely.
- Finally, our findings on sustainability build on a combination of quantitative and qualitative analyses. We mention caveats with respect to sustainability explicitly below, but the findings that we present have a strong grounding in both of our research approaches.

2.2 Qualitative component

2.2.1 Objectives

The overall evaluation questions that this exercise aimed to answer have been listed in Table 2. With these questions in mind, and following intensive consultation with stakeholders during the inception phase, the qualitative research component of the evaluation had **four main objectives**:

1. Explore perception of what factors lead to different levels of wellbeing of participant households and whether certain household characteristics affect this.
2. Investigate perceptions of the sustainability of the level of wellbeing achieved.

3. Explore perceptions of changes in the local economy and the effectiveness of CLP's market development approaches.
4. Triangulate quantitative findings and investigate questions arising from preliminary quantitative findings, i.e. explain how and why some salient trends or unexpected findings observed in quantitative data emerged. The focus here was on savings, empowerment, and livelihood changes.

2.2.2 Research site selection and data collection

The approach to qualitative sampling was informed by the first key research objective – gaining an in-depth understanding of why levels of wellbeing differ between participant households. To select the qualitative research sites, in the first stage three cohorts were selected from the six programme cohorts. This was done for two reasons: first, to allow the team to explore the sustainability of interventions over time. This meant selecting an early cohort of participant households (cohort 2.2). Second, to allow for triangulation with the quantitative impact analysis. This meant selecting cohorts that had entered the programme later, but that had finished the core intervention period (cohorts 2.4 and 2.5).

In the second stage, quantitative survey data were used to select six upazilas using 'extreme case sampling'. Based on existing survey data, this meant selecting upazilas with respect to the highest and lowest likelihood of finding households that met the CLP-2 graduation criterion – i.e. with respect to programme performance.

In the third stage, six chars were selected within the sampled upazilas, again using 'extreme case sampling'. As no survey data were available for this stage, implementing organisations (IMOs) were asked to select a char with either very high average levels of wellbeing or very low average levels of wellbeing. This information was then verified by upazila administrators and by the team upon arrival on the char, in order to avoid selection bias.

In order to preserve the confidentiality of respondents, these chars are referred to by a pseudonym throughout this report and in the table below. This pseudonym is a combination of the cohort that participant households at the selected research site formed a part of and the likelihood of doing well with respect to programme performance.

Given the relatively broad scope of the qualitative research objectives, it was decided to select six sites, striking a balance between having an adequate amount of research sites and stretching the team and resources too thinly to detect nuances and to triangulate findings. The table below provides an overview of the key selected characteristics of our research sites for the reader's reference. Brief profiles for each of our research sites can be found in volume II to this report.

Table 3 Overview of qualitative research sites and selected characteristics

	Cohort 2.2		Cohort 2.4		Cohort 2.5	
	High performing site	**Low performing site**	**High performing site**	**Low performing site**	**High performing site**	**Low performing site**
Upazila in which char is located	1	2	3	4	5	6
Proportion of households meeting CLP2 graduation criterion (reaching six or more out of 10 criteria)[6]	100%	15%	100	57.7	100	66.7
Number of CLP2 graduation criteria met (out of 10)[7]	7.7 out of 10	3.9 out of 10	9 out of 10	6 out of 10	7.5 out of 10	6 out of 10
Connectivity with mainland	Relatively good in dry and rainy season	Very poor in dry season and moderate in rainy season	Relatively good	Relatively bad, especially in dry season	Relatively good	Not very remotely located, but nonetheless difficult to reach in dry season due to sandy paths
Exposure to floods and erosion	Flash floods	Severe risk	Relatively low risk	Severe risk	Low risk	Severe risk
Increase in traders visiting char	High	High	High	Low	Low	Low
Uptake of LSP services post-CLP	High	Moderate	High	Moderate	High	Low

[6] These figures present averages at the upazila level and refer to the first stage of the qualitative sampling process.
[7] Ibid.

Focus group discussions (FGDs) and semi-structured interviews with key informants (KIIs) were used to collect data from a selection of respondents at the chars and upazila level, including men and women from participant and non-participant households; local elites, administrators and political leaders; VDC and VSL members; IMOs; and traders and LSPs. In addition, KIIs with programme officers in charge of market development programmes in the chars were held at national level. Moreover, observations and site descriptions (fieldwork journals), respondent case studies and participatory methods were used in some cases to explore particular themes that emerged at a research site. Most research questions were explored with all respondents in order to receive well triangulated findings and to attempt to reach saturation in regard to new findings. Non-participants were included in the research in order to investigate spillover effects. Women formed a large portion of the respondents, in order to allow discussions of gender-specific challenges and opportunities.

2.2.3 Data analysis

The qualitative data were analysed in four different stages: in the first stage, the research team conducted daily debriefs whilst in the field, during which initial findings were discussed within the team and new areas of interest for further research were identified. Through the fieldwork managers and researchers, this information was relayed across the different teams, ensuring that the teams were able to respond to interesting findings emerging in the field.

In the second stage, the entire team met with the qualitative expert for a three-day workshop following the fieldwork, during which the data were analysed collectively against the research questions initially developed. Themes emerging from the data were explored and new ones developed. The workshop and subsequent analysis were conducted in Bangla and with the researchers who conducted the fieldwork in order to draw both on their experience and on the richness of their knowledge of the research sites.

As a third stage, the comprehensive notes from the fieldwork were translated into English and analysed using Dedoose – a qualitative data analysis software. Coding sheets were systematically built based on the themes present in the data, and existing hypotheses were confirmed and new ones explored in the subsequent analysis of the data.

As a final step, the Bangla and the English analyses were compared and differences in interpretation discussed and validated with the team that conducted the research in the field.

2.3 Quantitative component

With the evaluation questions in Table 2 mind, the specific objectives of the quantitative component to this evaluation were twofold: first, to estimate changes in the lives of participants of the programme across a variety of dimensions related to the areas of interest listed in Table 2 and to assess to what extent these changes can be attributed to the programme itself and to what extent they differ for certain sub-groups of CLP-2 participants. Second, to analyse how changes have materialised over time and to what extent they persist several years after the core implementation period of CLP participation has ended. Note that for the purposes of this quantitative analysis, we treat CLP-2 as one package of interventions – without analysing its components separately, since the available quantitative data do not support disaggregation of the impacts of specific interventions.

2.3.1 The data used

The datasets used for this analysis are the CLP-2 Annual Survey Datasets.[8] These datasets contain data from surveys that covered many dimensions of the lives of CLP-2 participants from the time the programme started. There were two survey rounds in 2010 (May and October) and then a yearly survey round from October 2011 through to October 2015. Due to changes in the type and scope of questions in the questionnaires in the first two years, our analysis is limited to data from 2012 to 2015. For each CLP-2 cohort, there was one data collection point before they became core participants of CLP-2 (the baseline), and then yearly follow-up data collections. For our purposes, this means that we have three baseline measures: for cohorts 2.4, 2.5, and 2.6. Table 4 below summarises this data structure, showing both the baseline data collection points and the post-baseline data collection points at year 1 (T=1), year 2 (T=2), year 3 (T=3), year 4 (T=4), and year 5 (T=5) after baseline. Note that data collected at T=1 are still within the core intervention period for participant households.

Table 4 Data collection set-up by year and cohort

	Main month of data collection			
	October 2012	**October 2013**	**October 2014**	**October 2015**
Cohort 2.1	T = 2	T = 3	T = 4	T = 5
Cohort 2.2	T = 2	T = 3	T = 4	T = 5
Cohort 2.3	T = 1	T = 2	T = 3	T = 4
Cohort 2.4	Baseline	T = 1	T = 2	T = 3
Cohort 2.5		Baseline	T = 1	T = 2
Cohort 2.6			Baseline	T = 1
Notes: T=1 to T=5 refers to the number of years after baseline.				

The CLP survey followed a household panel structure, which means that the same households were tracked over time and information from the same households collected every year. For each cohort, a representative sample of households was selected for the survey. Because cohorts were of different sizes, however, weights needed to be applied when producing representative results for CLP as a whole.[9] Unless otherwise stated, our results are representative at cohort and CLP level. Table 5 below presents the total number of households in each cohort and the households that were present in the household data set for each year, disaggregated by cohorts.

Table 5 Cohorts size and survey sample size by year and cohort

Cohort	*(Cohort size)*	2012	2013	2014	2015
2.1	*5,004*	359	328	354	283
2.2	*11,109*	356	341	374	320
2.3	*17,435*	402	374	388	357
2.4	*16,309*	452	402	405	353
2.5	*13,579*	-	441	420	364
2.6	*13,590*	-	-	605	405
Total	*77,026*	1,569	1,886	2,546	2,082
Note: Tier 2 households of cohort 2.2 are excluded from this table and from our analysis.					

[8] More detailed information on the different survey rounds, cohorts, thematic areas, and the number of households sampled can be found in Volume II.
[9] For more information on the weights used for this analysis, please refer to the technical companion to this report, Volume II.

2.3.2 Analysis

OPM has analysed the CLP data and addressed questions from Table 2 descriptively in a previous report.[10] (OPM 2016b) In a second step, we have used the available data to implement more rigorous econometric analyses. In order to do so, we have implemented two analytical approaches – along with several sub-analyses, to increase the robustness of our findings. We here present a summary of our analysis. Please refer to Volume II for a comprehensive description of our approach. (OPM 2016a)

PSM

The key problem that PSM attempts to solve is selection bias. PSM solves this problem by using data on the characteristics of individuals to ensure that outcomes are only compared across individuals who do not differ from each other, i.e. only comparing like with like.[11]

We have implemented several different PSM estimation strategies using data from different years and cohorts in order to compare results across strategies. For example, we have implemented PSM estimations using data from cohorts 2.4, 2.5, and 2.6 together – finding comparable households using baseline data and then comparing outcomes using data at T=2 for both cohort 2.4 (i.e. from October 2014) and cohort 2.5 (from October 2015).

In the present report, we present results for two such strategies: first, using data at T=1 for cohort 2.4, which is an estimate for changes that have materialised one year after baseline. Second, using data at T=2 for cohorts 2.4 and 2.5, which is an estimate for the effect that CLP-2 had on participants two years after baseline for those cohorts.[12]

Panel regression analysis

Panel regression analysis does not explicitly tackle the problem of selection bias, as PSM does. However, it makes it possible to take into account the entire structure of the data presented in Table 4 above in terms of changes over time and across-cohort estimates of changes that CLP-2 was responsible for. In addition, by exploiting the fact that we have observations for the same households over several time periods, we can also attempt to take into account unobservable characteristics of households that might influence the measured outcomes – which, as has been said, is something that PSM cannot do.

When using panel regressions, we pool together all available data from 2012 to 2015. We analyse these data in fixed effects panel regressions where we control for a range of observable characteristics of households (such as, for example, the size, the age of the household head, etc.), yearly effects, and, by employing appropriate methods, fixed unobservable household effects.

Combining PSM and panel results

Because of the differences in methodology and data that PSM and panel regression analysis draw on, estimates for the difference that CLP-2 participation makes between baseline and a certain time period after baseline will also vary. This does not invalidate any of our approaches, but means that we will have to carefully triangulate findings against each other.

In general, to be confident in the conclusions that we draw from our quantitative analyses for CLP-2 participants overall, we will expect that two things should hold when comparing results across methodologies: first, across panel regression analysis and PSM, estimates of changes should tend

[10] For the executive summary of this report, please see Volume II (OPM 2016a).

[11] Note that, after performing PSM, it is possible to assess how well this comparison across all relevant characteristics performs. Please refer to Volume II (OPM 2016a) for more detail on this, and on how we implemented these checks in the current context.

[12] Please refer to Volume II (OPM 2016a) for further results.

in the same direction. This means that, for example, if we find that a cohort increases income significantly two years after baseline using PSM, we would expect to also find an increase using panel regression analyses, and no decrease. Second, we would also expect to make conclusions about these findings with similar levels of confidence. For example, if the positive increase in income is very significantly different from zero when looking at the PSM results, then we would expect something similar from the panel results.

Conversely, we draw conclusions less confidently if results contradict each other: for example, if we find a negative change using PSM analyses and a positive one from our panel analysis. Similarly, finding statistically significant changes using one methodology and not with the other, would lead to more cautious conclusions regarding what changes CLP-2 was responsible for.

Finally, it is important to mention that – when we want to make statements about the magnitude of changes that affected CLP-2 participants overall – we rely on our panel results, given that those draw on the overall panel of households and can therefore be interpreted to hold generally.

How to read our results

In this report we present results of our analysis in four main ways: first, in the form of graphs that show descriptively how indicators move over time for CLP-2 cohorts (e.g. Figure 3). These graphs simply show weighted averages of indicators across cohorts and years. Point estimates and 95% confidence intervals are always plotted: these intervals indicate the range within which the true estimate will lie with 95% likelihood. Second, in the form of tables that show descriptive statistics (e.g. Table 7). These are the equivalent to descriptive graphs and also include 95% confidence interval estimates. Third, we use graphs to present our PSM and panel estimates – within the same graph (e.g. Figure 6). It is important to note here that, strictly speaking, these results are not directly comparable, given that they represent estimates for different populations: PSM estimates are estimates for particular cohorts only, whereas the panel estimates are representative of CLP-2 participants as a whole. As explained above, however, these results provide a comprehensive image of CLP-2's impact when trying to estimate this impact using different methodologies. For ease of reference and presentational purposes we therefore chose to present the results together. When making statements about CLP-2 participants overall, however, we rely on our panel estimates.

Please consult Volume II of the Final Evaluation Report (OPM 2016a) for more detail on the methodological differences between PSM and panel regression analysis. In these graphs we also plot the results from simple, unweighted, comparisons of averages across time periods after baseline. All point estimates are also plotted in conjunction with 95% confidence intervals.

Fourth, we use graphs to point to differences in treatment effects of CLP-2 across certain sub-groups of participant households (e.g. Figure 11). These are derived from panel regressions. Again, point estimates are plotted with 95% confidence intervals.

2.4 Limitations

2.4.1 Mixing methods

As mentioned in Section 2.1, this evaluation was implemented with the explicit objective of integrating, and taking in to account, both qualitative and quantitative evidence, in order to answer the evaluation questions. The key limitation to this approach is that we were not able to produce both quantitative and qualitative results for all research areas – which means that we have used different evidence and also differently generalisable findings to address our evaluation questions.

We have listed the combination of those – and the related implications for the strength of our findings – in Section 2.1.

2.4.2 Qualitative

Our qualitative research component had three main limitations:

First, inference beyond the selected research sites is limited. As described in Section 2.2.2, 'extreme case sampling' was adopted in order to conduct research in sites that differed on the level of wellbeing of participant households. As such, more and less successful CLP sites were chosen (see Section 2.2.2 for details). This sampling strategy was adopted because it leads to a richer understanding of a phenomenon of interest and makes good use of limited resources and time. However, 'extreme case sampling' does not allow for direct generalisation to CLP overall. It therefore limits the ability of the qualitative researchers to draw out over-arching programme level lesson. The approach was nonetheless adopted in order to meet the main research objectives of the qualitative fieldwork.

Second, sites where CLP market development was active were not deliberately sampled for the qualitative research. Explaining why some households are better able to improve their wellbeing than others was the main objective that informed our sampling strategy. As a result, we were not simultaneously able to select specific research sites in which the making markets work for the poor (M4P) components of CLP were active. Unfortunately, our sample ended up not including chars where the market linkages initiatives of CLP were active, and thus the data collected for these research questions are based on KIIs with implementers and IMO views of the programme and should be treated with some caution. In an attempt to gauge the demand for more deliberate market linkage programmes, chars dwellers were asked whether their local economic environment had changed and whether a more deliberate programme intervention was needed in this area.

In addition to the problems posed by having to choose a sampling approach, the evaluation of M4P interventions requires a completely different set-up and approach, which is difficult to combine with the evaluation of a demand side intervention project that primarily looks at impact at the participant level.

Third, limited or no triangulation with quantitative impact analysis for some research findings. Given the objectives of the evaluation set by DFID and the scope of the available quantitative data, the qualitative research has, in part, been explicitly designed to cover additional areas of interest on which the quantitative data can only shed minimal light. This includes, for instance, our analysis of changes in the local economic context and the market development activities, spillovers, and some empowerment questions. In those instances we will be unable to provide mixed methods findings and will have to rely exclusively on qualitative data.

2.4.3 Quantitative

There are four main sets of limitations to our quantitative analysis that need to be taken into account when interpreting our results.

The first key caveat is the lack of survey data on households that did not participate in CLP-2. The data we use to assess what difference the programme has made are baseline data from households that went on to participate in the programme and that were selected as participants to CLP-2. This means that the estimates that we produce cannot be extrapolated to the larger population of poor individuals on the chars. In technical terms this means that we are estimating the average treatment effects on the treated.

A second caveat is that additional activities after the end of the official CLP-2 participation period – the so-called re-sweeps – likely affect out estimates of programme impact. In general, as explained above, the CLP-2 core intervention period lasted for 18 months. After that, participants no longer received any intense support from CLP-2. However, CLP has informed us that this is not the whole picture. Due to changes in programming, some geographical areas received additional infrastructure support (construction of plinths, toilets, etc.), irrespective of which cohort households living in those areas belonged to.[13] We have incorporated this information into our analysis explicitly, i.e. by controlling for such activities in our data using an indicator variable for such activities. Hence, our inference should not be influenced by this fact.

However, strictly speaking, this means that it is difficult to make very strong statements about the future sustainability of some of the changes we see – given that CLP-2 has been active in areas for some time after the core intervention period. In particular, from our perspective, this further prevents us from extrapolating findings from the data we observe to future time periods. Quantitatively, it is difficult to say what will happen when CLP-2 stops all activities in the region and leaves the chars. We discuss this issue further in Section 9.

The third caveat relates to sample attrition. As can be seen in Table 5, and as mentioned in Section 2.2, a quite significant proportion of households dropped out of the survey sample from 2014 to 2015. If this dropping out is not random – e.g. if households that are particularly poor drop out of the sample – then attrition has the potential to bias our estimates. As described above, this holds for panel analysis, but also counts for descriptive analyses. In our impact analysis we introduced controls for sample attrition to improve the robustness of estimates, and we did not find evidence for attrition significantly biasing our estimates.[14]

We have received qualitative evidence from CLP-2 that the most significant reason for sample attrition between 2014 and 2015 was migration due to erosion and flooding. The fact that these households drop out of the sample due to erosion implies, however, that our capacity to answer questions of sustainability related to households that suffer extreme erosion shocks and need to migrate out of the area is limited. We discuss this further in Section 9.

Lastly, as discussed in the preceding sections, there are specific technical and methodological caveats related to both PSM and panel regressions and the structure of the data available to us. We describe these in more detail in Volume II of the Final Evaluation Report (OPM 2016a). We have addressed those caveats using several different estimation techniques, robustness checks, and statistical tests. Overall, our conclusion is that, taken together, findings based on these estimation techniques and presented in this report are robust.

[13] The reason for this was that during the implementation of CLP- the programme management noticed that early cohorts in the programme were performing relatively badly with respect to infrastructure, water, and sanitation indicators. The programme therefore 're-sweeped' early intervention areas to correct for this.
[14] See Volume II (OPM 2016a) for more information on how we controlled for attrition.

3 Graduation from CLP-2

One key area of investigation that this evaluation focused on was the programme-specific, quantitatively measured graduation criterion that was developed by CLP-2, and CLP-2's performance as indicated by this specific measure. In this section we present results related to this area of investigation. **More specifically, we seek to provide an answer to the question: 'How many members of participant households met the graduation criterion developed by CLP-2?'** (See Table 2)

We also use this section to introduce two measures of participant household wellbeing that were developed by the evaluation team: consumption poverty and asset poverty. We compare these measures to CLP-2 programme graduation in Section 3.4.

3.1 How is CLP-2 graduation measured?

The concept of 'graduation' out of poverty relates to the idea that individuals or households can be pushed, sustainably, out of extreme poverty onto a path of improving livelihoods and wellbeing. There are different ways of assessing such graduation. **In the present case, CLP-2 considers a household to be 'graduated' if it meets six out of 10 criteria within three months of completing the 18-month core intervention period of CLP-2**. To give an overview, the underlying 10 criteria for the composite graduation index are presented in Table 6.

Table 6 CLP-2 various criteria underlying graduation criterion

Domain name given by CLP-2	Criterion
Income/expenditure/consumption	Household has had more than one source of income during the last 30 days
	Household eats three meals a day and consumed five or more food groups in past week
Nutrition	Household has access to improved water
	Household has access to a sanitary latrine with an unbroken water seal
	Household has ash/soap available close to water point or latrine
Asset base	Household owns productive assets with a value over 30,000 BDT
Status of females	Woman is able to influence investment decisions in the household
Vulnerability	Homestead is above flood level
	Household has cash amounting to over 3,000 BDT
Access to services	Household is member of any social group
	Household has access to improved water

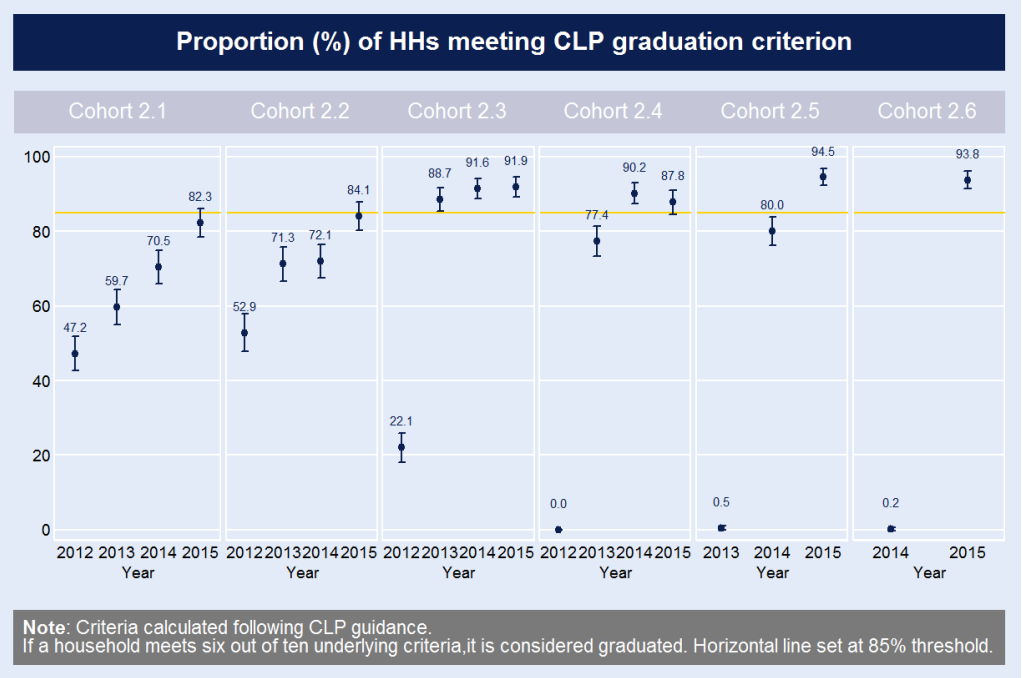
Note that the strict CLP-2 graduation index is time dependent – i.e. set at three months after the end of the core intervention time period. **In the following analysis, we explicitly do not focus on the time of measurement** – but we use the annual survey data to give an estimate of how this combined graduation indicator and the underlying indicators performed over time for different cohorts.

