

Impact and Reach of the Graduation Approach

Graduation is a multifaceted, sequenced set of interventions designed to address the unique circumstances people in extreme poverty face within the local context and delivered over a 2-3 year period. The approach was established in 2002 to provide people in extreme poverty the resources and skills needed to realize their potential and escape the poverty trap after discovering existing poverty alleviation programs were not reaching those furthest behind.

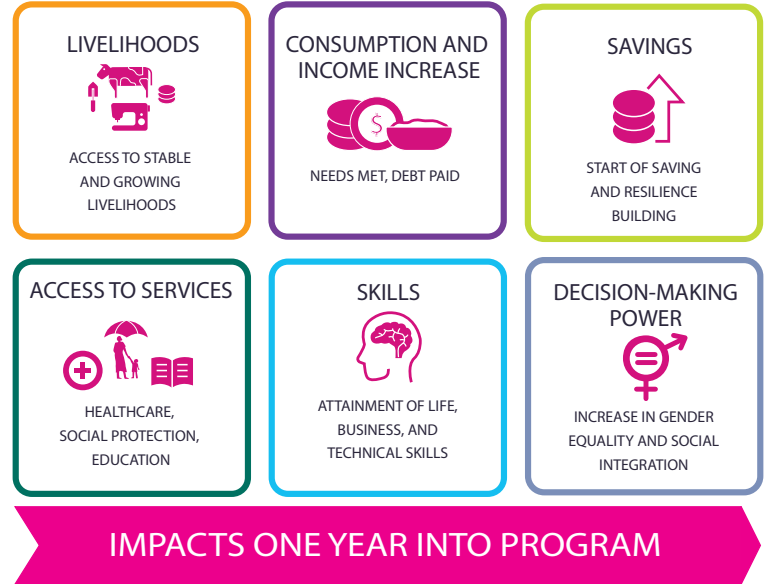
Based on its robust evidence base and proven impact, Graduation has received recognition from development actors and researchers as an effective approach for combating extreme poverty while being adopted and implemented worldwide. Below is an overview of key evidence backing the impact, scalability, and sustainability of the Graduation approach.

Addresses Multidimensional Nature of Poverty

The Graduation approach is designed to respond to the multidimensional nature of extreme poverty - which goes beyond a lack of income. It combines a series of sequenced investments in self-confidence, social inclusion, resilience, basic needs, skills in business, finance, and life, as well as new livelihood opportunities - all facilitated through in-person coaching.

After the first year in the program, participants have access to stable, diversified, and growing livelihoods that are measured by increasing asset value and income sources. They start to build their savings, as well as attain and apply life, business, and technical skills as their income and livelihoods grow. They and their families are eating consistent, nutritious meals and children are attending school. These impacts are captured by monitoring and Graduation criteria, which are used during the program to track progress and at the end of the program to measure impact.

Over time, research has shown that these positive impacts continue to increase years after “graduating” from the program. The combination of economic



and social interventions within Graduation programs unlock these long-lasting benefits by meeting people’s multidimensional needs. The psychological support and social inclusion provided by coaches in Graduation programs, for example, deliver a greater return on investment than cash alone.¹ Ongoing coaching helps participants build resilience by empowering them to save, diversify their sources of income, access safety nets, and develop coping mechanisms to major shocks caused by climate change, pandemics, conflict, and more.

An Investment with High Returns Over Time

The Graduation approach is an investment with returns that grow over time. Four years after participants started the program, Graduation has delivered benefits to households which equal 100% of program costs. As soon as 3 to 4 years after the initial intervention, Graduation programs deliver greater household benefits - including greater consumption, income, and savings - than stand alone interventions like single cash transfers or livelihoods programs.²

¹ Bossuroy et al. (2022) [Tackling psychosocial and capital constraints to alleviate poverty](#)
² Banerjee et al. (2021) [Long-term Effects of the Targeting the Ultra Poor Program](#)



Reach Can Be Felt Worldwide

The wealth of rigorous evidence available, which demonstrates Graduation is capable of breaking the poverty trap and successfully keeping participants out of poverty long term, has influenced widespread adoption, implementation, and integration of the approach into existing programs. It is estimated that Graduation programs have been developed in nearly 50 countries by more than 100 organizations, including governments.⁵

Governments are Adopting Graduation

In order to address the multidimensional nature of extreme poverty and achieve long-lasting results, governments around the world are investing in multifaceted approaches like Graduation and building them into existing programs like social protection schemes. We estimate that more than 15 governments have developed Graduation approaches across Latin America, Africa, and Asia.⁶ Among them include governments in Kenya, Pakistan, the Philippines, and South Africa, all of which have integrated Graduation elements into existing systems to better meet the long-term needs of those furthest behind.

Governments are Scaling Graduation

Several governments are leading the way on scale, reaching hundreds of thousands of households. The Bihar Rural Livelihoods Promotion Society (BRLPS), locally known as JEEViKA, is the state's implementing agency of the National Rural Livelihoods Mission (NRLM), and has a Graduation program known as Satat Jeevikoparjan Yojana (SJY). SJY aims to boost the human capital of the poorest and most excluded households through support of consumption and livelihoods, savings, and training.⁷

The Government of Ethiopia integrated Graduation elements into its social protection system, the Productive Safety Net Program (PSNP) in 2005 to reduce poverty, increase productivity, support livelihoods and ensure food security of people in extreme poverty. PSNP is now in its fifth stage, and the second largest social protection program in Africa reaching more than 100,000 households.

"It's very clear that ten years later, the people who got the Graduation program are around 25 percent richer [than the control group], both measured by consumption and income." -Abhijit Banerjee

Ten years after starting a Graduation program in West Bengal, India, participants saw approximately 4x gains in household consumption gains compared to program investment outlays. These returns may go as high as 11x over their lifetimes if those gains persist, according to long-term research by Nobel Laureates Abhijit Banerjee and Esther Duflo.³

Adaptable for Local Contexts & Communities

The Graduation approach can be adapted to meet the unique needs of those furthest behind in varying contexts and communities. Reviews of Graduation pilots across six vastly different countries - Ethiopia, Ghana, Honduras, India, Pakistan, and Peru - demonstrated broad and lasting economic impacts despite large differences in regions, cultures, market access and structures, subsistence activities, and implementing organizations.⁴

Governments and implementing partners have adapted Graduation to meet the needs of communities living in urban, climate, conflict, or displacement-affected contexts, as well as for a variety of populations that are marginalized and among those furthest behind, including women, youth, host communities, and persons living with disabilities.

⁵ Arévalo et al. (2018) [State of the Sector: Synthesis Report](#)

⁶ Andrews et al. (2021) [The State of Economic Inclusion Report 2021: The Potential to Scale](#)

⁷ Kapoor et al. (2022) ["A 'big push' that can put India's poorest women on the path to self-sufficiency."](#)

³ Ibid

⁴ [Building stable livelihoods for the ultra-poor](#) | The Abdul Latif Jameel Poverty Action Lab