

# Impact and Reach of BRAC's Graduation Approach

In 2002, BRAC pioneered the Ultra-Poor Graduation (Graduation) approach in Bangladesh, the first holistic intervention to help people lift themselves from extreme poverty, after recognizing that existing poverty alleviation programs were not reaching the poorest people. Through the provision of livelihood assets, cash transfers, and continued mentoring and training, the Graduation approach addresses participants' multidimensional needs within the local context and helps the world's poorest people transition to greater self-sufficiency, autonomy, and dignity.

Since its development, the Graduation approach has been implemented and integrated into existing programs around the world. A robust body of research shows the intervention provides the "big push" needed to help people escape the poverty trap long term. Below are evidence-based findings of BRAC's Graduation approach that exhibit its scalability and sustainability.

## Breaking the Poverty Trap for the Long-Term

Based on BRAC's Graduation program in Bangladesh, 93 percent of participants experienced sustained benefits seven years after the program ended. This included a 37 percent increase in earnings, a nine percent increase in consumption, a ninefold increase in savings rate, and a twofold increase in household assets and access to land for livelihoods.<sup>1</sup> These results demonstrate the effectiveness of Graduation and its ability to sustainably break the poverty trap. By helping participating households build sustainable livelihoods and experience continued upward mobility, Graduation has enabled both current and former participants around the world to be more resilient and withstand major shocks.

## Promising Potential for Scale

In Bangladesh, BRAC's flagship Graduation program has reached more than nine million people in 2.1 million households, 'graduating' 95 percent of beneficiaries out of extreme poverty.<sup>2</sup> A 2018 UNDP and LSE study that simulated the potential macroeconomic impacts of scaling Graduation across Cambodia predicts this would not only reduce poverty for the poorest people but also include them in their local economies, thereby stimulating economic growth for entire communities.<sup>3</sup>

## BRAC's Graduation Programs & Pilots



## Reach Can Be Felt Worldwide

Building off the long-term success of the Graduation program in Bangladesh (formerly known as Targeting the Ultra-Poor (TUP)), BRAC has directly implemented and provided technical assistance on Graduation in 13 additional countries since Graduation was established in 2002. Additionally, more than 100 partners in nearly 50 countries have adapted the approach to reach approximately 14 million people in three million households worldwide.<sup>4</sup>

## Leverages Existing Resources and Social Protection Programs

BRAC's Ultra-Poor Graduation Initiative (UPGI) provides advisory services and technical support to governments of varying capacities across Africa and Asia on integrating Graduation into existing social protection systems to make them more inclusive and effective for the poorest people. BRAC UPGI has worked with government partners in the Philippines, Kenya, Rwanda, Lesotho, Guinea, Zambia, India, and Pakistan, among others, adapting the approach for the local context and effectively integrating into existing government programming and policies.

## Highly Adaptable for Local Contexts and Marginalized Groups

The Graduation approach can be adapted to meet the

<sup>1</sup> Bandiera et al. (2017) and [\(Balboni et al. 2016\)](#)

<sup>2</sup> CGAP (2011), [Reaching the Poorest: Lessons from the Graduation Model](#)

<sup>3</sup> LSE/UNDP [Social Protection Report](#) (2018)

<sup>4</sup> Arévalo et al. (2018), [PEI State of the Sector Report](#)

<sup>5</sup> Ibid

unique needs of varying contexts and vulnerable groups. Reviews of Graduation pilots in six countries demonstrated strong positive impacts that sustained over time despite large differences in regions, cultures, market access and structures, subsistence activities, and implementing organizations.<sup>6</sup> BRAC and partner organizations have successfully adapted the programs beyond rural contexts in order to meet the needs of communities living in urban, climate- conflict-, displacement-affected contexts, as well as for a variety of populations including women, youth, host communities, and persons with disabilities.