To construct the graduation criteria, we used CLP-2's methodology, following information that we received directly from CLP and available on the Innovation, Monitoring, Learning and Communication (IMLC) unit website (such as, for example, the report 'Graduation: Results for Cohorts 2.1 to 2.5', by Kenward and Hannan (2015)). In the following analysis, we mention an 85% graduation threshold several times. This refers to the fact that CLP-2's headline outcome target (for January 2016) is that 66,300 households, i.e. 85% of all households that received some support by CLP, should graduate out of poverty as measured by this graduation criterion. The CLP-2 logframe mentions that this translates to a total of 257,907 people living in CLP-2 intervention areas.

3.2 How have CLP-2 graduation rates changed up to October 2015?

Graduation rates for all cohorts show an upward trend over time, which is indicative of CLP's progress in meeting its own graduation criterion. Figure 3 below shows how CLP graduation rates have developed over time for all cohorts. Two things are clear from this figure: first, within cohorts, the proportion of households that meet the CLP-2 graduation criterion soars from baseline to year one or year two after baseline – after which they stay relatively constant.[15] Second, across cohorts, in 2015, the proportion of households in the survey that achieved the graduation criterion lies between 82% and 95%.

Figure 3 Proportion of households meeting CLP graduation criterion by cohort and year



In October 2015, more than 85% of participant households met the CLP-2 graduation criterion, which translates into about 276,000 individuals living in such households. This indicates that CLP-2 has achieved its own objective of an 85% graduation rate. In fact, Table 7 below shows that the average proportion of households meeting the CLP graduation criterion in 2015 across all cohorts is 90% – which is representative for all CLP-2 CPHHs. Table 8 below shows that this translates to an estimate of over 69,000 households that met the CLP graduation criterion in October 2015. Based on our own estimates of an average of four members per

[15] Two exceptions are cohorts 2.1 and 2.2, for which there were significant improvements in terms of CLP graduation rates even from 2013 to 2015. Some of this is likely to be related to re-sweeps and continued activities of CLP-2, as mentioned in Section 1.1.

household in 2015, this translates to about 276,000 individuals living in households that had met the CLP-2 graduation criterion at that point in time.

Table 7 Proportion (%) of households meeting CLP-2 graduation criterion in 2015, by CLP cohort

October 2015		Cohort					
	Total	**2.1**	**2.2**	**2.3**	**2.4**	**2.5**	**2.6**
Estimate	90.1	82.3	84.1	91.9	87.8	94.5	93.8
Lower 95% confidence interval	*88.8*	*78.0*	*80.1*	*89.1*	*84.4*	*92.2*	*91.5*
Upper 95% confidence interval	*91.4*	*86.7*	*88*	*94.7*	*91.2*	*96.8*	*96.1*
N	2,082	283	320	357	353	364	405
Notes: Estimates are weighted using sampling weights. The graduation criterion is fulfilled if the household meets six of the underlying 10 graduation criteria. See Table 6 for details.							

Table 8 Total weighted counts of households in 2015 by CLP cohort and graduation status

October 2015		Cohort					
Does household meet CLP-2 graduation criterion?	**Total**	**2.1**	**2.2**	**2.3**	**2.4**	**2.5**	**2.6**
No – Household does not meet criterion	7,643	884	1,770	1,416	1,987	746	839
Yes – Household meets criterion	69,383	4,120	9,339	16,019	14,322	12,833	12,751
N	2,082	283	320	357	353	364	405
Notes: Estimates are weighted counts using sampling weights. The graduation criterion is fulfilled if the household meets six of the underlying 10 graduation criteria. See Table 6 for details.							

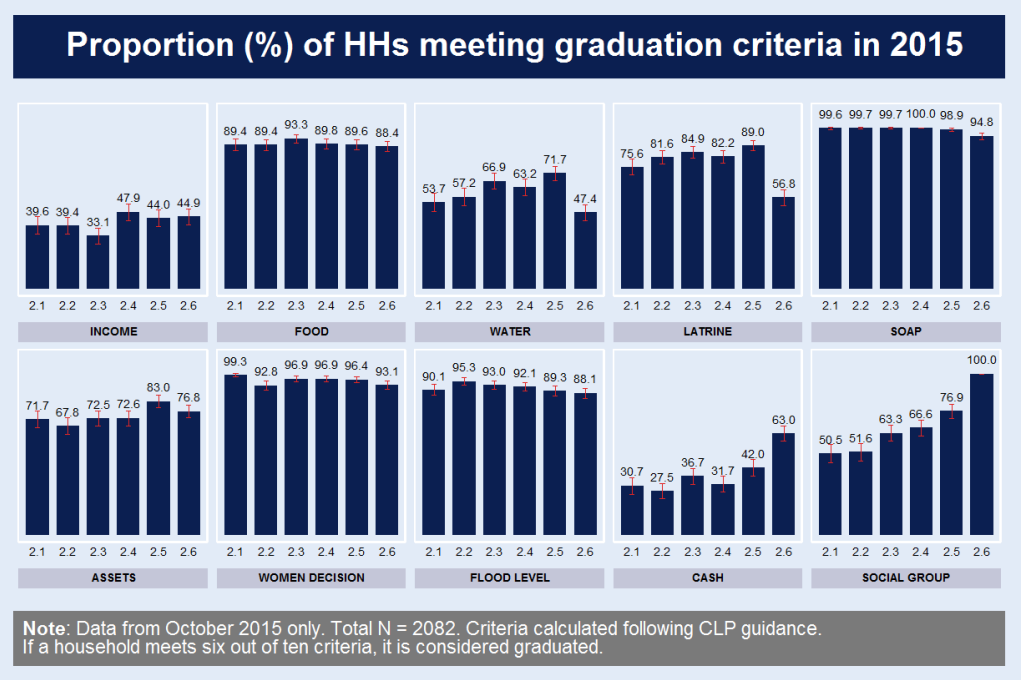
3.3 Variation in underlying indicators and across households

As described above, the CLP-2 graduation criterion is based on 10 underlying criteria (see Table 6). Households must meet six out of these to be considered to have graduated from CLP-2. This means that the graduation criterion hides a significant amount of variation across the underlying criteria.

As can be seen in Figure 4 below, the proportion of households that met the different criteria in 2015 varies significantly. The criteria that households find most difficult to meet are related to cash savings, income sources, and access to water. Across cohorts, the social membership criterion has the largest variation, with 'older' cohorts tending to meet this criterion less often.[16]

[16] For more detailed analysis of this variation, please see the OPM descriptive statistics report (OPM 2016). We include the executive summary of that report in Volume II (OPM 2016a).

Figure 4 Proportion of households meeting underlying graduation criteria in 2015 by cohort



3.4 Graduation compared to other measures of economic wellbeing: consumption and asset poverty

In order to be able to summarise and describe changes in the economic wellbeing of CLP-2 participants more conventionally, we construct two additional indicators: consumption and asset poverty.

Consumption poverty is what the official poverty statistics measure. To construct consumption poverty rates we rely on the poverty headcount ratio. The poverty headcount ratio is defined here as the share of CPHHs that fall below a line of minimum consumption – the poverty line. In our analysis we will use the lower Household Income and Expenditure Survey (HIES) poverty line for rural Rangpur (1235.66 BDT per capita in 2010 prices).[17]

It is important to emphasise that the use of this poverty line for the sample of CLP participants requires that the measure of CLP participant consumption is comparable to that collected by the HIES. To be able to do this, we rely on an imputed measure of consumption for CLP participant households.[18]

In addition, we assess asset poverty using an asset index calculated using available data on asset ownership by CLP-2 participant households. As with the consumption aggregate, we construct this index in such a way that it is comparable to the HIES data. We construct a poverty headcount ratio, i.e. the proportion of households that fall under a minimum line of asset value ownership. In the present case, this line is drawn at the 30th percentile of the rural Rangpur asset index distribution in the HIES data.

[17] HIES 2010 calculates two poverty lines: the upper poverty line is 1486.66 BDT per capita and the lower poverty line is 1235.66 BDT per capita.
[18] See Volume II (OPM 2016a) for more detail on the exact methodology used to compute this.

There are two main reasons for using both consumption and asset poverty estimates: first, because we consider asset poverty as a robustness check to estimates based on our imputed consumption measure, since we expect that consumption poverty is correlated with asset poverty. We therefore expect changes in these two indicators to mirror each other. In addition, however, it is important to realise that asset and consumption poverty reflect different dimensions of being poor, since not all consumption poor are asset poor, and vice versa. Using both indicators allows us to capture both dimensions of poverty.[19] While asset poverty relates more closely to chronic poverty, consumption is more sensitive to temporary changes in welfare and reflects transient poverty. For instance, we find that 34% of CLP participant household who are not asset poor report consumption poverty in the 2014 data. These households may have assets, including productive assets, but these assets may not be generating sufficient income to support adequate consumption levels, which is likely to happen either early on in the programme, when participants receive assets but those assets are not producing income yet, or even later in the programme, when a sizeable investment (e.g. purchase of land) or a shocks drains all of a household's financial resources. These households may need special protection on a temporary basis.

3.4.1 How do poverty rates compare to CLP-2 graduation?

Table 9 below shows how poverty rates compared to CLP-2 graduation status in October 2015. As expected, and because the CLP-2 graduation criterion covers several dimensions of participant households' lives that are not necessarily perfectly aligned with consumption and asset value ownership, poverty rates are also not perfectly aligned with whether households met the CLP-2 criterion or not.

Despite meeting the CLP-2 graduation criteria, over one-third of CLP-2 graduating households fall under the consumption poverty line. The table shows that 38% of all households that met the CLP-2 graduation criterion in 2015 are estimated to be consumption poor. In terms of asset poverty, the results show that only 14% of all households that met the criterion in 2015 are considered to be asset poor. This proportion is significantly larger for the group of households that did not meet the CLP-2 criterion. These results are not surprising, given that CLP-2 is an asset transfer programme and asset values are part of the graduation criterion.

Table 9 Poverty rates in 2015 by graduation status

2015	Poverty status	Graduated	Non-graduated	Total
Consumption poverty	Consumption poor	37.8	48.2	38.8
	Not consumption poor	62.2	51.8	61.2
	Total	100.0	100.0	100.0
	N	1,875	207	2,082
Asset poverty	Asset poor	14.2	36.2	16.4
	Not asset poor	85.8	63.8	83.6
	Total	100.0	100.0	100.0
	N	1,875	207	2,082

[19] We have presented descriptive analyses of these indicators in the descriptive analysis report (OPM 2016). Please see Volume II (OPM 2016a) for the executive summary of this report.

4 Material wellbeing

In this section we present results related to the material wellbeing of CLP-2 participant households and household members. We present both quantitative and qualitative evidence for changes that have happened due to CLP-2, and regarding how they materialised.

The evaluation questions that this section therefore provides answers to are as follows:

1. How many people living in CPHHs were lifted out of extreme poverty?
2. What was the impact of CLP-2 on this number and on the poverty gap?
3. How have the livelihoods of CPHHs changed in the following area: household income?[20]
4. What was CLP's impact on income?

In addition, we present results related to factors which have helped households to benefit from CLP-2, or that have prevented them from doing so. It is important to mention that differentiating between strict measures of economic wellbeing, such as consumption poverty, and other indicators for how well households do was not possible in our qualitative research – given that respondents from participant households could not make such a differentiation. The qualitative research therefore focused on identifying factors which respondents felt to be inhibiting or supporting participants' ability to benefit from CLP-2.

We also present quantitative results that corroborate qualitative findings with respect to these factors. To do so, we use both consumption poverty and CLP-2 graduation rates as outcome variables, which allows us to look both at economic welfare (consumption poverty) and a wider, programme-specific measure of wellbeing (the CLP-2 graduation criterion).

Using both quantitative and qualitative evidence, this section therefore also provides answers to the question:

5. What are the major factors that char dwellers perceive are the cause for households not graduating?

4.1 How has material wellbeing been affected by CLP-2?

4.1.1 Consumption poverty

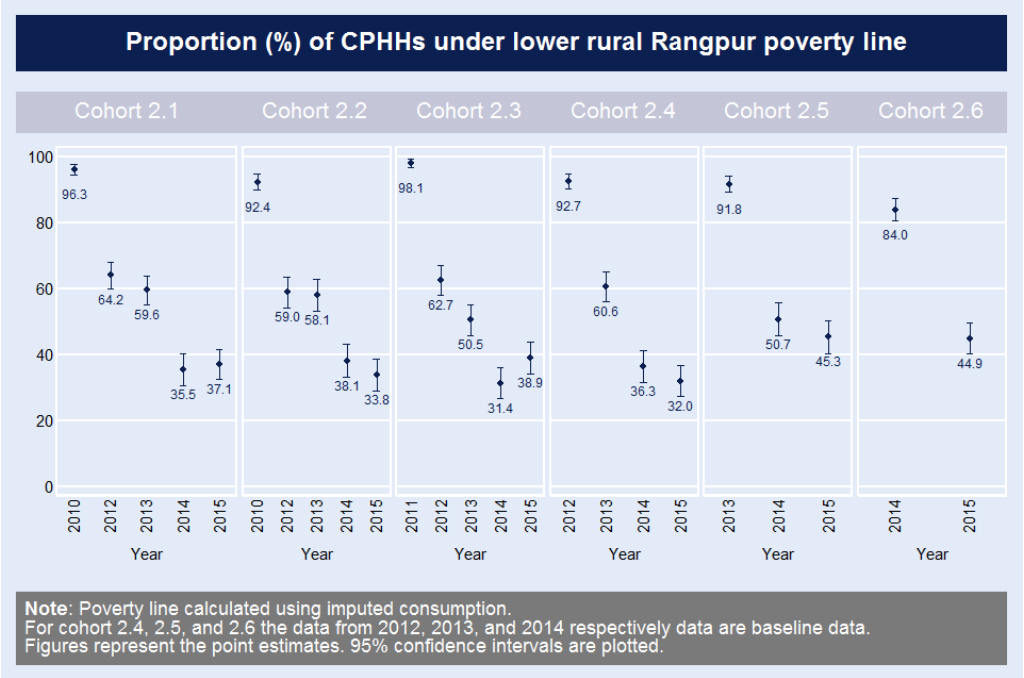
We first turn to how quantitative measures of economic wellbeing and deprivation – poverty – have changed over time for CLP-2 participants, and how much of these changes can be attributed to CLP-2. Consumption is often the preferred measure of economic wellbeing – which is underlined by the fact that the Bangladesh Bureau of Statistic uses consumption to measure poverty rates. We describe our approach to estimating consumption poverty in Section 3.4 above and, in more detail, in our descriptive statistics report (OPM 2016b).[21]

[20] Please note that, for the purpose of brevity, we do not present results on reported expenditure explicitly in this section. This is because, first, these results point in the same direction as the other findings shown here; and, second, consumption levels can be interpreted as representing household expenditure. In Volume II (OPM 2016a) we present estimates based on raw aggregates of household expenditure in BDT for both PSM and panel estimation strategies.
[21] Please see Volume II (OPM 2016a) for the executive summary of this report.

4.1.1.1 Poverty headcount

Consumption poverty rates have decreased significantly for participants in all cohorts over time. As shown in Figure 5, at baseline poverty rates lay between 84% for cohort 2.6 in 2016 and 98% for cohort 2.3 in 2011. In 2015, consumption poverty rates were significantly lower, ranging from 31% in cohort 2.3 to 45% in cohorts 2.4 and 2.5.

Figure 5 Proportion of households under lower rural poverty line by cohort and year



By 2015 61% CLP participants were above the consumption poverty line. Table 9 above indicated that in 2015, on average, 39% of all participant households were consumption poor. In absolute numbers, this means that about 30,000 of all participant households were consumption poor, compared to 47,000 that were not consumption poor. Taking an average household size of four, this means that in 2015 a total of about 189,000 individuals were living in non-poor participant households.

To estimate the impact of the programme, we isolate the impact attributable directly to CLP through panel and PSM analyses. The descriptive analysis above does not take into account other factors that could be driving part of these poverty results. These results also do not say anything directly about what the situation of these individuals would be without CLP-2. As described in Section 2.2.1, we have used PSM and panel regression techniques to estimate the changes in participants' lives that can be attributed to CLP-2.

Figure 6 presents the results with respect to consumption poverty: first, it shows a simple descriptive analysis that shows average changes across cohorts from baseline to year one after baseline (T=1), year two after baseline (T=2), and year three or more after baseline (T=3+). These results are presented for benchmarking purposes; second, the results from two PSM analyses are shown – one that relates to changes from baseline to year one after baseline (T=1), and one that relates to changes from baseline to year two after baseline;[22] finally, the results from our panel

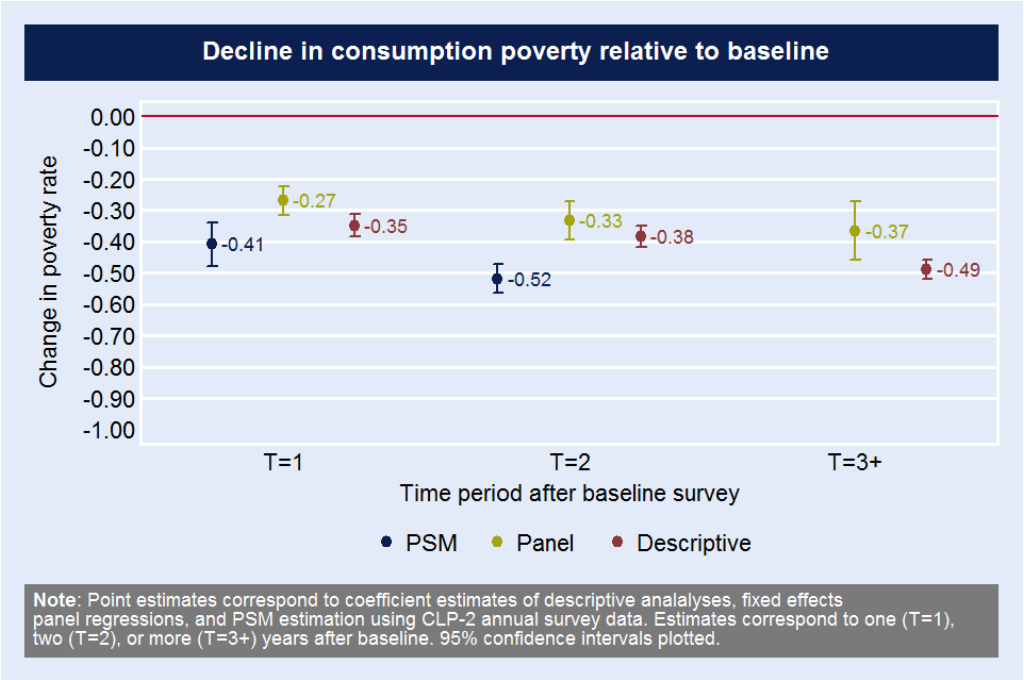
[22] Please see our discussion of PSM in Volume II (OPM 2016a) for methodological details regarding the exact PSM results that we are plotting here.

regressions are plotted – which control for yearly effects and household fixed effects.[23] These correspond to T=1, T=2, and an average for T=3 or more.

CLP-2 reduced the poverty rate among participants by an average of 27 percentage points one year after baseline. Participating in CLP-2 is associated with a significant reduction in consumption poverty, which already materialises after one year of participation. The point estimates for PSM and panel analysis at T=1 lie at -0.27 and -0.41. Panel estimates of impact are lower than the PSM ones, which indicates that yearly effects, differences across cohorts, and unobservable household characteristics play a role in the current context.

The reduction in poverty is sustained several years after the baseline measurement. The estimates at T=2 and T=3+ do not indicate any potential reversal of the positive change at T=1 – rather they point to a sustained low level of poverty rate for participants.

Figure 6 Estimated decline in consumption poverty due to CLP-2



After three or more years in the programme, the poverty rate is on average 37 percentage points lower than would have been the case without CLP.[24] This means that an average of 28,000 households and about 113,000 individuals have been lifted out of extreme poverty due to CLP-2 three years or more after baseline.[25]

4.1.1.2 The poverty gap

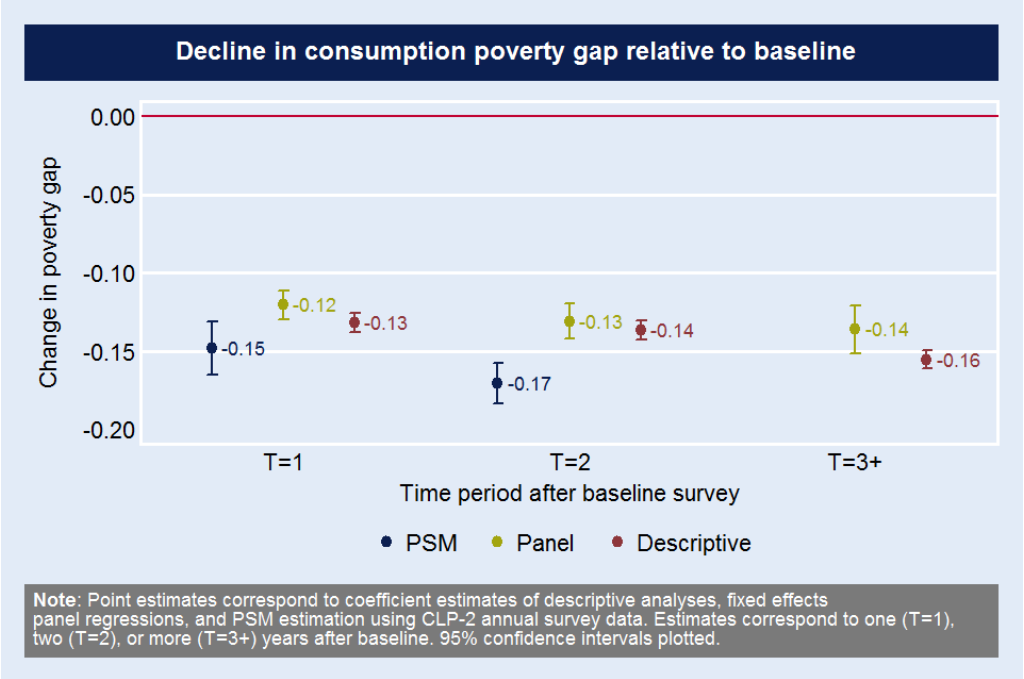
In addition to analysing poverty headcount rates we have also looked at how CLP-2 has affected the consumption poverty gap among CLP-2 participants. The poverty gap measures the 'distance' of poor households from the poverty line, or the amount of income/consumption (expressed as a percent of the poverty line) that would be needed to bridge the gap between the current consumption levels of households and the poverty line. A poverty gap of 0.50 would hence indicate

[23] Please see our discussion of panel regressions in Volume II (OPM 2016a) regarding how these results were derived.
[24] With a 95% confidence interval of 46 to 27 percentage points
[25] The absolute numbers were calculated by applying the impact rates reported in Figure 8 to a total number of 77,026 participant households of which our data are representative. The 95% confidence interval for the number of households lifted out of poverty ranges between 21,000 and 35,500. The 95% confidence interval for the number of individuals is 83,500 to 142,000. The number of individuals was estimated assuming an average household size of four.

that, on average, households would have to bridge the equivalent of 50% of the poverty line to become 'non-poor'.