## Builds Resilience and Greater Self-Reliance

In fragile and climate-vulnerable contexts, Graduation's resilient livelihoods and training components build the adaptive capacity of those living in extreme poverty, and a majority of participants are able to sustain progress or make further progress years after the program despite major shocks from conflict and disaster.<sup>7</sup> Evidence from May-June 2020 demonstrates that Graduation has enabled 95 percent of participants in Bangladesh to remain engaged in income-generating activities during the COVID-19 pandemic.<sup>8</sup> The program facilitated greater social inclusion in Bangladesh by connecting participants to Village Social Solidarity Committees (VSSC) and registering all participants with local government, resulting in almost half (49 percent) immediately receiving government assistance in the form of food, cash, hygiene products, medical support, and agricultural supplies as of June 2020.<sup>9</sup> In the Philippines, an assessment conducted in July 2020 showed that 99 percent of Graduation participants reported a high understanding of hygiene awareness, 93 percent received cash from the national government, and 89 percent continued income generation during lockdown by having livelihoods designed to be easily adaptable and shock resistant.<sup>10</sup>

## Empowering Women and Girls

Through savings groups, mentorship, and socially-inclusive activities, Graduation enables the poorest women to gain confidence and develop more equitable relationships within their households and communities. In an evaluation of Graduation pilots led by the Government of Kenya (PROFIT program) with technical assistance from BRAC, the economic benefits of Graduation were reinforced by a 27 percent increase in women's confidence in terms of obtaining loans, sending their children to school, and joining committees and savings groups.<sup>11</sup> The Graduation

approach further empowered women at the household level by increasing participation in income-generating activities and improving relationships with their spouses and other family members.<sup>12</sup> At the community level, women became visible in areas they previously had limited access to, such as local community leadership.<sup>13</sup> A review of BRAC's Ultra-Poor Graduation program in Afghanistan found similar effects, showing that women's decision-making over their own bodies and time increased, and they had greater political involvement and social capital such as having identity cards and reaching out to community leaders as a result of the program.<sup>14</sup>

## High Return on Investment

Graduation as a package of direct services is cost-effective for sustainably lifting households out of extreme poverty. A 2019 report from the UK's public foreign aid watchdog cited BRAC's Graduation program as one of the "best buys in development." Overall implementation costs per household of Graduation can vary between USD\$300-\$2,000, depending on the context. In Bangladesh, it costs USD\$500 per household over two years to achieve this transformation for a family. Given the long-lasting impacts found by RCTs, academics estimate that, for every dollar spent on the intervention, there is a return of USD\$2-5 worth of benefits depending on program design.<sup>15</sup> However, the cost-benefit return is highly contextualized and based on a particular program at a particular time. The cost-benefit of the program in Bangladesh, where BRAC implements the program directly, is not applicable when the Graduation approach is integrated into existing social protection programs and policies where resources are already committed and leveraged to reduce upfront costs. Additionally, existing cost-effectiveness impacts have been calculated based on mostly rural and stable contexts. More evidence is needed in fragile settings, and settings with very limited market activity.



<sup>6</sup>Banerjee, et al. (2015) [Development economics. A multifaceted program causes lasting progress for the very poor: Evidence from six countries](#), Science 348, no. 6236: 772-790.

<sup>7</sup>CGAP (2011), Reaching the Poorest: Lessons from the Graduation Model, and Bedoya et. al (2019). World Bank. [No Household Left Behind: Afghanistan Targeting the Ultra Poor Impact Evaluation](#) (2019) Guadalupe, et al.

<sup>8</sup>BRAC UPGI (2020), [Adapting the Graduation Approach in the Philippines](#).

<sup>9</sup>BRAC. (2020) [Ultra-Poor Graduation Programme's response to COVID-19](#).

<sup>10</sup>BRAC UPGI (2020), [Adapting the Graduation Approach in the Philippines](#).

<sup>11,12,13</sup>BRAC UPGI (2019). [Reducing Extreme Poverty in Kenya: Impact of PROFIT Financial Graduation](#).

<sup>14</sup>(Bedoya et al., 2019). [Some good news from Afghanistan](#), Markus Goldstein, June 12, 2019

<sup>15</sup>Independent Commission for Aid Impact, "[DFID's Partnerships with Civil Society Organizations: A Performance Review](#)," April 2019

<sup>16</sup>Fahey (2015, 10) "[Building Stable Livelihoods for the Ultra-Poor](#)." IPA &J-PAL.