Figure 7 below indicates that CLP-2 has also significantly reduced the poverty gap among CLP-2 participants. Our panel estimates show that on average the poverty gap among CLP-2 participants fell by 12 percentage points one year after baseline – a change that was sustained in year two, three, or more after baseline. This means that, even among individuals that remained consumption poor after participating in CLP-2, there has been a significant increase in the consumption levels, i.e. they moved closer to the poverty line.

Figure 7 Estimated decline in consumption poverty gap due to CLP-2



4.1.2 Asset poverty and income

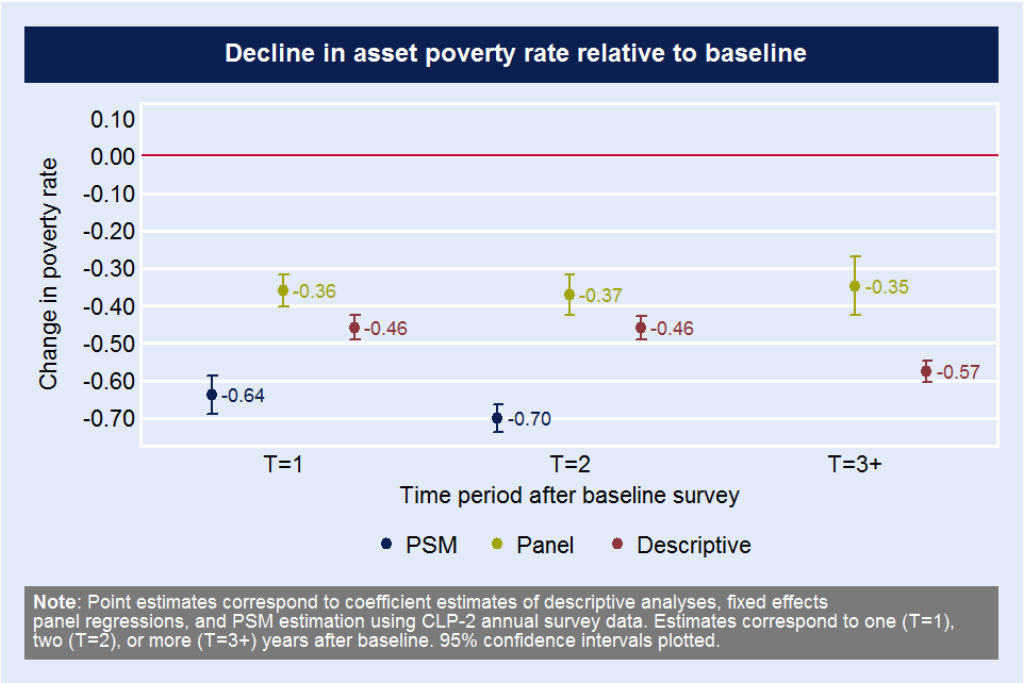
In addition to consumption poverty, we look at two additional welfare measures: asset poverty and household income. In contrast to consumption poverty, asset poverty can be seen as a less volatile measure of poverty given that asset ownership is less likely to react to short-term shocks. In addition, measuring asset poverty sheds light on a slightly different dimension of economic deprivation of CLP-2 participant households and is more closely related to the asset transfer dimension of the programme itself.

Similarly to consumption poverty, asset poverty and household income improved significantly due to CLP, with the biggest improvement occurring in the first year, which was then sustained for several years.

Based on the panel estimates, asset poverty decreased on average by 36 percentage points for participant households after one year of programme support. Our results also indicate that this decrease in asset poverty was sustained beyond year one – the estimated difference to baseline in year two is 37 percentage points and 35 percentage points on average for year three, four, and five. As before, the PSM estimates for year one and year two are larger than the panel estimates, which indicates smaller treatment effects when averaging across all cohorts (panel) and

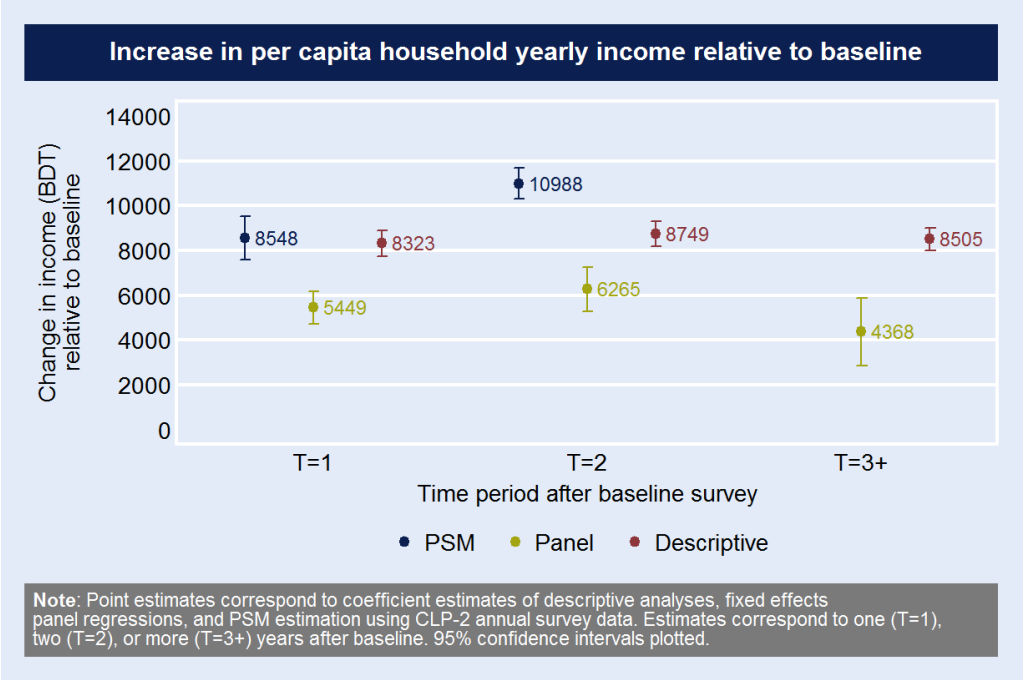
points to the importance of year and household- or cohort-specific fixed effects, for which the PSM cannot control (See Figure 8).

Figure 8 Estimated decline in asset poverty due to CLP-2



CLP-2 also led to a significant increase in the per capita income of participant households. As Figure 9 below shows, our estimates indicate that household income increased significantly one year after baseline. Again, this positive impact was sustained throughout year two after baseline and further – even though panel estimates seem to point towards a slight decreasing trend three years or more after baseline.

Figure 9 Estimated increase in per capita income due to CLP-2



4.2 What factors have contributed to households improving their wellbeing, or inhibiting them from doing so?

Life on the chars is difficult and people face constraining circumstances and constant exposure to shocks, many of which can have an impact on households' livelihoods and wellbeing. In this section, we present quantitative and qualitative evidence on those circumstances and shocks.

The main focus is on qualitative research and on what factors respondents at our research locations perceived as having the biggest potential to affect their ability to do well or badly whilst being CLP-2 participants. The evidence from the qualitative research points to factors identified by respondents across locations and data collection instruments as being of such importance that they could change a household's development trajectory for better or worse. In other words, there were many more factors cited in our research, but these are not discussed here, as the focus is on the big 'game-changers'.

This analysis is validated by presenting selective quantitative findings that support some of our qualitative analyses. Using our panel regression framework we analyse the differences between treatment effects of CLP-2 in different sub-populations of interest (e.g. households who are subject to specific shocks and households that are not subject to these shocks).[26] If differences are significant, this indicates that the impact of CLP differs between the two groups. To show differences, we rely on the graphic depiction of differences in the rate of change in outcomes (poverty and graduation rates) between groups.[27] Volume II of the Final Evaluation Report provides further details on the methodology and specifications used to test the conditional effects of certain variables on CLP-2 participation.

[26] We test the conditioning of shocks and household characteristics on programme impact using our panel regression framework by including interaction terms between the treatment indicators (showing in which years of the programme cycle a given household was situated) and the conditioning variables of interest.
[27] We include interaction terms in regressions one after the other to test for significant difference of CLP-2 treatment effect between groups of interest; however, we avoid including all conditional effects at once, to ensure the stability of our model.

Our choice regarding which shocks and characteristics to consider reflects our qualitative findings as well as data and methodological constraints. For some qualitative evidence, we therefore do not present quantitative results. This is mainly due to constraints that we face with respect to the data available to us and methodological constraints. For example, as can be seen further below, the qualitative evidence points to illness shocks and dowry costs as important barriers to improving wellbeing. However, we do not consider these quantitatively here due to the endogeneity of the decision to incur dowry and health care expenses. That is, households who are doing poorly may defer paying dowry and health care costs, while households who do well in the programme and can afford dowry and health expenses may choose to incur them. Using quantitative data to analyse this relationship would yield results that appear to suggest that dowry and health care expenses are associated with higher levels of wellbeing.

In what follows, we first present factors that inhibit households' abilities to benefit from CLP-2. We then present evidence regarding which factors help households to benefit from CLP-2.

4.2.1 Factors inhibiting improvements in wellbeing

Respondents in our qualitative research discussed two categories of factors that decrease the likelihood of them doing well within the context of CLP-2. Firstly, contextual factors, such as the exposure to erosion and flood and the proximity and accessibility of the mainland. Secondly, household-level factors, such as specific household characteristics when entering the programme, as well as intra-household dynamics and household-level shocks.

4.2.1.1 Contextual factors: Erosion and floods

Both quantitative and qualitative evidence shows that exposure to erosions and floods greatly affects whether a household is able to improve its wellbeing. However, the longer households have been enrolled in CLP, the better able they are to mitigate these shocks.

Our qualitative evidence shows that despite plinths being raised and despite the implementation of other CLP strategies to decrease exposure, many participant households continue to suffer from floods. Even if houses are not flooded, the roads, fields, and surrounding areas are subject to flooding. Households that are affected by acute floods or river erosion face difficulties in improving their wellbeing owing to the detrimental impact on assets and livelihoods. Whilst char dwellers reported fearing erosion most, as it had the most detrimental effect, they also stated that the most frequent negative impact on their livelihoods resulted from floods. It should be remembered that both incidents occur frequently in the chars.

Respondents explained that exposure to flooding affects households' wellbeing in several ways: firstly, flooding can lead to income shocks if houses or CLP assets are destroyed and need to be repaired. Repairs to latrines and tube wells are of crucial importance for preventing household members from contracting diseases. Secondly, crops can be damaged by floods and flash floods, resulting in future loss of income. During the flooding period, households are unable to compensate for loss of income through wage labour as demand for labour is typically low during this period. Thirdly, livestock are more vulnerable to the contraction of diseases during floods and incidents of theft of livestock are frequent. Livestock theft is common at night and robbers exploit situations in which household have to take shelter from floods and are unable to take their cattle along with them. If households are affected by floods in spite of the attempts made by CLP to secure their living environment, the shocks described above dramatically impact on the development trajectory of the household, making it more difficult to improve their wellbeing

Whilst less frequent, the negative impact of river erosion on households' wellbeing is even more dramatic. Affected households have to face numerous challenges. Households have to be relocated and new land leased, resulting in high levels of expenditure. CLP assets and livestock not lost as a result of the erosion are often sold to finance the move. Latrines and tube wells provided by CLP are destroyed and the exposure to erosion also undermines some CLP participants' willingness to invest in rebuilding assets.

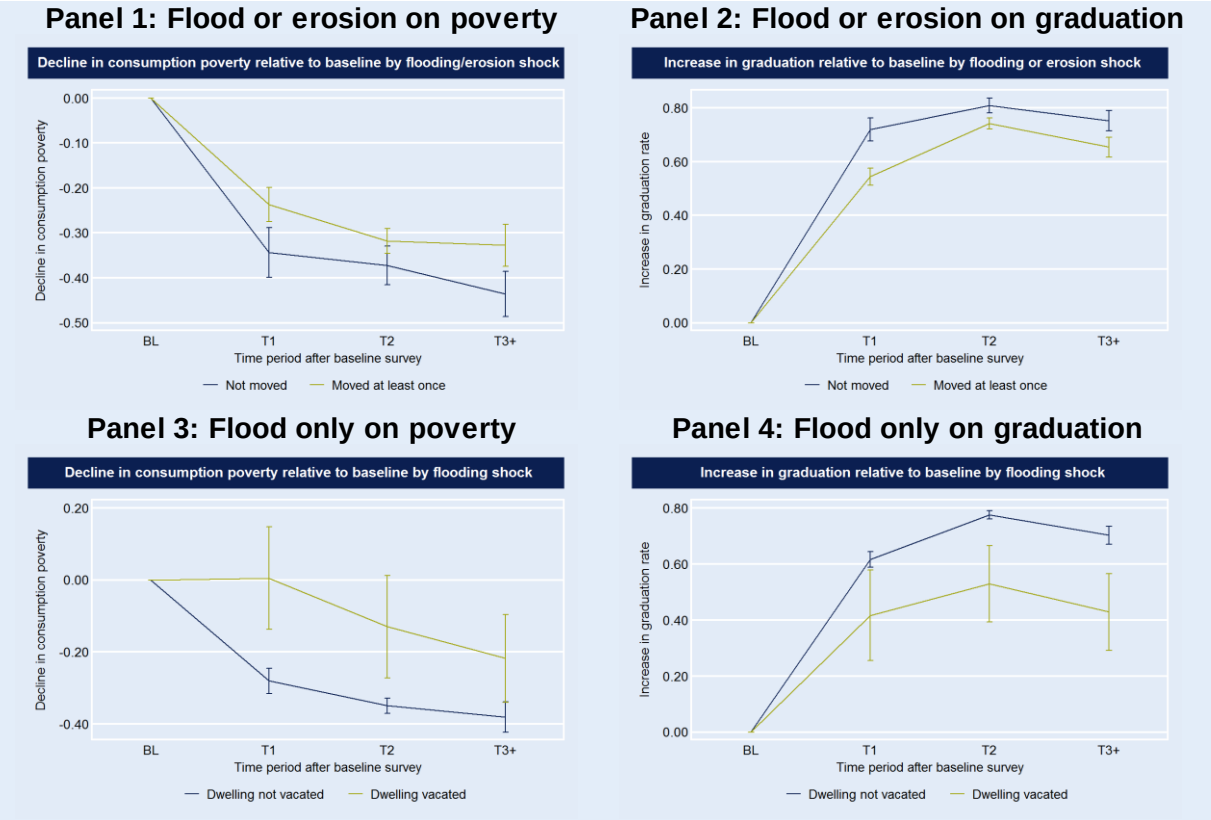
> *'Due to lack of land and we cannot build house permanently and so we are not able to use hygienic sanitation and cannot built the base of tube wells in the proper way. This is because we are always freighted that we will get eroded again and because most parts of our village have been eroded by the river.'* [FGD, female CLP participants, in 2.4 low performing site]

However, interestingly, over time the resilience of households to erosion and shocks increases as their ability and strategies to prevent, mitigate and cope improve. Respondents reported that CLP participants who were affected by river erosion or floods at an early stage of the programme were more severely affected than households who faced erosion and floods some time after first participating in CLP. This suggests that the longer a household has been able to benefit from participating in CLP, the more its economic and social ability to cope with such disasters increases.

Our quantitative results support these qualitative findings. To show that this is the case we used two quantitative measures of flooding and erosion that affected households: first, we used a measure that captures whether households had to move either temporarily or permanently due **to significant floods or erosion**. This does not distinguish between erosion and flooding impact or between temporary and permanent displacement. However, forced relocation tends to be triggered by erosion or severe and repeated flooding, and stands as a proxy for especially devastating events. Second, we used a measure which identifies households who had to vacate their dwellings as a result of **flooding only**. This therefore captures the aspect of flooding alone, without erosion.

We find that for participant households who were affected by flooding or erosion and therefore had to move or vacate their dwelling, the positive impact of CLP-2 in terms of poverty reduction or increased CLP-2 graduation rates was significantly lower than for households that were not affected. Figure 10 **b**elow shows that, for both groups, CLP produced a significant reduction of poverty and led to improved graduation performance.
However, the magnitude of poverty reduction and the rate of graduation attributable to CLP were much lower among affected households than among households that did not have to relocate due to flooding or erosion. For example, in Figure 10 panel 1 shows that the decrease in poverty rates is significantly more pronounced for households that did not have to move due to erosion or flooding. Similarly, panel 2 shows that graduation rates tend to increase significantly more for the same group of households. Similarly, households who had to vacate their dwellings due to floods alone show less pronounced poverty reduction (panel 3) and slower improvement in graduation rates (panel 4). It is important to note here that, overall, we find these differences to be significant in all three time periods after baseline.

Figure 10 Effect of erosion and floods on poverty reduction and graduation due to CLP



Note: Coefficient estimates of fixed effects panel regressions. Plotted estimates correspond to one (T=1), two (T=2), or more (T=3+) years after baseline.

Our qualitative results point to the particularly devastating impact shocks had on households if they occurred early in the CLP project cycle. Our quantitative analysis finds some evidence that supports this. Households who had to vacate their dwellings due to flooding within one year after being recruited into the programme reported virtually no improvement in poverty rates attributable to CLP: in panel 3 of Figure 10 the point estimate at T=1 for households that had to vacate their dwelling is equal to zero. For the same group of households, however, we see a significant reduction in poverty three or more years after programme baseline.[28] This is consistent with the qualitative finding that resilience to shocks is perceived to increase with length of participation in the programme.

Erosion and flooding may affect households in multiple ways, not only by forcing them to move. In a separate exercise, we also analysed the effect of flooding on poverty and graduation via other pathways: loss of livestock, crops, property, and health problems. [29] However, we found no consistent significant effects.[30]

Recognising the high cost of erosion and the need to help participants to cope with this shock CLP-2 extended grants to households affected by erosion and floods. However, the fact that erosion

[28] The point estimate of the poverty impact of CLP-2 suggests lower improved chances of CLP-linked reduction in poverty. However, this apparent improvement is not statistically significant.

[29] The CLP survey data do not allow for disaggregating the specific pathways in which *erosion* affects household wellbeing and graduation.

[30] The fact that we do not find consistent significant effects of floods on the magnitude of CLP's effect on poverty and graduation via those other pathways may reflect the shortcomings of the data collected in this regard: the data were collected retrospectively, during the October 2015 round of the CLP-2 annual survey and required households to recall the history of flooding over the last five years and to correctly report the timing of floods and the impact they had on the various aspects of their welfare.

and floods significantly affect the ability of CLP to lift participants out of poverty could indicate that these grants have limited effectiveness in offsetting the negative impact of erosion and floods.

4.2.1.2 Contextual factors: Access to the mainland

Our qualitative research also points to the fact that proximity to, and access to, the mainland differs between seasons and is perceived as having an impact on whether households are able to do well from CLP participation.

Weak links with, and communication systems connected to, the mainland affect the ability of households to do well through CLP participation in our research locations, by impacting on access to markets, traders, basic services and government officials. Having ready access to these things enables households to maximise the impact of CLP and limited or restricted access, even if only for parts of the year, limits the opportunities available to participants to explore new livelihood options and strategies. It should be noted that the accessibility of chars differs significantly between the dry and wet season, leading to different challenges. Nonetheless, the remoteness of some chars and the difficulty, cost and time associated with reaching them presents additional hurdles households have to overcome in order to improve their wellbeing.

Connectivity with the mainland allows households to sell vegetables to local markets, means that male family members can easily go to urban areas, and allows households to have access to health services. A lack of paved roads which can be accessed with vehicles other than three-wheelers increases the difficulty and time required to travel to and from the chars. In all research locations, the common means of access is by walking, bicycle/motorcycle during the dry season and boats during monsoon, when the roads are flooded or are too muddy to travel. Poor communication in most cases translates into poor connectivity with the mainland, which affects char dwellers who therefore have poor access to essential services, such as health services, education and LSP services. From the perspective of livelihoods, poor accessibility can in some cases result in poor access to markets, as well as difficulty for traders and wholesalers in regard to accessing and sourcing produce from the chars. Thereby, on the one hand this limits the ability of the char dwellers to purchase inputs and necessities, and on the hand it hampers their ability to sell their produce readily themselves, thereby eliminating the benefit of receiving the full market price. Finally, poor connectivity also inhibits the ability of char dwellers to access local government services, as well as preventing local government officials and leaders from visiting the chars. Whilst awareness of the importance of education has increased, char dwellers continue to face difficulties and extra costs when attempting to educate their children. This is further exacerbated during the rainy season, when some schools in our research locations have to close.

4.2.1.3 Household-level factors: Dependency ratio and gender composition of the household

Our research points to several household-level characteristics that can negatively impact the extent to which participant households are able to benefit from CLP. Both qualitatively and quantitatively we show that high dependency ratios are of particular importance.

Respondents in our qualitative research explained that households with a single income earner do worse than households with multiple income earners.[31] Similarly, households with more

[31] FGD, men from participant households, cohorts 2.2 and 2.4, high performing sites, men from non-participant households, cohorts 2.4 and 2.5, high performing sites, female participants, cohort 2.2, low performing site, cohort 2.4, high performing site, cohort 2.5, high performing site, women from non-participant households, cohort 2.2, low and high performing sites, cohort 2.5, high performing site.

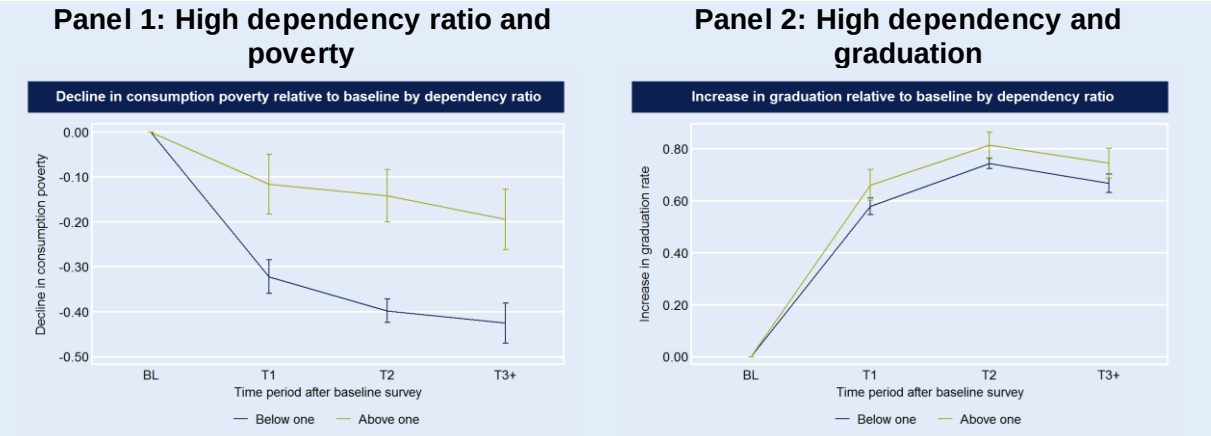
dependents are more vulnerable than households with a low number of dependents.[32] This seems to be due to the fact that dependency ratios impact the disposable income households typically have available for investment in livelihood strategies after meeting their most pressing needs.

Qualitative research also points to the fact that households that include girl children also tend to do less well due to the culture of dowry payments. Even if households do well, dowry payments tend to increase in value, thereby negating the improvements in income and the economic situation of the household. Whilst participants save in anticipation of dowry payments, this often does not cover the full cost. In addition, if several daughters are married within a short period of time, a household's financial reserves are depleted and cannot be restocked before the next dowry expenditure, which leads to the depletion of assets and hence the tools that would have equipped households to improve their wellbeing.[33]

We examine the role of dependency ratios quantitatively. For our analysis, the dependency ratio is defined as the share of non-working age adults to working age adults.[34] For the purpose of this analysis we consider households to have high dependency ratios if this ratio exceeds 1 (i.e. the number of dependents exceeds the number of working age adults).

Our results support the qualitative findings in that households with high dependency ratios reported significantly greater poverty reduction attributable to CLP than those with lower dependency ratios. Panel 1 in Figure 11 shows that the differences in consumption poverty appear in year one and continue throughout the project cycle. After the third year, CLP reduces poverty much more in households with lower dependency ratios than in those with higher dependency ratios. However, dependency ratios seem to play a very limited role with respect to CLP-2 programme graduation (Figure 11, panel 2). The increase in graduation rates due to CLP-2 is very similar between households with high and low dependency ratios.

Figure 11 Differential impact of CLP on poverty reduction and graduation rates among high and low dependency households.



Note: Coefficient estimates of fixed effects panel regressions. Plotted estimates correspond to one (T=1), two (T=2), or more (T=3+) years after baseline.

[32] KII, Upazila Cooperative Officer, cohort 2.2, high performing site; FGD, men and women from participant households, cohort 2.2, low performing site, female participants, cohort 2.4, high performing site, and cohort 2.5 high and low performing sites.
[33] We do not find quantitative evidence for this qualitative result.
[34] Working age individuals are those aged 16 to 64.

According to the analysis above, in terms of consumption poverty, the negative impact of high dependency ratios on the poverty reduction is comparable to, and even greater than, that of environmental shocks. **We must therefore recognise that high dependency ratios pose a structural constraint on the effectiveness of CLP-2 and future livelihood programming may want to take up the task of mitigating the impact of such ratios**. Interventions that help households to relax the burden of caring for dependents and mitigate the cost of supporting them might produce considerable gains in programme effectiveness. Such interventions may include communal interventions that provide care for infants and elderly and thus spread the dependency across multiple households. Alternatively, the introduction of productive activities suitable for older household members may prove a viable option.

4.2.1.4 Household-level factors: Female household headship

Our qualitative evidence suggests that while some female headed households were less likely to do well from CLP participation due to being more restricted in the livelihood strategies they can pursue, if they received government support and boasted low dependency rations these households could occasionally also benefit from female control over assets and investment strategies. This means that our qualitative findings with respect to female headship were mixed.

Empirical evidence from external quantitative studies is mixed too. The World Bank Bangladesh Poverty Assessment reports lower prevalence of female-headed households among the consumption poor than among the consumption non-poor, suggesting that female headship is associated with a lower probability of being poor. The trend holds for 2005, 2008 and 2010 HIES data (Joliffe *et al.*, 2013). However, our own diagnosis using HIES 2010 indicates that upper poverty rates are significantly lower for female-headed households in rural Rangpur.[35]

Female household headship in Bangladesh covers a variety of situations. If female headship is a consequence of work-related migration of the male head of the household, it can be associated with higher earnings, remittances, and higher economic welfare overall. The situation of widows, divorced, and abandoned women is drastically different, however – these tend to be significantly disadvantaged, both socially and economically (Joshi, 2004). Among CLP-2 participants, the vast majority of female-headed households belong to the second type and therefore can be expected to experience some barriers and vulnerabilities (Table 10).

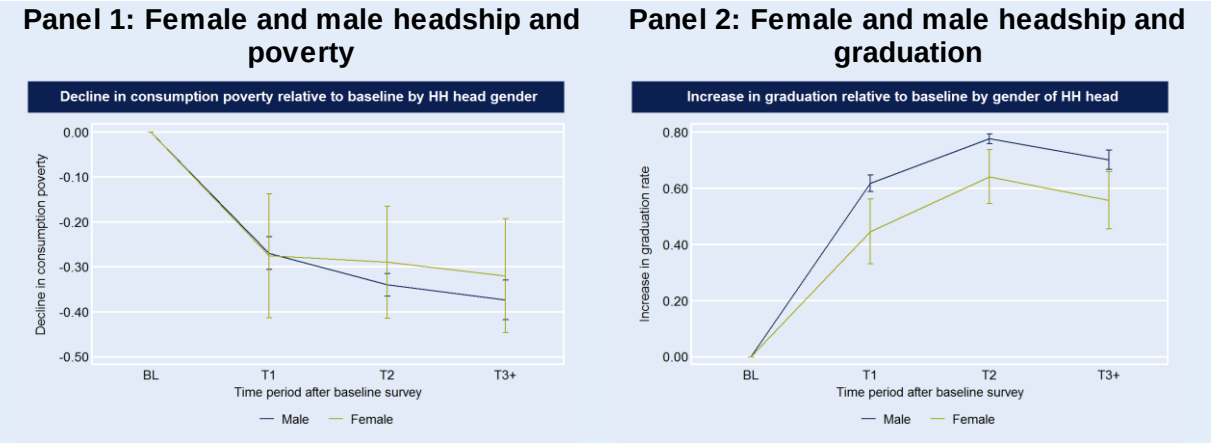
Table 10 Marital status of female household heads, % of all female household heads

Marital status of female household head in 2015	Married	Separated	Abandoned	Divorced	Widowed	Total
Share in all female household heads (%)	9.2	6.4	8.8	8.0	67.6	100.0
N	23	16	22	20	169	250

As can be seen in Figure 12 **our quantitative results show that CLP-2 reduces poverty to the same extent among female- and male-headed households.** Although there are minor differences in the size of the poverty reduction impact, these differences are statistically insignificant (Panel 1). **However, the differences between the two types of households in terms of graduation are significant**, with female-headed households – all else being equal – experiencing a lower increase in graduation rates attributable to CLP throughout the project cycle (Panel 2).

[35] Authors' calculation.

Figure 12 Differences in poverty reduction and graduation rates due to CLP between male- and female-headed household



Note: Coefficient estimates of fixed effects panel regressions. Plotted estimates correspond to one (T=1), two (T=2), or more (T=3+) years after baseline.

4.2.1.5 Household-level factors: Death, illness, and disability

Intra-household dynamics or exposure to shocks such as death or illness of a household member or addiction to gambling of a household member can result in asset depletion or the loss of the use of the asset by the CLP-2 participants. The qualitative research found that the illness of a household member and the resulting medical expenses can drain a household's financial resources. At times, the need to meet medical expenses or cover funeral costs can even result in the depletion of assets in order to meet these costs. Similarly, if the main income earner falls ill for extended periods of time, households can be forced to sell assets to compensate for the loss of income. Whilst the sale of an asset allows households to meet their current expenditure requirements, it also leaves them in a vulnerable position and reverses any gains in their economic wellbeing as a result of participation in CLP. In addition, households who make bad investment choices or lose their investments face reversals in their wellbeing. Examples of this are households that had bought land which was subsequently eroded or who had invested in livestock that were lost due to illness or natural disasters prior to showing a return on investment.

Finally, if a male household member is idle and does not contribute to the effort of improving the household's wellbeing or has an expensive addition to drugs or gambling this can lead to conflicts within the household and depletion of assets, sometimes against the will of CLP participants. Whilst this was not a common problem across the research sites, this phenomenon was frequently mentioned as having a detrimental impact in two of our research sites. If present, it greatly affects the ability of CLP participants to make use of the opportunities of the training and assets provided through CLP.

We analyse the impact of disability quantitatively. For this analysis, we consider that a household has a disabled member if at least one individual within that household reports the following conditions: blindness, physical disability, psychological disorder, deafness, speech disorders, and chronic illness (i.e. the person had been persistently ill for the previous three months or longer). Note that this includes illness as conceptualised by the qualitative research above.

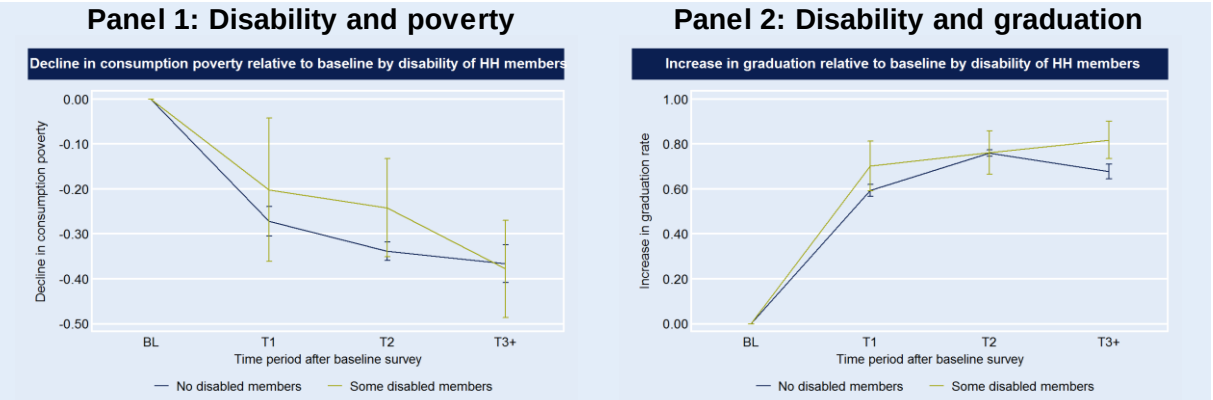
It is important to recognise that our disability indicator is limited by the fact that the reported disability status may not necessarily adequately reflect individuals' functional limitations – in other

words, we do not know how severe the disability is and whether the reported disability limits individuals' ability to carry out work, household chores, care for themselves, and so on. If the questions in the annual survey followed the standard functional limitations approach to measuring disability, a more nuanced picture might emerge

We find no evidence that households with disabled members face any special disadvantages within CLP (Figure 13). While on average their poverty reduction rates after year one and two of the programme tend to be lower than those of households without disabled members, these differences are not statistically significant. In year three, even the average size of the treatment effect is nearly identical (Panel 1).

It terms of graduation rates, households with disabled individuals experience similar improvements to those without disabled members after one and two years in the programme (Panel 2). In years three through five of the programme, households with disabled members actually reported greater improvements in graduation rates that their peers without disabled members. The latter finding would suggest that CLP actually promotes households with people with disability. However, this finding may be driven by the limitations of our disability data, rather than pointing to actual advantages CLP gives to such households. However, the fact the fact that CLP tends to eliminate possible barriers to the advancement of participant households with disabled members is a positive sign.

Figure 13 Effect of disability on poverty reduction and graduation due to CLP



Note: Coefficient estimates of fixed effects panel regressions. Plotted estimates correspond to one (T=1), two (T=2), or more (T=3+) years after baseline.

4.2.1.6 Household-level factors: Household debt at programme start

In addition, our qualitative research revealed that existing debt when entering the programme limits households' ability to improve their economic wellbeing. Though CLP screened for micro finance debt when selecting participant households, it could not record informal loans from relatives, friends and loan sharks. Consequently, some households started into the programme with high-interest debt. These households had to repay the loan, often with income earned from the asset, stipend, or even in some cases by selling the asset. Whilst this point was not mentioned by respondents from different groups and across all locations, it is nonetheless worth noting that if present it can have a detrimental impact on a household's ability to invest saved and generated income in improving their wellbeing. We were not able to assess this results quantitatively – given that very low numbers of households reported any debt at baseline.

4.2.2 Factors and strategies that increase the likelihood of doing well from CLP participation

Our qualitative research suggested that specific strategies pursued by households in our research locations, such as diversification of income sources, access to loans and reinvestment of savings, as well as intra-household dynamics, had an impact on the likelihood of households doing particularly well from CLP participation. We did not assess these factors quantitatively.[36]

The diversification of income sources through access to several income streams and sources is perceived to increase the likelihood of a household doing well through CLP participation, especially if dependency ratios are small. Households where several members earn an income can save some of their income or invest it in additional income streams. If a household is able to engage in several income-generating activities at the same time their wellbeing improves more rapidly than if they rely on one income source. For example, while the male member can migrate for work, the female member engages in cultivation or cattle rearing. As both the husband and wife can earn income, the household can improve its wellbeing status more easily. In addition, the exposure to shocks decreases if a household relies on different income sources. Multiple income earners, double income of husband and wives, and women contributing to household income were considered major factors which contributed to the better performance of these households in our research locations.

Accessing loans – mainly and initially through VSLs and later through microfinance institutions (MFIs) for bigger purchases or migration – is perceived as allowing households to improve their wellbeing. Over time, VSLs tend to be the most active CLP institution in all chars and there are several reasons for their success and popularity that relate to the impact they have had on CLP participants' lives. The formation of VSLs has developed the savings culture of respondents, who used to live hand to mouth. They now save with the aim of improving their future livelihoods through managing cash flow issues and having cash to invest. CLP participants across all research locations value the VSLs and the perceived role they have played in improving their income and livelihoods. The popularity with CLP participants has reportedly led to significant spillover of the saving culture to non-participants, who formed their own committees in many of our research locations. Respondents felt that a key attraction of the VSLs is the ability of members to take loans at extremely reasonable rates, which is a welcome initiative since char dwellers often had to access loans from loans sharks in the past. VSL members take short-term loans to cover agriculture expenses, to purchase cattle, and to cover the cost of educating their children, amongst other purposes. The ability to save and access loans enables households to engage in more and different income-generating activities than in the past, where liquidity and available income was typically in short supply.

VSLs are a source of affordable finance for the char dwellers that can be accessed for investments during hard times or to cover regular expenses. In addition, the savings at the VSLs forms a cushion for the shocks that char dwellers face in the form of natural disasters, social issues such as dowry payments or repurchasing assets in the case of loss or depletion for any reason. The development of a char savings culture, VSL operations and goals for savings are some of the

[36] We were not able to do so given that these would either be subject to reverse causality, i.e. households that did well under CLP-2 would also be likely to access more loans, whereas qualitative research suggests the opposite effect, or because these factors were not adequately captured by the data available to us. For example, intra-household dynamics could not be captured with the right degree of nuance in order to investigate qualitative findings here.

biggest game-changers of CLP in our research locations and these have also had a substantial impact on female CLP participants and char dwellers more generally.

Reinvestment of savings and income in productive activities and assets maximises available financial resources. The CLP assets helped households accumulate capital and savings that in turn motivated them to re-invest in different income-generating activities. The main source of investable funds for the char dwellers are the lump sum payouts upon expiry of VSLs. Participants utilised these savings and invested them in many different ways, including in the purchasing and leasing of land and of livestock. Whilst participants also saved to mitigate against shock, the reinvestment of savings in income-generating activates or assets that would improve future income was widespread and was perceived as a strategy that would change the development trajectory in the long run, even if it entailed tightening one's belt in the short run.

Finally, households in which all members worked toward improving the wellbeing status and maximising the impact of the training and asset transfer provided by CLP were perceived to be more likely to do well than those where female CLP participants were solely in charge of improving wellbeing. The qualitative research found that households where multiple members participated in asset management, and later on in the diversified strategies, were able to do better, as they had additional human resources available to support income generation. In these cases, respondents explained that CLP was no longer seen as the journey of an individual but rather as the journey of the whole household, and all members worked towards the same goal, thereby avoiding conflicts about asset utilisation.

5 Savings and assets

Section 3.3 has shown that the share of participant households meeting the total cash savings graduation criterion (BDT 3,000 per household) is relatively low, compared to other graduation criteria. According to CLP-2, the BDT 3,000 per household threshold was based on the calculus of the cost of mitigating the effects of environmental and financial shocks a household on the chars might face. Based on that assumption, households failing to meet the BDT 3,000 benchmark could be considered inadequately protected against shocks. Nonetheless, CLP participants clearly save lower levels of cash than expected by the programme.

The qualitative research therefore sought to better understand:

- why cash savings are of a lower value than expected by the programme;
- how CLP participants and non-participants conceptualise savings;
- whether people save and how; and
- what purposes and goals people save for.

The remainder of this section will first discuss how chars dwellers conceptualise savings and how people save; secondly, what goals and purposes people save for; thirdly, how cash is saved; and finally, whether spillover to non-participants has occurred and whether there is evidence to suggest that savings behaviour has sustainably changed since the advent of CLP in the research sites.

Interestingly, the qualitative research found relatively little variation in findings between and within cases with regard to how savings are conceptualised and why and how people save. The same applies for chars dwellers from CLP participant and non-participant households. This seems to suggest that a common understanding of what constitutes savings exists across our different qualitative research sites and respondent groups. In addition, the promotion of deliberate and organised saving through CLP was viewed as beneficial by all respondents.

The section will mostly draw on qualitative data as it seeks to explain cash levels as observed by the quantitative descriptive analysis. However, quantitative data will be presented with a view to verifying whether the conceptual frameworks based on the qualitative analysis are supported by qualitative findings.

We also present quantitative results with respect to the impact of CLP-2 participation on the value of cash savings that households hold and the value of their household assets. This means that this section also addresses the following evaluation questions:

- How have livelihoods of CPHHs changed in the following areas: income, expenditures, savings, and assets? What was CLP's impact on this?

5.1 How do char dwellers conceptualise savings and assets?

The qualitative research has shown **that people conceptualise savings as part of their financial strategies and not just as a cash accumulation strategy.** In other words, whilst CLP has resulted in people saving cash, the amount remains lower than expected, as respondents re-invest the bulk of their cash in jewellery and productive assets which can be liquidated if needed. Consequently, respondents in our research locations did not conceptually think that saving for future expenses required large amounts of cash.

People saved in three vehicles: (1) cash, (2) jewellery, and (3) investment in productive assets that can be easily liquidated. This suggests that measuring the success of changed saving behaviour by respondents by looking at the accumulation of cash only captures a fraction of the actual saving achievement, which might explain why the CLP2 graduation criterion relating to savings was not met by most households across all cohorts. A more accurate assessment of a household's changed saving behaviour would therefore likely also need to involve an assessment of assets and jewellery.

CLP participants and chars dwellers in general are poor and income is scarce. In addition to not attaching a value to large cash savings this further limits households' ability to save large amounts of cash. Furthermore, households have to strike a balance between keeping cash on hand for emergencies and having money available to invest in additional or new income streams. The qualitative research has shown that in our research locations people seem to prefer to use their cash in order to engage in productive activities rather than having large amounts of cash readily available. As a result, typically only small amounts of cash are kept for specific savings goals that require cash, for emergencies, or to meet projected and planned expenses, such as paying LSPs and traders. Some respondents even reported seeing cash savings as more vulnerable, both to crime and environmental shocks, such as floods.

> *'Besides in VSLs we save money at home. My savings money was stolen and later recovered. Now I carry the money with me at all times'* [FGD with female CLP participant in 2.4 low performing site]

Investment in productive assets is the main long-term saving or investment vehicle utilised by participants and non-participants across our qualitative research locations. The purchasing of a productive asset was frequently mentioned as the primary objective of saving, as it would allow the household to earn more income that could be saved and then used to buy yet more productive assets, thereby over time increasing the cash income of the household. Interestingly, saving in assets was also viewed as a commitment device by some respondents, who viewed small livestock as relatively easy to sell or trade if cash was needed, whilst at the same time being sufficiently difficult to liquidate as to present a hurdle against all but the most essential expenditure. Cash, on the other hand, was viewed as too easy to spend given the constant pressing needs households face. Investment in jewellery was mentioned by some respondents as a saving vehicle, especially if dowry payment was the saving goal. Female respondents in particular mentioned saving jewellery for their daughters' dowries.

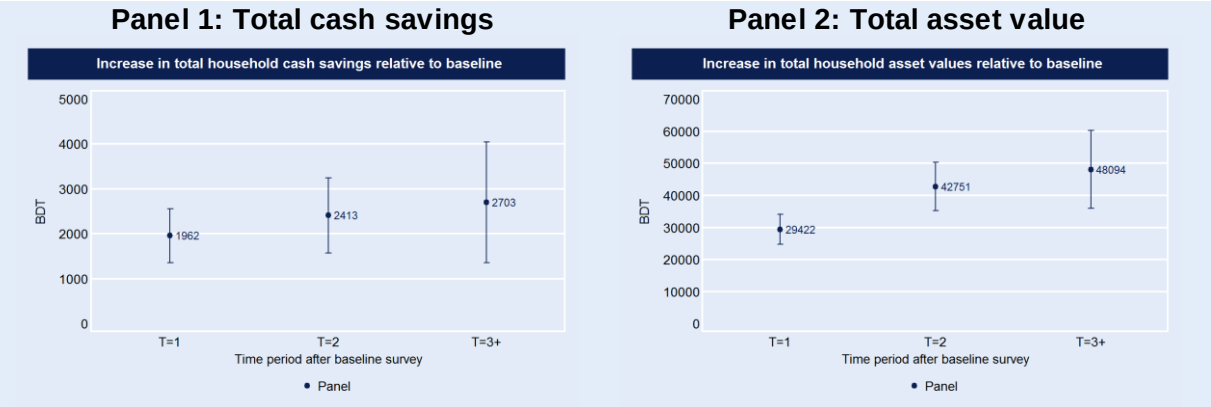
> *'I think about the future and my daughter. I have bought ornaments for the marriage of my daughter as a form of saving.'* [In-depth interview with a successful female CLP participant in 2.2 low performing site]

Our quantitative analysis finds significant programme impact on the mean level of household savings. As demonstrated in Figure 14 below, the mean level of cash savings increased significantly in the first year, with an average of CLP participants reporting BDT 1,962 more in cash savings after one year in the programme than at baseline. In the subsequent years, the mean level of cash savings continued to grow, but so did the variation, which is consistent with the qualitative findings that CLP recipients' cash savings levels and patterns differ widely according to the objectives they pursue and circumstances they face. Due to the expanding variance in cash saving levels, the mean increases after the second year and later were not significantly different from the cash savings gains achieved in the first year.

While the value of cash savings plateaus after growing in the first year, the total value of assets held by households also expanded over the project cycle, even after the first year. While the increase in total value of assets in the first year of the CLP reflects mainly the transfer of

the asset, the increase after the first year points to the tendency of participant households to store value in non-cash forms (since the growth in cash savings plateaus after one year but the total value of asset continues to grow significantly).

Figure 14 Increase in total household cash savings and total household asset value relative to baseline

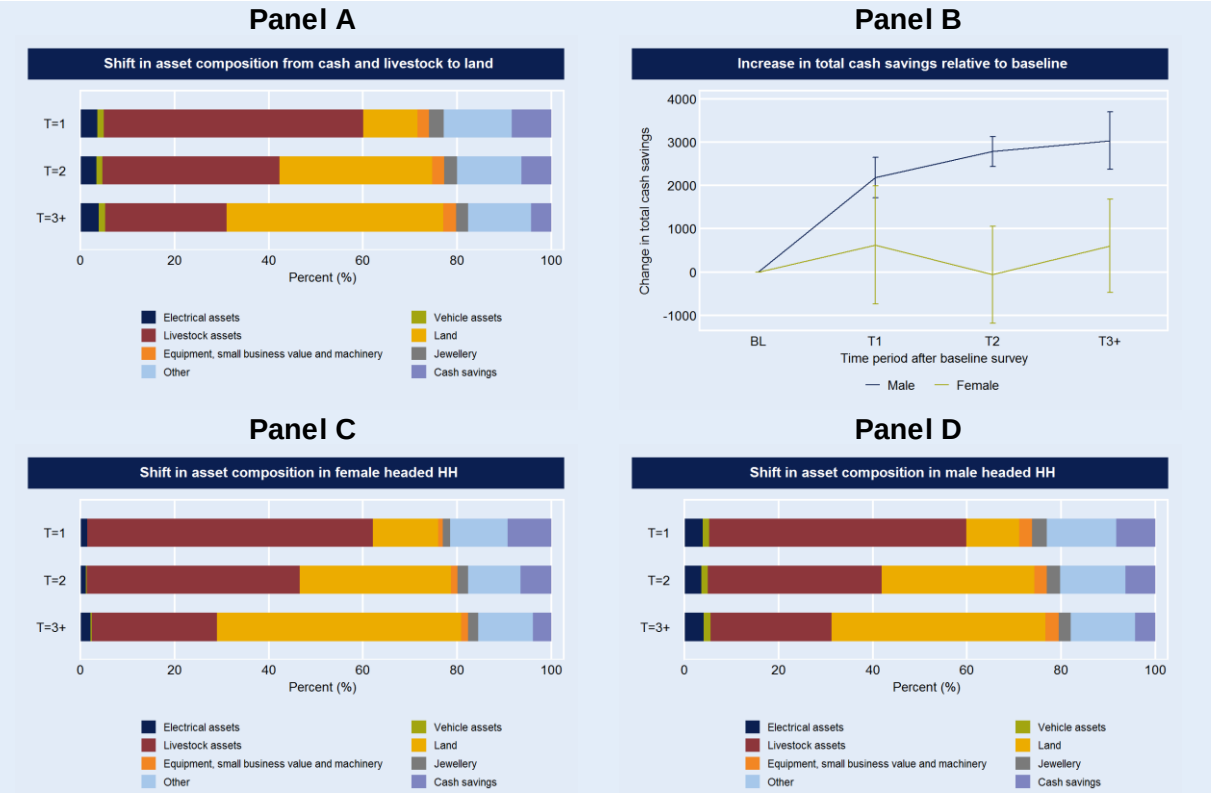


Note: Coefficient estimates of fixed effects panel regressions. Plotted estimates correspond to one (T=1), two (T=2), or more (T=3+) years after baseline.

Overall, over the course of the programme we observe a shift away from cash savings in terms of the total value that households hold in cash and assets. Panel A in Figure 15 below, illustrates this transition. In addition, the share of land in the CLP participants' portfolio of assets increases, and that of cash and livestock declines over time.

The ability of households to save depends on their ability to generate sufficient income flow, which in turn is a function of a range of household characteristics, such as the number of income earners, the dependency ratio, the gender composition of households, as well as the tolerance for riskier but higher return investments. For instance, we find that male-headed households are able to save cash at a significantly higher rate than female-headed households after the second year in CLP2 (Panel B). This is despite the fact that male- and female-headed households tend to hold the same portfolio of assets (Panels C and D).

Figure 15 Shift in the composition of assets of CLP participants away from cash and livestock and toward land and gender differences in CLP-attributed savings



Note: Panel A, C & D: This is pooled & weighted analysis across different years (2012 to 2015). The number of households in this pooled analysis is 6586.
Panel B: Coefficient estimates of fixed effects panel regressions. Plotted estimates correspond to one (T=1), two (T=2), or more (T=3+) years after baseline.

5.2 Saving goals

Respondents in our qualitative research locations reported saving for a variety of reasons that can be divided into four main categories of saving goals:

(1) to mitigate against shocks;

(2) to invest in assets and new income-generating activities;

(3) to be able to invest in human capital; and

(4) for sizeable expenses that require a larger amount of cash.

The ability to mitigate against shocks was mentioned by respondents in all locations as a very important saving objective. The main shocks that people sought to mitigate against were the payment of dowries, illness or death of a household member, medical expenses, and erosion or flooding. Households with several daughters reported saving larger amounts in order to mitigate against the shock of dowry payment, but some also felt that the culture of paying dowry makes saving impossible in the long run.

> *'It is quite impossible to save money if the dowry system is not eradicated from society. If someone doesn't give dowries then others do. So, the bride-groom is going where they will*

get more dowry.' [FGD with men from non-participant households, cohort 2.2 high performing site]

Saving money to be able to invest in productive assets and other income-generating activities was another saving goal mentioned by respondents in all locations. Having cash in order to buy an asset that leads to additional household income being generated was viewed as a crucial strategy for improving household wellbeing in the long run. The assets and income diversification strategies most frequently pursued as a result of having additional cash available within the household were the purchasing or leasing of land; buying productive assets, such as livestock, boats, or rickshaw vans; setting up small businesses, such as stalls on the chars; and being able to finance the trip of a household member to another region to earn wage income.

Having cash to invest in the education of their children was a further saving goal mentioned by a large part of the female respondents. Finally, people saved cash in order to be able to make a sizeable expenditure at a time of their choosing. For example, saving cash allows a household to bulk purchase food stock during the low food price season, rather than having to purchase food during the rainy season when prices are higher. In addition, people also saved in order to be able to invest in non-productive assets, such as house repairs or upgrades, or in the purchasing of non-essential goods. Respondents explained that the expenditure on these non-productive items increased self-esteem and social standing within their community and in relation to mainland dwellers.

'People save money after meeting their family expenses so that they can utilise their savings in times of dire needs. Apart from this, they also save money to pay the educational expenses of their children and to marry off their daughters. They also save money to buy cows, goats, ducks and chicken. On top of everything, they save money to face the difficult situations in the future.' [KII with VSL member in 2.2 low performing site]

'There are many reasons behind savings. For example, some people save money to face the difficult situation in life, again some save money to build their houses, while others save money to get the profit or start some small business.' [KII with VSL member in 2.5 low performing site]

'If one has some savings, one need not borrow from others. One can readily invest one's own money. So some people save money to take a lease of land and to buy cattle and fertilisers…everyone wants to raise their living standard.' [KII with VSL member in 2.2 low performing site]

5.3 How do people save cash?

In the qualitative research locations cash is mostly saved through VSLs, although some respondents also reported keeping some cash at home. VSLs were widely viewed as popular and some respondents even reported being a member of several VSLs. The ability to save in several VSLs at the same time was driven by the amount of disposable income available to a household. As discussed in Section 4.2, a household that has several income sources has more disposable income available and can hence make better use of the saving opportunities and income-generating activities promoted by CLP.

VSLs are widely viewed as an effective cash saving vehicle. Respondents seemed to attribute this to the fact that the VSLs were clearly regulated and transparent. Whilst members are allowed to save different amounts, the minimum and maximum amounts are capped. Members are required to buy a minimum of one share and can buy up to a maximum of five shares. As all shares are of an equal value, it is easy to understand the different values of the final payout and people save

with their saving goal in mind, which lends extra motivation. At the same time, the adherence to clear rules ensures that conflict and confusion is avoided. In addition, the ability to access loans easily and at favourable conditions is an aspect of the VSLs that is viewed very positively. Respondents frequently mentioned using VSLs to access small and urgent loans, instead of turning to NGOs or money lenders, as had been their habit in the past; they also mentioned using MFIs for bigger loans.

5.4 Spill over and sustainability

CLP participants in all qualitative research locations reported that their saving behaviour had changed following CLP.

> *'We were not in the habit of saving money before, but now we do save. I would keep some money for the rainy days but spend the saved money because of dire poverty. With the advent of CLP, the participants formed the VSL…we have been saving money since then.'* [FGD with female participants in 2.5 low performing site]

In addition, in all locations female non-participants had also started saving by copying the behaviour of CLP participants and forming their own clubs. In two of our research locations, men had also formed VSLs. In these cases, men were running VSLs that required higher payments, but also offered loans of a higher value. Their ability to do so is linked to the fact that traditionally men control household income and therefore have more disposable income available to invest in VSLs.

> *'Men are also motivated along with women to save money and have formed a savings group for that purpose. Men can save more than women. A man can save 1000 BDT per month.'* [KII with VSL member in 2.4 high performing site

Spillover from participants to non-participants with regard to saving behaviour had thus clearly taken place in all our research locations, and buy-in is high.

In addition to the uptake of VSLs by non-participants, changed saving behaviour and VSLs were also still present in each of our research locations, including in cohort 2.2 locations. The intervention, institutions and changed behaviour can thus be viewed as sustainable in all of our research locations. However, in all our low performing locations a lower number of VSLs was active, whilst all VSLs continued to be active in our 'high performing locations. A reason for this might be the exposure to environmental shocks and erosion, which reportedly led to the breakup of VSLs when household were forced to migrate from a char.

> '*Because of river erosion the team [savings group] broke up. Different people have gone in different directions and a new team hasn't yet formed. All existing groups formed after initial ones collapsed and I have to wait, as I cannot join the existing groups. When another group collapse I can and will join it.' [In-depth interview with a successful CLP participant in 2.5 low performing site]*

In one research location participants and non-participants had gotten together to form a joined VSL following the erosion and subsequent migration of some of the original group members. Whilst it is not possible to generalise across all CLP sites from these findings, the qualitative research findings do seem to suggest that VSLs and saving behaviour has changed and that this change is sustainable due to a high buy-in by both participants and non-participants, which leads to active regrouping. The fact that respondents reported that the amounts saved in the VSLs increases as households have more disposable income at their disposal is a further indication that the VSLs, and saving in general, is understood as a useful tool by char dwellers.

Whilst VSLs formally function to organise cash saving, they also perform the additional task of providing women with a forum in which to discuss issues and to support one another. As a result, the VSLs have increased social capital and have led to the empowerment of women – both economically, but also socially. Female respondents in particular view VSLs as more than just a form of organised saving, which further increases the sustainability of these institutions.

> *'…one should develop the habit of saving instead of being solely dependent on the income of men'* [FGD with female participants in 2.4 high performing site]

VSLs are popular with respondents because they are informal in nature and do not require formalisation to be effective. They are effectively run on the trust inherent in a collection of people who all know one another. In our research locations, VSLs built on existing trust and *de facto* transformed into self-help and empowerment vehicles for women who would discuss challenges and grievances and support one another in cases of conflict or small financial shocks. This social benefit attached to being a member of a VSL further contributed to the sustainability of the institutions, as women participated not only to save, but also to maintain access to the support network and structures growing out of the VSLs.

6 Perceptions around changes in the local economic context

This section presents findings from the qualitative research on changes that have occurred in the local economic context and char dwellers' engagement with markets and service providers. In particular, this section will present evidence relating to the following evaluation question:

- What perceived changes have occurred in the local economic context with regards to access to traders and services providers, and what has been the perceived impact on people's livelihoods?

Given that no quantitative data on the local economy were analysed in the context of this evaluation, this section relies exclusively on findings from the qualitative research. As explained in Section 2.1, our ability to generalise beyond the research sites is limited by the small sample size and extreme case sampling approach – instead, this section seeks to provide a rich understanding of how and why changes have occurred and what dynamics are currently at play. Our research sites differ significantly with regard to the changes that have occurred in the local economic context and a more detailed analysis can be found in Volume II of the Final Evaluation Report (OPM 2016a).

The section on the CLP market development programmes relies exclusively on information from KIIs, as these initiatives were not active in our research sites. As such we were unable to triangulate the views of key informants with CLP participant and non-participant households.

6.1 Expectations and motivation behind attempting to change the local economic context

The local economic context in the chars has the potential to increase or hamper the impact of the CLP interventions, as the ability of participant households to benefit from the improved farming and rearing practices relies on being able to sell their new produce and products in a functioning market. CLP therefore attempted to change the local economic context in the chars through a combination of demand and supply side interventions – with the latter a less widespread and more recent addition to CLP-2. Specifically, CLP attempted to promote sustainable changes in farming and cattle rearing practices through relevant training, provision of better, higher quality farming inputs, and introduction of vouchers to incentivise CLP participants to use the services of LSPs. To improve access to markets outside the chars and to create functioning markets in the chars, CLP sought to increase CLP producers' access to and engagement with traders and input dealers, and to create CBCs and CIDs. The existence of well-functioning markets matters because if these are present they can increase the impact of both the asset transfer and the additional income available to households and communities, who as a result of CLP interventions are then able to produce and sell their produce and products in a responsive market.

On the demand side, the idea was to improve demand for functioning markets through interventions aimed at increasing the impact of the asset transfer through improved rearing and agricultural practices. The expectation was that CLP would sustainably change the way people farm and rear cattle, leading to higher production volumes and superior produce. It was expected that the increased availability of quality produce would in turn attract market actors and lead to changes in the local economy. On the supply side, market development initiatives were expected

to create value chains that would enable chars dwellers to produce for the wider economy. Addressing both demand and supply side constraints faced by communities was also expected to increase the likelihood of achieving sustainable improvements to people's wellbeing.[37]

Key interventions affecting local context and their sustainability

6.1.1 Improved farming practices

To support increasing productivity of CLP assets, CLP provided training on better rearing and agricultural practices. For instance, CLP households were taught proper animal care and learned to recognise the symptoms of common livestock diseases. With respect to farming, CLP provided participants with technical knowledge for homestead, and also composting and other techniques. Additionally, saplings and seeds were provided as part of the homestead gardening intervention, which the women used to grow more vegetables for their own consumption as well as to sell in the markets. While CLP did not explicitly push any crops, it did provide advice to the people on how to improve the farming of the crops already being cultivated.

These innovations increased the volume and diversity of agricultural output. Participants in all locations mentioned diversification and improvements in the production of agricultural products as a key result of CLP training on improved farming techniques, along with the provision of quality seeds. Multi-cropping and crop rotation was not previously widely used in the chars. These changes in farming techniques were repeatedly mentioned as a major factor that contributed to the increase in production volume and enabled households to achieve subsistence in consumption, whilst at the same time producing a surplus that could be sold to traders and at markets.

> *'I did not use to sell gourd but this year I sold gourd of 300 tk. I could cultivate more gourds because of the training received. In the past, I was able to produce enough for consumption, but not enough to sell. Because of CLP I can now sell part of my harvest and gain an income.'* [FGD with men from participant households in 2.5 low performing site]

The adoption of multiple harvest cycles per year increased the income of farmers, which has led to improvements in livelihoods. Higher earnings from farming was mentioned more frequently by male respondents. While women are often responsible for the cultivation and harvest, men are typically still in charge of selling the produce–especially if it is sold directly to markets or sold directly from crop fields.

The agricultural improvements were mentioned more widely by women from participant households, who were particularly appreciative of the new skills shared through CLP. These improvements were mainly mentioned in the context of the development of homestead gardens, which function as a source of income, as well as providing households with the means to improve their nutritional intake. Women from participant households in all research locations mentioned an increase in production volume of agriculture produce such as crops and vegetables due to their applying the techniques taught by CLP. Female participants in four research locations explicitly attributed the increased vegetable production to having been taught how to prepare soil beds and provide appropriate amounts of fertilisers, as well as using improved irrigation techniques.

Opportunities for agricultural production depend on the quality of land, but CLP's training showed sensitivity to the diversity of land conditions. Our study sites differ in regard to the availability of fertile soil, which determines the profitability of agricultural activities. For instance, in two locations with higher quality soil crop cultivation was deemed to be more profitable than

[37] Please see the results to our theory of change exercise included in Volume II (OPM 2016a).

vegetable cultivation. This has led to shops being set up on the chars that sell seeds and fertilisers, which in turn has further improved access to inputs for farmers.

> *'Now people can grow a huge amount of crops. There are plenty of corn, nuts, and jute. There are some shops selling fertilisers and seeds in this char. For this reason people can get the seeds and fertilisers easily and they can also purchase this on credit.'* [FGD with female participants in 2.2 low performing site]

In contrast to this, in communities where the soil boasts a high sand content, only a limited variety of crops can be cultivated, making it harder for CLP participants in those areas to improve their livelihoods through farming. However, even in these cases the training provided by CLP, and the seeds for crops that were provided, which were tailored to their environment, enabled participants to expand their agricultural output and improve their livelihoods through farming, despite the less favourable soil.

In some areas fewer opportunities were available to women due to prevailing cultural norms. Women from participant households in one research location focused on rearing livestock – especially poultry – and less on farming. A possible explanation for this could lie in the comparatively strict cultural and social norms in the area, which make it harder for women to engage in agricultural activities.

When deciding which asset to receive from CLP-2, most respondents in our research sites chose cattle, with some households choosing cows for dairy production and others bulls for fattening and subsequent sale. Within the budget provided by CLP, participants had the option of purchasing cows, bulls, goats or poultry – depending on the livelihoods they wished to pursue and household composition and dynamics. Participants who preferred bull fattening cited that this was due either to the higher returns that can be achieved or because they were keen to make a high return and invest the proceeds in land, as their predominant source of income was from agriculture. However, households who were unable to smooth their own consumption for the period required to fatten the bull and who could not afford the cost of fodder opted for cows for dairy production, which starts to produce return within a shorter period of time.

In all areas, both male and female respondents mentioned being able to get higher returns from their cattle and poultry after adopting the rearing techniques taught by CLP. In areas where participants opted for cows, milk production increased as a result of the rearing practices promoted by CLP. Participants highlighted the importance of timely and adequate feeding of cows in the form of fresh grass and green fodder for increasing milk production volume and quality. In addition, the existence of the CLP plinths reduced the exposure of cattle to waterborne diseases during flooding periods, further improving the productive value of the assets.

6.1.2 Access to LSPs and willingness and ability to pay for their services post-CLP

LSPs were working in all of our research sites, and in all locations but one more than one LSP was operating. As participants were initially incentivised to make use of the services of LSPs through the provision of vouchers provided by CLP, a key research question was whether exposure to LSPs through the vouchers would initiate a behavioural change such that participants would be willing and able to pay for their services once the vouchers were no longer available (and by extension after CLP-2 is phased out). **In all of the qualitative research sites, participants and non-participants continued to use the services of LSPs even after CLP ended; however, in the better performing chars the behavioural change seems more substantial.**

In the high performing chars, former CLP participants paid for both curative and preventive services and developed good relationships with LSPs that can serve as the basis for further

cooperation. In the high performing chars of all three cohorts we studied, the qualitative research found strong evidence of behavioural change in respect to utilising the services of LSPs amongst members of participant households, who continued to pay for both curative and preventive services even after CLP-2 ended. Char dwellers also reported having a good relationship with the LSPs, which they defined through the quick response times from LSPs when called, as well as reasonable fees and prices for medicines and services and the provision of services on credit. LSPs and char dwellers reported that people were charged according to their ability to pay. In addition, some respondents felt that LSPs provided better services if they resided or hailed from the area or village in which they were working. The willingness to pay for preventive and curative services for animals in the high performing chars, as well as the efficiency and commitment of LSPs, played a large role in improving the wellbeing of households.

> *'The relationship with veterinarians is very good. They come if we phoned them and tell them about a problem. In the past, cows used to die due to a lack of treatment. But after CLP, cows die less often because they can be treated in time. At present the veterinarians are paid for medicine. If people don't have money in hand instantly that they will pay later. If they don't have money they can pay after two or three days.'* [FGD with men from CLP participant households in 2.4 high performing site]

In the low performing chars, former CLP participants still continued to pay for LSPs, but only for the more urgent curative care due to the lack of financial means, often leaving the needs of preventive care unmet. In the low performing chars of the three cohorts under study, female participants reported that they continued to use the services of LSPs post-CLP. However, these respondents also reported that since the end of the CLP voucher scheme they could no longer afford preventive services such as vaccinations at all times and hence only contacted LSPs when their cattle were sick. In one research location, respondents reported that the LSP did not respond or visit as frequently as during CLP and had also started charging higher fees, which they were unable to afford.

> *'During CLP the CLP LSP was available regularly. However, now we do not see him here. We used to have vouchers and the LSP announced at the mosque that he can treat cows and provide vaccinations in exchange for vouchers. Now [that the programme is over] he does not want to respond to the call of char people. He asks us to instead bring the cows to his practise on the mainland. We are able to purchase deworming or similar types of medicines at the pharmacy but we need the LSP for vaccinations. If the CLP LSP does come, we have to pay high visiting fees of around 150/200 taka. If we call another LSP working here he comes and we have to give him 400/500 taka. In addition to this fee we also have to pay for medicine. Due to CLP training, we now know about several diseases of cows. So after seeing any symptom of disease we contact the LSP as fast as we can.'* [FGD with men from participant households in cohort 2.5 low performing site]

Gaps in communication about the nature of the relationship between the LSPs and CLP may have initially discouraged payment for the services of LSPs in some communities after the vouchers were phased out. There was limited evidence that some respondents had not understood that the voucher system meant that LSPs were not CLP employees and would have to be paid for their services. One LSP reported having to convince participants that he did not receive a CLP salary and was dependent on them paying for his services in order to be able to continue visiting the chars. Nonetheless, participants have internalised the importance and benefits of timely preventive and curative services and hence continue to pay for the services of LSPs despite the termination of the voucher system.

Chars dwellers in all locations showed an increased awareness of the diseases their cattle could contract and the associated symptoms, allowing them to call LSPs before their cattle

got seriously ill. The LSPs were trained not just to provide services, but also to educate the participants regarding symptoms of diseases and also better care techniques for the animals.

> *'The improved health and reduced mortality of cattle has been extremely impressive and has also shown lasting impact and strong spill over effects.'* [KII with CLP Manager of Markets and Livelihoods Unit]

LSPs in the research locations also benefited greatly from the CLP training and the access to new groups of clients. LSPs claimed to be able to provide better service as a result of training on diseases and medicines. The expansion of their customer base has enabled them to improve their income and livelihoods, which has further acted as a catalyst for providing even better services to the char dwellers. LSPs in some of the high performing locations mentioned that they would like to receive more training in order to be able to provide additional services.

However, the accessibility of chars remains a challenge for LSPs. In the low performing locations, LSPs do not always provide timely services to the chars due to the difficulty involved in reaching them and because it is at times more profitable to stay and work in the mainland market. LSPs across all locations reported poor road and communication linkages as a major hindrance to providing timely services to char dwellers.

6.1.3 Access to and engagement with traders and input dealers

While, in theory, demand side interventions should eventually also lead to changes in markets as traders become aware of the existence of high quality products in our research sites a mixed picture emerged as to whether this was the case. While in some cases access to and engagement with traders improved significantly, in others market conditions were not conducive to significant change.

In three of our research sites access to and engagement with traders underwent a significant change under CLP, with better prices for agricultural products obtained by CLP households as a result of the increased quality and volume of goods produced. In these sites CLP participants reported a substantial increase in the number of traders and wholesalers visiting their chars in order to buy their crops, attributing the change to the better quality and volume of products. As a result, men from participant households in two chars reported being able to bargain for better prices due to the increased competition between traders and wholesales. In addition, farmers found it easier to access agricultural inputs due to sellers of seeds visiting the chars and small shops opening up on the chars themselves. Furthermore, milk collectors were now visiting the chars in larger numbers. However, female participants in two chars complained that while they were able to sell their milk at a higher price than before CLP, they were still forced to sell below the price they could have earned at the market. Whilst participants lamented this fact, they were nonetheless aware of the time and money saved by not having to carry their products to the market.

In the remaining three research sites located closer to markets, proximity to markets meant that chars dwellers, who frequently brought produce to the market, faced higher competition from other producers. As a result, there was lower interest among traders and wholesalers in regard to purchasing from the chars and lower returns on the increased and improved produce produced. In these sites located nearer to markets, char dwellers tend to transport and sell their products at the markets on the mainland. As a result, there are very few traders who visit the chars – they do so only if substantial surplus has been produced. In these chars, char dwellers seemed to focus on producing for their own consumption rather than producing for the market. The qualitative data suggest that in these cases the lack of traders who

service the chars meant that competition for produce was low, leading to lower prices and diminished bargaining power.

CLP equipped its participants to actively negotiate prices. Participants were provided with information on market prices and reported bargaining with traders. Some traders also reported that char dwellers were now demanding higher prices, which they were mostly willing to pay due to the improved quality and quantity sold. One milk collector explained that he could afford to pay higher prices for the milk, as he no longer had to service several chars in order to collect the necessary quantity of milk.

6.1.4 CLP's market development initiatives

In response to the above challenges related to the natural emergence of well-functioning markets that support the productivity of asset transfers, CLP introduced its market development interventions, which focused on facilitating the emergence and operation of dairy, meat, and fodder markets. Whilst CLP has always included an enterprise development component that sought to create additional income-generating activities for core participants, the decision to deliberately focus on supply side market linkages was only taken in 2012 when the M4P approach was adopted as the guiding framework for CLP's market development component. According to CLP-2 Quarterly Report of January–March 2013: '*The emphasis…was on securing and sustaining the gains which have been achieved through CLP's asset transfer project to strengthen livelihoods. As the majority of households select cattle as their preferred asset, the CLP strategy was to facilitate change using M4P principles in mainly three livestock related market sectors in which char households currently operate. These are the dairy cow milk market, meat market (mainly beef, but also goat, sheep and poultry), and the associated fodder market.*'[38] As a result, the coverage of the market linkages initiatives is limited and only covers a subset of all areas in which CLP was active.[39]

Key elements of CLP's market development approach were CBCs and CIDs.

> *'The opportunities in the market are identified through linkages that we create between those production groups and local level actors that are providing the inputs or the output marketing for whatever is being produced. We then combine that with relatively light-touch engagement around broader government structures, collective action structures or CBC structures. That was relatively light-touch in the sense that we weren't aiming for extreme formalisation. More so that there were spaces for governance around the producer groups that were operating there.'* [KII with iDE]

Key informants reported that they were successful in persuading traders to travel to the chars to collect and source produce, whilst CBCs facilitated the supply to the large market actors which had been attracted to the chars as part of the M4P market linkages components. Several large private sector companies are now active in the sites where the market linkages components were rolled out and to date the change seems sustainable, as companies have continued to conduct their business and have started to expand to surrounding areas, even after CLP was phased out.[40]

Overall, the market development initiative of CLP-2 led to the establishment of 120 milk producer groups – organising roughly 3,000 producers – and the formation of 70 CBCs, 19 of whom cater for both the milk and meat and fodder markets. Almost all of the CBCs remain fully functional and 25 CBCs have now been registered, while 19 are in the process of registering.[41] In addition, linkages

[38] CLP-2 Quarterly Report, January–March 2013.
[39] As discussed in Section 2.4 our sample did not include chars at which the M4P components of CLP were active.
[40] KII with CLP Manager, Markets and Livelihood Unit.
[41] KII with CLP Manager, Markets and Livelihood Unit.

were made with other M4P programmes in the chars. CLP worked with SwissContact's Markets for the Chars (M4C) programme, which uses United Finance to create seasonal loan products specifically tailored to the needs of the char people. As part of this project, United Finance has pledged to provide loans totalling BDT 5 billion over four years to a total of 15,000 char residents.[42]

CBCs and CIDs were largely effective in improving market linkages by building the capability of producers, dealers and traders, and by promoting organised production groups that were trained to engage with, and identify, business opportunities. KIIs with implementers of the M4P approaches reported that these initiatives proved to be successful and sustainable, albeit the limited geographical reach of the market linkages component of CLP2 constrained the effectiveness of CBCs and CIDs.[43]

The experience of promoting fodder markets – which was initially largely unsuccessful – demonstrated that some market development initiatives may be unsustainable or may take longer to emerge, as the level of supply may not be sufficient to support commercialisation of some products or because producers prefer to use the product directly. Whilst the fodder market was a commercial failure in the sense that participants initially used the produce to feed their cattle in an attempt to produce the highest possible volumes of milk and meat, it can also be viewed as a success as it provided char dwellers with excellent fodder for milk and meat production and the potential for future sales to the mainland.

> *'… [W]e were hoping to a see a little bit of direct commercialisation, the chars producing it [fodder] and selling it to the mainland. We found that instead char producers very quickly in terms of meat and milk production, that they wanted to take as much as these green fodder that they were producing and fold it directly into their cattle to make sure they were producing at the highest volumes possible of meat and milk. For us, from an economic standpoint, this was an even better outcome if you're looking at equity around the chars themselves. We've already seen that kind of idea of selling out to the mainland was starting in a couple of areas because the volumes were growing so large, you didn't have enough demand for actually the own consumption of cattle. For us, we considered that a success in the fodder side as it was working fairly sustainably.'* [KII with iDE]

While largely effective, the current market development approach may not have gone far enough in promoting market linkages and more widespread, and deliberate supply side interventions would have increased the impact and sustainability of CLP. IMOs in all of our research sites expressed the view that functioning markets would have enabled the development of truly sustainable livelihoods for char dwellers, who would then have been in a position to benefit from these markets due to their improved production capacity and bargaining skills. The lack of widespread attempts to change markets was listed as a shortcoming of CLP. One IMO representative remarked:

> *'As char area is situated in the remote area, we hardly found bazaars surrounding the char. If a small bazaar is found, necessary goods are insufficient there. Cow, poultry farm, and vegetable cultivation methods have been taught from CLP. So, bazaar was needed for selling produced product and for buying animals' food. At present, char people have been connected with bazaar even though bazaar hasn't been established directly.'* [KII with IMO in 2.4 high performing site]

A similar view was expressed by another IMO informant:

[42] KII with SwissContact.
[43] KII with CLP Manager, Markets and Livelihood Unit. KII with iDE.

> *'Absence of market development is a big challenge. Because of this they sold their product or material into the char's bazaar with a very low price. If there exists market linkage then they can sell it to the town and can make a large amount of profit'.* [KII with IMO in 2.4 low performing site]

FGDs with male and female participants and non-participants echoed these findings. In our research sites, chars dwellers expressed dissatisfaction with market characteristics and their ability to access markets, even in cases where the local economic context had changed as a result of increased demand.

6.2 Women and markets

Women typically do not visit markets on the mainland as doing so contradicts cultural norms. The qualitative research found that men and women felt that if women were to visit markets they would be breaking with existing social norms. Some men cited the poor condition of roads as a justification for why women were unable to access markets. Respondents viewed men as responsible for purchasing all household necessities, including personal items of clothing for women. However, some women reported now feeling empowered to ask their husbands for specific items, where they had previously merely accepted their husbands' choices.

On the chars themselves, substantial changes have taken place and women now actively engage with traders visiting the chars and small shops or markets on the chars. For example, women engage with traders when selling their produce to traders and milk collectors, including being responsible for bargaining over the price of the produce. It therefore seems that women have started to engage with markets, but that this engagement is limited to market actors that visit the chars.

> *'The women from chars do not go to bazaars, as they feel shame. If there are no men in the house they send children or neighbours to make purchases or go shopping. This practice has not changed and is the same as before. But they do go to the bazaar or hospital in emergencies like sickness or to meet with a doctor or buy medicine from a pharmacy…Moreover during Eid or other festivals some women go to market. Except for these occasions, they do not need to go market or bazaar.'* [FGD with female participants in 2.5 low performing site]

6.3 Spillover to non-participants

The qualitative research found strong evidence that non-participants had adopted the farming and livestock rearing practices promoted by CLP. Given the perceived success of these interventions it is perhaps unsurprising that non-participants chose to adopt the new practices. Practices were adopted either by copying the behaviour of CLP participants or by joining the CLP training sessions directly. Non-participants frequently explained that they had changed their behaviour due to the fact that they had observed changes in the livelihoods of their CLP participating neighbours. For example, some female non-participants mentioned emulating CLP homestead gardening and rearing practices for cattle and poultry. As with CLP participants, non-participants also reported having benefited from increased production and income from their produce, which led to an improvement in their livelihoods. In addition, non-participants were also able to benefit directly if the number of traders and wholesalers servicing a char improved, as they too were now better able to sell their produce.

Similarly, non-participants reported making use of the services of LSPs, but to a lesser extent. Non-participants in research locations that were performing less well with regards to the changes in the wellbeing status of CLP participants reported often being unable able to pay for the services of LSPs or opting only for curative services when the cattle had a serious illness, due to financial constraints. Some respondents also felt that LSPs prioritised CLP participants.

> *'Those who are not CLP members go to … another doctor if their cows are ill. If they call CLP doctors they intend to visit the member's cows first then others so that they call other doctors rather than wait. If not a major problem they just say it to the doctors and take medicines but if major they call the doctor home. If the cows get problems or if people come to know that any cow died in other villages they call the doctor and give vaccines. Otherwise they do not go to the doctor.'* [FGD with men from non-participant households in 2.5 low performing site]

7 Empowerment and voice

Across all research locations, CLP has positively contributed to the empowerment of char dwellers in general and programme participants in particular.

CLP's interventions focused on the women in char areas. The extent of women's empowerment in chars has been noteworthy. However, the qualitative research illustrates that, at the same time, the women's empowerment achieved remains fragile across all research locations, and is mostly limited to within their community. It is clear that empowering women is not an outcome that can be achieved overnight. Rather it is a continuous process aimed at influencing social and cultural norms and the opportunities available to women. Whilst many of the underlying social factors that disempower women at our research locations still remain in place, respondents stated that the realisation that women can help increase household income and reduce poverty has led to significant empowerment in several areas. However, some of the male respondents voiced a certain degree of discomfort with the empowerment of CLP participants and their wives. For example, they disliked that women now work outside the house and that women have started to argue with their husbands about savings and household expenses. However, this was not a view that was universally expressed.

In this section we discuss qualitative evidence regarding how chars dwellers in our research locations have been empowered socially, economically and politically as a result of either their involvement in CLP or the changes that occurred in their neighbourhoods as a result of CLP. **It is important to mention here that, because our evidence here is based on qualitative research only, findings cannot be generalised to our study population as a whole.** However, as discussed in Section 2.1, the findings that we do present are the result of an intensive and rigorous analytical process and therefore they give a detailed indication for dynamics that possibly hold more widely.

7.1 Social empowerment

The status of women has improved within their households, especially in regard to participation in decision-making.[44] The ownership of assets and engagement in income-generating activities has led to social empowerment for many female CLP participants in our research locations. As discussed in the social change section, women are now aware of their rights and have some control over the financial affairs of the household and other matters through their engagement in income-generating activities. Respondents agreed that women now actively participate in discussions about family matters with more power than before, and express their thoughts and wishes. However, women also reported choosing when to do so. Furthermore, when asked to distinguish between participating in decision-making and having the power to influence the outcome of the discussion, some male and female respondents observed that the

> *In the 2.4 low performing site, a successful participant told the researchers that after CLP's intervention she and her husband now work together, e.g. on homestead gardening or rearing cattle. They now discuss together about how they should use or invest their capital. She said that her husband abused her regularly before but after receiving one day training from CLP about the harm of domestic violence and other things he has now changed and doesn't beat her. Her husband told (with a shy smile), "At present, sometimes I beat her but not like I did before."*
>
> [In-depth interview with a successful CLP participant household in 2.4 low performing site]

[44] There is also some quantitative evidence that supports this finding. Please see our descriptive statistics report for this. The executive summary of this report is presented in Volume II (OPM 2016a).

actual decision-making power still mostly resides with men, especially if men and women disagree. In other cases, households have started taking decisions jointly. Regardless of whether women merely participate in discussions around decision-making or actively influence the outcome, the extent to which their voice is valued within the household has increased. As a result, respondents also reported higher degrees of household cohesion.

Women now actively engage in activities outside their houses. However, this is limited to the char they live on.[45] When women ventured outside the safe cocoon of their households and started engaging in income-generating activities, this in itself became a manifestation of their empowerment. Prior to CLP, women in our research locations typically did not spend much time outside their households. Now, women typically raise and look after homestead animals and cultivate vegetables in their homestead gardens. As a result of the asset transferred through CLP and the new techniques for farming and animal rearing, women in the study areas started to work outside their private spheres. They began to interact with the IMO officials and participated in CLP's training workshops. Female respondents reported that they now feel more able to speak freely and confidently to outsiders. In one location[46], a small number of women work as day labourers and migrate to work at garment works, whilst in two other locations[47] women work in fields growing chillies. In other chars women were engaged in farming on land either leased or owned.[48]

However, in one research location the situation for women is strikingly different. Women continue not to work outside their houses because of social and religious restrictions[49]. In addition, fewer opportunities exist for women to work outside the house as less fertile land is readily available and the char is situated in a very remote location. It is therefore not clear whether the different picture observed is due to stricter social and cultural norms or the opportunities available for women to exploit.

Women actively and morally support one another against injustice and violence. In addition to receiving training on farming and animal rearing practices, women also received training on gender topics and intra-household relations, including on the equal rights of men and women, the negative impact of domestic violence, dowry payments and child marriage. In addition to providing women with information on these topics, these workshops also created a network, as a result of which women reported feeling better able to engage men on these topics. VSLs in particular function not only as a forum through which women's savings can be organised, but also as self-help groups where women discuss challenges and support one another. The regularity with which VSLs meet further strengthens this development and women help one another by raising issues with men. In some cases, women reported collectively confronting abusive men or reporting them to the authorities.

> *'[In the past] I could calm 10 women by beating up just a single woman, but now 10 women come forward aggressively if one is bashed.'* [FGD with men in 2.5 high performing site]

Awareness of the negative effects of girl child marriages has increased. The ideas about, and knowledge of, the harm of child marriages and early marriage has improved in the research locations, resulting in a gradual and slow decrease in incidents of child marriage. Though the changes are still minimal a positive trend can be observed. For example, in one research location, the local VDC stopped an early marriage several months prior to data collection.[50] A resident had

[45] See Section 3.5 on changes to the local economic context for details of how women have started to engage in economic activities on chars, but not on the mainland.
[46] 2.2 high performing site.
[47] 2.5 high performing site and 2.2. low performing site.
[48] 2.2 high performing site, 2.4 high performing site and 2.5 low performing site.
[49] 2.4 low performing site.
[50] 2.5 high performing site.

arranged a marriage of his young daughter. After hearing about the incident on the day of the wedding, all 13 VDC members went to the residence of the parents to discuss the detrimental effects of early marriages with them. When the VDC could not convince the parents, the secretary of the VDC informed the police who prevented the wedding from taking place. Whilst this is merely one anecdote, this finding does suggest that in some instances char dwellers have started to inform authorities about illegal child marriages that previously occurred without interference by community members or authorities.

Frequency of domestic violence has decreased. The qualitative research found that domestic violence remains a problem in all sites. However, both men and women reported decreasing levels of domestic violence. With the economic development and improved living standards of households, the relationship between women and men improved. Respondents attributed this to the improved financial position of households. They felt that in the past if men could not find work they had to stay at home without engaging in any productive activities. This resulted in tensions and loss of face of men towards their women and men used violence to reassert their position of power within the household. The improved income situation of households following their participation in CLP removed this source of conflict. The fact that women now also contribute to the household's financial wellbeing and have control over assets and financial affairs was perceived as being an explanation for why the frequency with which domestic violence occurred had decreased.

Dowries continue to be paid and are perceived as a necessary condition for marriage. In all research sites, dowries continue to be paid, even though there is a realisation that they have a negative impact on a household's development trajectory. Dowries continue to be perceived as a prerequisite for ensuring that daughters can be married.

> *'If my parents fail to give the dowry, I can't possibly marry.'* [Women in 2.5 high performing site]

People in the research locations had divergent opinions on dowry payments. Some char dwellers continue to think that they are a common social phenomenon and question whether this can be changed. The qualitative research found many incidents of land and property being sold in order to be able to pay a dowry.

> *'Can it be possible to rear a cow, if there is a female child in the family?'* [Woman in 2.4 low performing site]

In our research locations, communities have clearly not internalised that the practice of dowry payments is directly linked to their long-term ability to improve their wellbeing, and by and large perceive it as a cultural practice not to be changed, or feel that it cannot change as attitudes towards dowry payments were only addressed in locations where CLP was active. Respondents even reported helping fix adequate values of dowries in cases of disputes. Furthermore, the practice of stretching dowry payment periods and demanding payment even after the marriage has taken place remains common in the research sites. Respondents reported that as households' economic wellbeing improved as a result of CLP, demands for bigger dowries became more frequent.

Membership in VDCs functioned as an empowerment vehicle for men. VDCs were tasked with working on the development of the whole char. After forming other social groups and services (e.g. VSLs, adolescent groups, LSPs), the IMOs selected local elites and leaders (e.g. religious leaders, elected representatives, elderly people of the village, wealthy persons, teachers) and formed the VDCs. Unsurprisingly, VDCs were male domains. The expectation was that as these people were well respected char residents would accept their leadership and advice in times of crisis and on questions of development. In all research sites, VDCs disbanded after the phasing out of CLP. In

some cases, former VDC members occasionally continued to intervene in cases of conflict. Nonetheless, VDCs created a sense of community collectiveness that is still reflected in community-wide work like repairing a road or organising a community watch group. In addition, some former VDC members reported feeling both entitled to and responsible for continuing to raise issues within the community and with local government. One former VDC chairman also openly acknowledged continuing with his former VDC activities in preparation for running for office.

7.2 Economic empowerment

Women owned productive assets and directly earned income, even though over time households sometimes invested in assets controlled by men. After receiving an asset from CLP, female participants became owners of a productive asset, which changed the economic opportunities they were able to access. Respondents reported that they started diversifying income streams and re-investing. These activities resulted in the economic empowerment of CLP participants. However, profits made through income-generating activities or the sale of assets were sometimes reinvested in income streams that technically resulted in women losing hard control over the CLP asset. For example, in one location many participants sold their cows to buy a boat and net because the main occupation of men in this area is fishing.[51] As fishing is the main form of generating household income, proceeds were reinvested in this income-generating activity, despite women thereby technically giving up the means that led to their economic empowerment. However, the transfer of control over assets does not necessarily mean that no positive change took place in a women's life, as the changes in their status within the household and on the chars prevails. As discussed previously, women now participate in the decision-making process within households, including decisions regarding how to re-invest proceeds from assets sales. Men agreed with this perspective, and also recognised that the capital that allows the household to improve its traditional income-generating strategies is the result of their female household members successfully participating in CLP. In areas where male household members migrate either to work as seasonal labourers or migrant labourers abroad, the control over the assets provided by CLP remains in the hands of women.

Opportunities to engage in meaningful economic activities have increased. Regardless of the variations in the local economic context discussed in Section 6, economic opportunities have improved for all char dwellers. Char dwellers in our research locations have diversified income streams and new rearing and farming practices have led to higher production volumes and improved products and produce. The general improvement in social and economic wellbeing was also perceived as having resulted in expanding the range of income-generating activities people can pursue. Respondents across all locations reported venturing into new income-generating activities and having enough financial room to manoeuvre in order to either buy additional assets or support household members in migrating in order to pursue wage income-generating labour opportunities.

7.3 Political empowerment

Char dwellers face less stigmatisation from mainland dwellers, politicians and service providers. Respondents reported that in the past, mainland dwellers, politicians and service providers branded them as 'extremely poor and good for nothing char dwellers'. As a result of CLP, the image of char dwellers within their wider community has undergone a change in all our

[51] 2.4 low performing site.

research locations. Through the economic and social empowerment of CLP participants and char dwellers more generally, people's perceptions of them and their mode of interaction with char dweller has undergone a change. Some respondents reported that marriages between char dwellers and mainland residents had started to occur and that traders treated them with respect. In addition, char dwellers who previously rarely engaged with local government or felt disrespected when seeking services now report being treated with respect when visiting government officials.

Char dwellers actively engage with local government and demand services and law enforcement. In addition to being treated with more respect by government officials, people in the research locations are now also aware of their rights. As discussed before, char dwellers now have an understanding of the outside world, due to their increased interaction, cooperation and collaboration with actors outside their immediate community. Respondents reported visiting government offices like Upazila Nirbahi Office or the Union Parishad (UP) chairman's office to demand services like birth registration or enrolment in government support programmes. In 2.4 low performing site, the local UP chairman now prioritises char dwellers when providing access to services due to the distance they have to travel to raise concerns. Government officials and politicians reported viewing char dwellers differently as a result of CLP and the changed economic conditions on the chars.

In our research locations, people now increasingly organise to promote social gains and fight child marriage and domestic violence. As mentioned in the section on social empowerment, VDCs and former VDC members play a role in organising collective action and continue to function as important actors in power structures in char societies. In some cases, char dwellers have gained direct access to government structures and law enforcement through CLP. In one research location, several VDC members are members of the UP standing committee on disaster management.[52] They can share problems with UP. As a result, char dwellers' concerns are resolved more frequently than in the past. In addition, CLP had introduced the VDC members to the local police station, making access to law enforcement easier than in the past. One VDC member also ran for the UP election. Though he did not win, his participation in the election is an excellent demonstration of empowerment and inclusion of the poor in char areas.

However, conflict between char dwellers and local government continues to exist in all locations, especially around the issue of protection from crime during the flood season and support in securing chars from floods and erosion through infrastructure development programmes. The significant change that has taken place is less about the provision of new services and more about the fact that char dwellers now actively pursue their demands and raise concerns.

Char dwellers are registered as voters and are hence more likely to receive support and services from government officials. Politicians in our research locations openly admitted that the registration of CLP participants as voters meant that they are now more likely to adhere to their demands and visit chars. CLP organised so-called community fairs on the chars and promoted the attendance of local government representatives and officials. This provided an opportunity for char dwellers and local government representatives to meet and engage, and also increased the awareness of government officials of the challenges char dwellers face. In addition, when floods and erosion occurred, CLP provided assistance to the affected people and local government sometimes combined their assistance with CLP. In two locations[53], CLP participants said that they

[52] 2.5 low performing site.
[53] 2.4 high performing site and 2.2 low performing site.

previously did not see any benefit in travelling to the UP. One UP chairman reported never visiting the chars before the CLP intervention. Following his participation in the community fair, he established an information and service centre for char residents. Overall, people in all chars now access UP services, such as birth and marriage registration, more frequently.

> *'Now the chairman and the members know us very well as we go there very often and so they listen to us now. They try to keep our recommendation if we make one.'* [FGD with men from participant households in 2.4 high performing site]

8 Efficiency: Targeting and cost–benefit analysis

Based on quantitative evidence, this section presents evidence with respect to the following evaluation questions:

1. To what extent was the targeting appropriate?
2. What was the level of inclusion error?
3. To what extent did the programme target various social groups, such as the disabled and elderly?
4. To what extent does CLP-2 represent good VfM?

8.1 Targeting

Appropriate targeting is important for livelihood programmes insofar as it allows for the delivery of activities implemented under the programme to those groups of the population that truly need it, which in turn increases the efficiency of the interventions in achieving programme outcomes.

In this section we consider CLP's targeting performance from two perspectives: (a) meeting the targeting criteria set out by the programme itself, and (b) poverty targeting performance, i.e. to what extent the programme was able to identify the poor, for targeted delivery of benefits to them.

8.1.1 Targeting of households that meet the CLP-2 eligibility criteria

In order to assess CLP-2's targeting efficiency we compare the CLP-2 eligibility criteria to some key indicators of households of CLP-2 cohorts at baseline.[54] Table 11 below lists key results in this regard. We focus on three key criteria in this discussion (landlessness, no livestock ownership, and no formal loan) because these could be assessed most precisely using available data.

Compliance with the 'landlessness' eligibility criterion has been limited throughout the implementation of the programme, and has ranged from 73% to 84%. While some of the landed households could have been included in error, in some cases the limited compliance reflects the complex and opaque land ownership structure in the chars.[55]

Compliance with the 'no livestock' eligibility criterion is high, but, still, 6% of new entrants of the two most recent cohorts failed to meet this criterion. That is, these households owned more than two goats and/or sheep, 10 fowl, or one shared cow.

Compliance with the 'no formal loan' eligibility criterion is nearly universal, but some of the households did enter into the programme with informal loans.[56] The difficulty of identifying households with informal loans is understandable, considering the fact that informal loans are unverifiable and can be easily concealed. However, according to our qualitative evidence, these informal loans – if taken on unfavourable conditions – could have a significant impact on the chances of participant households succeeding in the CLP.

[54] Table 1 in Section 1.1 summarises the CLP eligibility criteria.
[55] Landlessness is defined as absolutely zero decimals of land ownership, including homestead land, and having no access to agricultural land, including share cropped land or land to be inherited under Bangladesh law. Households renting homestead land are still eligible.
[56] Having no formal loan is defined as having no loan outstanding from any microfinance or credit programme.

Table 11 Eligibility-related characteristics of CLP-2 households at baseline by cohort

Characteristics related to CLP-2 eligibility	Cohorts (baseline data only)					
	2.1	**2.2**	**2.3**	**2.4**	**2.5**	**2.6**
Household has lived in the homestead for more than six months (%)	91.6	95.4	100.0	93.8	97.5	98.2
N	*405*	*410*	*424*	*451*	*441*	*453*
Household does not report any land ownership (%)	84.0	82.0	82.1	81.4	72.8	80.8
N	*405*	*410*	*424*	*451*	*441*	*453*
Household does not report livestock ownership above targeting criterion (%)	93.3	94.6	97.2	97.6	93.9	93.8
N	*403*	*410*	*422*	*451*	*441*	*419*
Household meets loan targeting requirement (%)	100.0	100.0	100.0	100.0	99.0	100.0
N	*405*	*410*	*424*	*451*	*441*	*453*
Household has no informal loans (%)	95.8	92.7	93.9	100.0	96.6	98.7
N	*405*	*410*	*424*	*451*	*441*	*453*
Note: Indicators constructed using CLP-2 household survey data at baseline. Please see Table 1 for exact definition of CLP-2 selection criteria.						

8.1.2 CLP's effectiveness in targeting the poor

In programmes that tackle poverty, targeting performance is commonly described by making reference to two types of targeting errors: error of exclusion and error of inclusion. The exclusion error is defined as the share of objectively poor households that are excluded from the programme. The inclusion error is defined as the share of programme participants who are non-poor. In order to assess the exclusion error in the present case, we would have to know the population of poor households in CLP-2 implementation areas, which in turn requires collecting data on non-participants. Since such data are unavailable, we focus only on inclusion error to assess CLP-2's targeting performance with respect to poverty.

As can be seen in Table 12, and according to our consumption poverty measure, CLP-2 has shown very low errors of inclusion that are relatively stable across all cohorts. At the respective baseline data collection point, nearly all CLP-2 participants were below the lower rural Rangpur poverty line. Therefore, the inclusion error relative to the lower poverty line was 2 to 16. Inclusion errors relative to the more generous upper poverty line were only 1% to 4%, according to our estimates. Note that the error of inclusion relative to the lower poverty line increased to 16% for the 2.6 cohort. However, it is also important to note that most of the 'erroneously included' participants still fell below the upper poverty line, and only 4% could be considered non-poor at baseline by this standard.

Table 12 Performance of CLP-2 with respect to targeting consumption-poor households

Characteristics related to CLP-2 eligibility	Cohorts (baseline data only)					
	2.1	**2.2**	**2.3**	**2.4**	**2.5**	**2.6**
Share of poor among households selected for CLP participation						
Consumption poverty (lower poverty line)	96.0	92.0	98.0	93.0	92.0	84.0
Consumption poverty (upper poverty line)	99.0	97.0	100.0	97.0	98.0	96.0
Inclusion error						
Consumption poverty (lower poverty line)	4.0	8.0	2.0	7.0	8.0	16.0
Consumption poverty (upper poverty line)	1.0	3.0	0.0	3.0	2.0	4.0
N	405	410	424	451	441	453

However, a low inclusion error does not necessarily imply a low exclusion error and while our estimates imply that CLP-2 has predominantly admitted households that were consumption poor at baseline, it may, at the same time, have excluded equally poor – or even poorer – households. We recommend that future programmes pay closer attention to targeting and conduct targeting assessment exercises to assess exclusion error, to better understand profiles of non-participant households, and to evaluate the effectiveness of CLP's evaluation criteria.

Table 13 below gives an indication of how CLP has targeted households with disabled or elderly household members at baseline, and compares these figures to HIES data. There are two key messages here: first, the share of CLP-2 participant households with a disabled or chronically ill member is close to the incidence of households with a severely or completely disabled member in the 2010 HIES data. Second, the share of households with an elderly head is, however, lower in CLP-2 households than in rural Rangpur according to the HIES 2010 data. The low proportion of households with elderly heads is notable, but does not necessarily indicate problems with the inclusion of households headed by the elderly in CLP interventions since we do not know the incidence of elderly-headed households among non-participant households.

Table 13 Percentage of households at baseline with (a) a chronically ill or disabled member and (b) elderly household heads

	CLP-2 (cohorts 2.1–2.6 at baseline)	**HIES 2010 (rural Rangpur)**
Share of disabled	6.1*	6.8**
Share of elderly-headed households (age 65 and over)	5.7	11.3

*Percentage of households with a disabled or chronically ill member in CLP survey data. **Based on functional classification of disability in HIES 2010. Percentage of households with individuals reporting severe or complete

disability with respect to seeing, hearing, mobility, remembering, communication or self-care. The number of observations for CLP-2 estimates is 3,956.

8.2 Cost-effectiveness analysis

8.2.1 Purpose and scope

This section updates recent VfM studies of CLP by incorporating our estimated impact results into cost-effectiveness ratios. The cost-effectiveness analysis enriches our quantitative impact findings by asking 'given our estimated impact, was the programme worth the cost?' and 'how much did the programme cost, for each unit of change caused by the programme?'

This study builds on recent analyses of CLP-2, which were wider in scope than the analysis presented in this section. Previous VfM analyses of CLP-2 (White, 2014; Wylde *et al*., 2015) estimated the projected beneficial impact on participant households and compared them to the cost incurred and projected this until project end. These previous analyses were wider in their scope, assessing the '3Es' of economy, efficiency and effectiveness and an overall assessment of cost-effectiveness.[57]

In contrast, the present analysis will complement existing studies by focusing on three core indicators of cost-effectiveness and by comparing the results to benchmarks. Moreover, this VfM analysis is based on actual incurred costs and estimated impacts on income consumption and poverty gap reduction. Where assumptions have been made with regard to sustainability or validity, these will be stipulated explicitly. Cost data were gathered for the financial years 2010/11–2015/16 of the CLP-2 programme and impact estimates are the result of our quantitative impact assessments, and were adjusted to the household level. (See Section 2.3 for quantitative methods and Volume II of the Final Evaluation Report (OPM 2016a) for further results.)

The scope of our analysis differs to previous studies in that (a) we consider only estimated impacts on participant households from the quantitative study rather than projected benefits, and (b) we look at a limited set of cost-effectiveness indicators. Specifically, we assess the cost-effectiveness of CLP-2 by comparing costs to increases in income, increases in consumption, and reductions in the poverty gap. As outlined in the Inception Report, the key cost-effectiveness measures reported are: (i) cost per 1 taka of increased income; (ii) cost per 1 taka of increased consumption; and (iii) cost to reduce the extreme poverty gap by 1 taka (OPM, 2015a).

Indicator (i) is a ratio that compares direct programme cost with the increases in income of participant households. Indicator (ii) compares direct programme cost to increases in household consumption. Differences in (i) and (ii) capture, amongst others, time lags or the way increases in income translate into increases in consumption. Both indicators were computed in a manner consistent with the recent VfM analysis (White, 2014; Wylde *et al*., 2015).

Ratio (iii) compares the direct programme cost of the programme for CPHHs with reductions in the poverty gap per household. While less straightforward than comparing costs to income increases, the ratio between costs and reductions in the poverty gap is indicative of targeting efficiency (since the poorer the participant household or the more numerous the poor households among programme recipients, the larger the gap reduced) and operational efficiency (since it is determined by the direct cost of transfers).

[57] A fourth E of equity is sometimes added to assess the extent to which benefits are distributed fairly. However, neither Wylde *et al*. (2015) nor White (2013) address equity.

For our cost-effectiveness study, panel results from our impact analyses were adjusted so as to aggregate them at the household level and were estimated in taka values for the present analysis (see Table 14 for our raw estimates). Note that all analyses were adjusted for inflation. As with all our impact estimates, these results represent the change in income, consumption, and poverty gap relative to baseline and *not* a year-to-year increases. They show, instead, for each time period after baseline, the estimated higher levels of each indicator for participant households compared to a state of the world in which these households did not participate in CLP-2. For the present analysis, these levels are taken to be representative of the CLP-2 participant population and in the Base Scenario to be *sustained* over the relevant time periods, without assuming further increases.

Table 14 Changes in income, consumption and poverty gap at the household level (point estimates)

	Panel			PSM	
	T=1	T=2	T=3 (avg. T=3-T=4-T=5)	Strategy B2: cohort 2.5 at T=1	Strategy C: cohort 2.5+2.4 at T=2
Change in total household income relative to baseline (BDT)	18,500	21,916	16,847	32,674	41,802
Change in per capita household consumption per month relative to baseline (BDT)	286	319	338	396	435
Change in poverty gap relative to baseline (BDT)	201	219	227	-251	-284

Cost-effectiveness is discussed here in absolute and relative terms. Absolute cost-effectiveness is given if monetised impact supersedes the cost incurred to achieve it. Of the three indicators, the cost per 1 taka of increased income is best interpreted in this manner. Relative cost-effectiveness is evaluated by means of comparing the cost-effectiveness of CLP-2 to other asset programmes globally and to cash transfer programmes in Bangladesh, as well as to *ex ante* expectations.[58]

8.2.2 Absolute cost-effectiveness

The table below reflects absolute cost-effectiveness under two scenarios – a Base Scenario and an Alternative Scenario. The Base Scenario assumes that estimated impacts for the first five years after programme start are sustained over a period of 15 years.[59] Increases in income and consumption were estimated for the first five years after baseline for participant households (T=1, T=2 and T=3+, with the latter representing an average of years three, four, and five after the beginning of the programme). In this Base Scenario we assume that the higher levels in income and consumption that are due to CLP-2 in the third period of programme participation (T=3+) would be sustained for the following 12 years.[60] For example, the difference in income relative to baseline

[58] Impacts were recorded for the periods October–September while the financial year of CLP-2 (and thus the cost) run from April/March. This was neglected in the calculations and we applied an exchange rate and discounting factor that refers to the financial year. A discount factor of 7.5% was used in this analysis as in the previous VfM studies (White, 2014; Wylde *et al*., 2015). Note that other studies cited here use a social discount rate of 5%.

[59] The timeline of 15 years ranging from 2010/2011 until 2024/25 was chosen to ensure the comparability of our ratios to those of previous VfM analyses, e.g. Wylde *et al*. (2015) simulated a cost–benefit analysis for 2007/08–2022/23 (16 years); White (2014) used the timeline 2010/2011–2026/27 (17 years).

[60] This is in addition to the three years that have already elapsed since the end of CLP participants' active enrolment in the programme at the time of the evaluation, thus bringing the total cost–benefit assessment period to 15 years.

achieved at T=3 (BDT 16,847 in the table above) will persist for the next 12 years. In contrast, our Alternative Scenario assumes that there is no future sustained impact on income or consumption at all. The only increased income and consumption levels counted are those that were estimated in the impact evaluation between 2010/11 and 2015/16, and in the subsequent years the difference between participants and non-participants dissipates (becomes equal to zero).

Under both scenarios, the CLP is cost-effective in the sense that the amount of additional income its participants receive exceed programme costs. Under the Base Scenario, the cost to increase income by 1 taka was 0.452 taka and the cost to increase consumption by 1 taka was 0.499 taka. Under the Alternative Scenario, the cost to increase income by 1 taka was 0.902 taka, and the cost to increase consumption by 1 taka was 1.06 taka. (See Table 15 below.)

Table 15 Cost to increase income/consumption by 1 Taka in the Base and Alternative Scenarios

	Impact estimate	Base Scenario	Alternative Scenario
Timeline		(2010/11 - 2024/25)	(2010/11 – 2015/16)
		T=1, T=2, T=3 (avg. T=3-T=4-T=5) until T=15	T=1, T=2, T=3 (avg. T=3-T=4-T=5)
Cost per 1 taka of increased income	*Panel*	0.452	0.902
Cost per 1 taka of increased consumption	*Panel*	0.499	1.06

As far as increases in consumption are concerned, the programme appears to be less cost-effective in absolute terms under the Alternative Scenario. Wylde *et al.* (2015) suggest that increases in consumption following an asset transfer are neither automatic nor immediate. Household members must cultivate the asset and transform it into increased income, and then increased consumption. This link between assets transfer is expected to be weakened by the use of income increases for something other than consumption, and the (expected) time lag between asset transfer and impact in the form of consumption increase (Wylde *et al*. 2015).

8.2.3 Relative cost-effectiveness

Benchmarking these results with similar programmes will put them into perspective and give an indication of relative cost-effectiveness. Weighting costs against benefits (as above) is one way to assess cost-effectiveness. However, when given the choice between several designs of livelihood and cash transfer programmes, an analysis of relative cost-effectiveness is valuable.

Our ratios of cost to increase income by 1 taka falls within the range of previous cost–benefit studies of the CLP. In the table below, the ratio between cost per 1 taka of increased income is compared to the *ex ante* expectations of the CLP programme, and to five cash and asset transfer programmes in Bangladesh. Previous VfM studies have conducted cost–benefit analyses that compared expected programme cost to expected benefits.[61] At 0.452 taka (Base Scenario), the cost per 1 taka of increased income was higher than the cost–benefit ratios estimated by Wylde *et al*. (2015) for CLP, which is partly due to the wider scope of their cost–benefit analysis, which defined benefits not only as income increases, but also income support, investment

[61] The recent Wylde *et al*. (2015) study used a micro-simulation model to estimate the impact of the livelihood programmes, including CLP-2, on poverty reduction. A cost–benefit analysis was conducted to understand for every Taka spent on the programme how much monetised benefit was generated in terms of the income support, investment and public works earnings, improved health and losses averted through plinth raising. The study compares CLP-2 to five cash transfer programmes in Bangladesh. White's (2014) study is built similarly, but with a different timeline and an exclusive focus on CLP-2. In order to compare those studies to the present one, the same discount factor but different time periods (2010/11–2024/25; 2007/08–2022/23) were used.

earnings, employment in public works, health costs averted, and averted losses due to plinths. Compared to the cost–benefit ratio of White's (2014) analysis (0.55), the cost per incomes increase ratio was lower under the Base Scenario.

Compared to the cost–benefit estimates for other livelihood programmes in Bangladesh, CLP is less cost-effective. As explained above, this could be due to the wider scope of the cost–benefit ratio. Our cost-effectiveness ratio is higher than the cost–benefit ratio used by Wylde *et al*. (2015). The CLP cost–benefit ratio (0.213) given by Wylde *et al*. (2015) is close to that of Specially Targeted Ultra Poor (STUP) (0.194) – a livelihood programme whose approach is in many ways comparable to the CLP.

Table 16 Benchmarking of cost to increase income by 1 Taka

	***Ex post* analysis**	***Ex ante* analysis**						
	CLP-2	CLP[62]	Shiree	STUP	OTUP	PRIME	Pension	CLP-2
Cost per 1 Taka of increased income	0.452 (Base Scenario) 0.902 (Alternative Scenario)							
Cost–benefit ratio		0.213	0.135	0.194	0.067	0.020	0.185	0.55
Studies, time periods, time lines	2010/11 – 2024/25 – 15 years	Wylde et al. (2015) - Cost Benefit Analysis - 2007/08-2022/23 – 16 years						White (2014) - 2010/11 – 2026/27 – 17 years

Note: OUTP = Other Targeted Ultra Poor; PRIME = Programmed Initiatives for Monga Eradication.

International comparisons of CLP's cost to increase consumption also point to the relatively low cost to benefit ratio of the CLP. The following table places CLP-2's ratio of cost per increase in consumption against that of six other pilot projects globally and against another asset transfer programme in Bangladesh. A study on asset transfer programmes in six different countries (Banerjee *et al*., 2015) provides a comparison of costs per increases in consumption. Under the Base Scenario, the cost to increase consumption by 1 taka was lower for CLP-2 than for livelihood programmes in Ghana, Pakistan, Honduras, and Peru. The cost-effectiveness of Ghana's programme was comparable to CLP's under the Alternative Scenario.

The cost-effectiveness of Bangladesh's Targeting the Ultra Poor Programme (TUP) in increasing consumption is significantly better that that of CLP, but its target populations and the mix of interventions are not comparable. TUP, a livelihood programme in Bangladesh, achieved a significantly lower cost per consumption increase than CLP-2 (0.153 taka versus 0.499 to 1.063 taka). It must be recognised, however, that TUP includes two different programmes – STUP, whose participants and the nature of interventions are similar to CLP, and TUP, whose participants tend to be better-off economically and who receive different types of support (with a greater share of assistance focused on micro loans and self-help). Moreover, Bandeira (2016) applied a lower social discount rate (5%) and assumed that changes in consumptions would be sustained perpetually rather than for a limited number of years (13 years in our case).

[62] The timeline of Wylde *et al.* (2015) for CLP starts 2007/08. It is assumed that they used cost and benefit data from CLP 1 and CLP-2.

Table 17 Benchmarking of cost to increase consumption by 1 Taka

	CLP-2	TUP	Ethiopia	Ghana	Honduras	India	Pakistan	Peru
Cost per increase in consumption	0.499 (Base Scenario) 1.063 (Alternative Scenario)	0.153[63]	0.549	1.075	2.32	0.327	0.787	0.980
Discount rate	7.5%	5%	7%,					
Study		Bandeira (2016)	Banerjee *et al.* (2015)					

The cost to reduce the poverty gap by 1 taka is compared to results for CLP-2 and five other cash transfer programmes from previous VfM studies by White (2014) and Wylde *et al.* (2015). Without distinguishing between short-term and longer term effects, White (2014) concluded that the cost to reduce poverty gap by 1 taka was 2.08 following DFID's recommended approach for cash transfers. Following his steps, this present analysis rendered a value of 1.38. However, White's methodology is based on transfers rather than impacts, which renders it less comparable to our study.

Comparing the ratio to Wylde *et al*.'s analysis (2015) is difficult as their methodology of computation is unknown. International benchmarking suggests values in the range of between 1 and 8 are common for this ratio (Wylde *et al*. 2015: xiii). At a cost of 0.968 taka to reduce the poverty gap by 1 taka under the Base Scenario and a cost of 2.082 taka to reduce the poverty gap by 1 taka under the Alternative Scenario, this present analysis found the cost of CLP-2 to reduce the poverty gap by 1 taka to be well within this range.

8.2.4 Conclusions and limitations

To conclude, there are four key message of our VfM analysis:

Regardless of whether impacts on income increases will be sustained or not, CLP-2 is cost–effective in that the increases in income outweigh the costs to achieve them. The cost of CLP-2 to increase income by 1 taka was higher than expected in previous VfM studies and observed in comparable asset and cash transfer programmes in Bangladesh, which might be due to the wider scope of previous VfM studies.

Costs incurred under CLP-2 to increase consumption are lower than the impact obtained in the Base Scenario, and only slightly higher in the Alternative Scenario. Moreover, CLP-2's cost ratio is lower in this regard than that of other international asset transfer programmes. However, the ratio is higher than a comparable national asset transfer programme, which is likely due to the high cost of the infrastructure programme which is a part of CLP-2.

The present analysis rendered ratios that fall within the international range common for such programmes, but comparability across studies is limited. The extent to which our ratio of cost to reduce the poverty gap can be compared to previous studies is limited since the

[63] We exclude increases in household assets from the benefits and assumed costs were discounted to year 0. Bandeira uses estimated consumption increases for four years and assumes this consumption increase will be permanent. Also, we turned around the benefit/cost ratio to a cost-benefit ratio. Social discount rate = 5.

methodologies previously used could not be replicated with the impact results (White, 2014) or were unobtainable (Wylde *et al.*, 2015).

Cost-effectiveness comparisons of asset transfer programmes to cash transfer programmes should be considered with care. In cash transfer programmes, transfer and administrative costs are measured alongside household poverty gap reductions within a given period (typically one year). However, in asset transfer programmes there is an expected time lag – exceeding one year – between asset transfer and impact in the form of consumption or income increases. (Wylde *et al*., 2015). This makes short-term comparisons between cash transfer programmes and asset transfer programmes less reliable. Nor is the link between asset transfer and increased consumption automatic, as households must transform the asset into increased incomes themselves.

9 Sustainability of CLP-2's impact

Throughout this report we have interpreted results with an eye on understanding how sustainable the social and economic changes are that CLP-2 has been responsible for in the lives of participants, both directly and in terms of the larger context within which households operate. In this section, we summarise our findings with respect to this question of sustainability.

The following questions guided analysis of sustainability:[64]

1. To what extent is the graduation of people from CPHHs according to CLP's graduation criteria sustainable?

2. How sustainable are other observed impacts over time and what are the perceptions about the future sustainability of these impacts beyond the CLP implementation phase?

3. What are the major factors that drive sustainable graduation?

It is important to reiterate here that there are several reasons why it is difficult to make very strong statements about the future sustainability of the CLP-2 intervention in the context of the present evaluation. First, all data (quantitative and qualitative) that were used and collected in this evaluation derive from a context in which CLP-2 is still present and operating in the char areas. In particular, CLP has been implementing some re-sweeps with respect to infrastructural activities in areas that – according to the standard intervention timeline – should not receive such support anymore.

We have incorporated information on these activities in our quantitative analysis to correct for this as much as possible; however, some additional effects, spillovers, and unintended consequences of these activities may still undermine the robustness of our statements about the future situation of participant households, because there is no way to exactly know how the lives of participant households will develop once CLP-2 completely stops all activities in the area.

Qualitatively, we have collected information on individuals' perceptions regarding the future sustainability of intervention effects. In addition, for our research sites we also collected information on whether interventions and institutions are still in existence and why. Whilst not representative, these data do offer important insights into the reasons why certain interventions and institutions phase out, while others remain.

In addition, the issue of sample attrition due to extreme erosion shocks and migration of participant households also constrains our ability to make statements about CLP-2's sustainability with respect to such shocks. As described in previous sections, we have some ability to check for such shocks and to control for attrition – but only for households that the quantitative survey was able to follow-up with. However, it is not possible for us to know about the lives of households that experienced erosion and decided to migrate to other areas where the survey could not follow-up with them. It was also not possible to follow-up with such households qualitatively.

Despite such caveats, there are several positive conclusions that can be made with respect to the sustainability of CLP-2's effects:

1. **We find no significant evidence for a reversal of CLP-induced improvements in the welfare of participant households.** Across all quantitative analyses, this evaluation does

[64] The qualitative analysis developed an expanded list of questions related to sustainability, which are discussed in Volume II (OPM 2016a).

not find any significant evidence for a reversal of the positive changes in wellbeing of participant households at year three or more after baseline. This is a consistent finding across several outcome indicators and methodological approaches employed, and includes correcting for attrition and re-sweeping activities by CLP-2. This is also consistent with the international literature on the sustainable positive effects of programmes similar to CLP-2. (Banerjee *et al.* 2015).

2. **CLP created resilience to shocks.** We find quantitative and qualitative evidence that being affected by erosion or floods (especially the former) does significantly decrease households' ability to benefit from CLP-2. However, we also find quantitative and qualitative evidence that this inhibiting effect is less severe for households that have received the full support from CLP-2 and that have been able to build coping strategies over time. This leads to a mixed conclusion: on the one hand, this is a very positive finding that supports the notion that CLP-2 participant households move sustainably out of extreme poverty despite the adverse circumstances in which they live. At the same time, future exposure to erosion and flood shocks in a situation where CLP support is fully withdrawn may erode the resilience of households.

3. **CLP-2 did not create a situation in which households continuously increased their level of wellbeing.** Across our quantitative analyses, we find that the largest proportion of CLP-attributable gains in welfare were achieved at year one after baseline. In the subsequent years, our results indicate that CLP participants maintained a constant level of welfare levels – but did not increase those significantly.

4. **Qualitative analysis points to the introduction of some sustainable institutional practices.** Our qualitative analysis has taken an institutional perspective on sustainability, with the aim of identifying practices and institutions that have taken root in the CLP communities and can be expected to persist in the absence of the CLP intervention and to continue delivering positive social and economic impact. The following institutions are likely to be sustainable, although caveats regarding the limited generalisability of qualitative findings apply:

    a. **VSLs.** The qualitative research found that VSLs are very popular amongst CLP participants and spillover to non-participants is a frequent phenomenon in our research sites. In all research sites – including the ones from earlier cohorts – VSLs were active and re-formed whenever possible if previous groups fell apart due to migration or erosion. This finding is very notable, especially if compared to the VDCs, which were not active in their original form in any of the sites, even recent cohorts. The findings on this are the same across our sample, which could be seen as an indication that this finding might hold true across all CLP sites.

    b. **Sustainable agricultural practices adopted through knowledge spillovers and market-based interventions.** The adoption of new agricultural practices and livestock rearing practices was successful across all qualitative research sites, even though the extent of the adherence differed slightly. Nonetheless, chars dwellers reported having adopted new practices, either through CLP teaching or by observing participants, and by and large were willing to pay for the services of LSPs after the phase out of the voucher programme. The type of services people were willing and able to pay for differed across cases, but curative care was a service all char dwellers in our research site were technically willing to pay for, resources permitting. As long as people's income remains secure, this presents a very positive finding and suggests that the changes will be sustainable.

Overall, the combination of evidence from the quantitative and qualitative analysis suggests that CLP promoted sustainable resilience to shocks and introduced several institutions that are likely to continue delivering socio-economic impact, but it did not create sustainable growth among CLP participant households, which still leaves CLP graduates vulnerable to erosion and floods. However, we are constrained in our ability to extrapolate this far into the future. One of the key recommendations of this evaluation therefore is re-visiting CLP-2 intervention areas in the future and tracking participant households, with the explicit objective of conducting a quantitative and qualitative sustainability assessment.

10 Key findings, lessons, discussion and recommendations

The following section summarises the findings on the key evaluation questions, discusses those findings, and presents recommendations for future programmes in Bangladesh, as well as lessons for livelihood programming globally.

10.1 Key findings

10.1.1 Graduation

How many members of CPHHs met the graduation criterion developed by CLP-2?

Graduation rates, based on the composite graduation criterion developed by CLP-2, have continuously increased throughout the duration of the programme, for all cohorts. By October 2015, about 90% of CLP-2 participant households met the graduation criterion, which approximately translates into 69,000 households and 276,000 people living in those households. (See section 3.)

What are the major factors that cause graduating households to become non-graduated?

In order to answer this question both qualitatively and quantitatively, the term graduation here was interpreted widely to refer to welfare improvement. Our research, presented in section 4.2, points to the following factors serving as barriers to welfare improvement and graduation:

Erosion and flooding shocks significantly lowered the graduation chances of CLP participants. Nevertheless, even those participants who experienced such shocks significantly improved their graduation outcomes, albeit at a slower pace. Furthermore, the impact of shocks on graduation was lower when those shocks occurred later in the project cycle, after CLP participants had accumulated means of coping with them. Female-headed households were also less likely to graduate from CLP than male-headed households, but just as likely to experience consumption poverty reduction.

CLP achieved lower consumption poverty reduction in households with high dependency ratios, due to the limited amount of spare labour and limited ability to engage in multiple income-generating activities in such households. However, dependency ratios did not affect participants' graduation rates.

We find no significant differences in CLP's impact of consumption poverty reduction and graduation between households with disabled members and those without such members, which gives reason to believe that CLP tended to eliminate possible barriers to the advancement of participant households with disabled members.

These findings should be considered robust as they have been corroborated by both quantitative and qualitative evidence.

Our qualitative research points to a range of other factors that chars dwellers perceived as playing a significant role in determining households' success and failure in CLP: connectivity to the mainland; death, health, and dowry shocks; debt when entering the programme; and access to credit through VSL groups. These findings could not be tested quantitatively and hence are less generalisable than other findings.

10.1.2 Poverty

What is the number of people from CPHHs lifted out of extreme poverty – as defined by the CLP-specific poverty line? What was the impact of CLP-2 on this number?

CLP-2 has significantly reduced the consumption poverty headcount rate among participants. This reduction in consumption poverty is sustained several years after the baseline measurement. After three or more years in the programme the poverty rate among participant households is on average 37 percentage points lower than otherwise would have been the case without CLP-2. This means that an average of 28,000 households and about 113,000 individuals have been lifted out of extreme consumption poverty due to CLP-2 three years or more after baseline. We find similar positive effects of CLP-2 participation on asset poverty. (See section 4.1.)

What was the impact of CLP-2 on the poverty gap?

On average, the poverty gap among CLP-2 participants fell by 12 to 15 percentage points one year after baseline – a change that was sustained in year two, three, or more after baseline. This indicates that even among individuals that remained consumption poor after participating in CLP-2, there has been a significant increase in the consumption levels, i.e. they moved closer to the poverty line. (See section 4.1.1.2.)

10.1.3 Livelihoods

How have livelihoods of CPHHs changed in the following areas: income, expenditures, savings, and assets?

Similarly to consumption poverty, asset poverty and household income and expenditures improved for participant households, with the biggest improvement occurring in the first year, which was then sustained for several years. For instance, descriptive statistics point to an average of a 57 percentage point decline in asset poverty three to five years after enrolment.

Quantitative and qualitative evidence shows that cash saving levels have increased as a result of CLP-2. However, they are lower than anticipated by the programme. The qualitative research illustrates that this is due to the fact that chars dwellers conceptualise savings as part of their financial strategies and not just as a cash accumulation strategy. In other words, whilst CLP has resulted in people saving cash, the amount remains lower than expected, as respondents re-invest the bulk of their cash in jewellery and productive assets which can be liquidated if needed. Consequently, respondents in our research locations did not conceptually think that saving for future expenses required large amounts of cash.

What was CLP's impact on this?

Based on the panel estimates, our impact analysis shows an increase of 4,368 BDT in per capita year income attributable to CLP-2 three to five years after enrolment, and a 35 percentage point decrease in asset poverty. Similarly, household cash savings have increased, on average, by 2,703 BDT – but with large variation across households.[65] Qualitative accounts indicate that CLP-2 triggered a socio-economic transformation that – in addition to changing economic activities and livelihoods in the narrow sense – involved changes in social relations and norms, the opportunity structure, and aspirations. (See sections 4.1.2, 5, and 7)

[65] Please see Volume II (OPM 2016a) for a point estimate of reported increase in expenditures in BDT.

10.1.4 Sustainability

To what extent is the graduation of people from CPHHs according to CLP's graduation criteria sustainable? How sustainable are other observed impacts over time and what are the perceptions regarding the future sustainability of these impacts beyond the CLP implementation phase?

We find that graduation and welfare improvements are sustainable in the short term, in that the graduation rates and welfare improvement achieved during the active stage of participation in CLP-2 were sustained by CLP participants over two to four years after exiting the programme. The qualitative analysis is consistent with the quantitative analysis on this issue.

CLP created resilience to erosion and flood shocks, but – according to quantitative and qualitative evidence – these shocks were still able to undermine the improvements in welfare achieved by CLP-2, especially when they were experienced earlier in the project cycle, before participants developed the capacity to cope with them.

At the same time, CLP-2 did not produce continuous sustainable *growth*, as indicated by the fact that average incomes and consumption poverty reduction plateaued after the second year in CLP-2. (See section 9.)

What are the major factors that drive sustainable graduation?

To answer this question, we rely on findings that have also been used to answer the question related to the factors that cause graduating households to become non-graduated. Key factors in achieving the sustainability of graduation and poverty reduction are: (b) protection from shocks through plinth creation; (b) diversification of income sources and availability of spare labour in households that allows for multiple income-generating activities to be pursued; (c) continuous reinvestment of income in productive assets; (d) introduction of sustainable institutional practices (such as VSLs) and market linkages to traders and LSPs; and (e) transfer of knowledge on livestock rearing and farming techniques. Our findings on the role of erosion and flooding shocks and the availability of spare labour are very robust. We have less confidence in findings regarding the other factors as they rely on qualitative data only.

10.1.5 Efficiency

To what extent does CLP-2 represent good VfM?

CLP-2 is cost-effective in that the increases in household income achieved substantially outweigh the costs to achieve them. However, compared to the cost–benefit estimates for other livelihood programmes in Bangladesh, CLP is less cost-effective, which can in part be attributed to the sizeable infrastructure development component of CLP-2, and its operation in geographically remote and very poor areas. (See section 8.2.)

To what extent was the targeting appropriate? What was the level of inclusion errors?

CLP-2 achieved low inclusion errors of 2% to 16%, depending on the cohort, as measured relative to the official lower poverty line for rural Rangpur. Inclusion errors relative to the more generous upper poverty line were only 1% to 4%, according to our estimates. Exclusion errors could not be estimated due to data constraints. At the same time CLP-2 did not always accurately implement the policy of excluding households that own some land. (See section 8.1.)

To what extent did the programme target various social groups, such as the disabled and elderly?

CLP-2 adopted poverty-based targeting and it did not explicitly implement categorical targeting of any specific social groups. Around 8% of CLP participant households have individuals with disability or a chronic illness, which is comparable to the share of completely or severely functionally disabled households in rural Rangpur in the national survey data. The share of households headed by an elderly household head is lower than the average for rural Rangpur, but it is not clear whether this is due to the exclusion of such households by the CLP or if this is simply a characteristic of the chars where the CLP-2 operated. (See section 8.1.)

10.1.6 Perceptions regarding changes in the local economy

How have livelihoods and the local economic context changed as a result of CLP-2?

Livelihoods of CLP participants and chars dwellers in general have changed as a result of CLP-2. The improved agricultural and rearing practised promoted by the programme were widely adopted and reportedly lead to higher volumes of production and improved quality of produce and goods. LSP's are widely called upon by chars dwellers. However, mostly for curative services. Access to traders and markets did not improve significantly across the board and whether changes occurred was dependent on a range of contextual factors. (See section 6.)

10.1.7 Others: female empowerment

How have indicators related to these areas changed? What was CLP's impact on these indicators?

CLP-2 empowered female participants by promoting their control over assets, improving their access to credit, and investing in their skills. CLP-2 female participants reported higher rates of participation in decision-making within the households and qualitative evidence points to their greater engagement in their communities, in some cases using VSL groups as a platform for collective action. Despite CLP's efforts to discourage the payment of dowries, this practice continues. (See section 7.)

10.2 Recommendations and lessons

We recognise the success of CLP-2 in promoting transformative social and economic change among its participants and their broader communities, which has led to significant gains in graduation and welfare outcomes. At the same time, our qualitative and quantitative analyses point to a number of directions in which the implementation and management of programmes similar to CLP-2 could be further strengthened, and we summarise these in a series of recommendations.

10.2.1 Recommendations for future livelihood programming

13. **If working within the context of the chars, assess the effectiveness and relevance of interventions related to erosion and flood protection.** Specifically**:**

    a. **Consider whether and how plinth construction practices could be further strengthened or modified.** Plinth construction is crucial for enabling participant households to resist devastating environmental shocks. However, our findings show that, despite plinth raising, erosion and floods negatively impact on participant households' lives. If implemented within the context of the chars, future livelihood programming should further investigate how these impacts could be further reduced.

b. **Review the current practice regarding flood and erosion grants to assess their effectiveness, and explore ways of modifying them.** The fact that our evaluation shows that erosion and floods still represent significant shocks to CLP-2 participants, in spite of the existing flood and erosion grant programmes, may be an indication of potential weaknesses in the implementation of this component of the CLP-2 programme.

14. **Our research also shows that high dependency ratios posed a structural constraint on the effectiveness of CLP-2 and future livelihood programming may want to take up the task of mitigating the impact of such ratios**. Interventions that help households to relax the burden of caring for dependents and mitigate the cost of supporting them might produce considerable gains in programme effectiveness. Such interventions may include communal interventions that provide care for infants and elderly and thus spread the dependency across multiple households. Alternatively, the introduction of productive activities suitable for older household members may prove a viable option.

15. Our research shows that the VSL component has proven to be an effective means of promoting productive investment and a vehicle of social change and collective action, especially for women. **Future programming should acknowledge the success of VSLs, both in relation to promoting savings and as a vehicle for women's empowerment, and further strengthen this component.** In particular, VSLs proved sustainable over time and popular with non-participants. CLP already worked with some non-participants, but future programmes could roll out VSLs more widely within the community, rather than relying on spillover effects.

16. **Expanding access to larger affordable loans can further improve households' ability to invest in productive assets and should be considered.** Qualitative evidence indicates there is demand for larger loans than the VSLs can provide. Increasing the size of VSL loans may not be the most effective or practical way to meet this demand as the size of the loan capital available to the VSLs is constrained by the contributions of their members and VSLs may not be equipped to manage increased default risks associated with bigger loan sizes. However, cooperation with other MFIs may open additional opportunities for affordably priced loans. CLP has worked with MFIs through its cooperation with the M4C programme – albeit on a limited scale – and CLP's experience may provide valuable lessons for further interventions in building modalities for engaging with MFIs.

17. **We recommend that future programming take notice of the tendency of CLP participants to invest in land and consider additional efforts to raise the productivity of agricultural activities.** Qualitative and quantitative data indicate that a common strategy for income source diversification is to acquire land in the second or third year after enrolment in CLP, despite the fact that loss of land to erosion or floods is a clear risk. Additional activities aimed at enhancing agricultural productivity may include providing access to high-yield crops and other inputs, instruction in more effective cultivation techniques, and improving access to markets for agricultural products. These interventions, however, should be sensitive to the type of land available, the size of land holdings, access to markets, as well as vulnerability to erosion. The latter may dictate the choice between short-and long-term productivity optimisation strategies. Additional emphasis on agricultural activities may benefit from cooperation across other development entities with relevant areas of expertise.

18. **Future programmes should clearly explain the role of vouchers as a temporary discount for veterinary services and not an entitlement to participants. They should further emphasise awareness-raising activities aimed at promoting appreciation of the value of timely veterinary care – preventive as well as curative.** Our research indicates that the

voucher system has worked in raising the awareness of participants and non-participants about the value of proper veterinary care for animals. In the absence of vouchers, CLP participants still reported a willingness to pay for curative treatments, but reduced preventive treatments for their animals. We found some evidence that using vouchers to change behaviour resulted in a certain degree of confusion around whether LSP's were independent actors or CLP employees which future programmes could avoid by making this distinction more clearly.

19. **The importance of cash savings as a policy objective should be reassessed in future programming.** Our research has shown that CLP participants did not conceive of holding stocks of cash as a means of protection from environmental shocks. Thus, the policy of promoting participants' cash saving may need to be reassessed – and particpants' perspectives on how savings are conceptualised should be taken into account. If promoting cash savings still remains a programme priority for future programmes, more resources might have to be invested in attempting to change people's saving behaviour and concrete approaches to effecting that change should be elaborated.

20. **Markets and the local economy should be developed more widely and form part of future core programming. Having access to markets and being equipped to engage with markets in an empowered way was perceived as being of crucial importance for the sustainability of change over time and for ensuring that households continue on an upward development trajectory.** Demand side interventions alone do not automatically lead to changes in the local economy. Simultaneous demand and supply side interventions were identified as an important factor by our qualitative research, as functioning markets are needed for participants to sell products and produce at a decent price and thereby improve their income situation. Whilst CLP-2 had components that actively tried to change the supply side and develop market linkages in a small sub-set of programme sites, further programmes should build on this and roll out market development components in all programme sites, as a fully integrated component of the overall programme.

21. **The approach to women's empowerment – including economic empowerment – must be more nuanced, proactive, and grounded in the fact that CLP women tend to feel more empowered in their own communities, where CLP has given them status and support.** CLP has been effective in empowering women by making them more economically active, visible in communities, and making them participants in household decision-making. Future programming may want to consider ways of taking the women's empowerment agenda forward through: (a) deliberately bringing services to the local community, for instance bringing traders or employment opportunities to the communities, where women are now freer to engage with or take advantage of them; or (b) working deliberately to remove further barriers that prevent women from going to markets on the mainland and outside their community.

22. Building resilience to shocks during the project cycle was one of CLP's key achievements. **Future programming should aim to go further and seek to promote more intensive and continuous growth despite these shocks.** Compared to non-participation, our impact assessment points to a sustained lower average level of poverty and higher welfare among participant households. It does not point to a dynamic continuous increase of consumption and welfare levels among households. A next round of livelihood programming could therefore benefit from looking into ways of promoting more intensive growth.

    Within the context of the chars, this in part could come from (a) promoting higher value-added activities in the chars, and (b) looking for growth opportunities outside of the char communities as such, since the opportunities for income generation in the isolated and disaster prone chars may be limited. Our qualitative analysis of the CLP participants shows that those of them who do well tend to use the CLP intervention as a stepping stone (or a

complement) to higher value-added activities: they trade outside the chars, and they send some of their family members to work outside the chars. M4P approaches already implemented by CLP have been shown to have considerable potential in increasing the value added by agricultural production and should be built on. Future programmes that operate in the char area could promote and build on these linkages with the mainland by better equipping char families to take advantage of the growth opportunities offered by migration through greater investment in vocational training for the youth, which would enable them to find better paid employment.

23. **A related strategic priority should be reducing the role of remoteness and distance as a factor limiting development in the chars.** Integration of economic opportunities outside the chars in the development strategy will mitigate one of the biggest constraints on char development: remoteness and lack of connection to the mainland. Investing in skilled migrant labour can also be seen as a way to mitigate the constraints imposed by the chars' remote location. However, policies around migration should be carefully calibrated to ensure consistency with the policies of the GoB regarding migration.

24. **Similarly, future programmes which operate in the chars could build on recent improvements in the quality and accessibility of money transfer services that can support the flow of resources from employment outside the chars.** The possible nature and scope of the integration of money transfer services would depend on the situation of specific communities. Potential interventions could include awareness-raising among service providers (as with traders), financial literacy, etc.

10.2.2 Improving monitoring and evaluation

The current evaluation has revealed a number of gaps in the monitoring and evaluation approach that was adopted by CLP-2. We recommend that the following steps be taken to strengthen the monitoring and evaluation of future programmes:

25. **Include non-participants in data used to assess programme impact.** The CLP-2 annual household survey datasets only contained data from CLP-2 participants. Data from a panel of non-participants which are similar to participants should be included in future data collection efforts. This would help to (a) better assess the targeting effectiveness of the programme, (b) obtain better counterfactuals for the identification of programme impact, and (c) measure spillover effects of the interventions.

26. **Revisit CLP-2 intervention areas in the future, by tracking participant households, with the explicit objective of conducting a quantitative and qualitative sustainability assessment.** This recommendation flows from our findings on sustainability (presented in section 9), which indicated that we were not able to assess future sustainability of CLP-2 impact. In order to do so, we recommend that participant households should be re-visited in the future.

27. **Consider modifying the annual survey sample design for the purpose of calculating representative statistics at disaggregated levels.** For instance, stratification of the sample by district as well as cohort (which was the practice adopted by the CLP) would be especially informative.

28. **Improve consumption measures in the monitoring survey by**:
    a. being sensitive to the risk of introducing noise or bias in the consumption measures and minimising seasonality effects of certain events, especially Eid Al-Adha and monga; and

b. better aligning the consumption module to the HIES consumption module, to ensure better comparability. While it might not be feasible to implement a full consumption module, a reduced consumption module that is based on the main components of consumption identified by HIES would constitute an improvement.

29. **Accounting for attrition and recording reasons for attrition should be strengthened**. In our quantitative analysis, we were able to control for sample attrition and implemented sensitivity analyses with respect to the effect that attrition had on our estimates. More careful accounting for attrition and recording the reasons for attrition would help to address this more comprehensively.

30. **Consider updating graduation indicators by including more nuanced measures of women's empowerment** that differentiate between households' status and that capture the diversity of experiences with respect to women's empowerment.

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